

Western Resource Advocates ~ Colorado Environmental Coalition  
Western Colorado Congress ~ Natural Resources Defense Council  
The Wilderness Society ~ Southern Utah Wilderness Alliance  
Wilderness Workshop

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**Conservation Organizations Condemn False Promises**  
*With Record Gas and Oil Prices, Consumers Need to Know the Facts*

DENVER, Colo. – Statement by leading Colorado and Utah conservation organizations on Title II of the Gas Price Reduction Act Of 2008:

“Today, the proponents of oil shale development continued their campaign to give away millions of acres of pristine public land to oil companies for an experimental and unproven oil shale program. The bill – The Gas Price Reduction Act of 2008 – purports to unlock oil shale with the idea that if government got out of the way consumers would be paying less for gas. That position is oil shale fairytale.

“Commercial oil shale production is likely decades away and, if it ever materializes, there is no evidence that it will reduce fuel prices. It is more expensive to produce than conventional fuel. Congress should instead be offering real efficiency and alternative solutions for the American people.

“Shell and other oil companies already own vast oil shale lands and have federal research leases on public wildlands on top of the sweetest oil shale deposits. Yet, because of all the technological challenges, it will be many years before anyone has enough information from that program to make intelligent decisions about the scope, viability, economic costs, and environmental and community impacts of commercial-scale oil shale development.

“As federal and state agencies and independent research make clear, oil shale development will come at great expense to Colorado, Utah and Wyoming – to communities, wildlife, water, and the environment. Congress should search for real solutions to the many problems facing our country and not promote oil shale as the panacea.

“Senator Salazar, Representatives Mark Udall and John Salazar, and Governors Bill Ritter (D-CO) and David Freudenthal (D-WY) should be commended for taking a cautious approach to federal policy on oil shale, especially in light of recent false charges that they are standing in the way of lower gas prices.

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As this debate begins, it important to consider the following facts regarding oil shale:

1. According to a February 2008 report by the Associated Government of Northwest Colorado, local communities will face a \$1.3 billion shortfall from energy revenues to meet the infrastructure needed to support oil shale and other development activities. Rural Colorado communities such as Craig, Fruita and Rifle will reach capacity, requiring new towns to be built to support development.
2. According to the Bureau of Land Management's March 2008 assessment, oil shale development will also require enormous inputs of water and coal-fired electric power, thereby transforming local communities from agricultural to industrial-based.
3. Royal Dutch Shell owns 36,000 acres of oil shale lands in Colorado but has not been able to produce oil on any of it.
4. Other companies such as ExxonMobil, the Oil Exploration Company, Red Leaf Resources and Andarko also own lands with significant quantities of shale, but like Shell, have not developed a successful commercial oil shale process on these lands.
5. The government's estimates about an oil shale industry's thirst for limited water have alarmed an alliance of the biggest Colorado water providers, including the Denver Water Board, the Northern Colorado Water Conservancy District, Colorado Springs Utilities and the City of Aurora. These water utilities said the stockpile of conditional water rights for oil shale development dating from the 1950s and 1960s could affect existing water supplies as well as potential future efforts to serve Colorado's growing population. The utilities serve about half of the state's estimated 4.3 million residents.
6. In April 2007, energy analyst James Bartis of the Rand Corporation urged Congress to wait for research projects to bear fruit before pushing ahead with a leasing program. "The government lacks important information about the costs and risks of development," Bartis testified. Proceeding without this information, he said, "calls into question the analytic basis of the current, legislatively imposed schedule for establishing regulations for commercial leasing."