

Cost of a Biden Ban on Public Lands



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During the 2020 presidential campaign, President-elect Joe Biden pledged to ban leasing and permitting on federal lands. While he admitted he could not ban fracking nationwide, a ban on federal lands is seen as politically feasible to satisfy the left wing of his political base which is focused on transformational climate policies.

While concrete plans on how to carry out the campaign pledge are not yet known, likely scenarios include an outright ban of leasing and/or permitting via executive order or a large-scale environmental review of all impacts from federal oil and natural gas with a concurrent halt to leasing and permitting while the study is conducted. Apparently [538 environmental groups](#) agree with those scenarios, judging by their [letter to the president-elect](#).

A recent [Wyoming Energy Authority study](#) analyzed the economic impact of a leasing and/or drilling ban in the states of Alaska, California, Colorado, Montana, New Mexico, North Dakota, Utah, and Wyoming, which together represent over 97% of federal onshore production. The study was conducted by Dr. Tim Considine, Professor of Energy Economics at the University of Wyoming. Although the study provides numbers for a leasing ban separately, we focus on the drilling ban scenario because it combines a halt to both leasing and permitting and appears to be the high-probability scenario.

By the end of the first term, a Biden Ban would cost \$43.8 billion in Gross Domestic Product (GDP) and over 72,000 jobs annually. States would lose \$10.8 billion in tax revenues and workers would lose \$19.6 billion in wages.

Leasing Ban (dollars in millions)	
GDP	\$33,533
Jobs (average annual)	58,676
Wages	\$15,096
Production Value	\$19,247
Tax Revenue	\$8,314

Leasing & Drilling Ban (dollars in millions)	
GDP	\$43,795
Jobs (average annual)	72,818
Wages	\$19,632
Production Value	\$26,924
Tax Revenue	\$10,764

By 2040, the total costs of a Biden Ban amount to \$670.5 billion in lost GDP and over 351,000 jobs annually. States would forego \$159 billion in tax revenues and workers would fail to earn \$300 billion.

Leasing Ban (dollars in millions)	
GDP	\$639,674
Jobs (average annual)	343,088
Wages	\$286,148
Production value	\$478,452
Tax revenues	\$151,929

Leasing & Drilling Ban (dollars in millions)	
GDP	\$670,529
Jobs (average annual)	351,554
Wages	\$299,840
Production value	\$502,608
Tax revenues	\$159,002

These bans would not only limit production on public lands, as the study shows. Because of the checkerboard of federal, state, Indian, and private lands and minerals across the West, adjacent lands can become isolated and nonfederal oil and natural gas resources stranded when federal access is denied. The total economic numbers include these “spillover” effects of federal bans curtailing nonfederal production.

In addition to imposing significant personal and economic costs on westerners, a ban on public lands is bad policy for reducing greenhouse gas emissions. A ban will not eliminate market demand for oil and natural gas but merely shift lost federal production to other parts of the country without public lands or to foreign competitors that are not held to strict environmental standards. The study estimates the cost per ton of avoided emissions ranges from \$64 to \$196, four to thirteen times more, respectively, than the current market price of \$15 per ton set by California's cap-and-trade program. In other words, a Biden Ban is even less efficient and more costly than California's self-destructive climate programs that have caused rolling brown-outs and an exodus of manufacturing and other businesses from the state.

Below are the economic numbers for each state.

Leasing & Drilling Ban Costs in the First Term (2021-2024)					
(\$ in millions)					
	GDP	Jobs (average annual)	Wages	Production Value	Tax Revenue
New Mexico	\$22,135	36,217	\$9,837	\$16,86	\$6,277
Wyoming	\$10,347	18,228	\$4,725	\$3,836	\$2,094
Colorado	\$3,312	5,172	\$1,618	\$1,283	\$546
North Dakota	\$2,863	3,924	\$1,051	\$2,358	\$822
Alaska	\$2,128	3,334	\$964	\$1,461	\$383
Utah	\$1,421	3,232	\$664	\$650	\$255
California	\$1,272	2,161	\$629	\$287	\$214
Montana	\$317	550	\$144	\$182	\$173

Leasing & Drilling Ban Costs Over 20 years (2021-2040)					
(\$ in millions)					
	GDP	Jobs (average annual)	Wages	Production Value	Tax Revenue
Alaska	\$226,406	128,509	\$101,723	\$187,677	\$41,873
New Mexico	\$207,733	98,054	\$91,446	\$184,510	\$62,261
Wyoming	\$138,264	77,142	\$62,553	\$71,938	\$31,573
Colorado	\$35,489	15,886	\$17,243	\$16,689	\$6,334
North Dakota	\$24,676	10,167	\$8,996	\$22,759	\$7,787
California	\$17,255	8,709	\$8,477	\$5,538	\$3,205
Utah	\$15,285	10,494	\$6,986	\$9,243	\$3,054
Montana	\$5,421	2,593	\$2,416	\$4,254	\$2,915