



**To:** Members of the House Committee on Energy and Commerce

**From:** National Taxpayers Union

**Date:** May 12, 2025

**Re:** NTU's Views Ahead of Key Committee Markup

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we write to express our views on several measures slated for consideration before the House Committee on Energy and Commerce on May 13, 2025. NTU appreciates the Committee for your taxpayer-friendly legislative proposals ("Committee Print") to comply with the reconciliation directive included in the Concurrent Resolution on the Budget for Fiscal Year 2025, H. Con. Res. 14.

With a mix of pro-growth, pro-family, and pro-worker tax policies, the 2017 Tax Cuts and Jobs Act (TCJA) is a foundational law that delivered massive relief for businesses of all sizes and taxpayers across all income levels. That makes extension of TCJA the most pressing legislative matter that this Congress will address this year, and we commend the Committee for authoring a serious solution to achieve such an outcome.

Unless Congress acts before January 1, 2026, the expiration of TCJA will trigger widespread tax increases for 80% of Americans, significantly impact state economies, and disrupt state tax structures. A [recent NTU poll](#) found that 91% of Republicans agree Congress needs to act as quickly as possible to make sure the 2017 Trump Tax Cuts do not expire.

The Committee Print as written would deliver taxpayer savings north of \$900 billion, make the Medicaid program stronger for people that genuinely need it, promote American energy dominance, protect American technology innovation, and support business certainty in the long-term.

Therefore, NTU urges Committee members to support most provisions of this Committee's reconciliation title, and would urge all Committee Members to **SUPPORT** the legislation.

#### **Subtitle A**

**Section 41001 – Rescinding IRA provisions.** This section would rescind any unobligated funding for nine programs included in the Inflation Reduction Act (IRA). Ending these grants is a strong way to begin rolling back all the subsidies included in that 2022 climate law, which has proven to be a more costly boondoggle than originally estimated. The IRA as a whole distorts the marketplace and subsidizes expensive green energy projects to make them more cost competitive with traditional forms of energy.

**Section 41003 – Natural Gas Exports.** This section would provide greater certainty for companies seeking to export Liquefied Natural Gas to non-free trading countries. By deeming a natural gas export facility in the “public interest” it enables the clearing of a major regulatory hurdle that is often leveraged by anti-fossil fuel interests. Energy companies need certainty when they are investing significant amounts of capital for long-term use, and this section provides businesses with what they need.

**Sections 41005 & 41006 – Expedited Permitting.** These sections would provide expedited permitting for companies seeking to construct natural gas and pipeline projects for a voluntary fee. This would provide a voluntary pathway for businesses to expedite their application reviews by the Federal Energy Regulatory Commission and offer substantially stronger judicial protections to project proposals. The entire permitting process is broken and far too often slows the ability for fossil fuels projects to be reviewed, approved, and constructed. These sections are a step in the right direction but a more comprehensive overhaul is warranted.

**Section 41007 – De-Risking Compensation Program for Energy Projects.** This section creates a de facto insurance program for fossil fuel energy projects. Specifically, it creates a program funded by user fees that entitles a company to petition the Energy Secretary for compensation in the event that an administration cancels or rescinds waivers or permits. Businesses need certainty from the federal government and it is unwise for a new administration to cancel fossil fuel or renewable energy projects on a whim. However, it is similarly misguided to have the government run such a fund for fossil fuel programs and businesses should instead look to the private sector for insurance guarantees. **NTU supports the removal of this section.**

**Section 41008 – Strategic Petroleum Reserve.** This section would begin the process of refilling the Strategic Petroleum Reserve. The last administration spent two years tapping the SPR as a political band-aid attempting to cover the gash of Joe Biden’s failed energy policy that led to high prices. As a result, the SPR remains dangerously below historical averages and must be refilled in case of future emergencies.

**Section 41009 – General Revisions.** This section would recoup unobligated taxpayer dollars previously allocated to more than a dozen offices within the Department of Energy. This will result in cost-savings and help finance tax relief in other parts of the reconciliation bill.

## **Subtitle B**

**Sections 42101 through 42117 – Environmental Protection Agency Revisions.** These sections would recoup billions of dollars in grants and funding from the Inflation Reduction Act. This includes hundreds of millions of dollars for clean vehicles, billions of

dollars for “clean” ports, construction materials, and carbon monitoring initiatives. Together, these boondoggles carry significant savings that will be used to finance tax relief in other parts of the reconciliation bill.

**Section 42201 – Repeal of EPA Rule Relating to Multi-Pollutant Emissions Standards.**

This section would repeal an overly burdensome rule promulgated by the EPA on certain vehicles. This rulemaking is beyond EPA’s authority, seeking to impose a de facto electric vehicle mandate on American consumers. This rule on tailpipe emissions standards is a massive overreach, using a novel application of EPA motor vehicle authority in an attempt to force a transition in the motor vehicles market to products that align with the ideological preferences of the Biden Administration. Elimination of this rule continues the efforts to rid all EV mandates from the federal government.

**Section 42301 – Repeal of CAFE Standards.** This section would repeal the National Highway Traffic Safety Administration’s burdensome rules on fuel economy. Ending this rule will help support car manufacturers and end directives from Washington, D.C., onto America’s car market. Elimination of this rule continues the efforts to promote fairness within the car market and supports consumer choice.

**Subtitle C**

**Sections 43101 – Spectrum Allocation.** The scarcity of mid-band spectrum remains a meaningful barrier to wireless innovation and competition in the United States. The legislation proposes reallocation of at least 600 MHz within the 1.3 to 10 gigahertz range. Mid-band frequencies are especially valuable because they offer an appropriate balance between range and data capacity, making them well-suited for expanding 5G infrastructure and emerging technologies. **We urge the Committee to work with all stakeholders toward an optimal allocation of spectrum that will improve our telecommunications infrastructure and generate revenues that can be utilized for tax relief.**

**Sections 43201 (a) and (b) – Information Technology Modernization Initiative.**

Outdated federal systems and inadequate protection of government-collected data represent a serious challenge to data privacy and security, an issue that has become more urgent in light of the growing number of cyberattacks targeting federal and state agencies. The proposed \$500 million appropriation reflects a meaningful commitment to replacing aging IT infrastructure and strengthening federal cybersecurity systems with AI-based tools. To ensure that this funding delivers tangible improvements in data security, the proposal could be further strengthened by incorporating streamlined mechanisms for agency-level risk assessments, outcome-based reporting, and procurement transparency. These safeguards would help align implementation with national cybersecurity priorities and ensure responsible use of public funds.

**Sections 43201 (c) – Moratorium on State AI Laws.** While the growing proliferation of state-level AI legislation raises important concerns about regulatory fragmentation, such laws have emerged mainly in response to the absence of a comprehensive federal framework for AI regulation. For example, in domains such as employment, healthcare, education, and housing, where states have traditionally exercised legislative authority, multiple states have sought to develop laws to improve transparency and mitigate potential risks associated with algorithmic decision-making and set standards for how AI applications are used in those sectors.

A blanket ten-year moratorium on state laws related to all “artificial intelligence models” and “systems” would also apply to AI applications in areas that fall within state jurisdiction, raising constitutional concerns. While well-intentioned, that such a sweeping provision has been proposed as part of a budgetary package, Rather than AI legislation, to more rigorous scrutiny and stakeholder input raises further concern. A more appropriate approach would be to develop well-designed, balanced federal AI legislation that includes carefully tailored preemption clauses, focused on direct conflicts with federal rules or on areas where national uniformity is clearly warranted, rather than a blanket override of state authority. That would help establish a coherent national framework while preserving regulatory flexibility, allowing states to tailor AI governance to local needs and enabling a degree of policy experimentation that could strengthen future federal efforts. **NTU urges a careful reexamination of this section in light of potential interstate commerce implications.**

#### **Subtitle D – Health**

**Sections 44104, 44104, & 44108 – Fraud Protections.** These sections would impose stronger verification requirements for enrollees on Medicaid and CHIP. Specifically, these sections require state Medicaid programs to check on a quarterly basis if enrollees are deceased and to set up address verification tools. Separately, Section 44108 changes the eligibility determinations for expansion population adults to every six months, down from the annual requirement. These changes will ensure there are fewer improper payments disbursed to individuals who should not be enrolled in these programs.

**Section 44121 through 44124 – Stopping Wasteful Spending.** These sections would help address Washington’s spending problem by reining in wasted tax dollars. Included in these sections are provisions related to the ending of “spread pricing” from PBMs, ensuring accurate payments to pharmacies, and changes to retroactive coverage of an individual’s application date. Together, these changes would yield savings that will be used to finance tax relief in other parts of the reconciliation bill.

**Sections 44131 – FMAP Changes.** This section sunsets the temporary 5% enhanced FMAP afforded to states under the American Rescue Plan Act that opt to expand Medicaid.

The ARPA was a massive expansion in the size of government, and Congress is right to end a pandemic-era policy change.

**Sections 44132 through 44135 – Stopping Abusive Financing Practices.** These sections address various ways states use gimmicks to inflate the federal share of Medicaid. Together, these changes would yield savings that will be used to finance tax relief in other parts of the reconciliation bill.

**Sections 44141 & 44142 – Medicaid Reforms.** These sections represent the most substantial pro-taxpayer reforms to the Medicaid program in history. Targeted changes to the Medicaid program are sorely needed because it has grown significantly since the 1960s and is approaching annual outlays of \$1 trillion. Thankfully, these reforms will bring more accountability to the program and allow it to sharpen its focus on protecting those that genuinely need it. To this end, these sections would put a new 80-hour-per-month work requirement on certain able-bodied adults receiving Medicaid, aged 19 through 64. It would also put guardrails on states spending funds on their expanded Medicaid populations. The Affordable Care Act (ACA) allowed states to expand Medicaid coverage to adults who make up to 138% of the poverty level. **NTU strongly supports these changes.**

**Section 44305 – Pharmacy Benefit Managers.** This section imposes a series of positive reforms to PBMs, an industry that is in dire need of reform. As we've written in the past, NTU's review of government data indicates that several PBM business practices siphon funds away from consumers and taxpayers, through spread pricing, the use of exclusive specialty pharmacies, and the exercise of significant leverage over plans, manufacturers, and taxpayers. Both state government officials and business leaders have decried a lack of transparency in the PBM business model, which makes it more difficult for plans and employers to make informed, cost-conscious decisions about the pharmacy benefits they provide for enrollees and workers. The reforms listed in this section are a strong step in the right direction.

#### **NTU's Current Thinking on the Combined Reconciliation Package**

As the authorizing committees in Congress work on separate reconciliation bills, NTU strongly supports the proposals passed by each committee so far. Taken together, the reconciliation bill will maintain tax certainty, deliver energy dominance, save taxpayer dollars, and make the government more efficient. Based on the progress achieved thus far, if the combined reconciliation bill came to the House or Senate floor today, we would advise members to vote "YES" on the legislation. The bill would be heavily weighted in NTU's annual rating of Congress.