

The U.S New Oil Drilling Policies: Domestic and Global Consequences



Earlier this month, President Joe Biden announced a landmark move that would ban all future offshore oil and natural gas drilling in large parts of U.S. waters. That ban includes the East and West Coasts, the Eastern Gulf of Mexico, and Alaska's North Bering Sea, blocking more than 625 million acres of ocean from possible drilling [activities](#). The decision made by Biden, which is grounded in the Outer Continental Shelf Lands Act, seeks to safeguard coastal ecosystems, combat climate change, and further the administration's objective of preserving 30% of U.S. lands and waters by the year 2030. The ban, however, does not apply to active drilling operations and applies mainly to regions with low prospectivity for oil, including some regions of the Atlantic and Pacific Oceans.

This action has raised immediate opposition from former President Donald Trump, who indicated that he will overturn the ban on his first day in office, if and when he is back in the White House. Trump highlighted the critical need to reinstate offshore drilling, asserting that Biden's choice "*will be changed on day one*". Although Biden's action is safeguarded by Section 12(a) and deviates from conventional executive orders, its enduring nature could encounter legal obstacles should a subsequent administration attempt to reverse it.

Biden's decision is likely to have ramifications that extend beyond national borders, potentially influencing the global energy market and U.S. foreign policy. Currently, about 15% of U.S. oil production currently comes from federal [offshore areas](#), mainly in the Gulf of Mexico. This share has been declining as technological advances in onshore extraction, particularly in Texas and New Mexico, have gained pace. As the world's largest oil and gas producer, the United States has played a crucial role in stabilising global markets, particularly after Russia's invasion of Ukraine. A policy change that restricts offshore drilling could weaken the United States' control over energy markets, potentially resulting in a more significant reliance on oil imports from key producers like Canada, Venezuela, and Saudi Arabia.

Globally, the ban is a manifestation of a more robust U.S. commitment to global environmental governance, elevating its stature in climate diplomacy, most notably the talks related to the Paris Agreement. This development might also open the way for other countries, especially Russia and China, to increase their influence in resource-rich regions, such as the Arctic. That would fundamentally alter the geopolitics of energy and force U.S. partners and allies to reassess their strategic postures against a backdrop of decreasing American energy engagement.

The decision by the Biden Administration has raised anew the geopolitical importance of [Greenland](#), particularly following President Trump's 2019 suggestion to buy the territory. His reluctance to rule out possible military or economic action underlines Greenland's importance to U.S. energy security and broader geopolitical goals.

While the link between Biden's ban and Greenland's future is in no way certain, it does raise questions about how the U.S. might try to assert dominance in the Arctic resource competition. Should Greenland become a U.S. territory, its mineral deposits and oil exploration prospects could help to significantly shape U.S. energy policy and global diplomatic relations.