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Unleashing the Golden Age of American Energy Dominance
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Testimony by

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The views expressed in this testimony are those of the author alone and do not necessarily reflect those of the America First Policy Institute

Chairman Gosar, Ranking Member Dexter, Vice Chairman Boebert, and Subcommittee Members: thank you for inviting me to discuss with you the path towards "Unleashing the Golden Age of American Energy Dominance."

Introduction

In the testimony that follows, I will provide data and modeling results that motivate America's quest for energy dominance. I will focus on the economic benefits for the American people first and foremost and then turn to the benefits for the government's fiscal situation.

Following the presentation of data and modeling results, I will make a few qualitative comments on the strong synergies between the Trump Administration's executive actions and prospective legislative considerations. These synergies might dramatically amplify the benefits to Americans and government budgets beyond the more tempered modeled estimates I provide.

The national security considerations and motivations for American energy dominance – notably freeing Americans from the influence of foreign tyrants – will not be covered in this testimony, but they should be front of mind for this Subcommittee, the House Committee on Natural Resources more broadly, and for the American public.

Economic Benefits of Energy Dominance for the American public

Reality is not always easy to confront, but doing so is always necessary for success. Let's begin today by confronting the hard reality of our economic circumstances. After four years of the prior administration's policies, many Americans are still finding that everything they buy is far too expensive. Yes, the 12-month core inflation rate fell below 3 percent in February 2025 data – the most recent month of the Consumer Price Index. And core inflation reached the lowest level since May 2021. But the level of prices, not the rate of change, is still far above, over 20 percent above, where it was in January 2021 when President Biden took office.

Affordability for the American public demands, and is receiving, serious attention from the second Trump Administration and this 119th Congress. Where there are possibilities to bring down the prices of essential inputs to daily life, those opportunities should be pursued with vigor.

This is where energy resources come into play. President Trump has targeted a major reduction in energy prices for consumers. The effect of such a reduction would be dramatic, and I will provide estimates of that in a moment.

Before getting to those, though, it's important to note that energy costs are baked into just about every good, product, and service Americans consume. Reductions in energy prices would lead to strong downward pressure on all prices across the economy. It takes energy, for example, to get seed into the ground, grains and machines to the factory, and your Cheerios to the grocery store. A study from my friend and colleague Aparna Mathur indicates an indirect energy cost multiplier of nearly 2: for every dollar of direct energy costs that families face, they bear another dollar in indirect costs. A Boston Consulting Group study puts the multiplier at 3: for every dollar of direct energy costs, another two dollars are associated with indirect costs.

Here, though, I want to focus on the more-modest but still eye-catching estimates of what a family might hope to save in their direct energy bill if energy prices come down 10 percent to 50 percent.

In Arizona, direct energy spending makes up about $17.3 billion of expenses for the households across the state and $7,000 for the average household of 3. In Colorado, direct energy spending is about $14.1 billion for households across the state and $7,200 for the average household. In Oregon, it's $9.2 billion and $6,500.

Reducing these costs by just 10 percent would mean state-wide savings of $1.7 billion in Arizona, $1.4 billion in Colorado, and $1 billion in Oregon. The average household would save $700 in Arizona, $720 in Colorado, and $650 in Oregon, per year.

Reducing these costs by 50 percent would mean state-wide savings of $8.6 billion in Arizona, $7 billion in Colorado, and $4.6 billion in Oregon. The average household would save $3,500 in Arizona, $3,600 in Colorado, and $3,300 in Oregon.

And recall, indirect savings from energy price reductions could double to triple these estimates. Reducing energy prices is a critical step to improving affordability for Americans.

A full table of these estimates is included as an appendix to my written testimony.

Fiscal Effects of Onshore and Offshore Leasing

Now let's turn to the fiscal effects of onshore and offshore oil and gas leasing. The results in this section depend on modeling, and I'll offer a biographical note here before beginning to share them:

I have been involved in open source fiscal modeling now for well over 10 years, including as co-founder of the Open Source Policy Center at the American Enterprise Institute, the Open Research Group, the Policy Simulation Library, and most recently, the Office for Fiscal and Regulatory Analysis at the America First Policy Institute. My colleagues at these institutions and many other modeling groups around DC, including the Biden-alum-founded Yale Budget Lab, believe deeply in the transparency and reproducibility provided by the free sharing of models. All the results I present are based on models that you can access, interrogate, and use for your own estimates.

Here I rely on a modeling framework developed by Dr. James Broughel, an economist, energy expert, and author of the excellent book, "Regulation and Economic Growth: Applying Economic Theory and Public Policy," and applied by my colleague Dr. Weifeng Zhong, an economist with the Office for Fiscal and Regulatory Analysis. The model is freely available on GitHub.

Working from a baseline that reflects the recent execution of existing BOEM and BLM 5-year plans under the prior administration, the model shows that reforms that increase onshore leasing to the past-decade high and off-shore leasing to 3 sales per year could raise up to $58 billion over ten years. A more aggressive reform to increase onshore leasing to two times the past-decade high and offshore leasing to 10 sales per year could raise up to $173 billion over ten years. And a realistic but more aggressive still reform to increase onshore leasing to four times the past-decade high and offshore leasing to 20 sales per year could raise up to $350 billion over ten years. These estimates are in line with Congressional Budget Office revenue estimating principles and do not rely on dynamic effects, although dynamic effects would show more significant benefits.

Synergies Between Executive Action and Legislation for Energy Production

The Trump administration has undertaken significant actions that should be expected to increase the value of federal leases but are not fully captured in the modeling results presented above. These actions could mean that the estimates I've provided of the significant personal and fiscal benefits of energy production are indeed underestimates, and do not capture the new world that we are entering where the American government is more streamlined and efficient, the American private sector is more free to produce for the American consumer, and Americans of all walks of life are given more choice in how they live their lives, including in what types of energy-consuming products they buy, such as cars, trucks, and appliances.

Some of the Administration's actions relate to energy specifically – such as instructions in EO 14154 on "Unleashing American Energy" for all agencies to identify and eliminate undue burdens to energy production; instructions in EO 14156, "Declaring a National Energy Emergency," for all agencies to bring new emergency authorities to bear on the task of knocking down barriers to energy production; and others. These will quite clearly lower the cost of energy production and should increase the value of leases. Any legislation cementing their key aspects into statute should have clear and significant fiscal effects.

Other executive orders and resulting actions are broader and not specific to energy, such as actions relating to deregulation, permitting, and increasing government efficiency. These should also be expected to provide upward pressure to the value of onshore and offshore federal oil and gas leases and resulting bonus payments and direct fiscal effects.

Beyond writing key provisions into statute, Congress has an opportunity to lock in the fiscal savings from a range of executive actions through the consideration of proposals such as the REINS Act, which would provide Congressional review of regulatory actions with significant negative fiscal effects and prevent a possible future administration from rolling back the fiscally positive actions of this administration. As such, the REINS Act could easily provide, by my estimates, hundreds of billions to over a trillion dollars of direct fiscal savings, with the estimate depending on the probability one ascribes to an anti-free-market administration returning to power after this one. Researchers with the Foundation for Government Accountability have

found, for instance, that the REINS Act could have saved taxpayers at least $844 billion if in place during the prior administration.

Before closing, I would like to encourage this Committee to review mining and resource extraction regulations more broadly. The more critical a resource, such as energy -- but also, for instance, potash for agriculture or rare earth minerals for electronics -- the more important it is to identify regulatory and statutory barriers to domestic production and to eliminate those barriers as much as possible through legislation to achieve fiscal savings and national independence from foreign influence.

Thank you. I welcome your questions and discussion.

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Appendix

Appendix Table 1: Household Benefits of Energy Price Reductions by State

State	Electricity, Gas, Gasoline, and Other Energy Goods Consumption in 2023 (Per Capita, $)	Energy Consumption in 2025 (Projected, Per Capita, $)	Household of 3 Energy Saving in 2025 from a 10% Price Decline ($)	Household of 3 Energy Saving in 2025 from a 50% Price Decline ($)
Alabama	2,483	2,660	798	3,990
Alaska	1,920	2,057	617	3,085
Arizona	2,172	2,327	698	3,490
Arkansas	2,795	2,995	898	4,492
California	2,180	2,336	701	3,504
Colorado	2,244	2,404	721	3,607
Connecticut	2,269	2,431	729	3,646
Delaware	2,561	2,743	823	4,115
District of Columbia	2,364	2,533	760	3,799
Florida	1,991	2,133	640	3,200
Georgia	2,374	2,544	763	3,816
Hawaii	1,617	1,732	520	2,599
Idaho	2,439	2,613	784	3,920
Illinois	2,265	2,427	728	3,640
Indiana	2,666	2,856	857	4,284
Iowa	2,977	3,190	957	4,785
Kansas	2,392	2,562	769	3,843
Kentucky	2,633	2,821	846	4,232
Louisiana	2,542	2,723	817	4,085
Maine	3,000	3,214	964	4,821
Maryland	2,175	2,330	699	3,495
Massachusetts	2,100	2,250	675	3,374
Michigan	2,484	2,661	798	3,992
Minnesota	2,592	2,777	833	4,166
Mississippi	2,582	2,767	830	4,150
Missouri	2,954	3,165	949	4,747

Montana	2,613	2,800	840	4,200
Nebraska	2,908	3,116	935	4,674
Nevada	2,084	2,233	670	3,349
New Hampshire	2,858	3,062	918	4,592
New Jersey	2,195	2,352	705	3,527
New Mexico	2,377	2,546	764	3,819
New York	1,946	2,085	625	3,127
North Carolina	2,217	2,375	713	3,563
North Dakota	2,277	2,440	732	3,660
Ohio	2,344	2,511	753	3,767
Oklahoma	2,748	2,944	883	4,416
Oregon	2,026	2,170	651	3,255
Pennsylvania	2,448	2,623	787	3,934
Rhode Island	1,975	2,116	635	3,175
South Carolina	2,653	2,843	853	4,264
South Dakota	2,159	2,313	694	3,469
Tennessee	2,359	2,528	758	3,792
Texas	2,375	2,545	763	3,817
Utah	2,093	2,243	673	3,364
Vermont	2,622	2,809	843	4,214
Virginia	2,279	2,442	733	3,663
Washington	1,904	2,040	612	3,060
West Virginia	2,491	2,669	801	4,004
Wisconsin	2,922	3,130	939	4,695
Wyoming	2,741	2,937	881	4,405

Notes:

1 Source of 2023 data: Bureau of Economic Analysis. Column B is from table "SAPCE2 Per capita personal consumption expenditures (PCE) by major type of product" (line code 11). Column C is from table "SAPCE3 Personal consumption expenditures (PCE) by state by type of product" (line codes 36 and 57).

2 Inflation rate used to 2025 projection: 4.12% for 2023 and 2.9% for 2024.

3 Average household size: 3 people.

Appendix Table 2: State Benefits of Energy Price Reductions by State

State	Electricity, Gas, Gasoline, and Other Energy Goods Consumption in 2023 (State Total, $ million)	Energy Consumption in 2025 (Projected, State Total, $ million)	State Energy Saving in 2025 from a 10% Price Decline ($ million)	State Energy Saving in 2025 from a 50% Price Decline ($ million)
Alabama	12,682	13,588	1,359	6,794
Alaska	1,408	1,508	151	754
Arizona	16,140	17,292	1,729	8,646
Arkansas	8,576	9,188	919	4,594
California	84,974	91,041	9,104	45,520
Colorado	13,188	14,129	1,413	7,065
Connecticut	8,208	8,794	879	4,397
Delaware	2,643	2,831	283	1,416
District of Columbia	1,605	1,720	172	860
Florida	45,030	48,245	4,824	24,122
Georgia	26,182	28,051	2,805	14,026
Hawaii	2,322	2,488	249	1,244
Idaho	4,791	5,133	513	2,566
Illinois	28,416	30,444	3,044	15,222
Indiana	18,297	19,603	1,960	9,801
Iowa	9,548	10,230	1,023	5,115
Kansas	7,032	7,534	753	3,767
Kentucky	11,921	12,772	1,277	6,386
Louisiana	11,627	12,457	1,246	6,229
Maine	4,188	4,487	449	2,243
Maryland	13,440	14,400	1,440	7,200
Massachusetts	14,697	15,746	1,575	7,873
Michigan	24,936	26,717	2,672	13,358
Minnesota	14,878	15,940	1,594	7,970
Mississippi	7,591	8,133	813	4,066
Missouri	18,306	19,613	1,961	9,807
Montana	2,961	3,172	317	1,586
Nebraska	5,755	6,166	617	3,083

Nevada	6,654	7,129	713	3,565
New Hampshire	4,005	4,291	429	2,146
New Jersey	20,393	21,849	2,185	10,924
New Mexico	5,025	5,384	538	2,692
New York	38,094	40,813	4,081	20,407
North Carolina	24,029	25,745	2,574	12,872
North Dakota	1,785	1,912	191	956
Ohio	27,625	29,597	2,960	14,799
Oklahoma	11,140	11,935	1,194	5,968
Oregon	8,574	9,186	919	4,593
Pennsylvania	31,732	33,997	3,400	16,999
Rhode Island	2,165	2,320	232	1,160
South Carolina	14,262	15,280	1,528	7,640
South Dakota	1,985	2,127	213	1,064
Tennessee	16,819	18,020	1,802	9,010
Texas	72,432	77,604	7,760	38,802
Utah	7,152	7,663	766	3,831
Vermont	1,698	1,819	182	910
Virginia	19,860	21,277	2,128	10,639
Washington	14,883	15,946	1,595	7,973
West Virginia	4,411	4,725	473	2,363
Wisconsin	17,274	18,507	1,851	9,254
Wyoming	1,601	1,716	172	858

Notes:

1 Source of 2023 data: Bureau of Economic Analysis. Column B is from table "SAPCE2 Per capita personal consumption expenditures (PCE) by major type of product" (line code 11). Column C is from table "SAPCE3 Personal consumption expenditures (PCE) by state by type of product" (line codes 36 and 57).