

Socioeconomic tools for oil shale development

Jim Evans, and Julie Justus, Cordilleran Compliance Services, Inc.

The paper will address the differences in socioeconomic tools that now exist in Colorado compared to those available at the start of the last oil shale development cycle. Some basic questions will be posed and answered:

- What did we learn from the last oil shale cycle?
- Are Colorado and its local governments prepared for oil shale development now?

Federal, State and Local socioeconomic tools and programs will be described and analyzed. The history and availability of the following tools and programs will be examined:

Federal

- Mineral Leasing Program
- Federal Payments-in- lieu of Taxes (PILT)
- BLM Resource Management Plan "Carrying Capacity" provisions

State of Colorado

- Oil Shale Trust Fund (OSTF)
- Joint Review Process
- Energy Impact Program
- State Severance Taxes and Severance Tax Credit Program

Local

- Associated Governments of Northern Colorado (AGNC) Socioeconomic Baseline study
- Garfield and Rio Blanco County Major Development Land Use Ordinances

The paper will demonstrate that Colorado and its local governments are, in many ways, in much better shape than at the start of the last oil shale cycle. The paper will also address the compounding factors, such as the Natural Gas boom currently underway and the Congressional and State legislative proposals that could undermine or divert funding of socioeconomic assistance programs. Finally, the paper will attempt to make a case for a new Federal royalty credit to encourage direct industry contributions for socioeconomic or environmental mitigation.