

ADVERTISEMENT



MONEY > MARKETS

Biden's Offshore Drilling Ban Sets Stage For Showdown With Trump

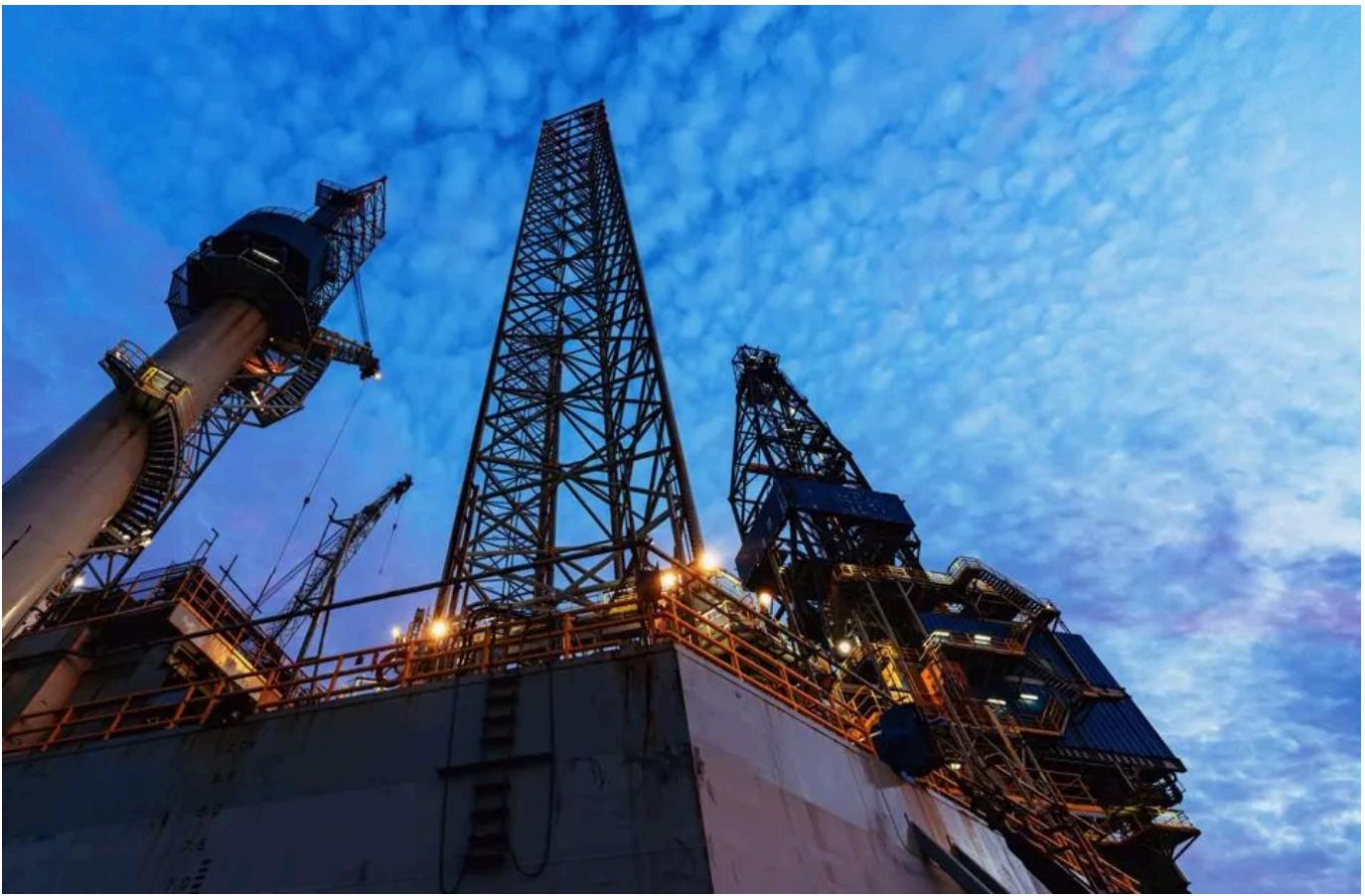
By [James Broughel](#), Contributor. ⓘ James Broughel is an economist focused o...

▼

[Follow Author](#)

Jan 07, 2025, 05:13pm EST

[Share](#) [Save](#) [Comment 0](#)



Biden may be 'rigging' the offshore leasing system against Trump by withdrawing lands from oil and ... [More](#)
GETTY

President Joe Biden took a shot at the incoming Trump administration this week by issuing a sweeping ban on new oil and gas leasing across large swaths of U.S. offshore waters. Using his authority under the Outer Continental Shelf Lands Act, the president [withdrew](#) more than 625 million acres of ocean from potential energy development—including the entire Atlantic and Pacific coasts, portions of the Eastern Gulf of Mexico, and areas of the Northern Bering Sea. Not surprisingly, Republicans met Biden's order with skepticism, and Donald Trump vowed to [undo it](#). But the path to reversal is uncertain, as Republicans may need to turn to Congress or the courts for support.

Controversial History

To understand the current situation, it helps to revisit the policy pendulum that has swung back and forth over the last two decades. Former President Barack Obama used the same OCSLA authority late in his second term to withdraw significant portions of the [Arctic](#) and [Atlantic Oceans](#) from oil and gas leasing. These moves were intended to be permanent, based on a [legal interpretation](#) that the law allows presidents to withdraw areas but not to reverse such withdrawals.

Nevertheless, President Donald Trump issued an [executive order](#) in 2017 to reverse Obama's withdrawals and reopen areas to leasing. That effort was met with legal resistance, and in 2019, an Alaska federal district court [ruled](#) that Trump's action exceeded his authority under the OCSLA. The court effectively reinstated Obama's protections, stating that while the law grants a president the power to withdraw lands, it does not explicitly allow reversals.

Trump's administration appealed the decision to the Ninth Circuit, but before the case could be decided, Biden took office and his administration chose to revoke Trump's order entirely, making any appeals moot. The Ninth Circuit dismissed the case before making any determination on the issues at hand.

It is reasonable to conclude another court might reach a different conclusion than the federal court in Alaska. In 2008, President George W. Bush [issued a memorandum](#) that rescinded portions of the offshore drilling moratorium established by his father, President George H. W. Bush, in 1990 and renewed by President Bill Clinton in 1998. This precedent highlights the evolving nature of presidential authority over offshore leasing decisions.

MORE FOR YOU

Four Russian Helicopters Landed Near The Front Line. A Ukrainian Drone Was Watching—And HIMARS Was Ready. 

Yes, 'Snow White' Is Bombing At The Box Office 

Today's NYT Mini Crossword Clues And Answers For Tuesday, March 25th 

The Role Of Congress

Given the unresolved legal questions surrounding OCSLA's withdrawal authority, it may be time for Congress to step in and settle the matter definitively. Budget reconciliation offers perhaps the best potential avenue. Unlike most legislation, reconciliation bills cannot be filibustered in the Senate, making them easier to pass with a simple majority. Leasing revenues from offshore oil and gas are directly tied to the federal budget, meaning changes to leasing policy could be included in a reconciliation package.

Forbes Daily: Join over 1 million Forbes Daily subscribers and get our best stories, exclusive reporting and essential analysis of the day's news in your inbox every weekday.


[Sign Up](#)

By signing up, you agree to receive this newsletter, other updates about Forbes and its affiliates' offerings, our [Terms of Service](#) (including resolving disputes on an individual basis via arbitration), and you acknowledge our [Privacy Statement](#). Forbes is protected by reCAPTCHA, and the Google [Privacy Policy](#) and [Terms of Service](#) apply.

Similar leasing provisions have been included in reconciliation bills in the past, including the [Inflation Reduction Act of 2022](#). As part of budget legislation being crafted for later this year, Congress could therefore mandate specific instructions to expand leasing in the contested areas.

F Article by Earl Carr, Contributor
Published Mar 25, 2025

Geopolitical Risk And Volatility: What Are Advisors Telling Clients?

[Read More](#)

00:06

03:12

Congress could also address the offshore leasing issue through regular legislation, subject to the Senate's 60-vote threshold to overcome a filibuster. But this would necessitate bipartisan support, a tall order in the current political climate.

Executive Action And Legal Risks

It's also worth considering whether Trump should attempt to undo Biden's withdrawal through a new executive action. While the 2019 court ruling suggests that OCSLA withdrawals are permanent, the decision was never tested at the appellate level, leaving some possible room for legal maneuvering. Trump's incoming administration could argue that the law's silence on reversals does not explicitly prohibit them, setting up another legal battle.

Pursuing such a strategy comes with inherent risks. A court ruling against the reversal could solidify the permanence of these withdrawals, effectively entrenching the status quo. However, this very status quo might make taking the risk worthwhile, as a favorable ruling could reintroduce flexibility to presidential authority under the OCSLA. Either outcome underscores the pressing need for Congress to step in,

clarify the law, and create a more consistent and predictable framework for offshore energy development.

Conclusion

President Biden's recent withdrawal of offshore areas from oil and gas leasing is far from the final word on the matter. The legal questions surrounding OCSLA withdrawals remain unresolved, and the back-and-forth of executive actions over more than a decade highlights the need for a permanent solution. [Congress has the tools to act](#), whether through budget reconciliation or regular legislation.

Offshore oil and gas development generates substantial revenue for the federal government, supports job creation, and strengthens energy security. Expanding offshore leasing is a practical, if not necessary, step to ensuring a prosperous America with abundant energy supply. Most likely, it is up to Congress to take action and resolve this issue.

Follow me on [Twitter](#) or [LinkedIn](#).

[Editorial Standards](#)[Forbes Accolades](#)

Join The Conversation

[Comments 0](#)

One Community. Many Voices. Create a free account to share your thoughts. Read our community guidelines [here](#).

[See All Comments \(0\)](#)

More From Markets

[See All Markets →](#)[Subscribe: Less than \\$1.50/wk](#)[Sign In](#)



Alphabet's Wiz Acquisition To Be Test Case For New Antitrust Regime

By Owen Tedford Contributor

3 hours ago

3 Big Dividends That Have Proven The 'Experts' Wrong Again

By Michael Foster Contributor

4 hours ago

Should You Buy PLTR Stock Despite Its High Valuation?

By Trefis Team Contributor

4 hours ago

Time To Buy META Stock At \$620?

By Trefis Team Contributor

RELATED TOPICS**SEE ALSO**



By [Block Advisors](#), BRANDVOICE | Paid Program

Jan 22, 2025, 02:29pm EST

[Share](#) [Save](#)

Is your business built for financial success?

Typically, only four types of business structures are recognized for federal tax purposes—sole proprietorships, S Corporations, C Corporations, and partnerships—and each has different tax rules.

We teamed up with **Block Advisors** by Kiplinger to create a quiz that tests your understanding of the nuances of this critical topic. If you get a question wrong, you'll see insights from Carl Breyer, a tax research analyst, plus other helpful information.

After completing this quiz, test your knowledge of **tax deductions** and **deadlines**.

01 S Corporations

02 The 60/40 Rule

03 Double Taxation

04 Becoming An LLC

Now, Test More Your Tax Knowle

Can You Maximize Your
Tax Deductions?

Disclaimer: The text above does not constitute legal advice. Taxes are in determining whether to form a business. You may want to seek the to evaluate all of the relevant considerations.

[Editorial Standards](#)[Forbes Accolades](#)

By [Block Advisors](#), [BRANDVOICE](#) | Paid Program. Meet Block Advisors by H&R Block. Block Advisors was built by H&R Block to not only support clients through the complexities of small business taxes, but also serve as a one stop shop that can help...

[Read More](#)

Forbes

© 2025 Forbes Media LLC. All Rights Reserved.

[AdChoices](#) [Privacy Statement](#) [Do Not Sell or Share My Personal Information](#)

[Limit the Use of My Sensitive Personal Information](#) [Privacy Preferences](#) [Digital Terms of Sale](#) [Terms of Service](#)

[Contact Us](#) [Send Us Feedback](#) [Report a Security Issue](#) [Jobs At Forbes](#) [Reprints & Permissions](#)

[Forbes Press Room](#) [Advertise](#)