

POWER, PERMITS, AND PROSPERITY: DEFENDING THE OBBB'S ENERGY REFORMS

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On July 4, 2025, the [One Big Beautiful Bill](#) (OBBB) was signed into law, marking a historic restructuring of American energy policy. As part of President Donald Trump's commitment to restoring affordable energy, the OBBB expands energy production and development via lease sales, permitting reform, and royalty restructuring.

Land Leasing Leads to Energy Production

Federal land leases allow energy developers to bid in competitive auctions for the rights to explore and produce energy on that land for a set period of time. For many years, the number of federal land leases has been [declining](#) as agencies revoked necessary permits or delayed issuing analyses. Under the Biden administration, land lease sales for oil and gas drilling [dropped dramatically](#) due to an initial pause in lease sales and subsequent reevaluations of leases previously issued. These reevaluations created further delays due to a reopening of the appeals process for existing leases and settlements with environmental groups. Combined, these measures produced the [slowest pace](#) for lease approvals in the last 50 years and held up American energy production. Delays in this leasing process resulted in higher energy prices and an increasing dependence on foreign energy sources.

The OBBB introduces a new era in energy development. The bill [requires](#) certain federal lands to open for both onshore and offshore oil and gas leasing in a boon for oil, gas, and mineral development. Offshore, the bill mandates that the Department of the Interior conduct at least 30 offshore lease sales in the Gulf of America waters by 2040 and six in Alaskan waters by 2032. Under the Biden administration, just [three lease sales](#) were scheduled through 2029 for the Gulf of America waters and none in the Atlantic, Pacific, or Alaskan waters. The OBBB supersedes the Biden administration's five-year plan and creates a steady pipeline of energy development for the next fifteen years, boosting confidence in land access and encouraging development.

Onshore, four 400,000-acre lease sales must [commence](#) in Alaska by 2032 and five four-million-acre land sales in Alaska's National Petroleum Reserve by 2035. Quarterly onshore oil and gas leases are also required on federal lands in nine states and the Bureau of Land Management must offer at least half of the parcels nominated by the industry in those states.

Separate from the oil and gas leases, the OBBB also revives coal leasing by directing the Interior Department to process leases and begin auctions on four million acres

previously held back in the contiguous 48 states and Alaska. Together, these provisions unlock vast energy reserves that had been sidelined by agency and administrative decisions.

Permitting Produces Prosperity

Permitting reform is another cornerstone of the OBBB. One of the most significant obstacles to domestic energy development has been the sluggish and unpredictable environmental review and permitting process. As part of the permitting process, a developer must obtain a permit after they have successfully bid on the land. Granting a permit for a land lease is a multi-year, multi-step process that includes reviews of environmental, seismic, and production conditions as well as responses to legal and environmental challenges. Onshore leases face an [assessment process](#) lasting three to four years while offshore lease analyses require seven to eight years.

To speed up the process, the OBBB [imposes](#) statutory deadlines on these reviews, requiring [Environmental Assessments](#) (EA) to be completed within six months and [Environmental Impact Statements](#) (EIS) within twelve months. EAs are concise reviews examining the immediate environmental impact of a project. The EA results in either a Finding of No Significant Impact or a recommendation to conduct an EIS. The EIS is a more detailed look at the cumulative impacts of the project and foreseeable future development. Because the EIS is only conducted once a project is considered likely to have significant impacts, the result is a Record of Decision which documents the relevant agency's analysis surrounding the project and all proposed mitigation plans.

To help facilitate conducting these reviews, the OBBB authorizes agencies to collect a fee of 125% of the anticipated costs to create an EA and EIS as needed. This streamlines the permitting process by ensuring that these required reviews are completed within a one-year period and gives developers a "fast track" to having their permits granted.

The OBBB goes further by introducing a "permit-by-rule" option. Under this provision, developers who meet predefined environmental and technical criteria can receive automatic approval without undergoing an agency review. This provision replaces subjective agency judgment with objective standards, reducing bureaucratic delay. Unless a project is actively challenged through a formal protest process, it is considered approved by default. Those opposing the permits can file a protest, but that filing will come with a new filing fee, encouraging only serious objections to the land use. The permit-by-rule mechanism creates a reliable pathway for energy producers to move forward with projects while still upholding baseline environmental protections.

The Department of the Interior is also directed to implement emergency National Environmental Policy Act (NEPA) procedures, allowing project approvals within two to four weeks. These changes collectively create a permitting environment that is predictable, efficient, and aligned with national priorities.

Royalty Restructuring Returns Riches

Beyond land access, the OBBB [restructures](#) how energy development is financed and how its benefits are distributed. The bill repeals methane royalty increases imposed under the 2022 Inflation Reduction Act, eliminating a costly burden on natural gas extraction. Offshore oil and gas producers in the Gulf of Mexico and in Alaskan waters may now benefit from reduced royalty rates, potentially as low as 12.5%, with a cap at 16.67%.

Unleashing Energy for the American People

Together, these reforms lower the cost of doing business and make U.S. energy production more competitive. The provisions combined save [\\$23.1 billion](#) and place our nation on a more sustainable fiscal footing while also unleashing a golden age for American energy.

The OBBB represents a return to sound, pro-growth governance. It is a strategic blueprint for restoring American prosperity through responsible energy development and unlocking a sector that has been stifled by regulatory gridlock. These provisions treat domestic energy production not as a liability to be managed, but as an asset to be harnessed for the American people.