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SOLUTIONS

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CIVIL SOCIETY

Updated: **May 2026**

Critical Race Theory

Summary and Key Points

Policy Proposals

1. Limit federal overreach in education, which is rightly within the purview of state and local governments.
2. Oppose implementation of the harmful Equality Act in schools if it comes up again.
3. Require that public schools make their curricular resources available to the public.
4. Promote civics knowledge, not critical race theory (CRT)–inspired diversity training.

Quick Facts

1. Many school districts are defying President Donald Trump's orders and continue to implement diversity, equity, and inclusion (DEI) policies and to employ chief diversity officers (CDOs). However, districts that employ CDOs have larger achievement gaps between students from different ethnicities.
2. Universities, too, continue to employ staff members who promote DEI dogma.
3. In a 2021 Heritage Foundation survey of 1,001 K–12 parents and 566 school board members, 50 percent of parents and 70 percent of school board members said that they do not want schools to use instructional material based on the idea that slavery is the "center of our national narrative."[1]

What to Say About Critical Race Theory

- Critical Race Theory (CRT) teaches people to view one another primarily through race instead of shared citizenship. It divides Americans into oppressors and victims based on skin color rather than individual character. The resulting racial preferences may violate state and federal civil rights laws.
- Government institutions should treat all Americans equally under the law. When CRT is imposed, trust erodes and unity is replaced by division.
- Applying CRT in schools undermines equal treatment and violates basic principles of fairness. Schools exist to teach history and civics, not to promote political or racial ideology.
- Children should not be pressured to affirm ideological beliefs as a condition of learning.
- Parents have the right to know what their children are being taught and trained to believe.

The Issue

Americans should defend civil rights and work actively to eliminate racism in the United States—yet these noble aims are not the stated intentions of those who devised critical race theory (CRT). Harvard academic Derrick A. Bell, the recognized godfather of CRT, does not mince words in laying out the theory's radical aims. In 1995, Bell stated in "Who's Afraid of Critical Race Theory?": "As I see it, critical race theory recognizes that revolutionizing a culture begins with the radical assessment of it."

CRT has its intellectual origin in critical theory, a Marxist pseudo-intellectual approach that understands public and private life as a zero-sum contest of oppressors and the oppressed—directly counter to America's promise of freedom and equality under the law. CRT's adherents argue that American law serves to "legitimize an oppressive social order."[2] Critical race theorists claim that America is systemically racist and that this racism produced a tacit alliance between working-class whites and the oppressor white capitalist class that prevents working-class solidarity.

CRT teaches a toxic message to students of all backgrounds. Whether disguised as "diversity, equity, and inclusion" programs, as "affinity groups," or characterized in other euphemistic terms, CRT lessons and propaganda are common across public and private schools. By its very nature, CRT is both a philosophically inconsistent academic discipline and a call to action that is designed to compel students to act on the idea that the world is divided between people who are victimizers and victims based on their race or ethnicity.

Policymakers should implement President Trump's Executive Order 14190: "Ending Radical Indoctrination in K–12 Schooling," which orders federal agencies to eliminate funding for K–12 schools and other programs that promote what it calls "discriminatory equity ideology" or "gender ideology." Educators who continue to apply CRT to K–12 public school activities violate the Equal Protection Clause of the 14th Amendment Title VI of the Civil Rights Act of 1964 and Title IX of the Education Amendments of 1972, which protect Americans from discrimination based on race, sex, or national origin in educational institutions that receive federal funds.

Recommendations

In order to prevent divisive ideological indoctrination in America's public schools, Congress should:

- **Limit federal overreach in education**, which is rightly within the purview of state and local governments. Congress should close the U.S. Department of Education—a process that is already underway. Until that time, Congress should give state lawmakers more autonomy over federal taxpayer spending in education and empower parents with more control over how education officials use taxpayer spending. Spending should follow the child so that families can find education options that align with their values.

- **Oppose implementation of the harmful Equality Act in schools.** Around the country, dozens of states have explicitly prohibited all or part of sexual orientation and gender identity (SOGI) curricula. Under the Equality Act, if adopted, federal courts could mandate SOGI ideology in schools by prohibiting traditional teachings on sexual morality as "discriminatory." States should also enact policies that protect single-sex private facilities and athletics. Congress should respect state education officials' authority to set curricula, strengthen parental rights, and protect the safety and privacy of all students.

To prevent divisive ideological indoctrination in America's public schools, state policymakers should:

- **Reject the teaching of ethnic prejudice through CRT in academic subjects in local schools.** School board members should adopt civics and history standards that teach students about the horrors of slavery and segregation during the Jim Crow era and how such policies contradicted the principles in the Declaration of Independence and the U.S. Constitution. These documents contain the national ideals of freedom and opportunity for all, regardless of race or any other immutable characteristics. The current generation—and every generation—must "let the proud fabric of freedom rest" upon the ideas of liberty, "a reverence for the constitution and laws," and the pursuit of a civil society that offers freedom and opportunity to all Americans, regardless of the color of their skin.

- **Prohibit compelled speech and reinforce the Civil Rights Act of 1964.** No public education employee shall compel a teacher or student to adopt, affirm, adhere to, or profess ideas that are in violation of Title VI of the Civil Rights Act of 1964 and Title IX of the Education Amendments of 1972. Such ideas include the notions that individuals should be adversely or advantageously treated on the basis of their race, ethnicity, color, or national origin or that individuals, by virtue of race, ethnicity, color, or national origin, bear collective guilt and are inherently responsible for actions committed in the past by others of the same race, ethnicity, color, or national origin.

- **Require that public schools make their curricular resources available to the public.** Parents should know what is being taught in their children's K–12 schools. Parents and taxpayers should have access to the material that teachers are using in the classroom. Some charter schools provide models and already make these resources available online.

- **Promote civics knowledge, not diversity training.** K–12 and postsecondary school officials are still spending significant amounts of taxpayer money on so-called anti-bias training. No public-school employee or student should be required to engage in training programs that affirm the idea that individuals bear guilt for actions committed in the past by people of the same race or ethnicity.

- **Offer alternative procedures for entry into the teaching profession that do not include the ideology of critical pedagogy.** CRT permeated curricula and instruction in university-based schools of education, and colleges of education have a tremendous reach when it comes to training teachers who populate public and private schools across the country. State lawmakers should end requirements that teachers graduate or receive training from a university school of education, which significantly reduces enrollment in schools of education, and states should allow alternative teacher certification outside colleges of education.

- **Prohibit education officials from requiring public school teachers to participate in diversity training programs as a condition of employment.** District and school officials should not mandate that public school teachers affirm claims of moral guilt or innocence based on their racial identity to work at a public school.

- **State and local school board members should include parents in curriculum selection processes.** More than 14,000 school boards and nearly 100,000 school board members, who constitute the largest body of elected officials in the country, influence everything from districts' budgets and construction projects to school textbook adoption and collective bargaining processes. School boards oversee many of the policies and practices in the public schools in their districts. Information about the curricula and textbooks used in those schools is opaque.

Parents should engage with their local school boards by (1) identifying school board meetings to attend throughout the year; (2) staying current on school board activities by reading posted meeting minutes; (3) submitting questions about spending, curricula, and staffing at school board meetings; and (4) reading the school board's mission statement. If a child's school is using materials rooted in critical theory, parents should register their complains with the school's principal and school board and, at a minimum, be allowed to opt out.

- **Expand parental choice in education.** Parents should be empowered to choose where and what their children learn. More than half of all U.S. states offer some form of private school scholarship option for K–12 students; lawmakers in 47 states and Washington, DC, allow the creation of public charter schools; and every state allows parents to homeschool their children. State officials in every state should offer students access to private schools, especially when in-person learning is not available at assigned schools because of teacher union strikes or other disruptions. Many states, however, have limits on student participation or the creation of public charter schools. Lawmakers should lift the caps on scholarship programs, increase education choice, and ease the provisions that limit additional public learning options through charter schools.

Facts + Figures

FACT: CRT is still taught in K–12 public schools.

- In April 2026, the National Association of Independent Schools hosted a meeting for DEI practitioners in member private schools.
- In summer 2024, the African American Policy Forum hosted a CRT teacher training program for teachers featuring Kimberlé Crenshaw, one of the country's first CRT proponents.[3]
- The California Department of Education created a model ethnic studies curriculum that is replete with CRT's racially discriminatory ideas, including "intersectionality."
- Minnesota lawmakers required that ethnic studies must be taught across K–12 schools, including lessons based on critical race theory.

FACT: School districts that employ chief diversity officers (CDOs) have larger achievement gaps between students from different ethnicities.

- In districts with CDOs, the average black student is 2.4 grade levels behind the average white student. In districts without a CDO, the average black student is 1.9 grade levels behind the average white student on standardized test results.
- This pattern repeats itself for the white vs. Hispanic achievement gap. The gap between the average white and Hispanic student on standardized tests is 0.44 grade levels larger in districts with a CDO than it is in districts without a CDO.
- The disparity continues in the non-poor vs. poor achievement gap. In this case, the gap between the average non-poor and poor student is 0.37 grade levels larger in districts with CDOs than it is in those without them.
- According to a nationally representative survey of parents and a subsample of school board members conducted by The Heritage Foundation in 2020, nearly two-thirds of school board members believe that schools do not provide enough instruction in civics.[4]
- Fifty percent of all parents and 70 percent of school board members said that they do *not* want schools to use instructional material based on the idea that slavery is the "center of our national narrative."

- Parents (57 percent) and school board members (65 percent) do *not* believe that schools should reframe American history to teach children that the United States is tainted by slavery and racism. Seventy percent of parents and 74 percent of school board members believe that students should be taught that slavery was a tragedy that harmed the nation but that freedom and prosperity, not slavery, represent who Americans are as a nation, offering a beacon to those who want to immigrate here.
- Nearly 79 percent of districts with 100,000 or more students employ CDOs—roles that advance racial preferences, not student achievement.
- On average, among postsecondary institutions in the Power 5 athletic conferences, universities employ 45 individuals exclusively for DEI programs—outside of academic instruction and for the purposes of advancing racially focused school initiatives.

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Education

Summary and Key Points

Policy Proposals

1. Reduce the size and scope of the U.S. Department of Education and adopt proposals that remove the agency from federal law, thereby closing the agency entirely.

2. Reject critical race theory (CRT) and "diversity, equity, and inclusion" (DEI) in schools with federal funding.

3. Empower military families and children in DC public schools with education savings accounts (ESAs), and equip Native American children on tribal lands with school choice.

4. Until Members of Congress sunset Head Start, empower parents with the flexibility to make choices aligned with their values and priorities by block-granting and introducing ESAs for the largest federally funded early-childhood program, Head Start. Head Start has been riddled with safety concerns, along with questions related to program effectiveness.

5. Amend the federal tax credit scholarship to prohibit public schools from using the tax credits to raise money for assigned public schools.

6. Require U.S. service academies to accept the Classic Learning Test as a college admissions test for applicants.

7. Decouple federal financing from higher education accreditation, enabling students to pay for individual classes and courses of study that are more applicable to the job market, and eliminate the federal Parent PLUS Loan program.

Quick Facts

1. CRT and DEI lead to segregating students by race, or other forms of racial discrimination that violate the Civil Rights Act of 1964. Research has found that DEI training programs have no effect on participants and can even cause resentment.

2. The U.S. Department of Education forces local schools to spend millions of working hours and hundreds of millions in taxpayer money just to access federal funds for K–12 students.

3. The federal tax credit scholarship as adopted in the One Big Beautiful Bill Act is estimated to cost taxpayers an additional $26 billion through 2034. Per-student spending in public K–12 schools already stands at an all-time high.

4. Individuals with a bachelor's degree earn, on average, $1 million more over the course of their careers than those with only a high school diploma. "Forgiving" student debt shifts the cost of their education to those who can least afford it.

5. On average, graduate students borrow $24,000 per year, while undergraduates borrow approximately $7,000 per year. The wealthiest 40 percent of borrowers hold more than half—60 percent—of all loan debt.

What to Say About Education

- Parents should decide how their children are educated, not federal agencies or political activists.
- Schools should focus on reading, math, history, science, and the arts (critical thinking and logic), not social or political agendas.
- Education decisions belong to families, communities, and states—not distant bureaucracies in Washington. When Washington controls education, parents lose choices and children pay the ultimate price.
- Federal control drives costs upward while leaving families with fewer real options. More spending has not produced better results, despite record per-student federal education funding.
- Education dollars should follow students, giving parents the freedom to choose what works best for their children.
- Congress should reject student loan bailouts that shift other people's debts onto working taxpayers.

The Issue

In March 2020, the COVID-19 pandemic brought traditional public education to a standstill, and families across the country became accidental homeschoolers. Nearly 50 million children in public schools were deprived of in-person instruction. The pandemic highlighted how badly families needed options so that their children would not be trapped in government schools that were still closed long after authorities knew it was safe to reopen. It also underscored the importance of education choice in enabling families to select learning environments that align with their values.

School choice has grown rapidly over the past two decades, with 32 states and the District of Columbia now offering private school choice to at least some children, and more than 10 million students out of approximately 50 million are eligible for private school choice. States should follow the lead of Alabama, Arizona, Arkansas, Florida, Idaho, Indiana, Iowa, Louisiana, New Hampshire, North Carolina, Ohio, Oklahoma, Tennessee, Texas, Utah, West Virginia, and Wyoming, all of which established *universal* ESAs. State lawmakers across the country—even in states with school choice programs—should follow this model.

The widespread use of online learning during the pandemic also gave families a front-row look at what their children are being taught in public schools. Many parents were greatly concerned to learn that their children's schools were putting into practice ideas drawn from CRT, sorting their children by race into "affinity groups" and doing "privilege walks," and hiring highly paid CRT consultants to conduct teacher training. Putting CRT's discriminatory ideology into action in schools violates the Civil Rights Act of 1964. Schools that compel student speech by requiring students to affirm the tenets of CRT are also violating the First Amendment.

Parents should have the protection of parental bills of rights now being adopted in states across the country, including the protections found in the Given Name Act, which prohibits schools from using names or pronouns that differ from those on a child's birth certificate, absent written parental consent. Schools should also be maximally transparent about the curricula and training they are using. Curricula should be posted online, and parents should be able to find the materials being taught in their children's schools with a few clicks on the schools' websites.

Some public schools have become steeped in an ideologically driven LGBTQ+ agenda. Some guidance counselors are building "gender support plans" for students, which can lead to "gender"-confused students "socially transitioning"—such as dressing like the opposite sex and using opposite-sex pronouns—without their parents'

knowledge or consent. School faculty are also instructed to enforce transgender pronoun usage. It is critical that parents are reaffirmed as children's primary caregivers and that schools receive permission from parents before administering health services to students. Parents must be returned to the center of intimate questions about their children's mental and physical health.

Higher education badly needs reform as well. To limit taxpayer exposure to student loan debt and better position higher education to meet future economic needs, Congress should eliminate the Parent PLUS Loan program, pursue long-overdue accreditation reform to focus on quality assurance, decouple federal financing (student loans and grants) from accreditation to allow students more flexibility in pursuing career-oriented education options, and cap indirect cost payments to universities for research grants. Congress should withstand pressure to cancel student loan debt, which would be regressive, fuel further increases in college costs, and shift a massive debt burden onto American taxpayers. Congress should also fight antisemitism and undue foreign influence on college campuses by strengthening reporting requirements related to foreign funding, lowering the foreign gift reporting threshold, and enforcing existing laws.

Recommendations

Policy Proposals (Federal)

In order to return to a sane education system, federal lawmakers should:

Reject CRT in DC public schools by prohibiting District of Columbia public school and charter school employees from compelling any teacher or student to adopt, affirm, adhere to, or profess ideas that promote race or sex stereotyping or scapegoating or that violate the Civil Rights Act of 1964.

Establish ESAs for children in DC and children of military families, two populations whose education is funded by federal taxpayers and under the jurisdiction of the U.S. Congress.

Reform the nation's largest federally funded early-childhood program, Head Start, which represents a $12 billion annual investment by taxpayers, by replacing the current program with block grants and introducing ESAs, where families could use their portion of funds to select the childcare provider that best meets their needs.

Require all federal service academies to accept the Classic Learning Test as an option for college applicants.

Decouple federal financing from higher education accreditation, enabling students to pay for individual classes and courses of study that are more applicable to the job market, and eliminate the federal Parent PLUS Loan program.

Situate decision-making about existing federal funding closer to the families who are affected by those decisions. The policies contained in the Academic Partnerships Lead Us to Success (APLUS) Act would accomplish this goal by allowing states to opt out of the programs authorized under the Elementary and Secondary Education Act (ESEA) and put those existing dollars toward any lawful education purpose under state law.

Close the U.S. Department of Education by eliminating programs that are duplicative, ineffective, or unconstitutional, and decouple the agency from federal education law. The Department of Education should no longer have Cabinet-level agency status—a policy goal that can be achieved by eliminating more than 80 existing programs and moving 40 remaining programs to other federal agencies.

Cap indirect costs to universities. Currently, the federal government overpays universities for grant-funded research, requiring taxpayers to shell out more than the minimum indirect rate paid for research by the private sector to universities. Not only is this unfair to taxpayers, but it results in taxpayers subsidizing other agendas at universities, such as an ever-growing DEI staff. Congress should cap the indirect rate the federal government pays universities so that it matches or is closer to the rate that the private sector pays for research.

Lower the foreign gift and contract reporting threshold for U.S. colleges and universities and impose more stringent requirements for gifts originating from countries or entities of concern. Institutions that fail to comply should be subject to meaningful penalties, including fines and the potential loss of eligibility for Title IV federal student aid.

Policy Proposals (State)

In order to return to parents the right to direct their children's education and to protect them from ideological agendas, state lawmakers should:

Pursue universal ESAs in the states. States should follow the lead of Alabama, Arizona, Arkansas, Florida, Idaho, Indiana, Iowa, Louisiana, New Hampshire, North Carolina, Ohio, Oklahoma, Tennessee, Texas, Utah, West Virginia, and Wyoming and adopt universal education choice. ESAs enable families to take at least 90 percent of their child's share of state per-pupil funding to a private school or education provider of choice. ESAs allow families to pay for private school tuition, online learning, special education services and therapies, private tutors, and a host of other education-related services, products, and providers. Unused funds can be rolled over from year to year and should be eligible for deposit into a college savings account.

Protect children and families with parental bills of rights. States should respond to the radical ideologies that insert gender ideology as a replacement for biological sex into K–12 health instruction and adopt parental bills of rights. A parental bill of rights should affirm that parents are their children's primary caregivers, require that schools receive permission from parents before administering health services to students, and allow parents—and taxpayers—to view the material that educators are teaching students.

Reject CRT and its discriminatory application in schools. States should prohibit schools from applying CRT and violating the Civil Rights Act of 1964 by compelling students to affirm racially discriminatory ideas. Parents should have a private right of action against public schools that violate these prohibitions.

Require high school students to earn passing scores on a civics assessment as a condition of graduation.

Facts + Figures

FACT: Critical race theory transmits a toxic message to students of all backgrounds, and its application in schools may violate the Civil Rights Act of 1964.

- CRT can be disguised as "diversity, equity, and inclusion," "affinity groups," and "privilege walks," among other activities that segregate children by race. CRT includes a call to action against the U.S. constitutional system.
- Education officials are obligated to uphold the 14th Amendment's Equal Protection Clause as well as Title VI of the Civil Rights Act of 1964, which protects Americans from discrimination based on race, sex, or national origin in education institutions that receive federal funds.

- Students should learn about all American history, including slavery, Jim Crow laws, and segregation, as well as the remarkable progress that the country has made, the rule of law, and content that creates a shared sense of national identity, showing that America belongs to all Americans and that this nation and its progress are worth celebrating.

FACT: Individuals with a bachelor's degree earn, on average, $1 million more over the course of their careers than those with only a high school diploma. This makes student loan forgiveness an unfair and regressive policy that shifts that payment obligation onto the two-thirds of Americans who do not hold bachelor's degrees.

- Cumulatively, Americans owe more than $1.8 trillion in outstanding student loan debt—a sum that exceeds cumulative credit card debt. Although the number is large in the aggregate, it is manageable at the individual level for most borrowers. Average monthly loan payments range from $200 to $299.

- Student loan amnesty is not the solution. It will likely encourage colleges to raise tuition, particularly if graduates expect student loans to be forgiven again in the future. New cohorts of students would understandably expect their loans to be forgiven, and that expectation could lead to increases in borrowing.

- At the individual level, student loan debt is tough for some, but on average (and despite how it is often portrayed) it is not a crushing burden. In 2025, the average student loan debt was $39,075 per borrower.[1] As of 2024, median student loan debt stands between $20,000 and $24,999 per borrower,[2] and average monthly payments range from $200 to $299.[3]

- On average, graduate students borrow $24,000 per year, while undergraduates borrow approximately $7,000 per year.[4] The wealthiest 40 percent of borrowers hold more than half—60 percent—of all loan debt. Student loan forgiveness would result in lower-income borrowers receiving the least benefits.[5]

- If Congress wants to help, it should pursue policies like reducing federal subsidies that would drive down the cost of tuition rather than shifting debt payments to the taxpayers. Congress should begin by eliminating the federal Parent PLUS Loan program.

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Updated: **May 2026**

Health Care

Summary and Key Points

Policy Proposals

1. Roll back the expansion of government involvement in health care.
2. Offer patients the ability to use their health care dollars as they deem appropriate.
3. Require more transparency in health care pricing.
4. Overhaul the public health bureaucracy.

Quick Facts

1. Premiums in the individual market increased from $244 per member per month in 2013 to $568 per member per month in 2022, and the number of insurers offering coverage in Obamacare exchanges is down, with 34 states having fewer insurers than before Obamacare was implemented.
2. The number of individuals enrolled in Medicaid has skyrocketed. More than 84 million people are enrolled in Medicaid, and spending continues to climb, costing federal and state taxpayers $833 billion in 2024.
3. By 2033, the Medicare hospital trust fund will be depleted, with Medicare's "unfunded obligations"—additional funds needed to fully fund the program—amounting to more than $60 trillion.
4. The botched public health response to COVID-19 resulted in more than 1.1 million deaths and economic cost of $14 trillion.

What to Say About Health Care

- When government manages health care, patients lose control, costs rise, and care becomes harder to get. Government rules and mandates have made health care more expensive, complex, and frustrating for patients.
- Patients should be able to make their own, informed health care decisions. Government agencies should not make health care decisions for patients.
- Americans deserve clear, transparent health care prices so they can compare options and make informed choices.
- Consolidation among hospitals and insurers has reduced competition and left patients with fewer real choices.
- Medicaid, Obamacare, and Medicare enrollment is growing rapidly, straining the system and placing future care at risk for seniors and working-class families.

- Public health leaders failed to protect Americans during COVID and must be held accountable for those mistakes.

The Issue

America has some of the world's best medical care. However, excessive and ill-conceived government interventions in health care financing and delivery have fueled a health care system that is overly costly, complex, confusing, and inefficient.

Nearly every American, regardless of income or medical condition, has access to health insurance coverage, but too many Americans lack access to affordable, high-quality, patient-centered care. Due in part to government policies, market consolidation among hospitals, insurers, and health care providers has left patients with fewer choices and higher costs while the government and the health care industrial complex continue to grow.

Despite the promises, middle-class families face higher premiums and fewer choices than when Obamacare was enacted, low-income Americans are trapped in a ballooning safety-net program that rations care and access, and seniors on Medicare face an uncertain future with access and care at risk.

Aimed at expanding government control over health care dollars and decisions, the Biden Administration's policies disregarded the root causes of higher costs and made matters worse, not better. Action by liberals in Congress has led to more government subsidies and more government price controls that exacerbate the underlying problems in health care and only further government involvement in personal health care decisions.

Federal government overreach and the failures of federal planning and faulty interventions became acute and most visible in the flawed responses to the COVID-19 pandemic. During the worst public health crisis of the century, centralized, top-down, government-run health care failed Americans. The solution is to reverse course on this broken system and give patients direct control of their health care dollars and decisions.

Americans should be able to choose the care and coverage that is best for them, have access to more affordable coverage options, and receive the tools and incentives to make those choices; low-income families must be able to receive the private care they need; seniors must have a sound Medicare program; and Americans in general should be able to hold public health officials accountable for the failed federal response to the COVID-19 pandemic by reforming public health agencies, especially the Centers for Disease Control and Prevention (CDC). Giving Americans greater control over their own health care is the most powerful guarantor of higher-quality care at lower costs.

Recommendations

In order to give all Americans access to the health care they deserve, Congress should:

Roll back the expansion of government involvement in health care. Since the major provisions of the misnamed 2010 Patient Protection and Affordable Care Act (ACA), known as Obamacare, were implemented in 2014, liberals have continued their mission to have the government take over America's health care. During the pandemic, millions of Americans were added to the government health care rolls due in part to congressional actions. Congress must reverse course and continue to remove ineligible people from Medicaid, scale back ACA subsidy expansions, and stop harmful administrative actions that stifle innovation, increase costs, and reduce choices for patients, including the imposition of government price controls.

Give states the flexibility to make coverage more affordable. States are better suited and better equipped to oversee health insurance markets than the federal government. Rather than centralizing decisions at the federal level, Congress should give states greater flexibility to offer a broader menu of affordable health plans both in and outside federal exchanges to help to bring down costs and expand coverage options for their residents.

Offer patients the ability to use their health care dollars as they want. Patients want greater flexibility in choosing the health care coverage and services that best fit their needs and save for future health needs. To do that, Congress should expand access to patient-owned and patient-directed account-based coverage options, such as health savings accounts, as well as other non-government coverage and care arrangements, such as association health plans, direct primary care arrangements, and individual reimbursement accounts.

Require more transparency in health care pricing. Americans spend more on health care than any other people in the world. Yet, most have no idea of the actual cost even of the most common medical treatments or procedures. Require consumer-friendly information about hospital, insurance, and prescription-drug pricing and allow patients to share in savings from choosing lower-cost options. Lack of transparency partially explains the rising costs of health care, and price transparency can help to resolve this problem. Furthermore, Congress should reform how it supports health care providers that provide indigent care so that it is more transparent and accountable.

Offer low-income individuals and families private coverage options. Medicaid, the health care safety-net program for low-income individuals and families, locks them into an overstretched, rationed government-run health care program. Instead, Congress should give Medicaid enrollees the option of applying the Medicaid funds to the private health plan of their choice, including employer-based coverage.

Reform and expand private coverage options in Medicare. Medicare Advantage, the program that gives seniors access to private coverage options, is the fastest growing part of Medicare, because it is in many ways superior to traditional Medicare. To stabilize the Medicare program as a whole, Congress should reform the Medicare Advantage payment system to make it more market-based, expand the benefits that health care plans are allowed to offer seniors, allow seniors to share in savings for making less expensive choices, and make the Medicare Advantage program the default option for seniors in the future.

Overhaul the public health bureaucracy. The federal public health bureaucracy failed the American people during the coronavirus pandemic. Congress must use its oversight powers to hold these agencies accountable and make meaningful policy changes to ensure that such failures are never repeated. This entails separating the CDC's research and policymaking functions and restoring it to its core mission of responding to infectious diseases; reforming the grant-making process at the National Institutes of Health based on merit; and realigning the Food and Drug Administration toward more efficient and effective review and oversight.

Facts + Figures

FACT: Health care costs continue to rise.

- According to the Centers for Medicare and Medicaid Services,[1] in 2024, national health care expenditures grew to $5.27 trillion.
- By 2033, national health expenditures are expected to reach $8.58 trillion.[2]

FACT: Americans face higher premiums and have fewer health care options than before Obamacare.

- According to Heritage Foundation analysis,[3] premiums in the individual market increased from $244 per member per month in 2013 to $568 per member per month in 2022.
- Only 304 insurers offered coverage in the Obamacare exchange in 2023, compared to 395 in the individual market in 2013, with 34 states having fewer insurers than before Obamacare.

FACT: Medicaid enrollment and spending are exploding.

- According to the Centers for Medicare and Medicaid Services,[4] during COVID-19, Medicaid enrollment spiked to 91 million in 2023. Despite the pandemic having ended, an estimated 10 million more[5] individuals remain on Medicaid than before the pandemic.
- Combined, federal and state Medicaid spending reached $925.6 billion[6] in fiscal year 2024.

FACT: Medicare faces short-term and long-term challenges that put the future of the program at risk.

- According to the Medicare Board of Trustees,[7] enrollment in Medicare will jump from 67 million in 2024 to 83.4 million in 2040, while spending is projected to jump from roughly $1 trillion in 2024 to nearly $2.3 trillion in 2034.
- By 2033, the hospital insurance (HI) trust fund is projected to become insolvent, and the total Medicare program faces $60 trillion in long-term unfunded obligations.

FACT: The botched government response to the COVID-19 pandemic cost millions of lives and millions of livelihoods.

- More than 1.1 million deaths in the U.S. are associated with COVID-19.
- The economic costs related to the pandemic are estimated to reach $18 trillion[8] by the end of 2023.

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Life

Summary and Key Points

Policy Proposals

1. Eliminate taxpayer funding for elective abortion here and abroad and redirect federal funding of Planned Parenthood to health centers not involved in abortion.
2. Protect conscience rights of doctors, nurses, and other medical practitioners.
3. Protect unborn children, women, and girls from dangerous abortion drugs.
4. Resist the push for physician-assisted suicide (PAS).

Quick Facts

1. Six in 10 Americans believe that abortion should be limited to, at most, the first trimester.
2. Nearly 2,800 pro-life pregnancy resource centers served more than 1 million new clients in 2024, providing an estimated $452 million in services, such as ultrasounds, parenting classes, and prenatal classes, and supplies, such as diapers and clothing.
3. Today, roughly 1 million abortions are performed in the U.S. every year.
4. During the 2024–2025 reporting year, Planned Parenthood received $832 million in taxpayer funding, up from $792.2 million the previous year.

What to Say About Life

- Every human life has inherent worth and deserves legal protection, regardless of age, size, or condition. When the law stops protecting all human lives, the weakest people are harmed first and the damage spreads outward.
- Ending unborn lives is wrong and often leaves women with lasting physical and emotional harm.
- Taxpayers should not be forced to fund abortion or organizations that profit from it.
- Medical professionals should never be compelled to act against their conscience or ethical judgment.
- Babies who survive abortion attempts deserve the same care and protection as any other newborn child.
- Physician-assisted suicide abandons the vulnerable and undermines trust between patients and doctors.

- Society should expand support for mothers, families, and life-affirming alternatives to abortion.

The Issue

In June 2022, the Supreme Court righted a legal and moral wrong with its decision in *Dobbs v. Jackson Women's Health Organization* by overturning *Roe v. Wade* and opening the door for policymakers to pass more pro-life measures at the state and federal levels. This opportunity should not be squandered.

Many states have passed laws to protect women and unborn children since *Roe*'s reversal. Meanwhile, pro-abortion states are doing the opposite. Some have even enshrined abortion on demand *until birth* in state constitutions. At the federal level, the Biden Administration used the administrative state to achieve what it could not accomplish through the democratic process.

Abortion-pill pushers, especially in pro-abortion states, undermine pro-life efforts by promoting and trafficking abortion drugs across state lines to pro-life states. As a result, abortion pills are the next pro-life battlefield.

In the *Dobbs* decision, the Supreme Court made clear that the people can protect unborn life at any stage through "their elected representatives...in the States or Congress." From gestational limits on abortion to protecting life and conscience in funding measures to government oversight and accountability, federal policymakers have an opportunity—and a constitutional duty—to legislate robust pro-life policies.

Policymakers and the American people should keep this fundamental principle in mind: From the moment of conception, every human being has inherent dignity and worth. American law should protect innocent human life, including in the womb.

Recommendations

In order to protect unborn children, U.S. policymakers should:

Enact robust gestational limits. Congress should protect unborn children with beating hearts through policies like the Heartbeat Protection Act. While several states have already done so with similar or more robust laws, many others have not. Some states have no gestational limits at all. This status quo—where Texas protects unborn children fully, but California treats them as medical waste—is unacceptable. Congress should use its constitutional authority to protect the youngest and most vulnerable in every state.

Address abortion drugs. Congress can, and should, protect unborn children, women, and girls from dangerous abortion drugs. Congress should also stop the Food and Drug Administration (FDA) from prioritizing the abortion industry over Americans' health and safety. In the spring of 2021, under the cover of containing COVID-19 and contrary to long-standing safety protocol, the FDA ended the requirement that abortion drugs be dispensed in person in limited health care settings. In 2023, the FDA formally sanctioned telemedicine abortion where a woman can be prescribed abortion pills without a single in-person doctor visit. She can then receive the pills through the mail or in a pharmacy instead of in person from a physician, which was required by previous regulations. In the post-*Dobbs* landscape, many states have passed new pro-life laws. But abortion-pill pushers, especially in pro-abortion states, undermine these efforts by promoting and trafficking abortion drugs across state lines to pro-life states. Abusive partners, unsupportive parents, and other ill-meaning actors have ordered these drugs themselves with no oversight and coerced or forced pregnant women to take these dangerous drugs without their knowledge or consent. As a result, abortion pills are the next pro-life battlefield. Congress should step in. The Support and Value Expectant (SAVE) Moms and Babies Act is a start. The bill bars the FDA from approving any new abortion drugs. For abortion drugs currently approved, the bill

reinstates the in-person dispensing requirement, once again disallowing telemedicine prescriptions for and mailing of abortion drugs. The bill also improves post-marketing safety surveillance to better track health complications and adverse events from drug-induced abortions. In practice, the bill would put a stop to the ideologically motivated reckless disregard for women's health and safety—just a start on the way to banning these dangerous drugs. Congress should use every tool at its disposal to limit the threats these pills pose to women, girls, and unborn children.

End taxpayer funding of elective abortion and the abortion industry. Congress should stop tax dollars from funding elective abortions and supporting the abortion industry once and for all. Rather than relying on a patchwork of "riders" that must be applied to appropriation bills every year, or temporary measures like the one-year provision in 2025's reconciliation legislation, the No Taxpayer Funding for Abortion and Abortion Insurance Full Disclosure Act would permanently end federal funding for elective abortion or health insurance coverage of abortions. Congress should also end federal funding for the abortion industry and direct funding to centers that provide real health care for women. The Protecting Life and Taxpayers Act would require that groups seeking federal funding certify that they will not perform abortions or fund other entities that do. This would in effect defund abortion providers, such as the Planned Parenthood Federation of America, the International Planned Parenthood Federation, and Marie Stopes International. Federal resources should instead go to pregnancy resource centers and entities that provide high-quality, comprehensive care that is not entangled with the abortion industry.

Protect the lives of abortion survivors. Congress should protect babies who survive abortion attempts. Federal law recognizes that infants born at any stage of development, regardless of the context of the birth, are "persons." But this law does not specify a duty to care for these babies. The Born-Alive Abortion Survivors Protection Act would require that an infant born alive after an abortion attempt receive proper medical care. It would punish health care providers who do not provide such care, and it would criminalize infanticide. It is known from government sources in the United States and across the world that babies can and do survive abortion attempts. Allowing these babies to suffer death by neglect is utterly unacceptable. Fixing this problem should not be controversial.

End "lethal discrimination" against Down syndrome babies. Congress should also protect babies from lethal discrimination in the womb. One way is through the Protecting Individuals with Down Syndrome Act, which would protect a child from abortion due to a test result or diagnosis that indicates the child has Down syndrome. The bill also prohibits forcing or coercing a woman who has or may have Down syndrome to abort her child. A 2022 Joint Economic Committee report finds that between 60 percent and 90 percent of baby boys and girls diagnosed with Down syndrome are aborted. It estimates that without these selective abortions, "the Down syndrome population would be 217,000 people greater in 50 years, an increase which is greater than the current Down syndrome population." A dozen states protect unborn children from such lethal discrimination in the womb. The federal government should follow their lead.

Protect conscience rights. Many Americans cannot in good conscience provide, pay for, or refer women for abortions. Congress protects American citizens and entities from being forced to do so through policies such as the Church Amendments, the Coats–Snowe Amendment, and the Weldon Amendment. (The latter is an annual rider in appropriations bills, not a permanent statute.) If someone believes that his conscience rights have been violated, he can file a complaint with the Office for Civil Rights at the Department of Health and Human Services (HHS). But the Obama and Biden Administrations failed to enforce conscience laws. The Conscience Protection Act would codify the Weldon Amendment and provide Americans with a private right of action for conscience violations. Such a right does not guarantee a certain outcome, but it would allow Americans to have their day in court rather than rely on potentially hostile government bureaucrats for relief.

Resist the push for physician-assisted suicide (PAS). A dozen states allow physician-assisted suicide, and proposals are filed in additional state legislatures each year. Legalizing PAS endangers the weak and

vulnerable, corrupts the practice of medicine and the doctor–patient relationship, compromises the family and intergenerational commitments, and betrays human dignity and equality before the law. The experience of countries with PAS and euthanasia suggests that safeguards intended to limit PAS eligibility to the terminally ill or to certify autonomous consent often fail to ensure effective control. Instead of embracing PAS, policymakers should focus on the benefits of palliative care to improve a patient's quality of life by alleviating pain and other distressing symptoms of serious illness.

Facts + Figures

FACT: Planned Parenthood's annual report for 2024–2025 reveals that the organization performed 434,450 abortions in a single year, an all-time high.

- Since 2014, cancer screening and prevention services have decreased by 43 percent, prenatal services have decreased by 43 percent, and the number of unique patients has decreased by 16 percent.
- During the 2024–2025 reporting year, Planned Parenthood received $832 million in taxpayer funding, up from $792.2 million the previous year.
- During that time, Planned Parenthood performed 143 abortions for every adoption referral.

FACT: Legalized abortion on demand has had a devastating impact on mothers, fathers, their unborn babies, and civil society.

- Since the 1973 *Roe v. Wade* and *Doe v. Bolton* decisions legalizing abortion on demand, more than 65 million humans have lost their lives to abortion in America. Today, roughly 1 million abortions occur in the U.S. every year.

FACT: The majority of Americans believe that abortion should be significantly restricted.

- Six in 10 Americans believe that abortion should be limited to, at most, the first trimester, or available only under rare circumstances.

FACT: Despite its claims to the contrary, the abortion industry is well-funded, organized, and committed to expanding unlimited abortion at the expense of other services.

- Planned Parenthood's annual report for 2023–2024 reveals that the organization performed 402,230 abortions in a single year, an all-time high.
- Since 2013, cancer screening and prevention services have decreased by 54 percent, prenatal services have decreased by 63 percent, and the number of unique patients has decreased by 23 percent.
- During the 2023–2024 reporting year, Planned Parenthood received $792.2 million in taxpayer funding, up from $699.3 million the previous year.
- During that time, Planned Parenthood performed nearly 200 abortions for every adoption referral.

FACT: The rate of pill-induced abortion increased by 120 percent in the past decade, and the abortion industry is agitating to remove existing safety standards to make dangerous chemical abortions even more common.

- Chemical abortion allows women to have abortions at home without medical supervision. Today, more than 60 percent of abortions in the U.S. are chemical rather than surgical. Currently, abortion pills are approved for up to 70 days of gestation with no in-person evaluations required; in practice, women can use pills to abort their children even later in pregnancy.

- Since their approval by the FDA in 2000, abortion pills have been subject to heightened safety restrictions. For example, only certain providers could prescribe and dispense pills directly. But now, thanks to the Biden Administration, abortion pills continue to be available via telemedicine, mail, and retail pharmacies.

- As of 2024, abortion pills have been associated with 36 deaths of pregnant women and thousands of adverse events, such as incomplete abortions, blood clots, and hemorrhaging. The complication rate for drug-induced abortion is four times the rate of a first-trimester surgical abortion.

- Policymakers in more than a dozen states (and counting) have taken action against abortion pills through policies such as prohibitions on telemedicine abortion, heightened informed-consent requirements, and reporting requirements to improve the tracking of complications. These policies prioritize the health and safety of both women and unborn children.

FACT: Abortion laws in many U.S. states are permissive in the extreme; most countries, including in Western Europe, place far more restrictions on abortion.

- The United States is one of only seven countries in the entire world to permit elective abortion after 20 weeks (five months) of gestation.

- Forty-seven of 50 European countries limit elective abortion to 15 weeks of gestation.

FACT: Pro-life pregnancy centers provide millions of mothers, babies, and families with life-affirming resources every year across America.

- One study found that pregnancy resource centers served more than a million new clients in 2024, providing an estimated $452 million in services, such as ultrasounds, parenting classes, and prenatal classes, as well as supplies, such as diapers and clothing.

- Eight in 10 pregnancy resource centers provide free or low-cost medical services for women and their babies.

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Updated: **May 2026**

Sexual Orientation and Gender Identity Policies

Summary and Key Points

Policy Proposals

1. Protect the freedom of all Americans to think, speak, work, act, and raise their children according to their beliefs about marriage, the innate sexual differences between men and women, and biological reality.

2. Protect minors from harmful "gender-transition" procedures and "therapies."

3. Protect families from parental exclusion and secrecy policies in education and health care.

4. Protect families from judicial and child protective systems that have been weaponized to take children away from parents who refuse to treat their child as the opposite sex. Protect foster and adoptive families.

5. Codify the accurate definition and interpretation of sex in vital records and in laws relating to sex-based rights, including those establishing protections for sex-specific sports and scholarship opportunities, and sex-segregated privacy spaces in shelters, prisons, and jails.

6. Oppose any federal or state law or regulation that would enshrine gender ideology in law.

Quick Facts

1. The Biden Administration poured unprecedented funding—more than $4 billion[1]—and personnel into enforcing gender ideology and LGBTQ orthodoxy[2] in and through every government agency.

2. The Trump Administration rolled back damaging Biden executive actions, restoring the correct interpretation of "sex" to mean biological sex, not a subjective, internal sense of "gender." As a result of Trump executive actions, more than 40 U.S. hospitals stopped providing sex-rejecting interventions to minors.[3]

3. The divide between "red" and "blue" states increased as many red states began to pass protections against gender ideology and LGBTQ orthodoxy into law, while blue states enacted laws and policies protecting providers of sex-rejecting interventions and enforcing radical ideology by intervening between parent and child in schools and child welfare systems.[4]

4. Twenty-seven states banned pediatric sex-rejecting procedures, while 17 states and Washington, DC, passed "shield" laws or policies for them.

5. Thirty-nine states allow birth certificates to be altered to falsify the sex marker.[5]

6. More than 1,000 male inmates in California applied for transfer to female prisons after California passed SB 132 in 2021 allowing housing by "gender identity" not sex.[6] California, Washington, Oregon, New Jersey, Massachusetts, New York, and other states house men who "identify" as women in female prisons, leading to rapes and pregnancies of incarcerated women. President Trump's order banning men from federal female prisons has been consistently blocked through lawsuits brought by males protesting their return to male prisons.[7]

7. Americans have grown increasingly wary of the tenets and practices of gender ideology. A majority of Americans favor keeping biological males out of female sports and sex-specific private spaces, and banning sex-rejecting interventions for minors.[8]

8. The Supreme Court issued four landmark rulings protecting individuals, children, and families from forced compliance with SOGI laws and policies.

What to Say About SOGI Policies

- The government should not force anyone to deny basic biological differences between men and women. Laws meant to protect fairness and safety should not be rewritten to ignore biological reality.

- Parents, not schools or government agencies, should make medical and social decisions for their children. When government enforces ideology as law, parents lose trust, familial bonds are damaged, and children pay the price.

- Families should be protected from losing their children through ideologically driven state overreach. Children in state care should not be denied placement with a safe and loving family simply because prospective foster or adoptive parents hold to biological reality or traditional beliefs about sexuality.

- Schools should not be allowed to hide information from parents or exclude them from decisions involving their own children.

- Children should be protected from irreversible medical interventions, pushed on them before they can fully understand the consequences.

- Sex-based spaces and sports exist to protect privacy, safety, fairness, and opportunity, especially for women and girls. It is dangerous and inhumane to force women to share spaces with males in bathrooms, lockers, sleeping quarters, shelters, and prisons.

The Issue

Americans face growing pressure in education, culture, and the marketplace to embrace radical ideologies that deny the truth of natural marriage and the reality of biological sex. Efforts to embed acceptance of these fringe beliefs began under the Obama Administration, emboldened by the Supreme Court's 2015 *Obergefell* decision overturning the definition of marriage. LGBTQ activists pivoted to seeking to establish "transgender rights" as the next civil rights issue.

The Biden Administration aggressively promoted this radicalism both domestically and abroad. President Joe Biden sought to embed SOGI policies in every facet of life, from education to child welfare, judicial systems, and medicine, through lavish funding and unprecedented lawfare and enforcement.

Culturally, from social media and Hollywood to cereal boxes and children's books, a relentless flood of propaganda denounced those who did not affirm gender ideology and sexual radicalism. Mega corporations and tech giants threatened boycotts of entire cities and states that failed to toe the party line. Social media platforms actively censored dissenting accounts.

Twenty-two states and hundreds of localities enacted laws enshrining SOGI policies in civil rights code to punish those who dissented from this state-sanctioned orthodoxy.

These laws spawned lawsuits against countless businesses. They also cleared the way for dangerous and experimental medical procedures on minors, jeopardized the safety and privacy of women and girls, undermined parents' rights and the conscience rights of medical providers, and violated freedom of religion and speech.

Boys and men "identifying" as girls and women began to compete in female sports and use women's private spaces with impunity and elite approval. These fundamentally unfair policies resulted in severe injuries to girls, and deprived girls of countless scholarships and awards, effectively preventing them from reaching their full potential.

Schools indoctrinated students into radical views of sexuality and secretly "transitioned" children. Parental exclusion policies have been adopted by schools in thousands of districts, affecting millions of children. These policies secretly "transition" children into living a double life at school as the opposite sex and often lead to the involvement of hostile child protective systems against the parents.

Child protective services took children away from parents across the country who did not "affirm" them as the other sex by using false pronouns or consenting to puberty-blocking drugs, cross-sex hormones, and surgeries. Children came to terrible harm in state care, and some even died.[9]

California, Washington State, and Oregon passed laws enabling and encouraging children as young as 12 to run away from home to state-sponsored residential facilities that hide them from their parents and provide social and medical interventions to "transition" them to the opposite sex.

Several blue states adopted "trans shield laws" granting the state emergency custody of a child running to the state, or trafficked by any adult to the state, if the purpose is for the child to receive sex-rejecting medical interventions.

Blue states housed violent, physically intact convicted male sex offenders and murderers in female prisons, based simply on the male prisoners' claim of a female "gender identity." As a result, female prisoners have been assaulted, raped, and impregnated.

As harm accrued in all these fields, courageous advocates pushed back, resulting in many new state laws and policies and dozens of lawsuits.

By 2025, some 30 lawsuits had been filed relating to secret "transition" policies and compelled gender ideology indoctrination in schools. Teachers and students began to win legal challenges to school policies compelling the use of wrong-sex pronouns and keeping "transitions" secret from parents.

Public opinion on pediatric sex-rejecting interventions began to shift as "detransitioners"—such as Chloe Cole, whose breasts were amputated when she was a minor—stopped sex-change measures and returned to living as their biological sex, publicly testifying of the harms they suffered from puberty blockers, cross-sex hormones, and destructive surgeries. Close to 30 lawsuits were filed by detransitioners against the doctors who harmed them.

In January 2026, for the first time, a jury awarded $2 million in damages to a detransitioner plaintiff.[10]

Whistleblowers like Jamie Reed, a gender clinic worker, came forward about the harms of sex-rejecting interventions.[11] Legal proceedings revealed evidence suppression by the World Professional Association for Transgender Healthcare (WPATH), from which medical associations derive their guidelines.

Documentation came to light through discovery required by an Alabama lawsuit, *Boe v. Marshall*, showing that WPATH had adopted terminology like "life-saving" and "medically necessary" to describe sex-rejecting procedures not because of evidence supporting the procedures but to secure insurance coverage and fight legal challenges. Correspondence between Dr. Rachel Levine and WPATH proved that the Biden Administration and the American Academy of Pediatrics had also pressured WPATH to lift age minimums for invasive pediatric procedures.[12]

Current and prospective foster and adoptive parents filed multiple lawsuits and began to prevail against states that required families to "affirm" the lies of gender ideology in order to foster a child.

Three landmark rulings, one on gender medicine bans (*Skrmetti*), one on parental rights to refuse LGBTQ indoctrination (*Mahmoud*), and a third on the right of counselors not to be compelled to "affirm" a patient's gender dysphoria or unwanted same-sex attraction (*Chiles*), were issued in 2025 and 2026 by the Supreme Court, with a ruling on sex-segregated sports still under consideration.

The Supreme Court also reaffirmed parental rights by vacating in part a Ninth Circuit ruling in *Mirabelli v. Bonta*, dealing with secret gender "transition" policies at school. The Court built on its *Mahmoud* decision, stating that "Indeed, the intrusion on parents' free exercise rights here—unconsented facilitation of a child's gender transition—is greater than the introduction of LGBTQ storybooks we considered sufficient to trigger strict scrutiny in *Mahmoud*."

One of the clearest signals of change was the prominence of transgender issues in the election that swept President Donald Trump to victory in 2024. The second Trump Administration has prioritized the protection of women and children from Day One, with multiple executive orders reversing harmful policies enacted by the Biden Administration. Executive orders and actions by the Departments of Education, State, Health and Human Services (HHS), and Justice (DOJ) have restored the correct meaning and interpretation of "sex" in policy and regulations.

The Trump Administration pardoned a Texas doctor, Eithan Haim, the day before he was set to go to prison because of the Biden Administration's aggressive prosecution. Haim had blown the whistle on a Texas children's hospital that was secretly performing sex-rejecting procedures after it had stated it would cease the practice. After the White House issued its policy denying Medicaid funding for sex-rejecting procedures and for hospitals performing them, major gender clinics responsible for harming children began to close their doors.

The White House commissioned an independent, peer-reviewed "umbrella" review of evidence on pediatric gender medicine. Like the United Kingdom's official Cass review and more than a dozen other systematic reviews, the Administration report concluded that evidence justifying sex-rejecting procedures was weak and the risk of harms high. In February 2026, the first two major medical associations broke ranks with the ideological consensus of other associations and recommended that doctors not perform sex-rejecting surgeries on minors.

While much progress has been made against gender ideology, and the current Administration has taken strong stands resulting in significant victories, the battle for lasting protections is far from won. The evils of gender medicine have shifted to the private sector, online, or underground. The web of lavishly funded activist groups and institutional radicals seeking to enshrine gender ideology in every part of society is as active as ever. They continue to engage in near limitless lawfare and to promote indoctrination in schools, while biding their time until the next favorable Administration.

Recommendations

To protect children, parents, businesses, and all Americans from being forced to comply with radical sexual ideology, state and federal policymakers should:

Protect the freedom of all Americans to think, speak, work, act, and raise their children according to their beliefs about marriage, the innate sexual differences between men and women, and biological reality itself. Americans should be free at school, in the workplace, and in the public square to live according to their moral, religious, and scientific beliefs on these matters. Conservatives should push for legislation that recognizes and protects the decent and honorable beliefs of *all* Americans, not just those who agree with government-enforced orthodoxy. Bills like the First Amendment Defense Act would do just that. The bill prohibits the federal government from punishing any entity with which it contracts or which it accredits or licenses for affirming that marriage is exclusively between a man and a woman. Such laws will ensure that medical professionals, school faculty, religious institutions, and parents can live and act freely without fear of punishment.

Preserve and protect the right of parents to approve what their children are taught and exposed to and to oversee their children's medical treatment. The Supreme Court has long recognized that parents have the primary right and duty to care for and guide their children. As the Court affirmed in *Pierce* (1925), "The child is not the mere creature of the State; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations." State and federal policies must protect children by ensuring that parental rights are treated with the strictest respect. As many states have already done, others should **pass** laws requiring parental notification of a child's gender confusion, consent for any medical or counseling interventions, and banning secret "transitions" at school. Legislators should support bills that require opt-ins (rather than opt-outs) for sensitive curricula and protect parental consent when it comes to medical and mental health care for minors.

Protect minors from harmful "gender-transition" procedures and "therapies." Contrary to activists' claims, the best medical research does *not* show that "gender transition" improves mental health for minors. The longest-term study, published in 2011, found that even adults who fully transition are 19 times more likely than the average person to commit suicide.[13] Moreover, those who transition chemically or surgically experience irreversible damage, such as sterilization, sexual dysfunction, atrophy, loss of bone density, or heart disease. This damage is especially tragic, as among minors who struggle with gender dysphoria, up to 88 percent of girls and 98 percent of boys who are not prevented from going through puberty reconcile with their biological sex. Internationally, the U.K. has closed its only pediatric gender clinic. And the U.K., as well as Denmark, Finland, and Sweden, have now put strict limits on these procedures.

Every credible systematic evidence review worldwide has concluded that the evidence for sex-rejecting procedures is weak and the risks high. These reviews include the 2025 comprehensive HHS "umbrella review" of all available systematic reviews and the 2024 Cass Review published by the British government. In the United States, as of January 2026, 27 states have passed laws protecting children from these experimental sex-rejecting procedures. In 2025, the Supreme Court issued a landmark ruling in *Skrmetti* affirming the right of states to pass such bans.

However, many other states have passed "shield laws," including laws wrongfully asserting state custody over minors who run to or are trafficked to those states, if the purpose is to obtain sex-rejecting procedures. These "shield laws" must be overturned and federal legislation passed to address these violations of parental rights and the damage done to children.

Anchor the definitions of *sex*, *male*, and *female* firmly in biological reality. "Sex" means the immutable, biological, and binary reality that humans are either male or female. Without such clarity, the legal protections

afforded women disappear. One cannot protect what one cannot define. On Day One of his second Administration, President Trump issued an executive order restoring the correct meaning of "sex" to U.S. law. The order overturned the Biden Administration's **attempt** to legally redefine "sex" to include "gender identity" and "sexual orientation." However, to permanently protect Americans from the threat of these ideological constructs, both federal and state legislators should anchor the legal definitions of *sex*, *male*, *female*, *man*, and *woman* in biology and oppose the adoption of the "LGBTQIA+" lexicon. Many states have now adopted these accurate definitions of sex into law, and more must do so.

Pass state legislation restoring the integrity of vital and state records. As of January 2026, more than 40 states allow the falsification of sex designations on vital and state records such as birth certificates and driver's licenses. This in turn leads to falsified public records relating to health, sex-separated spaces, and criminal records. Some states destroy original birth certificates after the sex designation has been altered. States should pass legislation restoring the integrity of their vital and state records.

Pass state and federal legislation that clarifies it is *not* abuse to raise a child according to his or her sex. Ideologues in child welfare, social services, education, and the legal system have been training these sectors for many years to consider not "affirming" a child's claim to be the opposite sex, either through social or medical interventions, as "abuse." This perversion of the concept of "abuse" underlies secrecy policies in schools, the wrongful removal of children from parents, and the denial of foster homes to children. Three states passed such a definition of "abuse" in 2025; four more introduced such bills in 2026, and others should follow.

Defund dangerous SOGI training and replace it with training that recognizes biological reality, scientific fact, and the right of parents to raise their children according to their values.

Oppose any federal and state bills and regulations that would enshrine gender ideology in law. Activists have been trying to expand the "discrimination" prohibitions on the basis of sex to include sexual orientation and gender identity. Many blue states have added such language to their non-discrimination state codes and then taken action against individuals and entities who do not comply. Colorado baker Masterpiece Cake owner Jack Phillips was sued three times by LGBTQ customers for refusing to provide gay marriage or sexual activity–themed cakes. A federal SOGI law like the laughably misnamed Equality Act, introduced each Congress, would have a devastating effect on Americans. The bill effectively erases the meaning of sex by including "gender identity" in its definition. It would also explicitly revoke the protections of the Religious Freedom Restoration Act for services and spaces offered by religious organizations, such as pregnancy resource centers, soup kitchens, schools, drug addiction programs, and adoption agencies. Tying SOGI language to federal funding or tax-exempt status would curtail religious freedom. Disqualifying all groups that object to the new sexual orthodoxy would cost the federal government some of its best partners in serving the public.

Feelings of gender confusion do not constitute a protected "identity," nor is holding perennial views on the nature of marriage and the reality of sex "discrimination." Policymakers must uphold Americans' rights to think, speak, act, and raise their children according to their moral, medical, and scientific views on these subjects.

In addition, bills like the Fairness for All Act and the Respect for Marriage Act are not enough to protect the common good. They wrongly elevate sexual orientation and gender identity to protected categories of civil rights law and contain only narrow religious exemptions for limiting the harms. Short of stand-alone bills, gender activists push for laws and regulations that accomplish the same goal—one word or phrase at a time. Legislators must learn to spot buzzwords that disguise such efforts. These include the use of "gender" to refer to "gender identity," terms such as "gender minorities," "sexual minorities," and "gender equity," and offensive euphemisms, such as "menstruating individual" or "birthing person" rather than "woman" or "mother."

At the United Nations and other international organizations, the U.S. should:

Strengthen the protection of individual human rights and oppose creation of new rights based on gender ideology. Gender activists view the United Nations as a beachhead to advance their social policies in ways that influence American law and policy. The United States should promote reform of the U.N. human rights bureaucracy and hold it to its mandate to promote and protect basic freedoms. The United Nations should not impose an extreme ideology that is contrary not only to the Western tradition but to the views of every other traditional culture. The United States should respect the sovereignty of other U.N. member states in these matters and reject any insertion of SOGI language into negotiated U.N. texts.

Facts + Figures

FACT: Contrary to activists' claims, medical "transition" procedures that modify sex traits are harmful and should be prohibited, especially for minors.

- All systematic evidence reviews worldwide over the past few years have arrived at the same conclusion: There is no credible evidence that justifies sex-rejecting procedures for minors. An "umbrella review" of systematic reviews was commissioned by President Trump through HHS and conducted in 2025 by independent researchers. In addition to official national reviews conducted by Denmark, Sweden, and Finland, the United Kingdom conducted a lengthy review under the direction of Dr. Hilary Cass, published in 2024. All of these found low-quality evidence of benefits and high risks.
- A major long-term study on gender transition found that adults who medically "transitioned" were more than 19 times more likely to commit suicide than the average person.[14]
- According to the American Psychiatric Association's Diagnostic and Statistical Manual[15] up to 88 percent of girls and 98 percent of boys experiencing gender dysphoria will reconcile with their biological sex if allowed to go through puberty.
- The gender industrial medical complex has built an estimated $4.4 billion market for chemical and surgical sex-rejecting interventions.
- In the United States, between 2019 and 2023, at least 13,994 minors underwent sex-change treatments, at least 5,747 minors had sex-change surgeries, at least 8,579 minors received hormones and puberty blockers, and at least 62,682 sex-change prescriptions were written for minors.[16] The actual numbers are likely significantly higher, as the reports are drawn from aggregated insurance records, which not all of the major providers of sex-rejecting procedures released.
- The number of detransitioners has grown to tens of thousands in online groups. Close to 30 lawsuits have been filed in the United States against medical practitioners of sex-rejecting procedures. In January 2026, a jury awarded the first settlement of $2 million to a detransitioner.
- A Heritage Foundation study found that U.S. states where minors have access to puberty-blocking drugs without parental consent had higher teen suicide rates than states that require parental consent.[17]

FACT: SOGI policies and laws harm Americans in countless ways.

- "Gender-affirming" medical interventions put minors on a pathway to sterilization and lifelong medicalization of psychological distress.
- While 27 states have passed bans on sex-rejecting procedures for minors, 17 states and the District of Columbia have "shield laws" or policies for sex-rejecting interventions. A number of these "shield" states have passed laws that wrongfully assert custody over children who run away to them or who are trafficked by an adult if the purpose is to obtain sex-rejecting interventions.

- Despite a Supreme Court ruling protecting his freedom of speech, Jack Phillips, owner of Masterpiece Cakeshop, was sued three times for refusing to violate his conscience by affirming same-sex marriage and gender ideology.
- In 2018, the City of Philadelphia passed an ordinance that shut down Catholic Social Services for its view of marriage. In states that have passed SOGI restrictions for foster and adoptive parents, thousands of families have been denied to children in the welfare system who desperately need homes.
- The Biden Administration rule requiring children identifying as LGBTQ to be placed only with families "affirming" their ideology rendered countless homes ineligible to children who needed them.
- Children across the United States, even in red states, have been removed by child protective services from parents who refused to medicalize them or use wrong-sex pronouns. Some have suffered great harm and even died once disconnected from their families.
- In 2018, a man identifying as a woman sued a women-only shelter in Anchorage for refusing to let him in.
- Incarcerated women have been assaulted and raped by male prisoners housed with them. After California passed a law granting housing by gender identity over sex, more than 1,000 men requested a transfer to female prisons.
- Trans-identifying men in prison are far more likely than the general prison population to be sex offenders. According to the Federal Bureau of Prisons, 48.5 percent of trans-identifying male inmates are convicted sex offenders, compared to 13.5 percent of the general federal prison population.
- Thousands of medals and opportunities have been awarded to boys and men in female sports, displacing girls and women who earned them. Policies that allow boys to "identify as" female to compete in girls' sports teams harm girls. In Connecticut, high school track and field athlete Chelsea Mitchell lost four state championship titles to a boy who identifies as a girl. This cost Chelsea her well-deserved athletic and scholarship opportunities. A West Virginia trans-identifying athlete who is a party to a lawsuit before the Supreme Court is estimated to have displaced 400 girls over the course of his participation in female sports.
- Twenty-seven states have passed laws protecting female sports from male participation. The American Civil Liberties Union and other activist groups have challenged the bans. The Supreme Court heard two of these cases in January 2026.

FACT: Most Americans believe that those who support natural marriage and recognize biological sex should be free to express their beliefs.

- About six of every 10 Americans believe that employers and insurers (66 percent) and doctors and medical professionals (59 percent) should not be forced to pay for or perform "gender-affirming" (which are in effect sex-erasing) surgeries.
- At least two-thirds of Americans oppose letting boys and men compete in girls' and women's sports.
- Most Americans support laws restricting minors' access to puberty blockers, cross-sex hormones, or surgeries for purposes of gender transition.
- Sixty-five percent of Americans agree that nonprofits should be free to follow their convictions rather than affirm same-sex marriage and gender transition.
- Eighty-nine percent of Americans agree: The best way to help foster kids and orphans is to draw from a wide range of adoptive families and agencies—including those that affirm the natural truths of sex and marriage.

FACT: A sweeping, federal SOGI law like the Equality Act[18] would hobble the services of some 350,000 religious organizations. These include pregnancy resource centers, soup kitchens, schools, drug addiction programs, and adoption agencies.

- Religious institutions contribute $1.2 trillion to the economy every year.
- These organizations serve 70 million Americans a year, and their services are valued at more than $44.3 billion annually. Such private services are often better at meeting human needs than are government programs.

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Updated: **May 2026**

Welfare

Summary and Key Points

Policy Proposals

1. Strengthen and enforce work requirements in welfare programs. Replace existing means-tested welfare spending programs with a more effective and efficient system to reduce poverty.

2. Promote marriage as America's greatest weapon against child poverty by reducing or eliminating the penalties for marriage in the welfare system.

3. Promote the success sequence: finishing high school, entering the workforce or attending college, getting married, and then having children.

Quick Facts

1. In 2024, more than 90 government means-tested welfare programs provided $1.68 trillion in cash, food, housing, medical care, and social services to poor and lower-income Americans.

2. After welfare reform, the non-marital pregnancy rate fell from 89.3 per 1,000 in 1992 to 59.6 per 1,000 in 2020. This contributed to a sharp reduction in the non-marital abortion rate, falling from 44 abortions per 1,000 non-married women to 21 per 1,000 non-married women.

3. Welfare reform cut the rate of dependence on traditional, work-free cash aid by nearly 80 percent. Before reform, 9 million children were receiving cash benefits from the government. By 2023, only 1.9 million received these traditional cash benefits, and many had working parents.

What to Say About Welfare

- A welfare system that ignores work and family stability ultimately keeps people poor instead of helping them rise. Real compassion means helping families become independent, not managing their dependence year after year.

- Welfare programs should help Americans get back on their feet, not trap families into long-term government dependence.

- Requiring work to receive welfare benefits is reasonable because work builds dignity, stability, and a path out of poverty. The welfare system should encourage effort and responsibility, not penalize people for working or getting married.

- Marriage is one of the strongest protections against child poverty, yet current programs often discourage it.

- The War on Poverty spent trillions but weakened families and left too many communities worse off. Successful welfare reforms have reduced dependence and increased work, proving policy choices can change real lives.

The Issue

When President Lyndon Johnson launched the War on Poverty in 1965, he said that its purpose was to strike "at the causes, not just the consequences of poverty." He added, "Our aim is not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it."

In fact, the actual War on Poverty policies had the opposite effect, with devastating consequences for lower-income families. Dramatically increasing government spending and creating an ever-growing number of new welfare programs, the War on Poverty produced a rapid decline in married, two-parent families, a steady growth in non-marital birth rates, a rise in abortions, and the spread of long-term government dependence.

Congress took crucial steps to reverse these negative trends with the enactment of welfare reform in 1996. Welfare reform replaced the primary, failed welfare program called Aid to Families with Dependent Children (AFDC) with a new program: Temporary Assistance to Needy Families (TANF). In contrast to other welfare programs, the new TANF program established work requirements and time limits on benefits for recipients. In addition, state governments that wished to expand dependence and welfare spending would be required to finance that expansion with state, rather than federal, funds. Even blue states were reluctant to spend their own funds in that manner.

Around 90 percent of recipients in the AFDC and TANF programs were single parents. The welfare reform law had the explicit goal of reducing out-of-wedlock births and promoting marriage. The new work requirements and time limits were implicitly aimed at strengthening marriage by reducing the economic utility of single parenthood and non-marital births.

Marriage. For more than two decades before welfare reform, the percentage of children residing in married two-parent families fell steadily. In 1970, 85 percent of children lived in two-parent homes; by 1996, the number had fallen to 68 percent. Welfare reform was intended to stop this steady collapse of marriage by limiting the utility of government subsidies to single parenthood relative to marriage. The reform was remarkably successful: The decline in two-parent families halted abruptly and has remained stable for nearly three decades. Had the pre-reform trend in family disintegration continued, an additional 9 million children would live in single-parent rather than married two-parent homes today.

Abortion. Some 86 percent of abortions are performed on non-married women. Non-marital births and non-marital abortions are often seen as the opposite ends of a seesaw. In this view, a rise in non-marital births will cause a fall in non-marital abortions. Conversely, a rise in non-marital abortions should cause non-marital births to fall. This view is inaccurate because both abortions and births are driven by a key background factor: the non-marital pregnancy rate (births per 1,000 non-married women). The non-marital pregnancy rate can be viewed as the pivot at the center of the seesaw. When the pivot rises, both non-marital abortions and births will rise together; when the pivot falls, both non-marital abortions and births will fall together.

The combination of *Roe v. Wade* and War on Poverty welfare programs led to an explosive growth in the non-marital pregnancy rate. This was a disaster. Before welfare reform, nearly one in 10 non-married women became pregnant each year; this obviously led to high simultaneous levels of non-marital abortions and non-marital births. But with welfare reform, the non-marital pregnancy rate fell for the first time. The shrinkage in non-marital pregnancy reduced both non-marital births and abortions together, resulting in at least 400,000 fewer abortions each year. Altogether, the behavioral and social changes initiated and promoted by welfare reform have led to 9.8 million fewer abortions.

Teen Births. Between the launch of the War on Poverty in 1965 and the onset of welfare reform in the mid-1990s, birth rates for unmarried teenage girls skyrocketed. By the early 1990s nearly one in 10 births in the U.S. was to an unmarried teenager. With the onset of welfare reform, this mind-numbing upward trend promptly and sharply reversed; birth rates for unmarried teens plummeted back to levels from the early 1960s. Teen pregnancies and abortions fell at the same precipitate rates.

Poverty and Dependence. Before welfare reform, the poverty rate among single parents was relatively flat. Immediately after reform, poverty among single parents began to decline sharply, falling from 33 percent in 1996 to 11 percent in 2020, due in part to work requirements and time limits on benefits. Furthermore, before welfare reform, nearly one in seven children received monthly cash welfare benefits. More than 90 percent of these recipient children were in single-parent homes, and, on average, these families remained on the program for 13 years. After reform, caseloads plummeted. By 2023, less than 3 percent of children received traditional cash benefits, cutting the rate of traditional dependence by nearly 80 percent.

But welfare reform affected only a small part of the welfare system. While reform did dramatically overhaul the main welfare program for families with children, it left the remaining 90 programs in the welfare state largely intact. Although long-term spending was cut sharply, spending in the rest of the welfare state has grown rapidly.

Even worse, rather than building on and expanding the highly successful and popular reform of the 1990s, conservatives simply walked away from the issue. The principles of successful reform have been abandoned and forgotten. For two decades, there has been little serious effort to strengthen marriage or work requirements within the remaining vast welfare state. Conservatives have remained largely silent on welfare.

The Left has taken advantage of this conservative silence. For two decades, it has steadily pushed to overturn welfare reform and dramatically expand the anti-marriage, anti-work welfare state. Although welfare reform in the 1990s dramatically slowed the decline in marriage, the American family remains in a precarious state. Today, some 40 percent of children are born outside marriage. Aside from the TANF program, welfare spending has continued to rise.

Conservatives can no longer ignore the issues of work, marriage, and welfare. It is high time that they build on and expand the successes of welfare reform. Congress should inject the time-tested principles of reform into the rest of the vast welfare state.

Recommendations

In order to reverse the harmful decline in marriage and reform the welfare state, federal policymakers should:

Remove marriage penalties in welfare programs. If a single mother marries today, her family welfare benefits are substantially reduced. Traditional welfare benefits—by design—create this financial disincentive for low-income parents to marry. Eliminating these penalties across the nearly 90 means-tested programs would reverse this perverse incentive structure and thereby increase marriage among low-income families, create financial and emotional stability for parents and their children, and reduce long-term dependence on government welfare programs. Welfare marriage penalties can be reduced without added costs to taxpayers by eliminating widespread fraud, waste, and excess benefits within the existing welfare system.

Strengthen and enforce work requirements in welfare programs. The majority of Americans believe that able-bodied people should work in exchange for receiving benefits. Yet, most means-tested welfare programs enroll millions of adults who are able to work and choose not to. Congress should strengthen work requirements for non-elderly, able-bodied adults receiving TANF benefits. Congress should establish similar

requirements for public housing and food stamps. Loopholes in the Earned Income Tax Credit, which enable recipients to evade work obligations, should be eliminated. Effective work policies should protect families with at least one working parent from poverty.

Replace existing means-tested welfare spending programs with a more effective and efficient system to reduce poverty. Federal and state governments spend $1.68 trillion on means-tested welfare programs every year. This spending, however, is fragmented, opaque, and nearly impossible to calculate and track accurately. The amount received by the typical recipient family is nearly unknowable and deliberately under-reported. To create greater transparency and expose the true size and cost of the welfare state, the key welfare programs should be integrated into a single new program. The opportunity for individuals to receive duplicative benefits from many programs simultaneously should be reduced. The new integrated program should be designed to promote marriage and work, and to reduce fraud and waste. In addition, the deliberately flawed and inaccurate system by which government measures and reports poverty and economic inequality should be replaced with a modern system that, for the first time, counts income and benefits accurately at the macro and family levels.

Promote the success sequence. Among young adults who follow the success sequence—finishing high school, entering the workforce or attending college, and then getting married before having children—97 percent are not in poverty. States should adopt laws adding the success sequence to their family life education standards, showcasing data illuminating the value of graduation, work, and marriage for young adults and their families.

Facts + Figures

FACT: Welfare reform reduced government dependence, halted the decline in married, two-parent families, stopped the rise in non-marital childbearing, and sharply reduced child poverty.

- Welfare reform cut the rate of dependence on traditional, work-free cash aid by nearly 80 percent. Before reform, 9 million children were receiving cash benefits from the government. By 2023, only 1.9 million received these traditional cash benefits, and many had working parents.
- In 1970, 85 percent of children resided in married, two-parent families. By 1996, the year of welfare reform, the number of children in married, two-parent families had fallen to 68 percent. Since reform, this decline has halted and the number has remained largely steady.
- The non-marital birth rate had more than doubled in the three decades before welfare reform, rising from around 20 per 1,000 women in 1960 to 45 births per 1,000 in 1990. Since reform, the non-marital birth rate has remained largely stable.
- Because of welfare reform, today, an additional 9 million children live in married two-parent homes.
- Child poverty in single-parent families has fallen by two-thirds.

FACT: Welfare reform dramatically reduced abortion.

- Some 86 percent of abortions in the U.S. occur among unmarried women. Non-marital abortions are driven by non-marital pregnancy. Welfare reform reduced the non-marital pregnancy rate for the first time.
- After welfare reform, the non-marital pregnancy rate fell from 89.3 per 1,000 in 1992 to 59.6 per 1,000 in 2020. This contributed to a sharp reduction in the non-marital abortion rate, which was more than halved, falling from 44 abortions per 1,000 non-married women to 21 per 1,000 non-married women.

- Altogether, changes initiated and promoted by welfare reform and the public debate leading up to it led to 9.8 million fewer abortions between 1992 and 2022.

FACT: Marriage is one of the top factors in promoting human happiness and reducing poverty among children.

- Children raised in single-parent homes have higher delinquency rates, lower educational attainment, more aimlessness and despair, and are five times as likely to be poor as their peers in married-parent homes.
- Family structure is the most important factor in predicting the upward social mobility of children; children with married parents do best economically, educationally, socially, and emotionally.
- Nearly all means-tested welfare programs have significant marriage penalties. More than 80 percent of the public believe that "the welfare state should not penalize parents when they get married."

FACT: Requiring work or work-related training for able-bodied individuals as a condition of receiving welfare benefits enjoys broad public support and has positive benefits.

- In 1996, before welfare reform, nearly nine of 10 families on welfare were jobless and dependent on government benefits for more than 13 years.
- More than 90 percent of the public believe that "able bodied adults who receive cash, food, housing and medical assistance should be required to work or prepare for work as a condition of receiving those government benefits."
- When mothers who were formerly on welfare find employment, they experience increased physical, emotional, and psychological well-being, and the health and behavioral outcomes for their children are even better.
- Work requirements in welfare also strengthen marriage, encouraging mothers to bond with husbands in marriage rather than seeking open-ended support from the taxpayers through innumerable government welfare programs.

FACT: Total spending on means-tested welfare programs at all levels of government is more than $1.2 trillion annually.

- In 2024, more than 90 government means-tested welfare programs provided $1.68 trillion in cash, food, housing, medical care, and social services to poor and lower-income Americans.
- In 2018, the average poor family with children identified as "poor" by the government had around $18,000 per year in earnings; $21,000 in government cash, food, and housing benefits; and $17,000 in free government medical care. Total resources came to $56,000 per year.
- A major cause of apparent poverty in the U.S. is that the government ignores or undercounts roughly three-quarters of the resources received by the families it defines as "poor." Of the $56,000 in total resources received by the average poor family in 2018, the government ignored roughly $41,000.

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ECONOMIC FREEDOM

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Agriculture

Summary and Key Talking Points

Policy Proposals

1. End federal farm subsidies that distort markets and impose unnecessary costs on consumers and manufacturers.
2. Oppose barriers that prevent farmers from reaching new customers through exports and keep Americans from having access to agricultural imports.
3. Separate food stamps from agricultural programs.

Quick Facts

1. The federal sugar program costs consumers up to $3.5 billion a year, with a disproportionate impact on the poor because they must spend a greater share of their income on food than higher-income households.
2. From 2018 to 2023, just six commodities (corn, wheat, soybeans, cotton, rice, and peanuts) received about 90 percent of the farm program support, while accounting for only 30 percent of farm income.
3. According to the Economic Research Service, agricultural exports created an additional $186.9 billion in economic activity and more than 1 million full-time jobs in 2023.
4. Heritage estimates that cutting the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs would save $43 billion over the next decade.
5. The Congressional Budget Office estimates that reducing premium support for crop insurance programs from 60 percent to 40 percent would save $46.7 billion over 10 years.

What to Say About Agriculture

- Farmers play a vital role in feeding the nation and supporting rural communities across America.
- When farm policy favors special interests, farmers lose independence at the taxpayer's expense. Because government subsidies flow to a small number of commodity crops, the government is picking winners and distorting markets.
- Trade barriers limit farmers' ability to reach new customers and reduce choice for American consumers. Regulations that restrict food production increase costs and contribute to higher grocery prices.
- Temporary assistance programs should help farmers recover from disasters, not create permanent dependency programs.

- Separating farm policy from welfare programs would make both systems more transparent and accountable.

The Issue

Agricultural policy does not merely affect farmers. It is a broad, sweeping issue that affects all aspects of American life—from our health to the supply chains that thriving communities and businesses need to feed the nation. Federal government intervention in the agricultural sector's supply chain is far too prevalent, thereby limiting competition, raising prices, stifling innovation, and creating a system filled with waste.

One of the primary issues in agricultural policy is federal farm subsidies. There is a misconception that these subsidies exist primarily to help farmers when they experience crop losses—a "safety net" for major losses connected to natural disasters. In fact, these subsidies have often ballooned beyond that intent into a corporate welfare system that primarily insulates certain commodity producers from competition in the marketplace.

Federal agriculture subsidies in the United States disproportionately favor commodity crops such as corn, soybeans, and sugar, distorting markets and shaping the food system in ways that critics argue are economically and nutritionally unfair. These crops receive the bulk of direct payments, price supports, crop insurance subsidies, and guaranteed loan programs, which insulate producers from risk and artificially lower production costs. As a result, corn- and soy-based inputs—such as livestock feed, industrial oils, and high-fructose corn syrup—are overproduced and underpriced relative to unsubsidized fruits, vegetables, and diversified specialty crops. Sugar programs similarly restrict imports and guarantee minimum prices, benefiting a small number of large producers while raising costs for consumers and food manufacturers. Together, these policies entrench the market power of large agribusinesses, crowd out smaller and more diverse farms, and encourage a food supply tilted toward processed, calorie-dense products rather than agricultural diversity or consumer demand.

These subsidies are detrimental to both large and small farmers alike. Large farms are often habituated into government dependency with little incentive for either financial independence or innovation. Additionally, the volume of regulations to receive such subsidies, or even operate independently, disproportionately burdens the small farmer. This makes it difficult for both large and small farmers to respond to consumers' increasing demand for more organic, regenerative, and nutrient-dense food. Agricultural producers *can* flourish without government intervention: there are models of successful farms across the nation that operate without special taxpayer-funded handouts to help them compete. But it is increasingly difficult to do so in a system overburdened by regulations that stifle innovation and raise prices.

Excessive federal intervention in agriculture and food production does not end with farm subsidies. Recent trade disputes, such as those with China, have led to significant retaliatory tariffs on agricultural goods. After all, 95 percent of U.S. agriculture customers are abroad. While this makes it more difficult for farmers to export their goods, farmers should not always expect a government handout if they engage in trade with entities of concern such as China. Instead, the government should focus on reducing trade barriers with allies and partners to strengthen agricultural supply chains. In addition, burdensome regulations often trample the property rights of farmers and ranchers, hampering their ability to produce food. These regulations often reflect federal agency overreach that can block ordinary farming activities or discourage farmers from even trying to engage in such activities out of fear of civil and criminal penalties. At the same time, policymakers should be wary of efforts to provide blanket liability shields or endorse precautionary principle laws for agricultural chemicals or products that may have been approved for limited or short-term use but may carry negative long-term or chronic effects.

Increasing federal control of the food that people eat (even to the extent of hindering food innovation that would better meet consumer demand) is an alarming trend. Federal policymakers have unduly influenced or restricted personal dietary decisions, imposing overly stringent and often arbitrary standards on how food

can be produced and labeled, failing to respect the basic individual freedom of choosing which foods to eat. This intervention reflects an arrogant assumption that federal bureaucrats know what other people should eat, without regard for rising food prices, the complexity of individual diets, and respect for individual choices. Current regulatory structures also make it difficult or impossible in many cases for farmers and ranchers to process, market, and sell products through local and regional channels, thereby limiting more decentralized production, supply, and delivery systems.

Too many policymakers simply defer agricultural policy to legislators serving on agriculture committees or to those with large farming constituencies. If the country is going to reduce this federal intervention, which distorts markets, wastes taxpayer dollars, and limits freedom, then all policymakers should take a proactive stand to promote the principles of free enterprise and limited government in agriculture.

Recommendations

In order to allow Americans—consumers, farmers, and business owners—to purchase and grow the food that is right for them, Congress should:

Recalibrate or eliminate overlapping federal payments for losses within the same crop-year. Currently, farmers can enroll in multiple programs such as the Agricultural Risk Coverage (ARC) program, Price Loss Coverage (PLC) program, and other crop insurances. While ARC gives payments when the crop revenue is below a certain rate of return, PLC pays when prices for a commodity fall below a statutory price. Therefore, when revenues decline due to low crop prices, farmers for commodity crops can get both ARC and PLC payments as well as other returns for crop insurance. Though perhaps originally intended for price stability, programs set up in such a manner encourage unnecessary enrollment at the expense of general taxpayers. Heritage estimated in 2023 that repealing these two programs would save $43 billion over 10 years. In lieu of repealing this, recalibration to prevent such excessive payouts is preferred.

Recalibrate or eliminate the premium subsidy rate for crop insurance from an average of 60 percent to 50 percent or lower. As a general rule, taxpayers should not pay more for the cost of premiums than the farmers who benefit from crop insurance policies are required to pay. There are generally two types of federal crop insurance: (1) yield-based, which protects farmers from yields that are lower than expected due to events beyond the control of farmers, such as weather and crop disease; and (2) revenue-based, which protects farmers from dips in expected revenue due to low prices, low yields, or both. Revenue-based policies are more popular than yield-based policies because they do not require yield losses. Farmers can even have greater yields than expected and still receive indemnity payments if commodity prices are lower than expected. The Congressional Budget Office (CBO) has identified reducing the premium subsidy to as low as 40 percent would save an estimated $46.7 billion from 2025–2034. For context, the average rate of return for all 20 commodity crops was between 14.4 and 34 percent per year, a margin scarcely occurring in other industries. Therefore, while a stable agricultural system is generally supported, the mechanism to promote this stability must not be at the expense of taxpayers to generate supernormal returns. Revenue-based crop insurance, which makes up 77 percent of all crop insurance, is unnecessarily generous and should be reduced as much as possible or eliminated. Ideally, taxpayer-subsidized crop insurance should be limited to yield-based insurance as it was in the past.

Eliminate the Commodity Credit Corporation (CCC). A relic of the New Deal era, the CCC's mandatory statutory authority is deliberately broad and vague, allowing it to function as a de facto agricultural slush fund with $30 billion in permanent, indefinite borrowing authority each year. This leads to a lack of transparency for the public, a lack of proper control for Congress, and allows abuse by the executive branch. An excellent example is the Biden Administration's Partnerships for Climate-Smart Commodities program, which tried to seize over $3 billion in the CCC's funding for corporate welfare benefits based on dubious environmental

claims. There is no other direct statutory authority for any program along these lines, let alone a program of such size. Congress should end the CCC and only retain agricultural programs along discretionary authorizations.

Eliminate the sugar program and sugar tariff-rate quota. The federal sugar program intentionally drives up food prices by limiting the sugar supply. Big Sugar has received over $60 billion in price supports since 2000. Since 1981, America has subsidized domestic sugar production and established prohibitive tariffs on imported sugar under the guise of protecting national interests. Today, sugar companies receive $4 billion every year in subsidies. In 2023, the federal government ramped up assistance for sugar-producing states to between $400 and $600 per gross ton of sugar. In 2023, the Department of Agriculture set a tariff rate quota at 1.24 million metric tons. Considering that the total use in 2024 was closer to 11 million metric tons, this rate quota effectively allows only about 10 percent of American sugar to come from abroad and allows the domestic producer to charge twice as much as world prices. As would be expected, American sugar prices are consistently higher than world prices, which negatively affects American consumers and workers in industries that use sugar to manufacture goods. There is a disproportionate impact on the poor because a greater share of their income goes to meeting food needs than in higher-income households. Sugar producers and processors should compete in a free market as other businesses do without price guarantees, supply restrictions, import quotas, and other government interventions.

Separate food stamps from agricultural programs. For decades, Congress has passed farm bills by combining food stamps with agricultural programs. This unholy alliance has existed entirely for political purposes to promote the enactment of legislation, with rural legislators presumably pushing farm subsidies, and with urban legislators presumably pushing for food stamps. Real reform requires that these categories be separated because, like food stamps, agricultural policy needs to be addressed on its own merits. Congress should, therefore, consider food stamps and agricultural programs in two separate bills, and these programs should be authorized on staggered schedules so that there is no potential for overlap and logrolling in the future.

Free agricultural trade from government intervention. Trade is often discussed in connection with how it affects countries, but trade is also about the freedom of individuals and businesses to exchange goods and services voluntarily. American farmers and ranchers, like those in other businesses, should generally be free to sell to customers all over the world, hence why America has free trade agreements reducing tariffs bilaterally on its allies and partners. Likewise, consumers should generally be free to purchase goods and services that best meet their needs. Government-imposed barriers, such as tariffs, quotas, and bans, undermine these freedoms. To address unfair practices, the United States has historically relied on the World Trade Organization's (WTO's) dispute-settlement system instead of relying on tariffs. However, recent issues with the appellate system have left American policymakers with using more punitive tools to achieve these ends. Americans should be aware that tariff wars, especially those using unconstitutional methods such as the International Emergency Economic Powers Act, have hurt domestic producers and their reciprocation has hurt consumers. If ongoing negotiations utilizing the legal Section 201 and 301 tariffs to address unfair practices are used to eventually achieve more free trade, then they are to be supported. However, Congress should take a more active role in overseeing or directing such measures as it alone controls the power of the purse.

Refrain from blocking food and agricultural innovation. Congress ignored science when it mandated the adoption of misleading food labels suggesting that foods using genetically engineered crops are somehow less safe than their non-genetically engineered counterparts. Congress needs to repeal the genetically engineered food labeling law and ensure that organic and other disclosures facilitate market competition rather than hinder the sale and development of food products that appeal to consumers. This should include ensuring that federal subsidy, insurance, conservation, and regulatory structures do not disadvantage smaller or more innovative producers, including farmers and scientists, from pursuing GMO, organic, and regenerative practices in response to consumer demand.

Reject blanket pesticide liability shields and support stronger inquiry into long-term harms without adopting the precautionary legal principle. Congress and the states should oppose efforts to provide blanket liability shields to agricultural and chemical manufacturers. However, existing liability cover should be applied at the state and federal level if the formulations were disclosed and sold with sound general use guidelines. Congress should assess or commission studies to assess whether the chemical formulation as used in their real-world applications may pose long-term or chronic health risks. Where scientific uncertainty remains, policymakers should support more research into cumulative, long-term, and chronic effects but should never adopt the precautionary principle that prevents market innovation.

Allow for decentralized food production, processing, and delivery. Congress should reduce regulatory barriers that make it harder for farmers and ranchers to process, market, and sell products through local and regional channels. This should include reforms that expand opportunities for smaller-scale and regional processing capacity, strengthen local supply chains, and make it easier for producers to serve consumers.

Facts + Figures

FACT: For many American farmers and ranchers, agricultural trade is a necessity because they produce more than they can sell domestically.

- According to the U.S. Department of Agriculture, 95 percent of the world's food consumers live outside the United States.
- From an economy-wide perspective, according to the Economic Research Service, agricultural exports created an additional $186.9 billion in economic activity and over one million full-time jobs in 2023.
- U.S. consumers benefit from imports because imports expand food variety, stabilize year-round supplies of fresh fruits and vegetables, and temper increases in food prices.

FACT: Most subsidies are designed to help offset crop losses but function as guaranteed return mechanisms of 14–30% for specific commodities.

- Entire sectors of the farm economy, such as livestock and specialty crops (fruits, vegetables, and nuts), receive few subsidies, especially when it comes to revenue-protecting subsidies, and they thrive without them. A small number of farmers growing a few types of commodities receive almost all the farm handouts, generally for revenue and price protection rather than strictly crop losses.
- According to the Congressional Research Service, from 2018 to 2023, just six commodities (corn, wheat, soybeans, cotton, rice, and peanuts) received 90 percent of the farm program support while accounting for only 30 percent of farm receipts.

FACT: While agricultural special interests try to perpetuate the myth of the struggling small farmer to help justify government intervention, farm households in general are much better off than non-farm households. According to the Economic Research Service, in 2024:

- The median household income for all family farms was $80,060, which is 19 percent greater than the median income for all U.S. households ($67,521).
- The median farm household net worth for all family farms was $1,048,208, which is 8.5 times greater than the median household net worth for all U.S. households ($123,358).
- Commercial family farms (a classification that includes midsize, large, and very large family farms), which received 70 percent of commodity-linked program payments and 76 percent of crop insurance indemnities, had a median household income of $167,000 or more.

- Large family farms, which received 36 percent of commodity-linked program payments and 41 percent of crop insurance indemnities, had a median household income of $375,000—almost six times the median income for all U.S. households.

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Big Tech

Summary and Key Points

Policy Proposals

1. Enact a federal framework on artificial intelligence (AI) that protects children, creator intellectual property (IP) rights, user data privacy, transparency of value biases, affordability, and worker wellbeing.

2. Protect children from the predations of technology and adult content companies by raising the age of social media usage, prohibiting addictive and deceptive design features, requiring age verification for online pornography websites and AI chatbots, requiring parental consent for app downloads, and prohibiting data collection of minors.

3. Enact a comprehensive digital sovereignty framework that affords data producers the ability to meaningfully exercise privacy, control, and economic decision rights over how their data is collected and used. Require data minimization, interoperability, and portability and privacy-by-design as the default for internet platforms.

4. Sunset Section 230 of the 1996 Communications Decency Act. Pursue a comprehensive reform package that addresses Big Tech's track record of censoring conservative voices, exposing children to harmful and exploitative content, and spreading deepfake pornography as well as defamatory and libelous content on their platforms. Ensure enforcement of antitrust law against natural tech monopolies.

5. Prohibit the export of the most advanced AI microchips to China.

6. Prohibit marketing of polygenic trait or enhancement testing to consumers by amending the 1938 Federal Food, Drug, and Cosmetic Act to ban the commercial advertising or sale of embryo tests that rank or score embryos for non-medical traits, such as intelligence, race, appearance, or personality.

Quick Facts

1. Habitual social media use caused by addictive design features embedded in social media platforms rewires the brains of children in ways that diminish impulse control, attention, and emotional regulation.

2. Reports of AI-generated child sexual abuse material (CSAM) to the National Center for Missing & Exploited Children have increased by more than 1,325 percent since 2023.

3. Most leading AI models were trained on copyrighted works without licenses, according to law firm Skadden Arps.

4. In 2024, platforms reported 7 million fewer child exploitation incidents to federal authorities than the year before, not because crimes decreased, but because platforms are not reporting as they should. Under Section 230, they face no legal consequences for this failure.

5. American teenagers now spend an average of eight hours and 39 minutes per day on entertainment screens, not including schoolwork, with 41 percent exceeding eight hours daily. Teenagers with four hours or more of daily screen time have greatly heightened risk for anxiety and depression, among other symptoms.

6. While Big Tech companies generate an estimated $700 or more annually from each American's personal data, the data broker industry sells that same information for pennies on the dollar, and 73 percent of Americans say they have little or no control over how their data are collected and used.

7. More than 70 percent of teens have used AI companions, which prey on loneliness and displace real relationships, and half use them regularly.

8. Multiple independent studies have confirmed that mainstream AI chatbots consistently display left-leaning political views, raising concerns about AI's growing influence on public opinion.

9. The Chinese military is directly soliciting advanced U.S. AI chips in order to develop AI-enabled military capabilities, such as automatic target recognition systems, autonomous vehicles, and battlefield decision-making tools.

10. Embryonic genetic screening remains largely unregulated at the federal level, with no comprehensive oversight of accuracy claims, data use, or long-term health outcomes for children born following these tests.

What to Say About Big Tech

- U.S. technology leadership is essential to economic growth and national security. Breakthroughs like artificial intelligence can drive a new era of productivity, higher wages, and American competitiveness.
- A handful of powerful tech companies should not control speech, commerce, and information for the entire country.
- Parents deserve real tools to protect children from addictive designs and sexually explicit online content.
- Your personal data belongs to you, not corporations that profit by tracking and selling your behavior.
- Big Tech should not get special legal immunity when its platforms cause predictable and preventable harm.
- Government should never pressure technology companies to silence lawful speech by American citizens. The executive branch needs to properly enforce antitrust laws, so innovation comes from competition, not political favoritism.
- Competition matters, especially in the technology space, because monopolies limit choices, crush rivals, and leave families with nowhere else to go. Congress should enforce antitrust laws so tech innovation comes from competition, not political favoritism.
- America must keep advanced AI and chip technology out of the hands of hostile foreign governments.

The Issue

Big Tech is damaging the fabric of the country. A multipronged effort is required to combat its specific harms to children, the digital public square, the free market, and America's national security. A layered approach at redressing Big Tech's abuses should expose its negative influence on civil society, promote the principles of federalism through state legislative action, and build platforms that protect freedom of expression. Absent campaigns on every one of these fronts, Big Tech will continue to erode individual liberties, segment the American citizenry, and stunt human flourishing and self-governance.

Children are the primary casualties of today's digital economy. Platforms engineered to maximize engagement routinely deploy addictive and deceptive design features that exploit children's developmental vulnerabilities, expose them to adult content, and harvest their data without meaningful consent. A federal framework must establish clear guardrails that further recognize children as a protected class online. This includes raising the age of access to social

The modern Internet is built on a surveillance economy that strips individuals of control over their personal data while concentrating economic and decision-making power in the hands of a few dominant firms. Americans are treated not as citizens, but as raw material for monetization. A comprehensive digital sovereignty framework would reverse this imbalance by affirming that individuals, not platforms, are the rightful stewards of their data. This means enforcing data minimization, ensuring interoperability and portability, enabling the freedom to associate, and requiring privacy-by-design as the default for digital services. It also means giving users meaningful control over how their data is collected, shared, and monetized. Privacy is a precondition for self-governance.

Section 230 of the Communications Decency Act has evolved far beyond its original purpose. What was once a narrow liability shield has become a broad immunity regime that enables platforms to profit from harmful content, censor lawful speech, and evade responsibility for predictable and preventable harms, including the spread of deepfake pornography and the sexual exploitation of children. Sunsetting Section 230 and replacing it with a comprehensive reform package would restore balance to the digital public square. Such reforms should address content moderation transparency, discriminatory censorship, failure to report child exploitation, and the weaponization of algorithms against free expression, while preserving constitutional speech protections. No industry that exercises this level of power over public discourse should operate without accountability.

The global AI race is a contest for power, values, and national security. Allowing advanced AI chips and infrastructure to flow to the Chinese Communist Party directly undermines U.S. national security and accelerates the development of AI-enabled military capabilities by a strategic adversary. America must prohibit the export of its most advanced AI chips to China, secure domestic and allied compute capacity, and ensure that U.S. innovation does not enable the engine of authoritarian control abroad.

As AI converges with biotechnology, new ethical frontiers are emerging. The commercialization of embryo ranking and polygenic trait selection represents a civilizational moral line, one that risks turning children into products and reducing human life to a set of marketable attributes. Federal law must prohibit the marketing and sale of non-medical embryo ranking and enhancement tests, classify such practices as deceptive health products, and require rigorous pre-market review of AI-assisted genetic technologies. Human dignity should not be left to market incentives alone.

Recommendations

To counter the concentrated power of Big Tech and ensure that emerging technologies serve the human person, state and federal governments should pursue comprehensive, human-centered technology agendas grounded in accountability, national security, and family flourishing.

Children are the primary casualties of today's digital economy. Policymakers should recognize minors as a protected class online and enact enforceable safeguards against exploitation, dependence, and psychological harm. Legislative priorities should include:

- **Mandating age verification** for online pornography websites and anthropomorphic AI companion chatbots.

- **Requiring parental consent** for app downloads and data collection involving minors and establishing clear standards for app ratings and disclosures.
- **Raising and codifying the minimum age for social media use** and prohibiting personalized recommendation systems on accounts belonging to children and teenagers.
- **Prohibiting addictive and deceptive design features** that manipulate children's attention, behavior, and emotional development.
- **Establishing a duty of care for AI developers and deployers** whose systems could foreseeably expose children to sexual content, self-harm encouragement, trafficking, violence, or exploitation.
- **Criminalizing the knowing deployment of AI systems that engage minors in sexually explicit interactions or encourage self-harm**, including AI-generated deepfake pornography.
- **Updating the Children's Online Privacy Protection Act** to reflect modern digital realities and extend protections to older minors.
- **Conditioning federal telecommunications subsidies for schools and libraries** on blocking social media access on school networks and devices.

AI will reshape nearly every sector of American life. Congress should enact a federal AI framework that ensures that innovation proceeds responsibly and in alignment with American values. Such a framework should:

- **Protect children from AI-driven exploitation,** including restrictions on anthropomorphic systems and heightened safeguards for high-risk uses.
- **Secure data privacy for AI users,** with limits on retention and transfers to third parties.
- **Protect intellectual property** from uncompensated or anticompetitive use in AI training and deployment.
- **Impose commonsense guardrails on AI in education,** ensuring that AI tools augment rather than replace human instruction, judgment, and parental oversight.

Section 230 of the Communications Decency Act has evolved into a sweeping immunity regime that shields dominant platforms from responsibility for censorship, exploitation, and foreseeable harms. Congress should:

- **Sunset** Section 230 and pursue a comprehensive reform package that restores accountability while preserving constitutional speech protections.
- **Clarify** that algorithmic content curation and AI-driven moderation do not confer immunity.
- **Deny** liability protections to platforms that collude with government actors, foreign or domestic, to suppress lawful speech.
- **Enable** users to delegate moderation and curation to third-party middleware providers, increasing competition and reducing centralized control over the digital public square.

The current data economy treats Americans as commodities rather than citizens. Congress should enact a digital sovereignty framework that:

- **Affirms individuals as the rightful stewards of their personal data,** with meaningful control over how it is collected, used, and monetized.
- **Requires data minimization and privacy-by-design as default standards** for digital platforms.
- **Promotes interoperability and data portability,** enabling users to move freely between platforms without losing social or economic connections.
- **Ensures affirmative, opt-in consent for third-party data sharing,** with narrow exceptions for legitimate law enforcement and national security needs.

The dominance of a handful of technology firms has distorted markets, suppressed competition, and entrenched harmful business models. Enforcing competition reduces the need for regulation. Policymakers should:

- **Aggressively enforce existing antitrust laws** against natural monopolies and anticompetitive conduct in the technology and AI sectors.
- **Scrutinize past, present, and future mergers** involving dominant platforms.
- **Prevent dominant firms from leveraging power in one market to gain unfair advantage in adjacent markets,** particularly through data control and infrastructure dominance.
- **Increase funding for federal enforcement agencies,** including the Department of Justice and the Federal Trade Commission, to strengthen antitrust enforcement and preserve competitive markets.

The global AI race is inseparable from national security. Congress should:

- **Prohibit the export of the most advanced U.S. AI chips,** semiconductor manufacturing equipment, and high-grade cloud compute to China and other designated adversaries.
- **Increase funding and enforcement authority for the Bureau of Industry and Security** to properly and quickly enforce export controls.
- **Require provenance verification for AI models used in critical sectors,** ensuring they are not developed or controlled by foreign adversaries.
- **Enforce the Protecting Americans from Foreign Adversary Controlled Applications Act,** ensuring that TikTok and similar platforms sever all operational ties to foreign adversaries.

As AI-enabled technologies enter reproductive medicine, Congress must draw clear ethical boundaries. Lawmakers should:

- **Prohibit the marketing and sale of non-medical embryo ranking or polygenic trait selection tests,** including those based on intelligence, appearance, personality, or other enhancement traits.

- **Amend the Federal Food, Drug, and Cosmetic Act** to classify such tests as deceptive health products absent strong clinical evidence.
- **Require rigorous pre-market review of AI-assisted reproductive and genetic technologies,** including assessments of disability bias and misuse.
- **Mandate Family Impact Assessments for AI-enabled reproductive or genetic tools,** evaluating effects on family formation, affordability, and clinical integrity.

Congress should respect constitutional federalism while addressing genuine interstate challenges posed by AI and digital infrastructure. Accordingly:

- **No federal preemption of state AI laws** should occur without clear, substantive federal standards addressing the same harms.
- **Preserve state enforcement authority**, including actions by state attorneys general and private rights of action.
- **Protect state Public Utility Commission authority** to regulate data center electricity usage, including differential rates and grid surcharges.
- **Advance permitting reform** to accelerate energy and grid infrastructure without socializing costs onto families and small businesses.

Facts + Figures

FACT: Big Tech companies engineer addictive platforms that rewire children's brains, exploit their vulnerabilities, and expose them to predatory content at industrial scale.

- Habitual social media use[1] caused by addictive design features embedded in social media platforms rewires the brains of children in ways that diminish impulse control, attention, and emotional regulation.
- American teenagers now spend an average of eight hours and 39 minutes per day[2] on entertainment screens, not including schoolwork, with 41 percent exceeding eight hours daily. Teenagers with four hours or more of daily screen time[3] have greatly heightened risk for anxiety (27.1 percent) and depression (25.9 percent).
- Nearly three in four teens[4] (72 percent) have used AI companions, which are designed to prey on loneliness and displace real relationships, and 52 percent use them regularly.
- Reports of AI-generated child sexual abuse material (CSAM) to the National Center for Missing & Exploited Children increased by 1,325 percent[5] in 2024—from 4,700 reports in 2023 to 67,000 reports in 2024.

FACT: The modern internet is built on a surveillance economy that strips Americans of control over their personal data while concentrating economic power in the hands of a few dominant firms.

- While Big Tech companies generate an estimated $700 or more annually[6] from each American's personal data, the data broker industry sells that same information for pennies on the dollar.
- 73 percent of Americans say they have little or no control over how their data is collected[7] and used, according to the Pew Research Center.

FACT: Section 230 has evolved from a narrow liability shield into a sweeping immunity regime that enables platforms to profit from harmful content while evading responsibility for predictable and preventable harms.

- In 2024, platforms reported 7 million fewer child exploitation incidents to federal authorities than the prior year. The chief legal officer of the National Center for Missing & Exploited Children testified that this decline demonstrates "voluntary efforts are insufficient, and we need Congress's intervention."[8]
- Reports of online child enticement surged by 192 percent in 2024,[9] while reports tied to violent online groups increased by 200 percent, yet platforms face no legal consequences under Section 230 for failing to address these harms.

FACT: AI systems are being deployed without transparency, trained on stolen intellectual property, and embedded with ideological biases that shape public opinion while hiding behind the veneer of technological neutrality.

- Most leading AI models were trained on copyrighted works without licenses.[10]
- Multiple independent studies, including a January 2025 Manhattan Institute report using four complementary methodologies, have confirmed that mainstream AI chatbots consistently display left-leaning political views.[11]
- University of Washington research found that biased AI chatbots effectively shift users' political views, with both Democrats and Republicans moving in the direction of whichever biased model they interacted with.[12]

FACT: The Chinese military is actively soliciting American AI chips in order to build weapons systems that could be aimed at American service members, while U.S. companies continue selling the technology that enables Beijing's military modernization.

- Georgetown University researchers reviewed dozens of People's Liberation Army (PLA) procurement documents[13] revealing that the Chinese military is directly soliciting advanced Nvidia chips to develop AI-enabled military capabilities.
- PLA procurement documents specify Nvidia chips for "intelligent optoelectronic target recognition systems," AI algorithm training servers, autonomous vehicles, and "high-performance image algorithm training workstations" for military applications.[14]
- A bipartisan House China Select Committee investigation found that U.S. and allied semiconductor equipment makers sold $26.2 billion worth of equipment to Chinese state-owned enterprises in 2024, a 176 percent increase from $9.5 billion in 2022.[15]
- In December 2025, the Department of Justice announced its first conviction in an AI-chip smuggling case,[16] shutting down a network that trafficked at least $160 million worth of export-controlled Nvidia chips to China.

FACT: Embryonic genetic screening operates in a regulatory vacuum, offering minimal clinical benefit while evolving toward non-medical trait selection that treats children as products to be engineered rather than gifts to be received.

- Embryonic genetic screening remains largely unregulated at the federal level, with no comprehensive oversight of accuracy claims, data use, or long-term health outcomes for children born following these tests.
- Preimplantation genetic testing (PGT) is now used in approximately 40 percent of U.S. IVF cycles, yet large studies show that PGT does not improve live birth rates compared to standard IVF.[17]
- A 2025 review found that absolute disease risk reductions from polygenic embryo screening ranged from just 0.02 percent to 10.1 percent, with between 10 and 5,000 IVF patients needing to undergo screening to prevent a single case of disease.[18]

FACT: The dominance of a handful of technology firms has distorted markets, suppressed competition, and entrenched harmful business models that treat Americans as products rather than customers.

- Google controls approximately 90 percent of the search engine market, while Meta's platforms (Facebook, Instagram, WhatsApp) reach more than 3 billion users worldwide, concentrating unprecedented power[19] over information and communication.
- Apple and Google's app store duopoly allows them to extract up to 30 percent commissions from developers,[20] functioning as gatekeepers that control which applications Americans can access on their devices.
- Big Tech's market dominance enables anticompetitive practices including self-preferencing, acquisition of potential competitors, and leveraging data advantages to foreclose competition in adjacent markets.[21]
- Enforcing competition reduces the need for regulation; restoring competitive markets would naturally discipline the harmful business practices that currently require government intervention to address.

FACT: Big Tech companies censor the speech of Americans for ideological and commercial reasons, while invisible algorithms determine who is heard in the digital public square—and who is not.

- Big Tech platforms have systematically censored conservative voices, including the unprecedented suppression of the *New York Post*'s Hunter Biden laptop story weeks before the 2020 presidential election.[22]
- Government officials have pressured social media platforms to suppress lawful speech,[23] transforming private companies into agents of government censorship in violation of First Amendment principles.
- Americans remain at the mercy of Big Tech's content moderation decisions, with no ability to choose alternative curation systems or third-party middleware providers that align with their values.
- Algorithmic curation shapes what Americans see, believe, and buy, yet these systems operate without transparency, accountability, or meaningful user control.

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Climate Change

Summary and Key Points

Policy Proposals

1. Reject carbon taxes, including carbon tariffs, and do not regulate greenhouse gases.
2. Reject all efforts to create federal carbon accounting schemes, including those deemed voluntary.
3. Require Senate approval for U.S. entry into any international climate change agreement.

Quick Facts

1. According to the models used by global warming alarmists, the United States could eliminate all greenhouse gas emissions immediately and expect only 0.2°C of averted warming by 2100.
2. The models used to predict global warming have consistently exaggerated the warming that occurred. Actual warming has been on average 43 percent less than predicted in the models.
3. In 2007, former Vice President Al Gore won an Academy Award and a Nobel Prize for his film *An Inconvenient Truth*. The film predicted that all snow would melt from Mount Kilimanjaro by 2016, predicted a 20-foot rise in the oceans "in the near future," and showed simulations of New York City deluged. Twenty years later, Mount Kilimanjaro is still snow-capped, and Manhattan is still above water. Sea levels have been rising since the end of the Ice Age 10,000 years ago, and at current rates, will take more than 2,000 years to rise another 20 feet.
4. Climate change has been a permanent feature of this planet's natural history, and long predates the advent of widespread, anthropogenic (human-caused) emissions of greenhouse gases. As a simple example, the Ice Age that ended 10,000 years ago had no anthropogenic causes, and the historic record conclusively demonstrates ongoing climate fluctuations well before human activities emitted greenhouse gases in significant amounts. The extent of the human contribution to these pre-existing patterns is a matter of continuing scientific inquiry and has not been established with any level of precision.
5. Low-income families are hardest hit by climate-change policies. Americans with after-tax incomes of less than $30,000 spend 23 percent of their budgets on energy, compared to just 7 percent for those earning more than $50,000.
6. Coal, oil, and natural gas comprised 82 percent of global energy needs in 2023.

What to Say About Climate Change

- Americans want clean air and water without policies that make daily life more expensive.

- Government climate rules often raise energy costs while delivering little measurable environmental benefit. Innovation and adaptation solve problems better than sweeping government commands.
- Treating carbon dioxide as a harmful pollutant has driven costly regulations without delivering any environmental benefit.
- Climate models have repeatedly overstated warming effects and should not be treated as accurate predictors of future climate trends.
- Policies should focus on real environmental risks, not symbolic targets set by international agreements. One-size-fits-all climate mandates ignore regional differences and real-world tradeoffs.
- When climate policy ignores costs and evidence, all Americans pay more without seeing meaningful progress toward a cleaner environment.

The Issue

Climate change is a long-standing, natural process, and is neither a planetary emergency nor justification for any massive, costly government programs to curtail or transform energy use. Many factors contribute to climate change, most of which are naturally occurring, and the extent of human influence remains unclear. The sources cited for the most alarming climate claims are typically outdated, misunderstood, or products of political activism.

Mainstream climate science does not comport with climate change alarmism or catastrophe. The U.N. Intergovernmental Panel on Climate Change's (IPCC's) most recent report[1] estimates that warming since 1850 amounts to 1.1°C. It found increasing trends in heat waves, heavy precipitation, and some kinds of drought, and it found downward or no trends for hurricanes, winter storms, and extreme cold, floods, tornadoes, or thunderstorms. The most extreme projections for warming—those deemed "most likely" in the IPCC's 2014 Fifth Assessment Report—were downgraded to "low likelihood."

Objective and transparent science should be an important tool in the formation of public policy. This is especially important because significant areas of disagreement remain in the scientific community about the nature and pace of warming. Independent efforts to determine the severity of climate change more accurately would help policymakers to take any necessary cost-effective, verifiable, and effective actions.

No matter how urgent the need to combat climate change, proposed federal policies like cap and trade, carbon taxes, or regulations on vehicles and power plants would be ineffective tools. Even if the United States eliminated all its greenhouse gas emissions, there would be no significant effect on warming overall. Even if the alarmist projections were correct, because the United States represents only a small and shrinking share of global greenhouse gas emissions, the entire world would have to change how it consumes energy to have any significant effect on global temperatures. It is pure fantasy to expect that developing countries—technically still including China—would be willing to forgo inexpensive and abundant carbon dioxide (CO_2)–emitting energy in favor of more expensive, intermittent sources to provide energy for energy-poor families and their growing economies.

The costs of such aggressive policies are significant and would leave Americans with fewer resources to combat current and future environmental challenges, whether climate-related or otherwise. The direct effect of higher energy costs is just a small part of the story. Energy is a necessary input for nearly all goods and services. Consequently, Americans would pay more for food, health care, education, clothes, and every other good or service that requires energy to make and transport. The fact is that human well-being has skyrocketed in terms of wealth and health since the Industrial Revolution, which was fueled by hydrocarbons.

Far too often, so-called climate solutions seek to re-engineer America's system of limited, representative government and free enterprise. For instance, the Biden Administration's regulations on power plants and vehicles threatened to impose monumental changes on America's electricity, transportation, manufacturing, and agricultural sectors for the purpose of reducing greenhouse gas emissions. If revived, these proposals would fundamentally change how people produce and consume energy, harvest crops, raise livestock, build homes, drive cars, and manufacture goods. Washington would make decisions on behalf of consumers and producers, and every American would bear the costs, with the poor suffering the most. Moreover, these costly policies would be futile, having no discernible effect on the climate, even while stripping freedom and prosperity from the American people. The President's deregulatory agenda marks a strong effort to reverse the damage of the previous Administration, and Congress should ensure that any legislation reinforces this deregulatory agenda and works to make this deregulatory progress permanent.

Recommendations

To preserve affordable and reliable energy for Americans, the U.S. government should:

Reject the regulation of greenhouse gases. The Biden Administration imposed a suite of greenhouse gas emissions regulations and executive orders that unnecessarily drove up energy prices and eliminated consumer choice, while having no meaningful climate impact. The draconian regulations that the Biden Administration enacted to suppress vehicle tailpipe and power plant emissions would have effectively banned internal combustion vehicles and wipe out America's current energy-producing infrastructure. The Trump Administration's moves to rescind these regulations should be legislatively reinforced, to prevent future backsliding. With less than three years left in the current Administration, lasting leadership and change must come from Congress. Congress should prohibit the federal government from regulating greenhouse gas emissions and clarify that the Clean Air Act was never intended to regulate greenhouse gases, such as CO2.

Make targeted spending decisions to build resilient infrastructure. Whether carbon-dioxide levels rise, fall, or stay the same, the United States and the rest of the world will experience extreme weather events. Climate and land will continue to change for a wide variety of reasons. Without question, extreme weather and long-term climate change can adversely affect communities and infrastructure. The federal government (when applicable), state and local governments, and the private sector should address weather-related infrastructure vulnerabilities through site-specific and situation-specific analysis and spending. Federal, state, and local policymakers should use the best available science to prepare more effectively—*before* storms inflict damage—to maximize resilience and preparedness.

Prohibit the use of "social cost of carbon" in government cost-benefit analyses. Federal agencies perform cost-benefit analyses for a wide range of regulatory and permitting decisions. Under the Obama Administration, agencies began to incorporate a "social cost of carbon" in these analyses to assess the alleged social costs of an activity emitting CO2. The statistical models upon which the federal government relied offer significantly different results when using a variety of justifiable inputs; as a consequence, values are essentially arbitrary and are not credible tools for policymaking. Although President Donald Trump has ended the use of "social cost of carbon" by federal agencies, this action was done by executive order, which a future President could reverse with his own executive order. Congress should prevent any agency from using regulatory analysis metrics with the "social cost of carbon" and the "social cost" of other greenhouse gas emissions in any cost-benefit analysis or environmental review. These deceptively precise, yet utterly meaningless, numbers undermine the entire point of submitting regulations to a rigorous economic review.

Withdraw from the United Nations Framework Convention on Climate Change (UNFCCC). The most effective way to withdraw from the Paris climate agreement is to withdraw from the entire UNFCCC, the treaty that establishes the framework underlying the Paris agreement. The Paris agreement specifies that any

government withdrawing from the UNFCCC "shall be considered as also having withdrawn from this Agreement." The process for withdrawing from the UNFCCC requires one year, which simultaneously accomplishes withdrawal from the Paris agreement. Moreover, departure from the UNFCCC would impede future Administrations from using that framework to avoid obtaining the Senate's advice and consent in the treaty process. President Barack Obama signed the Paris Agreement but never obtained Senate ratification. President Trump withdrew from the Paris climate agreement during his first term, only to have President Joe Biden rejoin shortly afterward. Thus, the more permanent approach of withdrawing from the underlying UNFCCC is necessary in order to ensure that U.S. interests are prioritized over global climate goals. The President has already notified his intention to withdraw from the UNFCCC, and Congress should fully support this course of action until withdrawal officially occurs.

Reject carbon taxes and carbon tariffs. Carbon-based resources account for 80 percent of the energy resources used by Americans. A carbon tax is a tax on energy and, in effect, on the entire economy. Levying a price on CO2 would directly raise the cost of food, electricity, transportation, manufacturing, and nearly every good and service that Americans need and consequently would be regressive, hurting low-income Americans—who spend a larger share of their incomes on energy—the most. Similarly, a carbon tariff would impose a carbon tax on imported goods, which would increase prices throughout the economy. Even if Congress implemented a plan to return the revenue to the people and avoid carving out revenue for special interests, Americans would still face higher costs overall and would therefore lose much more than they would gain. Like every other regulatory or subsidy scheme to reduce carbon-dioxide emissions, a carbon tax is by no means a free-market solution, and would distort the market, fuel inflation, and would have no meaningful impact on global temperatures.

Facts + Figures

FACT: Big-government policies to slow down global warming would have no meaningful impact on climate.

- According to the Model for the Assessment of Greenhouse-Gas Induced Climate Change, the United States could eliminate all greenhouse gas emissions immediately and expect only 0.2°C of averted warming by 2100. If the entire industrialized world eliminated *all* carbon-dioxide emissions, only 0.5°C of warming would be averted by the end of the century.

- CO2–emitting natural resources like coal, oil, and natural gas meet 82 percent of the world's energy needs. Coal remains a dominant source of energy globally. Since 2000, global coal-fired power capacity has doubled, and roughly 6,700 coal plants are in operation around the world providing heat and electricity. Even as many Western countries phase out coal production and use, new coal plants are being built in Asia, the Middle East, and Africa, where access to electricity is desperately needed.

FACT: Climate policies would be costly and would disproportionately harm lower-income families, farmers, and small businesses.

- Using a derivative of the U.S. Energy Information Administration's National Energy Model, Heritage analysts determined that reducing CO2 levels by 50 percent to 52 percent below 2005 levels by 2030 would result in:

  - An average employment shortfall of more than 1.2 million jobs with a peak shortfall of more than 7.8 million jobs. The cost to the overall economy would be $7.7 trillion through 2030, and the loss of income for a family of four would be more than $87,000.
  - Low-income families would be hit the hardest. Americans with after-tax incomes of less than $30,000 spend 23 percent of their budgets on energy, while those who earn more than $50,000 spend just 7 percent of their budgets on energy, according to the American Coalition for Clean Coal Electricity.

FACT: "The science is settled" and "97 percent of climatologists agree" talking points are wrong.

- The 97 percent figure comes from a 2013 *Environmental Research Letters* study by John Cook and eight colleagues[2] that examines the abstracts of nearly 12,000 academic papers on climate change and global warming between 1991 and 2011. Of those papers, 66.4 percent expressed no opinion on anthropogenic (human-caused) warming, 32.6 percent "endorsed" anthropogenic warming, 0.7 percent rejected anthropogenic warming, and 0.3 percent were unsure of the cause. The oft-cited statistic, that 97.1 percent endorsed the consensus position that humans are causing global warming[3] only applies to the 33.3 percent who ventured any position on human causation. These numbers say nothing about the urgency or danger of climate change.

- David Legates, former director of the University of Delaware's Center for Climatic Research, and three other researchers analyzed the same set of papers analyzed in the Cook study.[4] They found that a mere 0.3 percent of all papers—1 percent of the 4,014 papers expressing an opinion on the matter—claim that the majority of warming since 1950 is man-made.

- There are major areas of uncertainty in climate science. They include the accuracy of climate models (exaggerating warming), how a doubling of CO2 emissions influences global temperatures, and which trajectory of greenhouse gas concentrations most accurately reflects the future. There is no consensus on imminent climate catastrophe.

FACT: There are pronounced regional differences and increased variability in rainfall, but other areas are stable. Although the IPCC claims increased climate change–related precipitation, the data do not show any systematic pattern of increasing worldwide rainfall.

- Evidence for systematic trends in precipitation is weak and inconclusive. In fact, the variability in rainfall does not support a single reason or association of rainfall changes, such as increased anthropogenic CO2 emissions.

- Twentieth-century annual total rainfall was drier than late 19th-century rainfall, especially in the European region. Long-term rainfall data show little evidence of a behavior trend because the data show fluctuations on all time scales. Given their monotonic nature and natural variation, rainfall trends show weak evidence of being attributed to global warming.

FACT: Evidence of sea levels rising is highly limited and insufficient.

- Holding all other factors constant, including concentrations of atmospheric CO2, global sea levels would continue to rise, just as they have for the past 7,000 years.

FACT: Climate models vastly overstate warming.

- The observed summer temperature trend from 1973 to 2022 in the 12-state U.S. Corn Belt is considerably less than that produced by all 36 climate models used to promote changes in U.S. energy policy.

- Generalized warming of the global climate over the past half-century has averaged approximately 43 percent less than most climate models' predictions.

FACT: The IPCC has made premature conclusions on the science behind climate change.

- Urban heat islands, data distribution inconsistencies, and the underrepresentation of certain regions compromise the accuracy of global temperature measurements.

- Natural factors, including solar activity, may play a more significant role in temperature changes than the IPCC acknowledges.

- The Nile River provides the longest continuous hydrological record of about 849 years, much longer than current record of around 100 years to 150 years and reveals that climatic values of minimum water depth change substantially over time. In some centuries, the figures more than doubled, revealing that periods of "stable climate" may just be a small snapshot of natural variability.[5]

FACT: Crop yields have increased steadily since 1960 because of the development of drought-tolerant varieties, better irrigation, and the fertilizing effects of CO2.

- In the southeastern United States, an increased average temperature of 1 °C between 1980 and 2020 significantly improved corn and rice yields and had no effect on wheat.
- Beer hops have been increasing in crop yields steadily since 2012 despite increasing global CO2 levels.
- Higher atmospheric concentration of CO2 makes plants grow faster and boosts their efficient use of available water.

FACT: The frequency and intensity of hurricanes have not risen meaningfully, despite CO2 emissions and temperature increases in the 20th century globally.

- There has been little to no trend in hurricane activity since the mid-1800s, further underscoring the lack of a meaningful rise in total frequency and intensity of hurricanes.

FACT: Tornadoes, one of the most destructive weather phenomena, have decreased significantly since the 1950s.

- There has been a 50 percent reduction in strong tornadoes in the United States since the 1950s, despite rising carbon emissions and a moderate increase in temperature.[6]
- Large year-to-year variations in tornado activity can be explained by natural climate oscillations, not rising temperatures.

FACT: Claims that climate change, ozone, and asthma are connected are not supported by science.

- From 1990 to 2015, CO2 increased by 5.6 percent and methane decreased by 16 percent.
- From 1980 to 2013, oxides of nitrogen and volatile organic compounds decreased by 52 percent and 43 percent, respectively.
- From 1980 to 2022, mean ground level ozone concentrations have steadily decreased by 7 parts per billion per decade.
- The total number of days where ozone was "Unhealthy for Sensitive Subgroups" has decreased by 600 days per decade from 2000 to 2022.

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Debt and Annual Spending

Summary and Key Points

Policy Proposals

1. Eliminate wasteful and unnecessary federal programs that are divisive and contrary to the values of most Americans (such as "diversity, equity, and inclusion" (DEI) mandates, environmental, social, and governance (ESG) frameworks, and LGBTQ+ initiatives), including most grants to non-governmental organizations (NGOs).

2. Reform mandatory spending programs and work toward reducing or ending most federal spending on welfare, health care, public infrastructure, education, and other domestic programs.

3. Adopt an accountable, responsible, and transparent budget process.

4. Pass tax reform and reject tax increases.

Quick Facts

1. The U.S. federal debt held by the public stood at $30.2 trillion at the end of fiscal year (FY) 2025. That's $88,130 per person. Each household's $223,844 share of the current debt burden is more than half the median sales price of a house.

2. The Congressional Budget Office (CBO) estimates that in FY 2026 the federal government will spend $7.5 trillion and take in $5.6 trillion in taxes, leaving a deficit of $1.9 trillion.

3. Real, inflation-adjusted, federal spending increased from $796 billion in 1960 to $5.6 trillion in 2025—an increase of more than 600 percent. Adjusting for population growth, per capita spending soared by nearly 275 percent, from $5,470 in 1960 to $20,475 in 2025.

4. Major health care programs (Medicare, Medicaid, and health care subsidies), Social Security, and net interest accounted for 62 percent of federal spending in FY 2025.

5. By 2056, federal debt held by the public is projected to rise to 175 percent of U.S. GDP, according to the Congressional Budget Office's budget and economic outlook for 2026 to 2036. This level of debt would be unsustainable.

What to Say About the Debt and Annual Spending

- Washington cannot keep spending trillions more than it collects, year after year. Trillion-dollar deficits are not normal, responsible, or sustainable over time.

- The increased cost of living punishes wages and makes it harder for Americans to save and invest in their future.

- The budget process should be transparent, accountable, and honest about what federal programs truly cost.
- Congress must fix mandatory spending so the federal government lives within its means, like families must.
- If Washington refuses to change course, the national debt will steal opportunity from the next generation. Borrowing today shifts the bill onto younger Americans who had no say in the spending.
- Congress should cut wasteful federal programs that push ideology and deliver little value to ordinary Americans.

The Issue

The federal budget has not been balanced since 2001. Persistent deficits, driven by an increase in the size of government, have led to staggering debt. Aggressively pursuing a balanced budget is important because it protects future Americans from massive tax hikes, reduces crowding out of private investment, mitigates demand-driven inflation, shrinks national debt, lowers interest payments on the debt, and ultimately pushes Washington down a more sustainable and fiscally disciplined path.

In FY 2001,[1] the U.S. ran a total budget surplus of $128 billion, and the debt held by the public[2] stood at $3.3 trillion. As a share of the nation's economic output, GDP, the surplus in 2001 was 1.2 percent of GDP, and the debt was 31.5 percent of GDP.

In FY 2025, the annual deficit climbed to $1.8 trillion—5.8 percent of GDP. Debt held by the public reached $30.2 trillion—99.4 percent of GDP. The debt held by the public currently is $223,844 per household.

Today's debt is close to the record high debt in 1946 of 106.1 percent of GDP. Debt held by the public (DHP) reached its postwar low in 1973, when it was 23.2 percent of GDP. The Congressional Budget Office projects that under current law the debt will surpass the record high in 2029 and reach 120.2 percent of GDP over the next decade (end of FY 2036). Without changes in policy, the CBO projects that the debt will rise to 175 percent of GDP in 30 years (2056).

The runaway debt has been driven by a variety of sources: (1) stratospheric spending on woke and weaponized agendas antithetical to conservative values and supported by a minority of Americans; (2) waste, fraud, and abuse in federal programs that may cost taxpayers hundreds of billions annually; (3) the expansion of several mandatory programs, such as the egregiously misnamed Affordable Care Act (ACA) and Medicaid, over the years; and (4) the demographic crisis contributing to Social Security insolvency. This high level of unsustainable national debt poses several economic concerns for America.

When the government borrows to finance its deficits, it not only competes with businesses and individuals for available capital in financial markets; it also is required to repay the loans it takes with interest. In FY 2025, interest on the debt exceeded $1 trillion for the first time in history. Net interest on the debt is already larger than the national defense budget and spending for Medicaid, the Children's Health Insurance Program (CHIP), and ACA premium tax credits. Interest will eclipse Medicare in 2029 and Social Security in 2048, becoming the largest federal program. If current trends hold, it is likely that nearly one-fourth of the interest payment will flow to foreign entities, including China.[3]

These payments increase the wealth of foreigners at the expense of Americans.

Government spending continued at near-pandemic levels under President Joe Biden, totaling $26.2 trillion over his four years in office (FY 2022–FY 2025). During that same period, deficits totaled $6.7 trillion and DHP grew by $7.9 trillion. The Biden Administration added more debt during its four years than any other in American history.[4]

The Biden Administration's massive pandemic-era deficit spending spree was a driving force behind the crushing wave of inflation that peaked at 9 percent in June 2022, followed by punishing interest rate hikes as the Federal Reserve sought to minimize the damage.

Should growth in the debt continue to exceed the growth of the U.S. economy, the United States may face a debt crisis. This would be characterized by inflation, high interest rates (reinforcing a debt spiral), economic stagnation, and a loss of investor confidence in which no creditors would be willing to assume U.S. default risk and provide loans to the United States.

When the government can no longer borrow, lawmakers may look to taxation. Higher taxes unavoidably destroy productive arrangements in the private sector. Taxation directly hurts productivity by disincentivizing investment, savings, and work, as does deficit spending by crowding out private investment. Unsustainable spending and runaway deficits today mean that far higher rates of taxation may be required in the future simply to manage the debt.

It is of paramount importance that policymakers remember that the private sector—America's families, workers, businesses, and innovators—produces the wealth of this nation. Federal government spending beyond its original limited mandate and unsustainable debt is therefore problematic to the economic well-being of America. Spending and unsustainable debt do not just add numbers to a ledger; they actively diminish the private sector's capacity to generate wealth, Americans' ability to enjoy a higher standard of living, and the United States' ability to remain fiscally competitive. Policymakers must restrain non-essential and wasteful spending, slow down the growth of debt held by the public to at least below GDP growth; foster an economic boom through deregulation and tax policy; and reform mandatory spending to restore fiscal health and ensure the American people remain prosperous.

Recommendations

Congress should continue to press for a balanced federal budget. The surest way to get the debt under control is to reduce the need for deficit financing.

To achieve a balanced budget, Congress should:

- **Prioritize spending on the most critical federal programs.** Every federal program should support responsibilities enumerated in the Constitution. Since all federal spending comes at the expense of some productive private-sector activity, every dollar spent must provide some compelling benefit. Eliminate completely low-priority, wasteful, and unnecessary spending. This includes all spending for divisive purposes like promoting discrimination in the form of DEI, or anti-family transgender and climate ideologies that have narrow constituencies.

- **Ensure that grants to NGOs provide a well-defined deliverable that is in the public interest.** NGOs are not directly accountable to American taxpayers and can use taxpayer dollars to indirectly further their anti-family, radical missions. This includes foreign aid that is often provided by non-profits operating abroad.

- **Reduce federal agency spending sharply.** Administrative functions that can be combined should be combined both within and across agencies. Duplicative programs should be merged, and efficiency savings taken. Waste should be aggressively targeted. Efficiency measures, such as those undertaken by the Department of Government Efficiency (DOGE) should continue.

- **Reform mandatory spending programs.** Congress should work toward reducing or ending most spending on welfare, public infrastructure, education, energy, and other domestic programs. Private entities and state and local governments are best able to manage such activities effectively and efficiently. Lawmakers should also make the major entitlement programs more affordable and fiscally sustainable by returning control of health and retirement dollars and decisions to the people.

- **Strengthen Social Security and Medicare, the major entitlement programs for seniors.** Root out fraud and abuse in these programs to help to make them fiscally sustainable. On their present trajectory, the actuaries of the Social Security and Medicare programs expect their trust funds to be depleted in 2034 and 2033, respectively. This will at a minimum force change in program financing, such as adding general fund resources.

- **Support health care cost reductions through improved preventative medicine, lifestyle changes, and nutrition under the Make America Healthy Again (MAHA) approach.**

- **Eliminate programs that redistribute wealth to well-connected and politically favored businesses and other entities.** Crony capitalism—direct subsidies or targeted tax benefits—should not be allowed. Such benefits can be considered, however, when needed to promote national security.

- **Consider caps on federal revenues, paired with controls that keep government spending from increasing faster than economic growth, to ensure that the ratio of debt to GDP decreases to sustainable levels.** Left unchecked, the current uncapped nature of federal taxation and deficits could well lead to economy-wrecking levels of taxation and the exponentially increased crowd-out of private investment.

- **Eliminate budget gimmicks and unhelpful accounting practices.** Budget gimmicks hide the true cost of government. Congress should eliminate them from the budget process. These gimmicks include creating temporary programs that are designed to force future Congresses to take hard votes to make them permanent, using scoring methods that undercut the true cost of programs rather than employing dynamic scoring or fair-value estimates, using scoring conventions that create false pay-fors (such as rescission of spending authority that is not expected to result in cash savings), relying on baselines that assume continuous spending growth, or using budget reconciliation to ram large spending and tax bills through Congress.

- **At minimum, follow the established budget process.** The 1974 Budget Act provides a timeline to guide completion of the congressional budget process and lays out clear deadlines to ensure that Congress enacts appropriation bills before October 1 of each fiscal year. The budget process allows Congress to evaluate priorities carefully and perform critical oversight of how agencies spend taxpayer dollars. The last time Congress completed each required step on time was in 1996. Failure to follow regular order has led to a cycle of continuing resolutions, massive omnibus spending bills, and periodic lapses in appropriations. Additionally, Congress should reform or repeal the Impoundment Control Act to allow a President greater rescission authority.

- **Reject tax increases.** Tax cuts and pro-growth reforms, such as those implemented by the Tax Cuts and Jobs Act (TCJA) of 2017 and made permanent by the One Big Beautiful Bill Act (OBBBA), improve the economic outcomes of all Americans by removing disincentives for private investment. The TCJA led to the lowest unemployment and fastest real wage growth in 50 years.

Facts + Figures

FACT: The OBBBA took a first step to reducing federal overspending.

- The OBBBA reduced outlays by a net of $1.2 trillion over 10 years.
- Medicaid achieved $550 billion in savings by tightening up eligibility, including more frequent eligibility determinations, and eliminating techniques used by states to boost their effective federal match rate.
- Other savings include $187 billion from food stamps and similar programs, including requiring that a state match administrative costs to encourage efficient operations, $100 billion from auction of spectrum and offshore oil and gas, and roughly $75 billion from eliminating Green New Deal spending.

FACT: The Congressional Budget Office estimates that in FY 2026 the federal government will spend $7.5 trillion, and will take in $5.6 trillion in taxes, leaving a deficit of $1.9 trillion.

- Social Security and federal health care programs (Medicare, Medicaid, and Affordable Care Act subsidies) account for $3.6 trillion (48 percent) of the $7.5 trillion in spending.
- Annually appropriated spending—also referred to as discretionary spending—totals $1.9 trillion. Spending for defense totals $900 billion, with nondefense totaling $1 trillion.
- Net interest ($1 trillion), welfare ($400 billion), veterans' programs ($250 billion), and federal worker pensions ($100 billion) account for the bulk of the remaining spending.

FACT: Net interest on the debt is projected to become the largest federal program.

- Interest is already larger than spending on national defense or health care for low-income Americans (Medicaid, CHIP, and ACA subsidies combined).
- Interest will soon eclipse Medicare (in 2029), and will surpass Social Security in 2048 to become the largest single item in the federal budget.

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ENDNOTES

1. The federal fiscal year starts on October 1 and ends on September 30; FY 2001, for example, indicates the fiscal year that started on October 1, 2000, and ended on September 30, 2001.
2. Debt held by the public does not include trust fund surpluses that are automatically swept to finance deficits. Debt held by the public therefore indicates the amount of borrowing that is provided by the private economy, crowding out productive investment. The gross federal debt includes intragovernmental borrowing.
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Deregulation

Summary and Key Points

Policy Proposals

1. Require congressional approval for new major regulations issued by agencies, enforced by legislation such as the Regulations from the Executive in Need of Scrutiny (REINS) Act.
2. Set sunset dates for all major regulations.
3. Subject independent agencies to executive branch regulatory review.
4. Require regulatory standards to be based on factual data and ensure that public access to all such data be provided.
5. Ensure that all existing regulations are compliant with the Regulatory Flexibility Act, enforced via the Small Business Administration's Deregulatory Strike Force.

Quick Facts

1. Private-sector regulatory costs increased by $122 billion annually during the Obama Administration and then increased by approximately $1.8 trillion (present-value) during the Biden Administration.[1]
2. Based on fiscal year 2021 budget figures, administering red tape will cost taxpayers nearly $80 billion, more than doubling since 2000.[2]
3. Excessive regulation stunted average GDP growth by 0.8 percent annually since 1980.
4. Total regulatory costs are commonly estimated to exceed $2.1 trillion annually from an estimated 3,500 regulations imposed each year.

What to Say About Deregulation

- Unnecessary regulations raise prices, slow growth, and make everyday goods and services harder to access. Small businesses and families are often hurt first when regulators pile on complex new requirements.
- When regulation grows without limits, innovation stalls, costs rise, and ordinary Americans pay the price.
- Rules that no longer serve the public should expire instead of lingering on the books forever. Agencies should prove that new regulations deliver real benefits that outweigh their costs.

- Congress should write the laws, not unelected regulators who face little accountability to voters. Major regulations should not take effect unless lawmakers openly approve them and accept responsibility.
- Independent federal agencies—which are typically led by boards or commissions whose members cannot be fired, and which have limited presidential control—should follow the same transparency and review standards as other federal agencies.

The Issue

During the Obama Administration, private-sector regulatory costs surged by a record $122 billion annually as a result of more than 23,000 new regulations.[3] Despite a brief respite during the first Trump Administration, regulatory burdens again intensified under the Biden Administration.[4] These regulations impose significant financial burdens on American citizens and businesses, annually costing $16,000 per household[5] and $12,800 per employee across all firms,[6] respectively.

Thousands of federal regulations were eased during the COVID-19 crisis to accelerate production of protective gear and development of treatment tools.[7] Similarly, some regulations were eased after Russia invaded Ukraine in February 2022, and again in 2026 after the war with Iran, to remove costly roadblocks to energy production and distribution. These deregulatory sweeps represent explicit acknowledgment that unnecessary regulation undermines public health, hinders critical supply chains, and makes energy significantly more expensive for American families and businesses. Economic recovery following 40-year-high inflation likewise requires Congress and the White House to lighten the regulatory burden on employers, innovators, and investors.

Overall regulatory burdens declined slightly during President Donald Trump's first term, due in part to his executive order of May 19, 2020, which directed federal agencies to remove regulatory barriers to economic activity.[8] However, the sharp reversal and expansion of rulemaking under the Biden Administration demonstrated that lasting reform requires action by Congress—such as laws requiring congressional approval of major rules, imposing sunsets, and strengthening retrospective review—to ensure that meaningful change outlasts any particular President. Conventional wisdom has long held that government regulation is the only way to protect the public interest. Yet, 40 years of command-and-control regulatory schemes have led to massive, ineffective, and unaccountable bureaucracies and a raft of costly unintended consequences for American families, workers, and businesses.

Most regulatory intervention embodies the progressive conceit that government knows what is best for everyone. Yet even the most well-intentioned central planners cannot possibly possess the vast and ever-shifting knowledge necessary to determine the optimal course of action—especially in dynamic global markets. Entrepreneurs and investors, driven by self-interest and market signals, are far better positioned to allocate resources effectively. Consumers and competitors impose penalties for errors in judgment, usually swiftly and stringently, through lost sales, falling stock prices, or business failures. In contrast, political imperatives trigger government action, which is largely insulated from consumer demand, competition, and financial discipline.

Government "solutions" are inherently weak because political concessions are necessary for them to gain acceptance. As economist Richard Stroup noted, "A political solution cannot be purchased—only rented." Regulatory schemes are also unreliable because neither Congress nor the White House is bound by the actions of its predecessors, except in the granting or sale of private rights.

Regulations also divert labor and capital away from productive activities, such as innovation and job creation, to compliance activities. The burden falls heaviest on new and small businesses, stifling entry, inhibiting job

creation, undermining competition, and securing the dominance of incumbent firms. Unsupportable compliance costs also artificially encourage mergers, further consolidating markets and reducing dynamism.

Regulatory costs are "hidden taxes" that fall not just on business, but on consumers via prices, lower wages, and reduced choices. Low-income families and fixed-income seniors are hit especially hard by government edicts. Compliance costs increase the prices of products and services across the economy—including soaring energy bills from renewable-energy dictates, higher food prices from excessive production standards, restricted access to credit caused by roughly 400 Dodd–Frank regulations, and elevated medical costs resulting from the utterly misnamed Affordable Care Act.

Conservatives have too often ceded the environmental policy debate, focusing narrowly on regulatory costs rather than offering a compelling alternative agenda. But green eyeshades cannot compete for public support against the seemingly selfless agenda of green activists. Americans care deeply about the environment and expect public officials to act. Conservatives must avoid merely opposing the green lobby's agenda and must put forth a platform for responsible stewardship. As noted as far back as 1986 in a Heritage report: "While the conservative critique is well known, the conservative agenda is not."[9]

Reform is hindered by the immensity, complexity, and lethargy of the federal regulatory apparatus. A simple repeal requires exhaustive and byzantine administrative procedures, such as alternative analyses, public notice-and-comment periods, and endless justification. Litigation is rampant and protracted.

The need for reform has never been greater. Regulation acts as a "stealth tax" on the American people and U.S. economy while exacting an incalculable toll on individual liberty. It is not enough to repeal individual rules or tweak the rulemaking process. A more substantive national debate must address the fundamental question: To what extent is it appropriate for the federal government (or any level of government) to intervene in matters that can be managed more effectively by the states or the private sector?

Recommendations

Permanently eliminate regulations that were waived as unnecessary during times of crisis, such as COVID-19 or the wars in Ukraine and Iran. There is no justification for maintaining red tape that interferes with the delivery of energy, medical care, and broader economic activity.

Require approval of new major regulations issued by agencies. Congress, not unelected regulators, should make the laws and be accountable to the American people for the results. No major regulation should be allowed to take effect unless and until Congress explicitly approves it. In addition, legislators should include requirements for congressional approval of rules in every bill that expands or reauthorizes regulation.

Congress should set sunset dates for all major regulations. Rules should expire automatically if not explicitly reaffirmed by the relevant agency through the formal rulemaking process. As with any such regulatory decision, this reaffirmation would be subject to judicial review.

Codify regulatory impact analysis requirements. All executive branch agencies are currently required to conduct regulatory impact analyses (including cost-benefit calculations) when proposing any new major rules. Codifying these requirements would ensure that they cannot be rolled back by future Administrations without congressional action, and would provide a stronger foundation for judicial review of agency compliance.

Subject independent agencies to executive branch regulatory review, including ensuring compliance with the Regulatory Flexibility Act. Rulemaking is increasingly being conducted by independent agencies outside the direct control of the White House. Regulations issued by agencies such as the Federal

Communications Commission, the Securities and Exchange Commission, and the Consumer Financial Protection Bureau are not subject to review by the Office of Information and Regulatory Affairs (OIRA) or even required to undergo a cost-benefit analysis. This is a gaping loophole in the rulemaking process. These agencies should be fully subject to the same regulatory review requirements as those to which executive branch agencies are subject.

Ensure sufficient professional staff levels within OIRA and the SBA's Office of Advocacy. These are two of the very few government entities in Washington that are charged with limiting, rather than producing, red tape. More resources should be devoted to strengthening their regulatory review functions. This should be done at no additional cost to taxpayers by reallocating funds from the budgets of regulatory agencies.

Require agencies to base decisions on factual, publicly available data. Federal agencies routinely mask politically driven regulations as scientifically based imperatives. The supposed science underlying these rules is often hidden from the public and unavailable for vetting by experts. Credible science and full transparency are necessary elements of sound policymaking. All regulatory decisions should rest on disclosed, verifiable evidence open to independent review.

Facts + Figures

FACT: Total regulatory costs are commonly estimated to exceed $2.1 trillion annually (although there is no official tracking).

- There is no accurate accounting of the hundreds of departments, agencies, sub-agencies, and commissions from which an estimated 3,500 regulations materialize each year.

FACT: Private-sector regulatory costs increased by an astonishing $122 billion annually during the Obama Administration, according to analyses by Heritage experts. After declining marginally during the first Trump Administration, regulatory costs then rose by $1.8 trillion (present-value) during the Biden Administration.

- The increase in the Obama Administration was nearly double the $68 billion in private-sector costs imposed under the Administration of President George W. Bush, while the increase in the Biden Administration was even larger.

FACT: Regulatory costs have more than doubled since the year 2000.

- Based on fiscal year 2021 budget figures, administering red tape will cost taxpayers nearly $80 billion, an increase of more than 100 percent since 2000.

- A big part of the increase is the growing legions of regulators—although these federal jobs declined during the first year of the second Trump Administration.

FACT: The United States is currently ranked as merely "mostly free" in The Heritage Foundation's Index of Economic Freedom.

- Francis Scott Key's characterization of America as the "land of the free" is no longer accurate. The United States ranks only "mostly free" in The Heritage Foundation's *2026 Index of Economic Freedom*, trailing Singapore, New Zealand, Switzerland, Australia, Ireland, the United Kingdom, Canada, the United Arab Emirates, Taiwan, and Iceland.

FACT: Excessive regulation stunted average GDP growth by 0.8 percent annually since 1980, according to a 2017 report by the White House Council of Economic Advisers and a 2020 academic study.[10]

FACT: Five of the seven highest-income counties in the United States surround Washington, DC, which may demonstrate that the more government interference grows, the more essential political influence becomes.

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Energy

Summary and Key Points

Policy Proposals

1. End ineffective regulations that increase the cost of energy while doing little to improve air quality or reduce pollution.
2. Eliminate government subsidies for all commercial energy resources and technologies.
3. Curb government energy efficiency mandates that override consumer preferences.
4. Reform permitting to make it easier to build all types of energy sources, including nuclear plants, a proven source of safe and clean energy.

Quick Facts

1. America is the world's number one producer of petroleum, natural gas, and nuclear energy.
2. Federal energy subsidies cost $183 billion from FY 2016 to FY 2022, with about $84 billion going to renewable energy.
3. The U.S. generates about 18 percent of its electricity from 94 nuclear power reactors, representing 45 percent of America's emissions-free electricity.[1]

What to Say About Energy

- Affordable, reliable energy is essential for heating homes, running businesses, and powering daily life. Families should be free to choose the energy sources that best meet their needs and budgets.
- When the government restricts energy choices, costs rise, reliability falls, and families feel the consequences first.
- Government regulations often drive energy prices higher without delivering meaningful environmental benefits.
- Washington should stop picking winners and losers by favoring certain energy technologies over others. Energy subsidies distort markets and force taxpayers to finance projects they may not want or use.
- Expanding domestic energy production strengthens national security and reduces dependence on foreign suppliers. Slow and outdated permitting rules make it harder to build energy infrastructure America urgently needs.

The Issue

Energy is essential to nearly every product and service that Americans use and to every activity in which they engage. Energy heats homes and meals, runs schools and hospitals, powers businesses that create jobs, fuels vehicles, and is used to create products ranging from cosmetics to athletic equipment, from pharmaceuticals to paints to pipelines. Affordable, reliable energy is vital to national well-being and Americans should enjoy it unapologetically.

Perhaps because energy is so intertwined with the economy, politicians routinely meddle in energy markets to the benefit of preferred interests. Big government approaches to energy policy aim to centrally plan, actively manage, and pre-condition energy choices to serve political agendas. Unnecessarily burdensome laws and regulations have driven up energy costs, reduced those choices, and opened the door to cronyism.

Subsidies through the tax code, grants, guaranteed market share, loans and loan guarantees, and government-funded research and development have become popular ways to implement energy policy. This approach has wasted billions of taxpayer dollars, shifted to taxpayers what should be funded by the private sector, and distorted private-sector investments. Politicians, bureaucrats, and companies with effective lobbying arms not infrequently also use the regulatory process to block access to some resources and technologies or hedge out competitors.

While subsidies may appear to benefit the recipients, advantages are short term at best. When government insulates certain technologies or certain companies from the prospect of failure or competition, it removes healthy market forces that drive creativity and solutions in the long term. Government subsidies also create barriers to entry for innovative, unsubsidized energy companies that must compete for customers against companies backed by the government and U.S. taxpayers. Further, although government experts might appear to know how best to plan energy use for the future, they are often wrong, slow to adapt, and incapable of complete knowledge of a dynamic global sector. Indeed, almost no one anticipated the oil and gas boom in America created by hydraulic fracturing, which has fundamentally transformed global energy markets.

Relying on the private sector's ability to innovate to meet America's diverse energy needs is a far better approach. Fuel- and technology-neutral competitive markets allow prices to communicate accurate information to producers and customers about the value and cost of energy. This allows the endless creativity of people to anticipate and meet customer energy needs and preferences. Ultimately, competition to meet consumer preference in energy services gives American families and businesses, rather than bureaucrats, lobbyists, and politicians, the power to make decisions on their own behalf. Congress should focus on reducing ineffective and economically harmful regulations, opening access to resource development, and eliminating subsidies for all energy resources.

Recommendations

Stop the regulation of greenhouse gases. The Obama Administration implemented a suite of executive orders and regulations under the Clean Air Act that have unnecessarily driven up energy prices and eliminated choices, while having no meaningful climate impact. President Donald Trump rightly directed agencies to reconsider and withdraw some of these rules.[2] However, lasting leadership and change must come from Congress. Congress should prohibit the federal government from regulating greenhouse gas emissions and clarify that the Clean Air Act was never intended to regulate greenhouse gases.

End the use of "social cost of carbon" in government cost-benefit analyses. Federal agencies perform cost-benefit analyses for a wide range of regulatory and permitting decisions. Under the Obama Administration, agencies began to incorporate a "social cost of carbon" in these analyses to assess the alleged social costs

of an activity emitting CO2. The statistical models upon which the federal government relied offer significantly different results when using a variety of justifiable inputs; as a consequence, values are essentially arbitrary and are not credible tools for policymaking. Although President Donald Trump has ended the use of "social cost of carbon" by federal agencies, this action was done by executive order, which a future President could reverse with his own executive order. Congress should prevent any agency from using regulatory analysis metrics with the "social cost of carbon," as well as the "social cost" of other greenhouse gas emissions in any cost-benefit analysis or environmental review. These deceptively precise, yet utterly meaningless, numbers undermine the entire point of submitting regulations to a rigorous economic review.

Eliminate subsidies for all commerical energy resources and technologies. The One Big Beautiful Bill Act immediately repealed many green energy subsidies, but it phases out others and even strengthened some, like the clean fuel production credit and carbon dioxide sequestration credit. Congress should repeal tax credits for all energy technologies. Relatedly, Congress should eliminate Department of Energy (DOE) subsidized research and development for commercializing energy technologies. It is neither appropriate for taxpayers nor a necessary role of the federal government to fund or conduct such research. Furthermore, Congress should prohibit any further taxpayer-backed loans to private companies and eliminate the DOE's loan-guarantee program.

Reform offshore energy leasing. America keeps the vast majority of its territorial waters off-limits to energy production, but that has not always been the case. Congress should open America's coasts for offshore oil, gas, wind, and other energy resource exploration and development. It should eliminate the Department of the Interior's (DOI's) five-year leasing plans and authorize the DOI to conduct lease sales, if interest for development exists, while considering the interests of states that would be affected most by that development. Such a reform would allow the safe development of energy off America's coasts and replace the lengthy and unnecessary planning process for a system that is more responsive both to price changes and to the needs and interests of states. Bidding on the leases would not be exclusive to energy companies but open to all parties, including those interested in environmental preservation rather than resource development. Reform should also include transferring environmental review and permitting process to the states, along with at least 50 percent of the revenues generated by onshore oil and natural gas production on federal lands.

Eliminate government energy efficiency mandates. Federal efficiency mandates, rebate programs, and spending initiatives too often assume either that all Americans use energy the same way, or that the government knows best how Americans should use energy. Congress should affirm the ability and freedom of Americans and businesses to make decisions that best meet their needs by eliminating all mandatory efficiency regulations and subsidies for vehicles, appliances, and buildings. At a minimum, mandates should be restructured as voluntary standards under which businesses and consumers can choose their level of participation.

Overhaul nuclear energy regulation consistent with President Trump's March 2025 executive orders on nuclear energy. The regulatory system that licenses and permits nuclear reactors failed to keep up with technological innovations and overregulates existing nuclear technologies. Instead of addressing underlying government-imposed problems, policymakers have focused on mitigating the cost of those policies through subsidies, leading to a predictable path of failure. While such an approach may spur some commercial activity, that commercial activity is limited to what is subsidized. Nuclear plants in America today continue to exhibit superior safety performance. Policy and regulations should reflect that track record. Congress should instill regulatory discipline at the Nuclear Regulatory Commission (NRC), direct the Environmental Protection Agency (EPA) to right-size radiation-exposure standards, authorize states to take on a larger role for overseeing commercial nuclear activities, drastically reduce barriers to commercial nuclear trade between the United States and Canada, Japan, South Korea, and the United Kingdom, and protect the ban on Russian uranium fuel imports.

Complete the review of Yucca Mountain and introduce market forces into nuclear waste management. Congress has failed either to change current law or appropriate the funds necessary for the NRC to review the DOE's permit for a nuclear waste repository at Yucca Mountain. This unnecessary limbo has been

costly to taxpayers and has created problematic uncertainty for the current and future nuclear industry. Congress should provide enough funding to complete the license review to allow contentions to be adjudicated, and all the information should be brought together for Congress, the State of Nevada, and the nuclear industry to make prudent decisions about next steps. Ultimately, Congress must introduce market forces in nuclear waste management for it to be a successful, dynamic part of the fuel cycle and nuclear industry. Nuclear waste management should be primarily a business activity, not an inherently governmental activity.

Encourage choice in electricity markets. Competitive electricity markets have served customers well. Some states have accomplished the transition from monopolies to competition more successfully than others, and additional free-market reforms are necessary to spur more entrepreneurial activity in electricity markets. However, when the underlying structure of competition is sound, the benefits to energy consumers are unambiguously positive. Competition in electricity services allows greater customer choice through the power of the consumers' own dollars rather than through the disconnected votes of a small panel of public utility commissioners. Consumer choice comes not only in the form of resource choice (renewables, conventional fuels, or a mix) but also in the form of financial choices (such as fixed rates, risk preferences, indexed rates, or short-term or long-term contracts).

In the end, because electricity providers have to work for their customers, prices are competitive and quality improves. States should fix anti-competitive energy policies like renewable energy mandates, which have wreaked havoc in the electricity sector, by putting politics and special interests over customers. Similarly, the Federal Energy Regulatory Commission should work vigorously to uphold fuel- and technology-neutral competition in electricity markets.

Repeal the Renewable Fuel Standard. To address the mounting economic and environmental inefficiencies of the Renewable Fuel Standard (RFS), Congress should repeal this outdated mandate, which artificially inflates food and energy prices while straining domestic refining infrastructure. While a full legislative repeal is the necessary long-term solution to eliminate the RFS, the EPA should immediately use its post-2022 authority to implement a downward glide path for mandated volumes.[3]

Facts and Figures

FACT: Energy subsidies waste taxpayer money, influence the private sector to pursue politically preferred energy projects, and actively prevent innovative energy technologies from thriving in the market.

- Federal energy subsidies cost $183 billion from FY 2016 to FY 2022, according to the Energy Information Administration. Renewable energy subsidies accounted for 46 percent of the total, more than any other energy source.
- Energy companies do not need government incentives. With American consumers spending more than $1 trillion annually on energy,[4] any innovative technology or company that could capture even a tiny sliver of this market would be enormously successful.
- There is no such thing as a perfect energy resource or technology. All have tradeoffs and benefits that should be weighed by investors and customers rather than politicians and bureaucrats. Subsidies muddle this rational decision-making process.

FACT: Eighty percent of energy consumed by American families and businesses came from coal, oil, and natural gas.[5]

- At the beginning of the 21st century, proven world oil reserves stood at 1,087 billion barrels[6]; at the end of 2024, they were up to about 1,567 billion barrels.[7] Despite constant cries that the world is running out of oil, innovative technologies have allowed increased discoveries around the world. There is no shortage of energy sources, and attempts to limit access to energy only hurt Americans.

- The U.S. has an abundance of natural resources and is the world's number one producer of petroleum and natural gas. Since 2010, U.S. exports of crude oil and petroleum products have more than quadrupled.[8] America also has nearly 500 years' worth of coal beneath its soil at current consumption rates.[9] While predicting future supply or demand is impossible, new resources are inevitably discovered and developed as demand shifts if markets are allowed to work. Thus, rather than manipulating energy supply and demand through regulations, mandates, and subsidies, policy should ensure that energy markets are allowed to work as smoothly and freely as possible.

FACT: Competition has been good for the nuclear industry; however, the industry is over-regulated and faces significant government-induced risk.

- The U.S. generates 18 percent of its electricity from 94 nuclear power reactors. In 2024, nuclear energy generated 782 million megawatt-hours of electricity. This power is reliable, safe, and free of air pollutants. Many states recognize nuclear energy for its helpful role in greenhouse gas emission mandates, and nuclear energy produces more than 45 percent of America's emissions-free electricity.[10]

- Since 2013, 12 nuclear reactors have closed (though some are reopening),[11] in most cases before their operating licenses expired. This is due to a variety of reasons, some legitimate (like competing low natural gas prices) and others a result of government interference (unnecessarily high regulatory costs on the nuclear industry and subsidies for competitors).

- However, market pressure also has been good for the nuclear industry. A Nuclear Energy Institute initiative to find industry-wide operating efficiencies reduced costs by 19 percent, resulting in $1.6 billion in savings.[12]

- The federal government's inability to collect nuclear waste as stipulated by the law has cost taxpayers $7.4 billion in legal damages. Today, the federal government remains liable for more than 96,000 tons of commercial nuclear waste. A 2024 audit report concluded that DOE liability for its failure to collect nuclear waste could reach $44.5 billion.

FACT: Renewable energy technologies supply a growing share of electricity; however, government intervention hides costs and harms competitiveness.

- Wind and solar farms are responsible for almost 3 percent of America's energy consumption.[13] An additional 1 percent comes from hydroelectric power, less than 1 percent from geothermal sources, and 5 percent from biomass.

- Energy subsidies create harmful dependence on taxpayers, and boom-and-bust cycles based on political calendars rather than actual customer demand. Other government interventions like monopoly-run electricity markets and federal tariffs have rewarded failing companies at the expense of others, blocked access to customers, and prevented American companies from using competitive components to provide the best, most affordable service.

- Wind and solar energy impose hidden costs on other power plants, especially in states that mandate renewable energy use. Consistently reliable plants—usually coal, natural gas, or nuclear—must be available as backup power and consequently must run inefficiently to accommodate wind and solar farms. According to a study by the Institute for Energy Research, this imposes hidden additional costs of at least $21 per megawatt-hour for solar energy, and $24 per megawatt-hour for wind energy.[14]

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Updated: **May 2026**

Entitlements and Mandatory Spending

Summary and Key Points

Policy Proposals

1. Make entitlements more targeted and sustainable by giving Americans greater control of their health care and financial well-being.

2. Strengthen Social Security and Medicare. Improve Social Security's Disability Insurance program so that it can serve individuals with disabilities more effectively while ensuring efficiency for taxpayers.

3. Replace the misnamed Affordable Care Act of 2010 (Obamacare) with a patient-centered approach that expands choices, improves access, and lowers costs.

Quick Facts

1. America has four major entitlement programs—Social Security, Medicare, Medicaid, and Obamacare—and more than 80 other means-tested mandatory programs.

2. In fiscal year (FY) 2025, the federal government spent $4.2 trillion on entitlements and mandatory programs, accounting for 59 percent of federal spending. The Congressional Budget Office (CBO) projects that, by FY 2036, such spending will have increased to 62 percent of federal spending.

3. The Social Security payroll tax has grown from 2 percent in 1935 to 12.4 percent today. It has not changed since 1990. The Medicare payroll tax has been 2.9 percent since 1986.

4. The Social Security trust fund will be able to pay full benefits until 2033, when the fund's reserves are depleted. At that time, cash from current taxes will support only 77 percent of promised benefits.[1]

5. Medicare enrollment is expected to increase from 69 million in 2025 to almost 81 million by 2036, at which point it will cost $2 trillion annually.

6. As a result of reforms in the One Big Beautiful Bill Act (OBBBA), Medicaid enrollment is expected to decline from 73 million to 66 million by 2036. Despite the reforms, the program's cost is nearly $1.5 trillion annually to federal and state taxpayers.

7. Obamacare subsidies are expected to reach almost 12 million Americans by 2036 at a cost of $144 billion.

What to Say About Entitlements and Mandatory Spending

- Entitlement programs should protect seniors and vulnerable Americans who truly rely on them.

- Social Security and Medicare face serious financial problems that threaten their future for today's workers. Fraud, waste, and abuse drain resources that should go to people who genuinely need help.
- When entitlements grow without reform, future generations pay more and receive less in return. Delaying reform risks sudden benefit cuts that would hurt retirees the most.
- Entitlement spending keeps growing faster than the economy and is a major driver of long-term debt.
- Reforms should focus on sustainability and fairness, not expanding benefits without paying for them. Returning more control over health and retirement decisions to individuals can strengthen these programs.

The Issue

Mandatory spending consists of benefits payments to individuals and some businesses and governments that must be paid pursuant to permanent law and are not subject to the annual appropriations process. These programs continue during a federal government shutdown and grow automatically regardless of available revenues. America's major entitlement programs—Social Security, Medicare, Medicaid, and Obamacare—provide income and health care benefits to older Americans as well as health care benefits to lower-income and middle-income individuals and families, and account for 82 percent of mandatory spending in FY 2025. Pay-as-you-go entitlement programs like Social Security that use current workers' payroll taxes to fund retirees' benefits strip workers of the opportunity to earn a positive return on their savings. Consequently, average retirees could receive two to three times as much by saving on their own as they can by having their money go into Social Security.

Medicare, created in 1965, provides a guaranteed health care benefit to seniors and some people with disabilities. Over the past 60 years, although it has delivered hospital and physician services and some financial security, Medicare spending routinely has outpaced inflation, growth in the general economy, and growth in the federal budget. Meanwhile, the addition of new benefits and services has been accompanied by progressively tougher price controls and increasingly detailed conditions of reimbursement that have led to more intrusive bureaucracy and costly red tape for doctors, hospitals, and medical professionals in general. These changing dynamics leave seniors, health care providers, and taxpayers at risk.

Enacted alongside Medicare in 1965, the Medicaid program began as a safety net to provide health care to low-income individuals. Like Medicare, the program has expanded beyond its original core functions, providing additional benefits to larger populations at a significant cost to federal and state taxpayers. The program's joint federal–state design further complicates administration and oversight, creating new and disparate sets of incentives and outcomes. Changing demographic, structural, and fiscal challenges undermine this critical safety net program.

Obamacare rewards insurance companies for raising prices—matching their increases dollar for dollar, which incentivizes higher health care costs for everyone. America's entitlement programs have value as social safety nets, but they have grown far beyond that purpose and discourage some individuals who are able to provide for their own health care and retirement needs from doing so. America's entitlement systems should return to their original intent of protecting America's most vulnerable while giving individuals greater control and ownership of their health care and financial well-being.

Other significant mandatory programs include the Supplemental Nutrition Assistance Program (SNAP); refundable tax credits, such as the Earned Income and Child Tax Credits; the Supplemental Security Income (SSI) program; unemployment-compensation and child-nutrition programs. Each of these programs is vulnerable to waste, fraud, and abuse, draining taxpayer resources.

Recommendations

Strengthen Social Security for the most vulnerable while restoring to workers more control of their own money. The program's insolvency—which will result in benefit cuts of almost 25 percent beginning in 2033—threatens workers' retirement security. To ensure that Social Security is there for workers who need it and to increase workers' incomes both before and during retirement, the program's eligibility age should reflect rising life expectancies and increased work capabilities. Social Security should apply a more accurate inflation measure to annual benefit increases, and workers should have an option to save for retirement outside of Social Security.

Improve Social Security's Disability Insurance (SSDI) program so that it better serves individuals with disabilities while ensuring efficiency and integrity for taxpayers. The SSDI program has served as a lifeline for certain individuals with disabilities, but its more than tenfold expansion in size and scope since 1970 has produced inefficiencies and inadequacies that prevent it from meeting workers' basic needs on a timely basis. A rehabilitated and modernized SSDI system would promote independence and physical and mental well-being by helping individuals with disabilities to receive the assistance they need when they need it and with less stigma and cynicism than are currently associated with the receipt of SSDI benefits.

Improve Medicare's quality of care for the senior population while retargeting taxpayer subsidies to those who are most in need. Reforms to improve the delivery of care in Medicare should both ensure that seniors have access to quality care and protect taxpayers from bankruptcy. Such reforms include simplifying the traditional Medicare program, harmonizing eligibility with Social Security, updating premiums and cost-sharing arrangements, building on the success of the competitive and integrated Medicare Advantage plans, and transitioning to a defined-contribution, premium-support model for long-term sustainability.

Restore Medicaid's strong health care safety net to the most vulnerable while ensuring financial sustainability. Restoring Medicaid to its original purpose as a functioning safety net would require a major overhaul of its financing structure to realign and reset priorities and incentives for those who need the program the most. Specifically, the financing of Medicaid should be sustainable and realistic, and it should be aligned with the needs of the most vulnerable, which can be accomplished by giving states greater flexibility in managing the delivery of care to those who are in need.

Rein in Obamacare to expand health care choices and access while lowering costs. The Affordable Care Act put in place two new federal health care entitlements and a massive federal regulatory infrastructure, all financed by an unrealistic set of new taxes and cuts in payments to providers in other health care programs. Since its enactment, premiums have climbed, coverage options have dropped, provider networks have narrowed, and many people are left with higher costs, less access, and fewer choices. Moreover, the open-ended Obamacare subsidies scheme and Medicaid expansion encourage more spending instead of delivering higher-quality care at lower costs. Fundamental changes are needed to restore choice, improve access, and lower costs. The way to begin is by reining in Obamacare federal spending and mandates, restoring state authority over health care, and making available a wider range of private coverage options that best meet individual needs.

Facts + Figures

FACT: Social Security is the largest federal program.

- For every $1 spent on the core constitutional function of defense, the federal government spends $1.76 on Social Security's retirement benefits.

- Life expectancy is 16 years higher today than in 1940 (up from 61 to 77), yet Social Security's normal retirement age has risen by only two years from the original 65 to 67 (and an early retirement age of 62 has been added).
- The Social Security payroll tax has grown from 2 percent in 1935 to 12.4 percent today. It has not changed since 1990.
- Social Security is on track to become insolvent around 2033, at which point incoming revenues will only be enough to pay 77 percent of scheduled benefits, bringing automatic benefit reductions or sudden, steep tax increases.

FACT: Disability insurance fails individuals and taxpayers because of its inefficiencies, lack of integrity, and poorly targeted benefit structure.

- Private disability insurance provides higher benefits at roughly half the cost of SSDI.
- Recently, up to half of all SSDI beneficiaries qualified for benefits based at least in part on the non-medical grid factors of age, education, and experience, which neither cause nor exacerbate disability but nevertheless facilitate entry into the program for those with marginal conditions that would not otherwise qualify them for benefits.
- Fewer than 3 percent of SSDI beneficiaries ever exit the program to return to work.

FACT: A rapidly growing senior population and growing costs threaten Medicare's future.

- Medicare enrollment is expected to increase from 69 million in 2025 to more than 82 million by 2036 as the baby boom generation moves fully into retirement.
- Total Medicare spending is expected to double between 2025 and 2036, from $1.2 trillion to $2.4 trillion.
- Medicare's 75-year unfunded obligation (long-term debt) is $3.3 trillion on a present value basis.
- Medicare Part A, the Hospital Trust Fund, will be insolvent in 2033, leaving the program with the authority to pay only 89 percent of its scheduled hospital benefits.
- General fund revenue transfers for Medicare Part B, part of the Supplemental Medical Insurance program, will double as a percentage of GDP between 2025 and 2060—from 1.9 percent of GDP to 3.8 percent of GDP.

FACT: Medicaid faces demographic, structural, and fiscal challenges that threaten its future sustainability.

- It is estimated that one in four Americans (73 million) were enrolled in Medicaid in 2025, a significant increase from the one in 15 Americans (14 million) who were enrolled in 1970.
- By 2036, total annual spending on Medicaid is expected to reach nearly $1.5 trillion (including $877 billion in federal costs).
- Despite spending increases, Medicaid recipients continue to have difficulty finding doctors who accept Medicaid. In 2025, people with disabilities and the aged accounted for 21 percent of enrollment, but 51 percent of program costs, while children and adults accounted for 79 percent of enrollment and 49 percent of spending.
- The OBBBA included provisions to tighten up eligibility, including more frequent eligibility determinations, and eliminating techniques used by states to boost their effective federal match rate, but additional reforms will be necessary to sustain the program.

FACT: Obamacare has led to higher health care costs and fewer health care choices.

- Obamacare subsidies will cost federal taxpayers approximately $1.2 trillion from 2026 to 2036.
- By 2036, almost 12 million Americans are expected to receive a subsidy for the purchase of coverage through the Obamacare exchanges with an average subsidy of $11,050 per enrollee.
- After Obamacare's enactment, premiums in the individual market more than doubled (an increase of 129 percent) between 2013 and 2019.

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Environment

Summary and Key Points

Policy Proposals

1. Transition responsibility for environmental regulation and land management back to the states and the private sector where possible.

2. Undergo a wholesale review of America's foundational environmental laws, such as the Clean Air Act, Clean Water Act, National Environmental Policy Act (NEPA), and the Endangered Species Act, with the goal of modernizing them to reflect inefficiencies that have emerged and current environmental realities.

3. Return power to Congress, including requiring congressional approval for any major regulatory effort, from the federal bureaucracy in defining and overseeing the nation's environmental policy.

4. Prioritize cleaning up the federal government's nuclear waste legacy from the Cold War.

Quick Facts

1. The federal government owns and manages approximately 640 million acres of land across the United States.[1] This represents around 28 percent of the nation's total land area.

2. Per-employee regulatory costs for firms with fewer than 50 workers can be far greater than those for larger firms—$50,100 for smaller firms; $24,800 for larger ones.[2]

3. Federal regulatory costs exceed $2 trillion annually.[3]

4. From 1980 to 2024, several air pollutants showed dramatic declines, including an 86 percent decrease in lead and a 95 percent decline in sulfur dioxide.[4]

What to Say About the Environment

- Americans are proud of our country's natural beauty and expect responsible stewardship of America's land, air, and water.

- Protecting nature and supporting economic growth are compatible goals when policy is grounded in common sense. Environmental protection works best when it is practical, science-based, and focused on real problems.

- Decades of federal mismanagement have left costly environmental messes that taxpayers are still paying to fix. States and local communities often manage natural resources more effectively than distant federal agencies.

- Government should prioritize cleaning up pollution and hazardous waste, not chasing symbolic climate mandates. Endless and pointless environmental rules can block needed projects without delivering meaningful environmental improvements.
- When environmental policy ignores results and accountability, costs rise while real environmental progress stalls.

The Issue

Americans, regardless of ideology, want a clean environment, but which path to take to achieve environmental objectives leads to disagreement. Some look to the federal government to promote command-and-control policies, but the best approach to environmental policy is to rely on the power of private property rights, state and local authorities, and free enterprise. Federal authority should only be invoked in narrow circumstances where the private sector or other jurisdictions are inappropriate, such as in national waters or to clean up pollution created by the federal government.

Advocates of command and control invariably point to federal laws, such as the Clean Air Act, as examples of success. The Clean Air Act has played an important role in the notable improvements in air quality over the past 40 years, but these improvements could have been accomplished at far less cost—both economic and social—had lawmakers forgone centralized government control in favor of the transformative power of market incentives and private property rights. In addition, the United States has now reached a point of diminishing returns, where further reductions in National Ambient Air Quality Standards (NAAQS) lead to questionable improvements in health and economic benefits at best, in ways that are increasingly less measurable or cost-effective. Rather than maintain these improvements, the U.S. Environmental Protection Agency (EPA) in recent years has used unrealistic economic impact statements, which highlight secondary or ancillary benefits, and which provide inflated, arbitrary estimates for non-monetary and often nonquantifiable benefits, to justify increasingly rigid and expensive regulation.

Touting the Clean Air Act as an example of the success of command and control disregards how regulators have moved beyond the Clean Air Act's successes to impose costly, ineffective regulations on activities that the Clean Air Act was never meant to regulate, and also ignores other foundational environmental statutes from the 1970s that have failed miserably, such as the Endangered Species Act. Innovation and investment in new technologies have caused the state of America's air and water to improve by leaps and bounds over the past several decades. For policymakers, the question should not be what various laws have accomplished in the past, but whether these laws are sound policy for the future, and how to rein in future abuses as regulators seek to shoehorn 50-year-old laws that addressed the concerns of previous decades, to address what they perceive as newer priorities—which Congress has not authorized them to regulate.

Federal environmental law is comprised of environmental statutes that are overly broad, unclear, or woefully outdated, often failing to reflect current conditions. The ambiguities are often willful, as regulators exploit claimed "loopholes" to expand their power, even where Congress has not yet acted, often by choice. In addition, almost 50 years of agency implementation of these laws has led to government overreach that is inconsistent with the statutes themselves. The size and scope of the federal role in environmental management are now well beyond what was envisioned with these statutes even as the federal government has become increasingly unaccountable to the people and their representatives in Congress. Both volitionally and by inertia, Congress has delegated much of its power to set environmental policy to executive agencies, which exercise this power through standards, regulations, permitting requirements, and multidecade management plans. While Congress envisioned a cooperative role for states in many of these laws, that role has been eroded over time. Consequently, federal bureaucrats often function as economic planners and local zoning boards.

This development has resulted in sweeping decisions on nuanced issues and increasingly stringent standards that achieve marginal benefits at great cost. Often, these decisions are defended by scientific analyses that present an incomplete picture, are biased toward regulatory action, ignore evidence that contradicts regulatory agendas, and are inaccessible to the public. Regulators claim that they are merely "following the science," when they are in fact making policy decisions that reflect their own value judgments.

Even in areas where most Americans would support some measure of continued federal management, current policies are problematic when divorced from principles of statutory authorization, limited government, individual freedom, and free enterprise. National parks are discouraged from employing innovative solutions to raise park revenues, address catastrophic wildfires, and manage invasive species and overpopulation of native species. Laws like the Endangered Species Act *disincentivize* solutions and partnerships with private property owners. And after bureaucratic and legislative mismanagement, government nuclear weapons research and development sites that helped the United States win World War II and the Cold War remain what may well be America's greatest unaddressed environmental liability.

The need to reform the nation's environmental laws has never been greater. The foundational federal environmental statutes should be changed to apply the lessons of the past half-century. They should be modernized to reflect the current environment and to rein in the agency overreach that has expanded beyond the plain language of the statutes and the will of Congress. To the extent that there is a federal role, it should be to ensure that environmental gains achieved over the years are not lost. The responsibilities *and* the rewards of environmental stewardship belong with property owners and the states, which are more knowledgeable about local conditions than are federal bureaucrats.

A true commitment to the environment means advancing policies that achieve measurable, positive outcomes. The best way to achieve these outcomes is by respecting American values of federalism, the rule of law, and economic freedom.

Recommendations

Devolve more responsibility for environmental regulation and federal lands management to the states and the private sector. Congress should allow state programs to function in place of federal leasing, permitting, management, and regulatory programs both to benefit from local knowledge and to free federal resources for issues that are more federal in nature. America benefits from experimentation and innovation that could be cultivated with a more decentralized approach. Some states would probably make mistakes in their management by being too restrictive or too lax, but such mistakes would provide lessons to guide future policy decisions and would have a far less adverse effect on the nation than if the same mistakes were made by the federal government.

Prohibit the EPA from abusing ancillary and secondary benefits in its cost-benefit analyses to justify costly air regulations. This EPA abuse takes two forms. First, when the EPA issues a rule to reduce emissions of a certain air pollutant, the direct benefits of reducing those emissions should exceed the costs. However, for years, the EPA has made an end run around this commonsense requirement. Even when a rule's stated objective has massive costs and few to no benefits, the EPA points to ancillary benefits (most often from reducing particulate matter) as justification for targeting emissions and activities not otherwise covered by the statute. This overreliance on ancillary benefits allows the EPA to regulate an air pollutant without making the case that reducing emissions of the targeted pollutant is warranted. This abuse has become so egregious that the EPA has issued major rules without quantifying any benefits associated with reducing the targeted pollutant, instead relying solely or primarily on ancillary benefits from reducing particulate matter. Second, the EPA routinely assigns arbitrary, inflated monetary values to purported qualitative, non-economic benefits from regulation, to argue that costly regulations are in fact economically beneficial. Regulators and policymakers

should be honest when they seek qualitative but costly policy goals through regulation, rather than pretend that the economic costs do not exist.

Clean up facilities that are used to manufacture and test nuclear weapons. The facilities from World War II and the Cold War that were used to manufacture and test nuclear weapons may be America's greatest remaining environmental liability. The U.S. Department of Energy is chiefly responsible for cleaning up these sites at an expected cost to the taxpayers of more than $500 billion.[5] The federal government has a legal and moral obligation to clean up these sites, and this mission should be taken out of limbo and receive the appropriate attention from Congress.

Eliminate the Land and Water Conservation Fund (LWCF). The LWCF, established by Congress in 1965 and administered by the U.S. Department of the Interior, allows the federal government to use royalties from offshore energy development to buy private land and turn it into public parks and other public recreation areas. It is the primary vehicle for land purchases by the four major federal land-management agencies: the Forest Service, the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service. Congress also uses the fund for a matching state grant program. Such acquisitions remove the land in question from local accountability and control. The federal government cannot effectively manage the lands it already owns, and Congress should not enable further land acquisition.

Reform Section 401 of the Clean Water Act, and Prohibit Section 404 Pre-emptive and Retroactive Vetoes. Under the Clean Water Act, federal agencies may not issue certain licenses and permits unless a state has issued a Section 401 certification or waived the certification requirement. Unfortunately, this example of cooperative federalism has been abused by some states, effectively allowing them to use this power as a veto for disfavored projects, even for reasons that have nothing to do with water quality. Congress should amend Section 401 of the Clean Water Act to address this abuse by states. Through its Section 404(c) power, the EPA has also abused the Clean Water Act. Under the Obama Administration, the agency pre-emptively vetoed a Section 404 dredge-and-fill permit before an application had even been submitted to the government. The EPA also retroactively vetoed a Section 404 permit that was lawfully issued by the U.S. Army Corps of Engineers several years after the permit was issued. Absent fraud or substantial errors, such vetoes should be prohibited.

Reform the Endangered Species Act (ESA). The ESA is failing to achieve its fundamental purpose—to protect endangered or threatened species—and this failure is exacerbated by the blocking of important projects and trampling of property rights. To improve the conservation of species under the ESA, Congress should codify the regulatory clarification (consistent with the statute) holding that threatened and endangered species are to be treated differently when it comes to the ESA's list of prohibitions. The listing process should be a distinct process that is separate from whether any regulatory requirements should be triggered. States should be allowed to play a greater role in protecting species, in large part because they are closer than the federal government to local conditions and needs. Further, federal efforts to save species should benefit all Americans and those costs should be shared likewise, not imposed on individual property owners.

Require that Congress make any changes in the National Ambient Air Quality Standards (NAAQS). The EPA regularly sets standards for six principal air pollutants: carbon monoxide, lead, nitrogen dioxide, ground-level ozone, particulate matter, and sulfur dioxide. Under the Clean Air Act, the EPA is required to review the standards every five years and make changes, if necessary, disregarding costs in the development of the standards. The EPA continues to develop stricter standards even as states and metropolitan areas have yet to meet older standards (for example, in the case of ground-level ozone). New standards are also becoming extremely expensive to meet while yielding smaller margins of tangible benefits; in fact, some standards are close to or at background levels. Congress should reconsider the mandatory NAAQS review process. Congress, not the EPA, should make any decision to tighten standards, given the scope of their impact and the magnitude of success that has already been achieved in improving air quality.

Repeal or limit the scope of the National Environmental Policy Act (NEPA). NEPA is a procedural law that requires federal agencies to assess the potential environmental impacts of their actions, including permitting for infrastructure projects. NEPA has evolved to serve more as a tool by which to delay and obstruct projects that are unpopular with special-interest groups or politicians than as a way to assure the proper consideration of environmental impacts. Major problems contributing to NEPA delays include differing interpretations of NEPA requirements, nuisance litigation, failed interagency coordination, administrative bottlenecks, and outdated requirements that fail to consider a dynamic environment.

Far from compromising environmental stewardship, repealing NEPA would provide an opportunity to remove duplication of state and federal environmental requirements. NEPA was America's first major federal environmental law and was passed before the other numerous federal environmental statutes that now exist. It seems unlikely that NEPA would even be enacted today given that environmental issues are continuously being considered independently of NEPA through other federal environmental laws.

Short of NEPA's full repeal, reforms should include codifying the 2025 Supreme Court opinion *Seven County Infrastructure Coalition v. Eagle County*, which among other things, made it expressly clear that NEPA is a procedural law and clarifies that agencies must "focus on the environmental effects of the project itself, not on the potential environmental effects of future or geographically separate projects."[6] Congress should also narrow the scope of review to include only major environmental issues, mandate time limits and require a lead agency on projects, eliminate analysis of greenhouse gas emissions from the review process, and allow agencies to consider compliance with environmental impact analyses conducted under other federal statutes or state laws as the functional equivalent of NEPA analyses.

Stop artificially increasing appliance costs. Consumer costs have increased dramatically as a result of energy efficiency regulations contained in the Energy Policy and Conservation Act (EPCA) and the American Innovation and Manufacturing (AIM) Act of 2020. These acts empower agencies, within the Department of Energy and the EPA, respectively, to implement energy efficiency standards for consumer appliances. These higher costs are a significant driver of inflation in household goods, and severely curtail consumer choice; these regulations are why consumers can no longer buy incandescent light bulbs, and were the mechanism whereby the Biden Administration threatened to outlaw gas stoves before consumer and political pushback forced a retreat. These standards have also raised consumer costs dramatically; as simple examples, the Energy Department projects that its regulations will cause the price of electric water heaters to increase by $953, the Biden Administration's restrictions on light-emitting diode (LED) lightbulbs are projected to increase those costs from $2.98 to $5.68 per bulb, and new hydrofluorocarbon (HFC) restrictions are projected to raise the average costs of replacing 15-year-old air conditioning systems from $5,000 at the time of installation to between $13,000 and $14,000 today. Meanwhile, these regulations force companies to invest in energy efficiency rather than product improvements. The answer to why consumer appliances are both more expensive and lower quality than they used to be, lies not in corporate greed, but in these regulations.

Yet, even while Congress has empowered unaccountable federal agencies to raise these burdens on American homeowners and consumers, Congress has effectively hamstrung federal agencies from providing any relief. EPCA contains an anti-backsliding provision, which only allows agencies to strengthen efficiency standards, but statutorily prevents those agencies from relaxing enacted standards that have proven unpopular or unduly expensive. Similarly, the AIM Act requires that air conditioning units reduce HFC emissions by 70 percent of the 2011–2013 baseline by 2029, 80 percent by 2034, and 85 percent by 2036, with no discretion and without any regard for the dramatic price increases in air conditioning units that consumers are already seeing, and which will only worsen. As a matter of urgency for consumers, Congress should amend EPCA to remove the anti-backsliding provision from the energy efficiency standards for consumer goods and amend the AIM Act to pre-empt the punitive price increases that homeowners will soon face when it comes time to replace their air conditioning units.

Enforce EPA timelines. The EPA chronically misses its deadlines, with a 2016 study showing that it has missed 84 percent of its date-certain duties, by an average of 4.3 years. The Supreme Court is historically reluctant to enforce statutory timelines too rigidly. Yet in the context of the EPA, the practical result is that these missed deadlines have enabled the EPA to abuse its power by imposing stringent regulations on property owners and industries, long after the timelines for any actions have passed. Congress should clarify that if the EPA misses its statutory deadlines to act, then the EPA forfeits its right to tighten regulatory burdens. One important area to introduce this reform would be in the Clean Air Act Good Neighbor Provision, where the EPA has abused authority to replace NAAQS state implementation plans with federal implementation plans long after the relevant statutory deadline has passed, which has effectively robbed states of the ability to correct EPA errors before the EPA tries to assert control over statewide NAAQS programs. Another promising area would be the Renewable Fuel Standard (RFS), where the EPA has consistently published more restrictive RFS requirements, without leaving industry statutorily sufficient time to prepare. Similarly, Section 111 of the Clean Air Act should be amended explicitly to require the automatic withdrawal by the EPA of any proposed rule that is not finalized within the statutorily prescribed one-year period.

Compensate property owners for regulatory takings. When the government seizes private property for public use, it must provide just compensation to property owners. However, there is comparatively little protection for property owners when the government imposes regulations that restrict the use and enjoyment of property even if much of the property's intrinsic, recreational, or commercial value has been lost. These restrictions on property use, while not a physical seizure of property, are still a taking of a specific use of the property and reduce property values. Compensation mechanisms should be created, either within individual federal environmental statutes or in broad-based legislation, to offset the costs borne by property owners because of federal environmental regulation. In addition to improving the protection of private property rights, this change would require agencies to be transparent about the true costs of their regulations and to take those costs into account when establishing agency priorities.

Facts + Figures

FACT: The United States has made dramatic improvements in air quality, but the EPA has continued to use an ever-expanding authority to implement stringent regulations with increasingly high compliance costs and diminishing marginal environmental returns. The aggregate emissions of the six criteria pollutants defined in the Clean Air Act have decreased by 79 percent from 1970 to 2024. During that same period:[7]

- GDP increased by 338 percent;
- Vehicle miles traveled increased by 195 percent;
- Energy consumption increased by 43 percent; and
- The U.S. population increased by 66 percent.

FACT: From 1980 to 2024, the following decreases in pollutants were observed:[8]

- Carbon monoxide (CO) decreased by 87 percent;
- Lead (Pb) decreased by 86 percent;
- Nitrogen dioxide (NO_2) decreased by 66 percent;
- Ozone (O_3) decreased by 29 percent;

- Fine particulate matter ($PM_{2.5}$) decreased by 46 percent (from 1990 to 2024); and
- Sulfur dioxide (SO_2) decreased by 95 percent.

FACT: The Endangered Species Act (ESA) was enacted in 1973 to promote the conservation of species. The law has failed to achieve this goal.

- The federal government has recovered and delisted only about 3.3 percent of the species on the endangered species list in the nearly 50 years since the ESA became law.[9]

FACT: Reducing the massive federal estate through privatization and by shifting ownership to states and counties would yield better economic and environmental results.

- The federal government owns and manages 640 million acres (28 percent) of the land in the United States—an area larger than California and Mexico combined.
- The federal government owns approximately 80 percent of Nevada, 63 percent of Utah, 61 percent of Alaska, 62 percent of Idaho, and 53 percent of Oregon.[10]
- The Department of Energy's Office of Environmental Management (EM) is responsible for disposing of 11 million cubic meters of defense nuclear waste across 15 federal sites known as the EM complex.[11]
- Total estimated cleanup costs for the Energy Department's environmental liabilities is between $334.7 billion and $378.9 billion (in 2018 dollars), with cleanup anticipated to last into 2075.[12]
- The Office of Legacy Management manages 103 of well over 150 sites with a legacy of radioactive and chemical waste, environmental contamination, and hazardous facilities and materials.[13]

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Updated: **May 2026**

Financial Services and Monetary Policy

Summary and Key Talking Points

Policy Proposals

1. Repeal the Dodd–Frank Act.
2. Eliminate federal credit subsidies, guarantees, and insurance.
3. Eliminate Fannie Mae and Freddie Mac and shrink the role of the Federal Housing Administration.
4. Reform the U.S. Securities and Exchange Commission.
5. Reduce regulatory impediments to capital formation.
6. Reject the use of financial regulation to advance climate and ESG agendas.
7. Prohibit a central bank digital currency (CBDC).

Quick Facts

1. Due to Dodd–Frank, regulators added more than 16,000 pages of financial regulations in six years.
2. Americans currently shoulder approximately $20 trillion in debt exposure from loans, loan guarantees, and subsidized insurance provided by roughly 150 federal programs.
3. Deregulation did not cause the 2008 financial crisis; poorly designed government policies did. Between 1999 and 2008, the government implemented more than 800 separate rules and regulations.

What to Say About Financial Services and Monetary Policy

- Americans deserve stable money and financial markets that reward saving, work, and investment.
- The Federal Reserve has failed to protect the long-term value of the dollar.
- A healthy financial system depends on competition and clear rules, not heavy-handed government control. Government guarantees and subsidies shift financial risk from markets to taxpayers.
- Financial regulation should ensure safety and fairness, not push political or social agendas.

- Monetary policy is being used to mask reckless government spending instead of enforcing fiscal discipline. Excessive regulation has limited access to credit and raised costs for families, small businesses, and innovators.
- Failed monetary policy has produced inflation, which hits working families first and hardest. Counterproductive financial regulations have increased the cost of living, especially for the middle class.

The Issue

The 2008 financial crisis is a foundational excuse for ongoing financial regulation that slows innovation but benefits politically connected incumbents.

The dominant narrative regarding the cause of the 2008 financial crisis is that deregulation in the 1990s was responsible, but that story is incorrect. In fact, even if Congress were to repeal the entire Dodd–Frank Act, which it should, a highly flawed regulatory structure would still remain. There has never been a substantial reduction in the scale or scope of financial regulations in the U.S., especially not in the 1990s, and the pre-Dodd–Frank system contributed substantially to the 2008 crash. For nearly all of U.S. history, financial regulations—not simply banking regulations—have increasingly focused on risk management conducted by regulatory agencies rather than on disclosure and fraud prevention. Simultaneously, monetary policy has been increasingly relied upon to fix an expansive list of economic problems, well beyond the scope of the original stated purpose of creating a central bank (to provide an elastic currency), and well beyond what can reasonably be expected of monetary policy.

Preventing problems at financial firms from turning into system-wide banking crises has been a main justification for this approach, but it has failed by its own measure. The U.S. has had 15 banking crises since 1837, one of the highest totals among developed countries. Of the severe economic contractions that occurred in six developed nations between 1870 and 1933, *banking* crises occurred only in the U.S., and the U.S. is one of only three developed countries to have had two or more banking crises between 1970 and 2010. Furthermore, the evidence shows that the Federal Reserve has not been as effective as was once thought in accomplishing its stabilization goals. The long-term purchasing power of the dollar has dramatically declined under the Federal Reserve's watch, and the benign deflation that arises from improved productivity has all but disappeared in the U.S.

In addition to these shortcomings, the U.S. regulatory and monetary framework, for at least a century, has protected incumbent firms from new competition—the very market force that drives innovation, reduces prices, and prevents excessive risk-taking. As a result, entrepreneurs have suffered from fewer opportunities, and consumers have suffered from fewer choices, higher prices, and less knowledge regarding financial risks. Thus, the U.S.'s approach to regulating and stabilizing financial markets has made it more difficult to create and maintain jobs and businesses that benefit Americans.

Recommendations

Repeal the Dodd–Frank Act. The Dodd–Frank Act became law during the Obama presidency when Nancy Pelosi (D–CA) led the House of Representatives and Harry Reid (D–NV) presided over a near filibuster-proof Senate majority. It was a partisan bill that garnered no Republican votes in the House and just three in the Senate. Dodd–Frank was largely a progressive wish list of policies that failed to address, much less fix, what caused the 2008 financial crisis. The 800-plus-page boondoggle expanded the failed regulatory approach that helped create the 2008 crisis in the first place, and increased the federal government's involvement in planning for, protecting, and propping up the financial system, thus enshrining "too-big-to-fail" policy into law. Despite years of reform efforts, Dodd–Frank remains substantially intact. In 2018, Congress passed the

Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155), a modest measure that provided regulatory exemptions for smaller banks without repealing a single title of Dodd–Frank. The 2023 collapse of Silicon Valley Bank and Signature Bank renewed debate over whether rollbacks of enhanced prudential standards for mid-sized institutions—made possible by S. 2155—contributed to those failures, illustrating how half-measures create their own risks. The Trump Administration's second term has brought a deregulatory agenda, including efforts to substantially curtail the Consumer Financial Protection Bureau (CFPB) and reduce the regulatory burden on financial institutions. However, full repeal of Dodd–Frank has not occurred and remains necessary. Repealing Dodd–Frank and replacing it with a framework built on genuine market discipline, risk-based accountability, and fraud prevention—rather than bureaucratic micromanagement—remains an urgent priority.[1]

Provide an off-ramp style federal financial charter. Although banks are more heavily regulated than other financial firms, virtually all financial companies are subject to extensive restrictions on their activities, capital, and asset composition. Simultaneously, U.S. taxpayers have been forced to absorb more of these institutions' financial losses in the name of ensuring stability. The result has been a massive substitution of government regulation for market competition, which culminated in the 2008 financial crisis. Fixing this framework requires rolling back both government regulation and taxpayer backing of financial losses, making it possible for private citizens to build a stronger financial system that efficiently directs capital to its most valued uses. Creating a new federal charter for financial institutions that relieves the regulatory burden for those who absorb more of their own financial risks and forgo government assistance would help achieve these goals.

Eliminate federal credit subsidies, guarantees, and insurance. Americans collectively shoulder approximately $20 trillion in debt exposure from loans, loan guarantees, and subsidized insurance provided by roughly 150 federal programs. This scheme erodes the nation's entrepreneurial spirit, increases financial risk, and fosters cronyism and corruption. The programs and subsidies have given rise to powerful constituencies of beneficiaries because any losses are dispersed among millions of taxpayers. The government's credit portfolio consists of direct loans and loan guarantees for housing, agriculture, energy, education, transportation, infrastructure, exporting, small businesses, and other purposes; federal insurance programs cover bank and credit union deposits, pensions, flood damage, declines in crop prices, and acts of terrorism. Capital for mortgage lending by banks (and non-banks) is provided by government-sponsored enterprises (GSEs) such as Fannie Mae and Freddie Mac, while federally backed deposit insurance creates distortions and risks. Congress should immediately reduce federal deposit insurance coverage and ensure that coverage is provided on a per-individual basis. Congress should also phase out government-backed deposit insurance along with all other credit subsidies, guarantees, and insurance.

End the conservatorship of Fannie Mae and Freddie Mac, and shrink the role of the Federal Housing Administration (FHA). Fannie Mae and Freddie Mac, the government-sponsored mortgage giants, should be shut down for good. Both enterprises have remained wards of the federal government since being placed into conservatorship in September 2008.As of early 2025, the GSEs hold a combined net worth of approximately $147 billion—still short of their $328 billion regulatory capital requirement—and the Treasury's liquidation preference has grown to $340 billion. In January 2025, the Federal Housing Finance Agency and Treasury amended the Preferred Stock Purchase Agreements as a first step toward a potential exit from conservatorship, and the Trump Administration has signaled interest in privatization.[2] Congress and the Administration must ensure that any exit from conservatorship does not simply replace explicit government backing with an implicit one: the private sector can and should provide mortgage-backed securities guarantees and price them appropriately, without a taxpayer backstop. Congress should take steps to liquidate Fannie and Freddie's mortgage portfolios, as well as the companies themselves, and to ensure that they are not simply replaced by a new government-sponsored agency. Federal policies implemented through these government-sponsored enterprises have made housing more expensive and increased Americans' risky debt. To begin winding them down, the GSEs should be prohibited from purchasing mortgages for homes that are not owner-occupied homes or for "cash out" refinances. Congress should also ensure that the GSEs only purchase smaller loans

and charge higher fees, and that bank capital requirements no longer favor the GSEs' mortgage-backed securities. For decades, the FHA has competed with the GSEs for the riskiest mortgage loans, and the scope of the FHA's mortgage insurance program must be addressed at the same time the GSEs are eliminated. Otherwise, all the risky loans financed by the GSEs will simply be insured by the FHA. The solution is simple: Restrict the FHA to insuring only a fraction of each mortgage (instead of 100 percent coverage), and do so for creditworthy low-income, first-time home buyers only.

Reform and consolidate financial regulators. Financial regulators' budgets should be entirely composed of money appropriated by Congress. A commission governing structure for all financial regulators should be considered. Congress should also consolidate related powers in one regulator; remove authorities from agencies ill-equipped to use them; and revamp processes to ensure appropriate accountability for, and public input in, rule-making. Ideally, Congress would merge existing agencies and create only one federal banking regulator and one capital markets regulator. In the process, Congress should remove the Federal Reserve entirely from regulation and supervision. Congress should also eliminate the (Dodd–Frank created) CFPB. Most of the Bureau's authority could easily be handled by the Federal Trade Commission (FTC), an agency whose mission is to protect consumers. These policy reforms would produce more effective financial regulation by making financial market participants, including regulators, more directly accountable for their actions.

Restrain the Federal Reserve with rules-based monetary policy and emergency lending restrictions. Congress can greatly improve monetary policy by replacing the Federal Reserve's current legislative mandate to promote stable prices and maximum employment. In its place, Congress should give the Federal Reserve a mandate with the single goal of achieving monetary neutrality (supplying only the amount of money the economy needs to keep moving, no more and no less) by stabilizing overall spending in the economy. Maintaining a reasonable growth path for total spending—often referred to as nominal gross domestic product (NGDP) targeting—is the best way for the Federal Reserve to maintain monetary neutrality. Among other benefits, this new framework would allow the price level (overall prices) to decline as productivity improves, thus making it easier for people to enjoy the benefits of more goods for sale at lower prices. The Fed's post-pandemic record confirms the dangers of a discretionary dual mandate. From 2021 to 2023, the Federal Reserve allowed inflation to reach a 40-year high as it prioritized employment stimulus, before embarking on the most aggressive rate-hiking cycle since the 1980s. In late 2024, the Fed began cutting interest rates even as inflation remained above its 2 percent target—a move widely criticized as premature. The Taylor Rule, a benchmark that adjusts rates based on inflation and the output gap, consistently indicated the funds rate should have been considerably higher.[3] Rules-based frameworks would have prevented the Fed from making these politically convenient but economically damaging errors, including the hidden tax of inflation that eroded the real wages and savings of working Americans.[4] Congress should also limit the Federal Reserve so that it can only provide system-wide liquidity on an ongoing basis, rather than allocating credit to specific firms on an ad hoc basis. Emergency lending authority is unnecessary for conducting monetary policy, and Congress should replace the Federal Reserve's existing primary dealer system with a single standing facility to meet extraordinary as well as ordinary liquidity needs. This change would make Fed lending to insolvent institutions—even during a crisis—unnecessary.

Reduce regulatory impediments to capital formation. Congress should remove regulatory impediments that limit entrepreneurs' access to the capital necessary to launch and grow new businesses. Congress should preserve the existing thresholds for private offerings and expand the ability of sophisticated investors to invest in private offerings (usually Regulation D offerings). Current law allows large public companies to raise capital without having to deal with 50 different expensive and time-consuming state registration and qualification requirements (known as blue sky laws). Congress should allow smaller public companies and other smaller companies with extensive federal disclosure requirements to also be free of this burden. Congress should replace the 14-plus categories of securities-issuing firms (as described by the existing rules) with three disclosure regimes: public, quasi-public, and private. Just as important, Congress should replace the current

complex and arbitrary federal disclosure system with a reasonable, coherent, and scaled disclosure system that imposes increasing requirements as companies grow and have more shareholders with more capital at risk. Congress, or the Securities and Exchange Commission (SEC), should clarify that entrepreneurs may use finders and private placement brokers to assist them in raising capital. Finally, Congress should create a micro-offering exemption allowing very small private companies to raise capital without having to comply with complex SEC rules.

Design an efficient securities-fraud deterrence regime. For capital markets to function well, investors need accurate information about securities. If investors do not trust firms' disclosures, they will discount what they are willing to pay for securities. This increases the cost of capital and makes it more difficult, even for honest firms, to cost-effectively raise capital. Deterring fraud in the capital markets should be a government priority, but the current U.S. approach to securities-fraud deterrence falls far short of the ideal. Congress and the SEC should implement a system that: (1) places more emphasis on culpable individual and manager liability, (2) reduces the reliance on corporate criminal penalties borne by shareholders, and (3) limits private enforcement to traditional common law remedies or other compensatory remedies possessing similar safeguards against over-deterrence.

Reform the SEC. The U.S. Securities and Exchange Commission is the most important regulator of U.S. capital markets. Although its budget has increased by 82 percent over 10 years, its effectiveness remains in doubt. Resources have flowed into unnecessary management, "support," and ancillary functions, while core functions have been neglected. Its organizational structure is unwieldy. The Commission needs to be better managed—it does not need (as has been proposed) more managers. The number of direct reports to the Chairman needs to be reduced. Its information technology programs appear to be poorly managed and are unnecessarily costly. The SEC bases its decisions on inadequate data and does less than most peer agencies to provide data to Commissioners, other policymakers, and the public. Its enforcement efforts directed at fraud and other malfeasance by managers of large financial institutions are inadequate. The Commission does little to remove unnecessary regulatory impediments to entrepreneurial capital formation. Reforms are necessary so that the SEC can better support well-functioning capital markets.

Reform FINRA. The Financial Industry Regulatory Authority (FINRA)is the primary regulator of broker-dealers and their employees. It is neither a true self-regulatory organization nor a government agency, and it is largely unaccountable to the industry and to the public. Due process, transparency, and regulatory-review protections normally associated with regulators are not present, and its arbitration process is flawed. Reforms are necessary. FINRA itself, the SEC, and Congress should reform FINRA to improve its rule-making and arbitration processes.

Repeal burdensome beneficial ownership reporting requirements. The Corporate Transparency Act (CTA), enacted in January 2021, took effect on January 1, 2024, requiring millions of small businesses to disclose beneficial ownership information to the Treasury Department's Financial Crimes Enforcement Network (FinCEN). As Heritage Foundation scholars warned, the law imposed a sweeping compliance burden on small businesses while doing virtually nothing to combat its stated targets of money laundering and illicit finance, because the rules are easily and lawfully avoided by sophisticated criminal actors. The CTA generated extensive litigation challenging its constitutionality, and multiple federal courts issued injunctions halting enforcement. In March 2025, the Treasury Department issued an interim final rule exempting all domestic U.S. companies from the beneficial ownership reporting requirement, limiting enforcement only to foreign entities registered to do business in the United States.[5] While this executive action was a welcome step, Congress should codify the exemption for domestic businesses and pursue a permanent legislative fix. The vast majority of relevant ownership information sought by the CTA is already provided to the IRS, and allowing the IRS to share that data with FinCEN would better serve law enforcement needs without creating compliance burdens or inadvertent criminal liability for millions of small business owners.

Reject the use of financial regulation to advance climate and ESG agendas. Policymakers and financial regulators have increasingly sought to harness financial regulation to advance environmental, social, and governance (ESG) goals and climate policy objectives unrelated to investors' financial interests. In 2024, the SEC under the Biden Administration finalized a sweeping climate risk disclosure rule requiring public companies to report greenhouse gas emissions and climate-related financial risks. The rule was stayed pending litigation, and the Trump Administration subsequently announced it would not defend the rule in court. Such rules improperly redefine "materiality" under the securities laws to serve political ends rather than investors' financial objectives. Congress should statutorily define materiality in terms consonant with Supreme Court holdings on the subject and should specifically exclude social and political objectives unrelated to investors' financial, economic, or pecuniary interests.[6] Policymakers should likewise oppose efforts to use banking regulation, pension fund rules, or other financial regulatory tools to penalize disfavored industries such as energy, defense, or agriculture. The financial system's purpose is to efficiently allocate capital, not to impose political or social agendas.

Prohibit a central bank digital currency. The Federal Reserve and Treasury Department have explored the development of a central bank digital currency (CBDC), sometimes referred to as a "digital dollar." Congress should prohibit any such move. A retail CBDC issued by the Federal Reserve would give the federal government direct visibility into—and potential control over—every financial transaction made by every American. This level of surveillance and control is incompatible with economic and political freedom. A CBDC could enable government officials to freeze accounts, impose expiration dates on money, or restrict spending on disfavored goods and services without congressional approval or judicial oversight.[7] Moreover, a retail CBDC would place the Fed in direct competition with private banks for retail customers, undermining the private financial sector and concentrating even more economic power in Washington. The U.S. government should instead treat all forms of currency neutrally, remove barriers to private financial innovation, and ensure that no single form of money—especially government-controlled digital money—enjoys a regulatory advantage over alternatives.

Repeal the authority of the Federal Reserve to pay interest on bank reserves as first authorized in the Financial Services Regulatory Relief Act of 2006. The policy of maintaining an ample reserve regime has reduced bank lending and credit creation to the real economy by hundreds of billions of dollars,[8] reduced loan-to-asset-ratios post-2008 and more so post-2020, imposed massive fiscal costs to the Treasury in the form of foregone remittance payments, and exposed both the Federal Reserve and taxpayers to carry-trade risk. The Federal Reserve should return to using the monetary tools that were at its disposal before 2008, including a bank reserve ratio requirement.

Facts + Figures

FACT: Deregulation did not cause the 2008 financial crisis.

- In the period between the supposed deregulation in 1999 and the Lehman Brothers' failure in 2008, financial regulators issued 7,100 pages of regulations.
- These regulations implemented more than 800 separate rules.

FACT: Extensive regulation is supposed to prevent problems at financial firms from turning into system-wide banking crises, but the approach has failed.

- The U.S. has had 15 major banking crises in the past 180 years, one of the worst track records in the developed world.
- The U.S. is one of only three developed countries with two or more banking crises between 1970 and 2010.

FACT: Dodd–Frank doubled down on the failed approach of the past.

- From the enactment of Dodd–Frank in 2010 to July 2016, regulators added more than 16,000 pages of financial regulations to the Federal Register.
- Dodd–Frank required regulators to implement approximately 400 separate rules.

FACT: Dodd–Frank remains substantially in place; no Administration has repealed a single title of the Act.

- S. 2155 (2018) provided modest exemptions for smaller banks; the 2023 collapse of Silicon Valley Bank renewed debate about whether those rollbacks contributed to regional bank failures.

FACT: Poorly designed government policies led to the 2008 financial crisis.

- Special bankruptcy safe harbors induced firms to rely more heavily on derivatives and repurchase agreements (repos) than they would have in the absence of the special protections. Data show that the portion of total investment bank assets financed by repos doubled between 2000 and 2007. The market would not have supported such high increases in leverage without the special protections.

FACT: The Federal Reserve's track record deserves a closer look.

- Research with updated data shows that the pre–Federal Reserve era economy was about half as volatile as previously thought in terms of both unemployment and overall output.
- Overall, inflation volatility has barely declined relative to the pre-Fed era, but average inflation has risen from zero percent to more than 3 percent.
- Post-pandemic inflation peaked at a 40-year high of over 9 percent (CPI) in June 2022, erasing years of real wage gains. Despite rate hikes to a 23-year high of 5.25–5.5 percent, the Fed began cutting in late 2024 while inflation remained above its 2 percent target—raising concerns about political interference in monetary policy.

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Updated: **May 2026**

Infrastructure

Summary and Key Points

Policy Proposals

1. Limit spending by the Highway Trust Fund to highways, and focus on programs that are truly national in nature.
2. Reduce federal spending on highways and lower the federal gasoline tax.
3. Unburden infrastructure from mandates and regulations.
4. Reform the environmental review process.
5. Privatize federal transportation services.

Quick Facts

1. Roughly $160 billion per year is diverted to mass transit from gasoline taxes paid into the Highway Trust Fund, even though many transit riders have never paid into the fund, and even though transit accounts for less than 5 percent of total travel.[1]
2. The number of National Highway System bridges that the Federal Highway Administration (FHWA) deems in poor condition (requiring maintenance) decreased from 5 percent in 2000 to 3 percent in 2023, the most recent number. Yet spending grows.
3. Overspending on mass transit projects has led to more than $250 billion in spending diversions from the Highway Trust Fund, and the Highway Trust Fund has required more than $275 billion in total deficit-funded bailouts to remain solvent as of 2025.[2]
4. President Joe Biden's 2021 Infrastructure Investment and Jobs Act (IIJA) authorized $1.2 trillion in new spending, yet less than one-third was directed to traditional roads and bridges. The remainder funded EV charging networks, climate resilience programs, equity initiatives—"racist" highways—and green transit, confirming that the "crumbling infrastructure" narrative was a pretext for a progressive spending agenda.[3]
5. In June 2025, Secretary of Transportation Sean Duffy cut the U.S. Department of Transportation's (DOT's) National Environmental Policy Act (NEPA) procedures in half, combining six separate procedure sets into one unified order with enforceable deadlines—the first department-wide NEPA reform in 40 years. Congress must now codify these gains before a future Administration can reverse them.[4]
6. The IIJA expires in September 2026, triggering a surface transportation reauthorization. This is the defining legislative opportunity to strip non-highway diversions from the Highway Trust Fund, end diversity, equity, and inclusion (DEI) grant criteria, and restore the user-pays, user-benefits model.[5]

What to Say About Infrastructure

- Infrastructure spending should focus on roads, bridges, and systems Americans rely on every day.
- Too much federal infrastructure money is diverted to projects unrelated to basic transportation needs. When infrastructure dollars are misdirected, Americans get fewer repairs, higher costs, and growing frustration.
- Gas tax dollars should be used to maintain highways, not fund unrelated transit or political priorities.
- Excessive regulations and reviews delay projects and drive up costs without improving results.
- States and local governments are better positioned than the federal government to manage infrastructure needs close to their communities.
- Privatization can reduce costs and improve service when government systems fail to deliver.
- Massive spending bills have not solved infrastructure problems because money is spread too thin.

The Issue

Transportation infrastructure is vital to the nation's economic health. Ease of movement in the air and on highways, roads, rails, bridges, and waterways contributes to the productivity of workers, manufacturers, and other businesses. Yet the Washington-centric approach that reached its zenith under the Biden Administration hampers transportation investment through bureaucracy, mismanagement, and record resource misallocation. President Biden's $1.2 trillion Infrastructure Investment and Jobs Act directed less than a third of its spending to traditional roads and bridges; the remainder funded electric vehicle (EV) chargers, climate resilience programs, and equity initiatives—none of which reduce commute times or move freight more efficiently. The inefficacy of federal management undermines the basis of federal transportation policy: maintaining nationally significant infrastructure to improve mobility in a cost-effective manner. Instead, workers have received longer commutes, growing congestion, and lackluster benefits for the federal taxes they pay.[6]

The ideological capture of federal transportation policy under President Biden was explicit and unapologetic. Transportation Secretary Pete Buttigieg declared that "racism is physically built into some of our highways" and directed billions toward "reconnecting communities" rather than relieving congestion.[7] The Biden DOT's Justice40 initiative mandated that 40 percent of federal infrastructure investment flow to "disadvantaged communities"—a political criterion with no relationship to traffic volume, economic productivity, or the user-pays, user-benefits model that should govern highway spending.[8] The result was a Highway Trust Fund even further diverted from its core mission and an infrastructure bill that was, in practice, a green-left spending vehicle.

The question is not whether America should invest in transportation infrastructure, but how much the federal government should be responsible for this investment and how Americans can improve their infrastructure most effectively. To achieve maximum efficiency and accountability, as many infrastructure decisions as possible should be made by the appropriate entity where most of the benefits reside. In most instances, this means at the local and state levels or by the private sector.

The Trump Administration's return to power has produced meaningful early reforms: Secretary Duffy rescinded President Biden's "fix it first" FHWA policy that blocked highway expansion, eliminated DEI and Justice40 mandates from DOT grant programs, halted EV charging infrastructure spending, and cut NEPA procedures in half. These are genuine wins.[9] But executive action alone cannot solve structural problems

baked into statute. Congress and the Administration must work together to limit the federal government's role to concerns that are truly national in scope, empower states and the private sector, and ensure that those who pay into the system are the ones who benefit from it.

Recommendations

In order to improve the public value of transportation infrastructure programs, Congress should:

Reform the Highway Trust Fund to reflect 21st-century realities. Reducing Highway Trust Fund spending and taxes can produce tens of billions of dollars' worth of gains in efficiency per year and empower state and local governments in the process. The 2026 IIJA reauthorization is the immediate legislative vehicle for these reforms. Reforming the Highway Trust Fund would involve:

- **Eliminating non-highway diversions, such as mass transit, the Transportation Alternatives Program (which funds bike and foot paths), ferry boats, and more.** These diversionary programs account for approximately 30 percent of trust fund spending, support modes of transportation that do not pay into the fund, are littered with pork projects, and are the root cause of trust fund insolvency.

- **Reducing federal spending on highways and lowering the federal gasoline tax.** When the Highway Trust Fund was created in 1956, many western states did not have the resources to build or maintain their portions of the budding interstate highway system. Today, the interstate system is complete from a national perspective, and states have the capacity to maintain highways. Substantially reducing the federal role and the federal gasoline tax over a period of five to 10 years would provide more room for states to manage highways with less red tape and encourage responsible highway spending.

- **Establishing a road-use fee for EVs.** As the vehicle fleet electrifies, gasoline tax revenue erodes while EV drivers use roads without contributing to their maintenance. Secretary Duffy flagged this inequity at his confirmation hearing. The 2026 reauthorization must address EV fee parity to maintain Highway Trust Fund solvency without raising the gas tax on working Americans who still drive combustion-engine vehicles.[10]

- **Modeling reform on Secretary Duffy's "Freedom to Drive" initiative.** In April 2026, Secretary Duffy launched a national initiative calling on governors to identify their top congestion bottlenecks and partner with DOT and the private sector on solutions—local problems solved with local knowledge, not federal mandates. Congress should codify this framework in the reauthorization bill.[11]

- **Removing barriers to non-federal infrastructure investments.** Such regulations affect a variety of sectors. The Biden Administration added a new layer of barriers by loading IIJA competitive grants with DEI requirements, Justice40 mandates, and climate conditions that effectively exclude private-sector partners. These must be stripped from any remaining unobligated IIJA funds.

Additional reforms include:

- **Providing parity between municipal and private infrastructure bonds.** The federal government subsidizes state and local infrastructure projects with the tax-free treatment of an unlimited amount of municipal bonds. In contrast, the Private Activity Bond program has a cap

of $30 billion in active bond value. Either increasing the private bond cap or placing a cap on municipal bonds would level the playing field. Eliminating preferential tax treatment altogether would be ideal.

- **Eliminating airline ticket taxes, ending airport subsidies from taxpayers, and allowing airports to fund their own infrastructure.** The $4.50 limit on the Passenger Facility Charge, which was set in 2000, makes it needlessly difficult for airports to finance improvements and expansion. The federal ticket tax funds the Airport and Airways Trust Fund, which disproportionately benefits low-use airports as does the Essential Air Service program. Clearing away these rules would enable more competition among airports and airlines while incentivizing investment across the aviation industry.

- **Reforming the prohibition on interstate highway tolling.** The tolling ban causes overreliance on gasoline taxes and on the federal government. Allowing all state governments to make use of highway tolls—with requirements that toll revenue be used for highways—would bolster the user-pays, user-benefits principle and provide more stable revenue as the vehicle fleet shifts toward EVs.

- **Permanently rescinding the National Electric Vehicle Infrastructure (NEVI) formula program and the EV Charging and Fueling Infrastructure grant program.** President Trump correctly paused these programs on Day One via the "Unleashing American Energy" executive order. Congress must make this permanent through the 2026 [12]

- **Expanding public-private partnerships (P3s) using Secretary Duffy's Georgia DOT model.** In August 2025, the U.S. DOT issued a $3.89 billion Transportation Infrastructure Finance and Innovation Act (TIFIA) loan to a Georgia public-private partnership to add highway lanes along a 16-mile corridor—projected to reduce delays by more than 19,000 hours per day. This structure, where private investors bear risk alongside government, should become the default template for major highway investment.[13]

Reform the environmental review process to increase the speed and efficiency of federally funded projects without endangering the environment. Secretary Duffy's June 2025 NEPA overhaul was a landmark achievement—but executive action can be undone. Congress must codify these reforms so that future Administrations cannot reverse them as President Biden reversed President Trump's first-term NEPA improvements. Specific legislative actions include:

- Establishing statutory time limits on environmental reviews.

- Formalizing the enforceable deadlines Duffy's order imposed administratively. Major highway projects were averaging more than 4.5 years for environmental review under the Biden Administration. Statutory caps would make delays legally actionable.[14]

- Excluding greenhouse gas emissions analysis from NEPA review by statute. Secretary Duffy's June 2025 rule accomplished this exclusion administratively, but it remains vulnerable to legal challenge. Congress must remove greenhouse gas analysis from NEPA's scope permanently.[15]

- Requiring agencies to incorporate previous analyses into similar projects and streamlining categorical exclusions that exempt low-impact routine actions from full review.

- Requiring agencies to produce public data on the duration and length of submitted environmental reviews to enable better oversight and accountability.

Eliminate federal subsidies for mass transit, which encourage inefficient operations and unnecessary expansions, produce negligible public benefit, and act as a transfer of wealth from rural and suburban communities to a handful of high-cost urban systems.

- **Mass transit is suited to high-density metropolitan areas.** The United States has only one truly high-density metropolitan area—New York City—and much lower overall population density than Western Europe, Japan, and China, which the Left cites as examples to emulate. Decades of federal transit subsidies have not changed this reality, and more subsidies will yield the same result.

- **U.S. metropolitan areas with the highest transit usage also have income levels above the national average** and should be responsible for operating and maintaining their own transit systems.

- **Post-pandemic ridership has not recovered.** Major systems including New York, Washington, DC, and San Francisco are operating at roughly 70 percent to 75 percent of 2019 ridership levels while costs have continued to rise—meaning the per-rider subsidy burden on taxpayers has worsened significantly since 2020.[16]

- **Congress should eliminate the Federal Transit Administration's (FTA's) Capital Investment Grant (CIG) program entirely.** While Secretary Duffy reoriented CIG criteria to favor communities with higher marriage and birth rates—a welcome corrective to Biden-era equity mandates—the program remains a vehicle for politically driven transit expansion that cannot be justified on cost-benefit grounds.[17]

- **Congress and the Trump DOT should oppose congestion pricing schemes that tax suburban and outer-borough commuters to fund urban transit systems.** New York City's congestion pricing program was rightly challenged by the Trump Administration as a regressive toll on working-class commuters who have no viable transit alternative.[18]

- **Electric bus mandates are a boondoggle that the 2026 reauthorization must end.** Despite the Administration's America First messaging, the FTA in 2025 directed $1.1 billion specifically to "low or no emission" bus programs. Due to the extra weight of batteries, electric buses cause disproportionate road damage, require expensive charging infrastructure, and deliver no meaningful environmental benefit relative to modern clean-diesel alternatives. Congress should eliminate the Low or No Emission grant program in the reauthorization bill.[19]

- **The increase in remote work since 2020 has caused a permanent reduction in transit usage,** further reducing the value of transit subsidies and expansions.

Eliminate regulations that needlessly increase the cost of federal infrastructure projects. The Davis–Bacon Act and project labor agreements (PLAs) increase labor costs. The Foreign Dredge Act makes it more expensive to improve overburdened ports. Buy American rules, a blunt instrument that hits allies and adversaries alike, increase the cost of materials. DOGE's contract terminations—more than $71 billion in cuts across more than 10,700 federal contracts—demonstrated the appetite for fiscal discipline. But transportation-specific regulatory mandates require legislative action that DOGE cannot accomplish unilaterally. Congress should:[20]

- **Repeal the Davis–Bacon Act.** The One Big Beautiful Bill Act of 2025 did not repeal prevailing wage requirements—a significant missed opportunity. Davis–Bacon inflates federal construction costs by an estimated 10 percent to 20 percent on covered projects. The 2026 reauthorization should exempt all Highway Trust Fund–funded projects from prevailing wage mandates.[21]

- **Repeal the Foreign Dredge Act.** This law has not advanced legislatively despite years of Heritage advocacy. America's ports remain constrained by a domestic dredge fleet too small to meet demand. Repeal is essential for maintaining competitive port infrastructure.[22]

- **Reform Buy American rules.** The current framework applies equally to allies and adversaries. A targeted approach that restricts Chinese-manufactured components while allowing materials from allied nations would reduce costs without compromising national security objectives.

- **Ban PLAs on all federally funded transportation projects.** PLAs guarantee union labor on federal construction, inflating costs and excluding non-union contractors who make up the majority of the construction workforce.

Privatize federal transportation services. The federal government is responsible for the operation of many important transportation assets. The importance of these assets makes privatization more important, not less, because it would yield better management through efficiency and market incentives. Privatization opportunities include:

- **Amtrak.** The federal government has a de facto monopoly on intercity rail service, yet it loses money every year due to a combination of poor service and excessive operational area. The Biden Administration proposed expanding Amtrak nationally—a proposal that would have doubled down on a system that has never covered its operating costs. Aviation is a far superior method of long-distance travel, which is why rail service has such low demand across most of the country. Privatization of the Northeast Corridor—the one route that approximates commercial viability—is the most credible starting point, allowing that line to operate with better service while eliminating subsidies for routes with perpetually low demand.

- **Air Traffic Control.** The Federal Aviation Administration's Air Traffic Organization (ATO) is one of the last air navigation service providers in the world housed within an aviation safety regulatory agency. There is bipartisan agreement that air traffic control is not inherently a government function. Secretary Duffy's 2025 National Advanced Air Mobility Strategy—coordinating 25 federal agencies to integrate autonomous aircraft, drones, and electric air taxis into U.S. airspace—is exactly the kind of modernization agenda the ATO cannot execute under government bureaucratic constraints. Privatization would bring the private-sector flexibility and investment capacity required to deliver a true Golden Age of Transportation.[23]

- **Waterways.** The federal government controls both a majority of inland waterways (managed by the Army Corps of Engineers) and the St. Lawrence Seaway. Federal mismanagement results in poor infrastructure quality, unnecessary taxpayer subsidies, and funding for pork projects that narrowly benefit areas with political connections. In 2024, Heritage's Brent Sadler documented the ongoing failure of federal waterway management—which remains an unfinished reform priority.[24]

Facts + Figures

FACT: Mass transit is subsidized far beyond its use, and post-pandemic ridership declines have made this subsidy burden even less defensible.

- Roughly $160 billion per year is diverted to mass transit from gasoline taxes paid into the Highway Trust Fund even though many transit riders have never paid into the fund, and even though transit accounts for just 1 percent to 5 percent of total travel. This transit diversion is an artifact from the 1980s, when urban House Members held highway funding hostage and demanded a set-aside for transit.

- Major transit agencies receive more than two-thirds of their funding from subsidies rather than self-generated revenue. As a result, there is little incentive to focus on the needs of the public and every incentive to focus on unnecessary expansions and lavish salaries.
- Compensation costs for transit workers average above $150,000 per year in cities such as New York, Washington, DC, and San Francisco.
- Post-pandemic ridership has not recovered to pre-pandemic levels in major U.S. transit systems. New York, Washington, DC, and San Francisco systems are operating at roughly 70 percent to 75 percent of 2019 ridership while operating costs have continued [25]

FACT: The state of America's major infrastructure assets has improved over time—debunking the "crumbling" narrative used to justify wasteful spending.

- Members of Congress often use language like "crumbling roads and bridges" to justify increases in federal spending. However, the number of the nation's National Highway System bridges that the Federal Highway Administration deems in poor condition (necessitating maintenance) decreased from 5 percent in 2000 to 3 percent in 2023.
- Similarly, the portion of airport runways rated in poor condition decreased from 10 percent in 1990 to 2 percent in 2022 (latest data available).[26]
- President Biden's own IIJA confirmed the infrastructure condition data: less than a third of the $1.2 trillion in authorized spending targeted traditional roads and bridges. The IIJA was a progressive spending vehicle that exploited infrastructure anxiety—not a serious infrastructure repair bill.[27]

FACT: The Highway Trust Fund fulfilled its original purpose decades ago and urgently needs reform before the September 2026 reauthorization deadline.

- Congress created the trust fund to facilitate a full nationwide highway system. The work of building these vital arterial highways was finished in 1992.
- Rather than declaring victory and reducing the federal role, Congress has increased spending, both in dollar amounts and in the number of things supported by the trust fund. This now includes decidedly non-federal projects, such as bike paths, sidewalks, and streetcars. Such non-highway diversions account for approximately 30 percent of trust fund spending.
- Overspending has led to more than $250 billion of deficit-funded bailouts of the highway fund. Mass transit alone has received roughly $200 billion in spending diversions from the fund as of 2022.
- The 2026 IIJA reauthorization is the most consequential surface transportation legislative moment in a generation. With the Biden-era law expiring and a Republican Congress and Trump Administration aligned on reducing federal overreach, there is no better opportunity to strip non-highway diversions, end DEI grant conditions, codify NEPA reforms, and restore the user-pays, user-benefits principle.[28]

FACT: The Trump DOT has already demonstrated that reform is achievable—but legislative action is needed to make it permanent.

- In June 2025, Secretary Duffy released landmark NEPA revisions cutting the DOT's procedures in half, combining six separate procedure sets into one unified order, and imposing enforceable deadlines. The DOT had not initiated department-wide NEPA reform in 40 years.[29]
- In March 2025, Secretary Duffy rescinded President Biden's "fix it first" FHWA policy, which had effectively barred highway capacity expansion by requiring repair before new construction.[30]

- On Day One, the Trump Administration eliminated Justice40, removed DEI criteria from DOT grant programs, paused the NEVI EV charging program, and rescinded the greenhouse gas emissions performance measure that President Biden had imposed on state highway programs. These executive actions are genuine wins that Congress must now protect through statute.[31]

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Updated: **May 2026**

Taxes

Summary and Key Points

Policy Proposals

1. Enact tax cuts that encourage family formation.
2. Enact universal savings accounts (USAs) to encourage saving.
3. Cut tax subsidies; eliminate all individual and corporate deductions, credits, exclusions, and exemptions that are not economically justified; and lower tax rates.
4. Ensure permanent tax relief by pairing further tax reductions with spending cuts that are as large as, or larger than, any tax cuts.

Quick Facts

1. The federal government collected $4.9 trillion in revenues in 2024. Combined with $1.5 trillion in state and local taxes, the payment of taxes consumes about 22.5 percent of U.S. economic production.
2. Americans spend more than 7.9 billion hours a year complying with the tax code and other Treasury Department information collection requirements.[1]
3. According to the Tax Foundation, the average tax cut in 2026 from enactment of the One Big Beautiful Bill Act is $3,813.[2]

What to Say About Taxes

- America's tax system should be simple, fair, and easy for families and workers to understand.
- High and complicated taxes reduce take-home pay and make it harder for all Americans to get ahead. Americans spend billions of hours every year just trying to comply with the tax code.
- When taxes grow too complex and costly, opportunity shrinks and the middle class falls behind. Special credits and loopholes benefit the well-connected while leaving ordinary taxpayers carrying the burden.
- Families should be able to save more of what they earn and decide how best to use it. Tax policy should support work, saving, investment, and family formation, not punish them.
- Lower tax rates paired with spending discipline help grow the economy without fueling future debt.

The Issue

Taxes influence how much Americans work, what they produce, what they buy, how much they save, and when they retire. It is therefore critical that policymakers design a tax system that minimizes the negative impact of taxes on the economy and people's lives.

In fiscal year 2026, the individual income tax, including taxes paid on investments (capital gains and dividends) and taxes on business profits paid directly by the owners on their individual tax return, raises 49.1 percent of federal revenue.

Elected officials have used taxes to determine winners and losers in the economy. Under a well-designed revenue system, taxes would be neutral. If taxes are applied consistently and evenly, they are less likely to be the driving factor in economic decisions. All too often, America's tax system favors certain industries over others, incentivizes consumption over saving, and discourages work and entrepreneurship. Different tax treatment of different activities acts like a wedge that drives individuals and businesses away from the most economically beneficial activities.

Federal taxes should be low. When taxes are low, they cause less harm and smaller distortions in the economy. However, taxes are directly tied to how much the government spends, and the federal government has a spending problem. Since the United States is obligated to pay its debts, Congress must dramatically reduce spending to avoid painful future tax increases.

Taxes should be simple and transparent. A vast array of subsidies and carve-outs for the politically favored add to complexity and economic distortions. Americans dedicate more than 7.9 billion hours a year to complying with the tax code and other Treasury Department information collection requirements. Business taxpayers especially must dedicate vast amounts of time and money to comply with the tax code, IRS regulations, and official guidance. Small businesses often lack the resources to devote to this time-consuming process. Under a simpler tax system, most of these resources could be put to better use.

The biggest distortion in the tax code is caused by the hidden double tax on savers, who face a tax on wages and a second tax on any earnings if the wages are saved and invested. The lower tax rate on capital gains and dividends (with a top rate of 20 percent on long-term capital gains versus a 37 percent top marginal rate on income) helps to move the income tax toward a more neutral treatment of saving but is still an example of double taxation.

Ultimately, the tax system should use the least economically destructive form of taxation to raise the revenue necessary to fund a limited government that carries out its constitutionally delegated powers. To this end, Congress needs to lower taxes on saving while simultaneously eliminating tax subsidies and cutting spending.

Recommendations

The One Big Beautiful Bill Act made permanent 100 percent full expensing for equipment but allowed only temporary full expensing of manufacturing structures. Expensing should be permanent for all long-lived assets. This will accelerate gains to future worker productivity and raise incomes.

Expand Trump Accounts to encourage family formation. Add-on Newlywed Early Starters Trust (NEST) accounts would provide each newborn with a deposit of $2,500. If that child marries between ages 18 and 30, the amounts in NEST would be available tax free over three years for the costs of raising a family. If the beneficiary does not marry, the amounts in the NEST would be available at age 59.5. This would set up a solid foundation for children born today to begin families in the future.

Provide the same tax credit allowed for adoption expenses to new parents for the added costs of raising a child. The Family and Marriage (FAM) credit would be a $4,418 refundable tax credit available to married couples for each biological child. The credit would be available for the tax year in which a child is born and then in each of the following three tax years. The new FAM tax credit would be the same per-child maximum dollar amount ($17,670) as the current adoption tax credit in most cases, except that the refundable FAM credit would be claimed over four years instead of one. To qualify, the family would need earned income of at least $30,500, ensuring that the benefit goes to working families.

Enact a tax credit to provide the same tax advantages for parental stay-at-home childcare as those currently available for commercial childcare. A $2,000 refundable tax credit would roughly equal the $8,000 subsidy provided annually to recipients of public childcare programs. It could be structured as an add-on to the FAM credit, using the same earned income eligibility criteria, or enacted separately.

Enact universal savings accounts (USAs). The current tax code discourages most forms of savings compared to consumption. Paychecks are subject to individual income tax (and payroll tax), but no further tax is due on the portion of one's paycheck that is spent. However, if an individual puts a portion of the paycheck into savings or investments (except tax-preferred forms), the individual will face additional tax on any interest or capital gains earned. This is an additional layer of tax. Individual retirement accounts (IRAs), Roth IRAs, 401(k)s, and defined contribution plans allow investors to save limited amounts while avoiding this double taxation. Such plans, however, restrict the use of funds and penalize early withdrawal. This lack of flexibility especially discourages less wealthy Americans from using tax-preferred savings.

USAs would reduce taxes on savings for all Americans and help families to build their own financial security through a single, simple, and flexible account. Unlike holders of existing retirement savings accounts, USA holders would not be bound by limits on when savings can be withdrawn or for which purpose people may use their personal savings. Individuals would contribute post-tax earnings, and all withdrawals from a USA would be excluded from taxable income; any gains accrued would thus be tax-free. USAs would allow Americans at all income levels to save more of their earnings with fewer restrictions on where and when they can spend their own money.

Index capital gains for inflation. For purposes of capital gains taxes, the tax base is the difference between the value of the asset upon sale (or other taxable event) compared to the basis of the asset (usually its value when purchased). Part of the increase in asset values over time is offset by general economy-wide inflation, but the full increase in asset prices is subject to capital gains tax, so investors are subject to tax both on real gains and on inflation. This inflation tax is higher and more distortionary the longer capital assets are held and, of course, the higher inflation rises.

This defect in the tax code is especially harmful because taxes on investments already represent a second layer of taxation. Taxpayers can avoid the tax on real capital gains and inflation by simply spending wage income rather than investing, but this perverse incentive reduces Americans' savings and deprives businesses of the capital funding they need in order to grow and innovate. Congress can stimulate economic growth and create a more neutral tax system by indexing the tax basis of capital gains for inflation.

Pair tax reductions with spending cuts. The federal government needs to get spending under control. By allowing deficits to rise, Congress makes future tax increases inevitable. Moreover, any increase in the debt will create an imbalance between tax rates now and tax rates in the future, which in turn can create harmful economic distortions by causing people to avoid activities that might lead to future taxes on, for example, entrepreneurship and saving. Therefore, any further tax reductions should be offset by spending cuts that are as large as, or larger than, any tax cuts. In addition, there are many tax subsidies that could be removed from the tax code to pay for pro-growth reforms that make the code simpler and fairer.

Resist proposals to increase Americans' tax burden or to create new taxes. Americans already pay federal individual income taxes (including capital gains), corporate income taxes, payroll taxes, estate taxes, tariffs, and excise taxes like those on gasoline, tobacco, alcohol, firearms, and sporting goods. There is no need to add a new revenue source.

Cut tax subsidies. Each year, the tax code is used to hand out billions of dollars in subsidies to politically connected interests, thereby picking winners and losers and distorting market outcomes. Future tax reform should eliminate all individual and corporate deductions, credits, exclusions, and exemptions that are not economically justified.

Facts + Figures

FACT: High-income taxpayers already pay the lion's share of federal income taxes.[3]

- Households in the bottom half of income earners paid 3 percent of the federal income taxes and earned 12 percent of the income in tax year 2023 (the most recent year for which tax data are available).
- The top 1 percent of income earners paid 38 percent of federal income taxes and earned nearly 21 percent of the income.
- It is mathematically impossible for the rich to pay for all the government spending proposed by progressives.

FACT: Uncontrolled government spending, not tax cuts, drives U.S. deficits.

- The Congressional Budget Office (CBO) projects that, between 2026 and 2036, total revenues will remain between 17.5 percent and 17.8 percent of GDP. This is above the average of 17.3 percent over the past 50 years—even after the effects of the One Big Beautiful Bill Act.
- The CBO projects that by 2056, federal spending will be 20 percent higher as a percentage of GDP than it was in 2025. Over the same period, revenues will be 7 percent higher as a share of GDP.
- A tax environment that rewards hard work and innovation is critical to the long-term growth of the economy, which is necessary if America is to pay down its debts.

FACT: The complexity of the tax code drains the economy of productive resources.

- The Internal Revenue Code was 6,871 pages long as of August 2025.
- Americans dedicate more than 7.9 billion hours a year to complying with the tax code and other Treasury Department information collection requirements.

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CONSTITUTIONAL GOVERNMENT

Updated: **May 2026**

Election Integrity

Summary and Key Points

Policy Proposals

1. Require all voters to present photo identification issued by the federal, state, local, or tribal government at the time of voting.
2. Require all individuals who register to vote to provide proof of U.S. citizenship.
3. Prohibit private funding of any election officials and election offices and agencies.

Quick Facts

1. A 2012 Pew study showed that 24 million voter registrations were inaccurate, out of date, or duplicated.
2. In 2020, the Public Interest Legal Foundation found more than 144,000 potential cases of fraud by individuals registering and voting more than once in the 2016 and 2018 elections.

What to Say About Election Integrity

- Free, fair, and accurate elections are essential for self-government and to maintain public trust in the democratic process. When election integrity is compromised, trust by Americans in their government collapses and self government is placed at risk.
- Secure elections require accurate voter registration rolls and commonsense safeguards at every stage. Election rules should be clear, consistent, and applied equally to every voter and not changed by judges after elections.
- States have the responsibility to administer elections that are transparent, secure, and verifiable to citizens, including audits of the counting of ballots and election procedures used in the election.
- Americans are the most important part of maintaining the election integrity of our elections. Citizens should be encouraged to be a part of the voting process including as poll-workers, observing elections and supporting basic election security measures.
- Weak verification procedures to detect fraud and lax enforcement of election crimes create opportunities for error, abuse, and public doubt.
- Deploying voting systems without testing vulnerabilities and proper local checks before each election undermines confidence in election outcomes.

The Issue

Elections are crucial—giving citizens rightful input into government spending, who receives benefits, and how the government exercises its power—and some people will attempt to cheat. Examples abound throughout U.S. history, from the 135 percent of eligible voters who turned out for an 1844 election in New York to the infamous Ballot Box 13 in Lyndon Johnson's fraudulent 1948 Senate election. The 1997 Miami mayoral race was overturned because of more than 5,000 fraudulent absentee ballots. A mayoral election in East Chicago, Indiana, in 2003 and a state senate race in Tennessee in 2005 were also overturned due to voter fraud.

In 2013, four people in Indiana were convicted of forging signatures on the ballot petitions that qualified Barack Obama for the state's May 2008 primary election. In 2015, a city council race in the New Jersey town of Perth Amboy was decided by a mere 10 votes. A judge overturned the election and ordered a new one after it was revealed that at least 13 illegal absentee ballots had been cast. More recently, the 2018 election for the Ninth Congressional District in North Carolina was overturned after the State Board of Elections found organized absentee-ballot fraud that altered the outcome.

As the Supreme Court of the United States recognized when it upheld the constitutionality of Indiana's voter identification law in 2008,[1] flagrant examples of voter fraud "have been documented throughout this Nation's history by respected historians and journalists..." Those examples "demonstrate that not only is the risk of voter fraud real but that it could affect the outcome of a close election." The Heritage Foundation's election fraud database[2] has documented almost 1,500 instances of voter fraud from across the country, and the number continues to grow.

Many partisan activists, liberal academics, and members of the media elite deny that election fraud exists or that any action is needed to protect the integrity of the election process. The nonpartisan Commission on Federal Election Reform, however, chaired by former President Jimmy Carter and former Secretary of State James A. Baker III, found that the "electoral system cannot inspire public confidence if no safeguards exist to deter or detect fraud or to confirm the identity of voters."[3]

The right to vote in a free and fair election is a citizen's most basic civil right, the one on which many of the other rights of Americans depend. Congress and the states can and should guarantee that every eligible citizen is able to vote—and that no one's vote is stolen. The Heritage Foundation has published a detailed and extensive list of best-practice recommendations for state legislatures,[4] which have primary responsibility for administering elections, but there are actions that the federal government can take as well. Additionally, The Heritage Foundation's Election Integrity Scorecard,[5] which analyzes the election laws of all 50 states and the District of Columbia and grades each state on how well it protects the security and integrity of the election process, gives states a clear picture of where their laws and regulations meet best practices, where vulnerabilities exist, and how to fix them.

Recommendations

Policy Proposals (Federal)

In order to protect free and fair elections in the United States, Congress should:

Require all voters in federal elections to present photographic identification, issued by the federal, state, local, or tribal government, when they vote at their polling place and to send copies of such identification (or their driver's license or non-driver's identification card number) when submitting an absentee ballot. Such a photo ID should be provided free of charge to those who request it for voting purposes.

Allow state election officials to verify the U.S. citizenship of registered voters by making the Social Security Administration and Department of Homeland Security (DHS) databases available to those officials.

Require all federal courts to notify state election officials when individuals whose names are drawn from their voter registration rolls are excused from jury duty because they are not U.S. citizens and require all federal courts to notify the U.S. Department of Justice (DOJ) for purposes of investigation and possible prosecution of such cases.

Amend the National Voter Registration Act of 1993 to allow states to strike individuals who have not voted in two consecutive federal elections from the voter rolls. These individuals must be informed in writing that they will be removed unless they contact election officials by a certain time.

Amend the National Voter Registration Act of 1993 to clarify that states may require proof of citizenship from those who are registering to vote.

Require the DHS to provide the DOJ with all the information it has on non-citizens who have registered for, or voted in, federal, state, or local elections. Not only should the DHS revoke the visas and reject the citizenship applications of aliens who have registered or voted illegally, but the DOJ must also investigate and prosecute non-citizens who have violated federal law.

Direct the Department of War to create voter registration offices on all military installations to provide voting assistance to military personnel and their families and allow nonpartisan veterans groups to hold voter registration drives at commissaries or other public locations on military posts and bases.

Policy Proposals (State)

In order to protect free and fair elections in the United States, state legislatures should:

Require all voters in federal, state, and local elections to present photographic identification, issued by the federal, state, local or tribal government when they vote at their polling place, and to send copies of such identification or their driver's license or non-driver's identification card number when submitting an absentee ballot. Anyone who does not have an ID should receive it free of charge from state authorities. Academic studies and election results both show that ID requirements do not depress voter turnout, including among minority voters. A vast majority of voters of all parties, races, and ethnic backgrounds support such a requirement, which increases public confidence in the integrity of elections.

Require all individuals who register to vote to provide proof of U.S. citizenship. States have an interest in preventing dilution of the votes of their citizens at the state level and must maintain citizen-only voting rolls for federal elections. When a state issues a driver's license to a non-citizen, whether he is in the country legally or illegally, the license should indicate clearly that the holder is not a U.S. citizen.

Require state and local election officials to verify the accuracy of new voter registration information against other available state and federal databases. Section 303 of the Help America Vote Act (HAVA) of 2002 requires states to coordinate their voter registration lists with "other agency databases" and to "verify the accuracy of the information provided on applications for voter registration." Some election officials are not complying with this law and are not verifying new voter registration information against other available databases, such as Department of Motor Vehicles driver's license records and Social Security Administration death records. Legislators should implement this requirement as a state law to ensure that their state election officials follow this commonsense requirement.

Require individuals who register by mail to vote in person the first time they vote. Section 6 of the National Voter Registration Act allows states to implement such a requirement, although it cannot apply to anyone entitled to vote by absentee ballot under the Uniformed and Overseas Citizens Absentee Voting Act or the Voting Accessibility for the Elderly and Handicapped Act.

Require all individuals who register to vote by mail-in forms, whether mailed back to election officials or hand-delivered by the individual or third-party organizations, to comply with the applicable HAVA provision. HAVA requires persons who register to vote by mail and who have not previously voted in a federal election to provide a copy of certain identification documents when they register or the first time they vote, but some states have interpreted this to apply only to voter registration forms received through the mail and not when they are delivered through other means.

Require all third-party organizations that conduct voter registration drives to write the name of their organization, as well as the name of the volunteer or employee handling each registration, on the voter registration form; and require third parties to return all completed forms to election officials within 10 days of the date on the form signed by the person registering. This would allow election officials to identify which organization and individual handled voter registration forms that are found to be incomplete or fraudulent and to ensure that completed registration forms are provided to election officials on a timely basis for proper processing before the state's pre-election registration deadline.

Require all state courts to notify election officials when individuals whose names are drawn from the registration rolls are excused from jury duty because they are not U.S. citizens or no longer live in the jurisdiction. This measure would allow local election officials to remove ineligible voters from the voter rolls and refer them for possible prosecution. Running data comparisons between voter registration addresses and property tax rolls is also recommended for detecting individuals who are registering illegally using commercial addresses or addresses for vacant lots.

Require that each state enter into agreements with other states to compare voter registration lists to find people who are registered in more than one state. Because there is no national voter registration list, it is relatively easy for individuals to register in more than one state without detection. Such agreements are critical to detecting and deterring double registration and possible double voting.

Reject any effort to eliminate the electoral college. Any state compact to manipulate or alter the electoral college requires congressional assent. Congress should reject such a compact, as well as any constitutional amendment to scrap the electoral college.

Reject same-day and automatic voter registration, the automatic mailing of absentee-ballot-request forms and absentee ballots to all registered voters, and permanent absentee-ballot lists.

Prohibit private funding of any election officials and election offices and agencies.

Ban ranked-choice voting. Ranked-choice voting is an opaque, confusing system that overly complicates the voting and election process, making it harder for individuals to vote and election officials to tabulate the results.

Facts + Figures

FACT: States have the right and responsibility to ensure the integrity of their elections and to ensure that the votes of eligible voters are not stolen or diluted by fraud.

- The U.S. Constitution reserves to the states the exclusive authority for most election decisions, including voter qualifications.
- A 2012 Pew study showed that 24 million voter registrations were inaccurate, out of date, or duplicated, with 2.8 million people registered in two or more states and 1.8 million dead people still registered.

- In 2017, the Public Interest Legal Foundation found that 5,556 non-citizens had registered to vote in Virginia. Of these illegal registrants, 1,852 cast nearly 7,500 ballots between 2011 and 2017 in a state in which two statewide attorney general races have been decided by fewer than a thousand votes.

- In 2020, the Public Interest Legal Foundation found more than 144,000 potential cases of fraud by individuals registering and voting more than once in the 2016 and 2018 elections,[6] as well as individuals determined by state authorities to have votes cast in their name after their deaths, and individuals using nonresidential addresses, such as for post offices, gas stations, parks, and vacant lots, on their voter registration forms.[7]

- The evidence of voter fraud from specific cases shows which types of laws and regulations are most effective in preventing and deterring fraud. The Heritage Foundation maintains a growing database[8] with a sampling of fraud cases from across the country.

FACT: Election fraud is a reality that has been documented repeatedly through the prosecution and conviction of criminal cases.

- A 1984 New York grand jury report detailed extensive voter registration fraud and impersonation fraud at the polls that had been carried out for 14 years in state and federal elections.

- A Chicago grand jury report described an extensive system of voter registration fraud and vote theft that resulted in 100,000 fraudulent votes being cast in the 1982 election. The U.S. Attorney in Chicago estimated that at least 80,000 illegal aliens were registered to vote in Chicago at the time. Many other states have had similar problems.

- An extensive North Carolina State Board of Elections investigation of the 2018 Ninth Congressional District election found a "coordinated, unlawful, and substantially resourced absentee ballot scheme" that "corrupted" the election through fraud. The election was overturned.

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Legal Immigration

Summary and Key Points

Policy Proposals

1. Establish a merit-based immigration system under which America selects the majority of future immigrants based on skills—as opposed to the current family-based system under which immigrants select future immigrants based on their relations.

2. End chain migration.

3. End universal birthplace citizenship.

Quick Facts

1. Many U.S. allies, such as Canada, Australia, and the United Kingdom, use merit-based immigration systems.

2. From 2021 through 2024, more than 2.6 million aliens were admitted into the U.S. on a family-based visa.

3. A 2024 Center for Migration Studies report estimates that 5.5 million U.S.-born children under 18 are living in households with at least one illegal alien (typically a parent), including 1.8 million with two illegal alien parents.

What to Say About Immigration

- A nation has the right and responsibility to control its borders and enforce its own laws. When borders are not enforced, trust in government erodes and the rule of law weakens.

- Welcoming newcomers requires clear rules and fair enforcement for everyone. Legal immigration works best when it is orderly, limited, and aligned with the national interest.

- Immigration policy should prioritize assimilation, work, and commitment to American civic culture.

- Failure to enforce immigration law encourages chaos, exploitation, and dangerous journeys exploited by smugglers. A broken immigration system hurts citizens and legal immigrants from seeking opportunity.

- Mass illegal immigration places real strain on public services and working communities.

The Issue

The U.S. immigration system was dysfunctional before the Biden Administration took power. It was confusing, slow, expensive, and easy to defraud and abuse. The Biden Administration then fundamentally transformed the American immigration system, intentionally erasing the line between legal and illegal immigration. It made the immigration "system" unrecognizable because it no longer operated under the rule of law. The Biden Administration changed legal terms, twisted and warped statutory requirements, waived, ignored, or refused to enforce laws, and unconstitutionally created immigration benefits not authorized by Congress.

What remains cannot and should not be merely "reformed." America now faces an opportunity to design an entirely new immigration system. To achieve a lawful, orderly, and manageable system that benefits America first, legal immigrants second, and illegal aliens not at all, the new system should be simpler, faster, and include full and consistent enforcement.

A new U.S. immigration system should adhere to the following principles:

- As a sovereign nation, the United States must uphold the Constitution and rule of law.
- The immigration system exists to serve the American people.
- The country must be secure to keep Americans safe.
- America's immigration system should be simple and sustainable.
- The government must eliminate incentives for foreign nationals and American organizations to break U.S. laws.

Under the current system, the U.S. provides lawful permanent residence—a green card—to around 1 million foreigners each year. In fiscal year 2023, for example, the U.S. granted more than 1.1 million green cards. Green cards are allotted according to decades-old statutes. As a result, the largest category of green card distribution is to family members of U.S. citizens and lawful permanent residents. In 2023, the U.S. granted more than 755,000 green cards—more than two-thirds of the total—based on a recipient's status as a family member. Of this subtotal, more than 501,000 were given to U.S. citizens' spouses, children (unmarried and under age 21), and parents—"immediate relatives" under U.S. law. Family members can, in turn, sponsor their spouses and children (married and unmarried) for green cards, creating the infamous "chain migration." By contrast, approximately 196,000 green cards were awarded based on employment. The Diversity Visa Program lottery issued approximately 67,000 visas, and approximately 126,000 green cards were issued to refugees and asylees.

By comparison, Canada and Australia grant the majority of their permanent visas for economic reasons. Other nations also define "immediate relatives" more narrowly to include only spouses and minor children of citizens. These policies make sense because these countries are using immigration to maximize *national* interests. By focusing on merit-based immigration, countries can ensure that immigrants contribute to the economy and society and will not consume government benefits at the expense of existing taxpayers. The U.S. system, however, minimizes American fiscal considerations and fails to maximize America's national interests.

Beyond issues of money and economic growth, immigration is also about assimilating people with certain values and principles. Historically, governments and institutions at all levels have played an active role in the Americanization process. The Founders knew that the new country would attract immigrants, so they believed in assimilating and educating them, as well as the native-born, to inculcate the nation's philosophy into a new population, giving American democracy its "demos." Over the past several decades, however, America has drifted away from assimilating immigrants: Elites in government, culture, and academia have led a push

toward multiculturalism, which emphasizes group differences. Instead of *E pluribus unum*—out of many, one—assimilation is seen as a humiliating demand that the purportedly marginalized conform to the identities of their supposed oppressors. This view must not be allowed to control U.S. policies.

Recommendations

Establish a merit-based immigration system. Congress should modify the family preference system and move to a new merit-based system of visas. A shift from family-based immigration to merit-based immigration would prioritize economically and fiscally beneficial immigration and serve the national interest. Such a system should be designed in a way that recognizes that a fair market is the best and most objective way to identify those who will benefit the economy. A fair market means that American graduates and employees must be notified of, and considered for, job opportunities. Since the 1990s, employers have abused and defrauded the immigration system and discriminated against American graduates and employees to benefit foreigners and their own bottom line.

If there are more requests than available green cards, the compensation offered to an immigrant by a company should have significant priority, as compensation provides objective evidence of market demand. Other heavily weighted factors could include financial resources and assets, educational achievement, professional credentials, job experience, and fluency in English. These factors, while not perfect or completely objective measures, would focus on reasonable measures of economic and fiscal impact, avoiding both government micromanagement and the need to burden American taxpayers with higher levels of government welfare assistance.

One way to ensure that merit-based green card candidates are indeed working or otherwise providing significant benefit to the U.S. would be to make their legal permanent residence conditional for the first several years. To transition from a *conditional* lawful permanent resident (LPR) status to *full* LPR status, immigrants should be required to maintain employment for most of the conditional period, although they would be allowed to switch jobs.

Focus on the nuclear family and end chain migration. Congress should restrict the definition of immediate relatives to spouses and minor children. Congress should cut all or almost all current family preferences for extended family, thereby ending chain migration. U.S. citizens could continue to sponsor their parents, but only for a renewable temporary visa that would not make them eligible for welfare benefits and would require the citizens to provide proof of health insurance and financial support for their parents.

End the Diversity Immigrant Visa (Lottery) Program. Congress should eliminate the Diversity Immigrant Visa Program, which provides 50,000 immigrant visas annually to random individuals from countries with low rates of immigration to the United States. The United States should evaluate potential citizens individually. Rather than leave to chance the question of who gets an immigrant visa, Congress should decide based on the qualifications of potential citizens, taking into consideration experience, professional credentials, and education. The Diversity lottery treats people not as individuals, but as a means to artificially create representation from various countries. Congress should end this system because it does not serve the national interest and discriminates based on national origin.

End universal birthplace citizenship. The granting of birthplace citizenship to all children born in the United States regardless of the parents' immigration status, is both the result of a misinterpretation of the 14th Amendment and inconsistent with the intent of the amendment's framers. The legislative history of the amendment makes clear that its purpose was to bestow citizenship only on those who owed their permanent, undivided allegiance to the United States and were subject to the fullest extent of its jurisdiction. In particular, this meant the newly freed slaves, who were lawful and permanent U.S. residents and not subject to any foreign power. Congress should clarify the federal definition of "citizenship" in a manner that conveys its consistency

with the original understanding of the 14th Amendment by explicitly stating that only the U.S.-born children of individuals subject to the complete jurisdiction of the United States are citizens by virtue of birth on U.S. soil.

Promote patriotic assimilation. Policymakers should overhaul policies that do not blend well with immigration. Concepts such as victimhood, oppressor–oppressed, compensatory justice, racial preferences, and coercive diversity are harmful and should not govern policy. Congress must put an end to measures that coerce immigrants and their American children and grandchildren into pan-ethnic identity traps. The government must stop categorizing people as victims with protected status and start mandating that they participate in all aspects of society. Immigrants must come to the United States to be American, not to join synthetic nations within the nation.

The executive branch should stop dividing society into groups. Specifically, it should rescind the 1977 Office of Management and Budget (OMB) directive and its 1997 revision that divides the population into "Hispanics," "Asians," and other such categories. In addition, the courts should finally declare racial preferences in admissions and government contracts to be unconstitutional.

Candidates for citizenship should demonstrate a strong understanding of America's language, history, and civic life. The patriotic rituals surrounding the naturalization ceremony should be augmented to reinforce the event's transformational character. Once immigrants go through naturalization, they are expected to have no other national loyalty, whether to the lands of their birth or to a "nation within a nation." The government should return to the guiding principle that once an immigrant is naturalized, he or she should be encouraged, in George Washington's words, to "get assimilated to our customs."

Public schools should reinforce these values and should not use "culturally responsive" teaching methods (used to teach even mathematics) that divide children into different ethnic boxes. Rigorous studies indicate statistically significant positive effects of school choice or private schooling on the teaching of civic values, while the civics education provided by public schools is falling short. Government schools must do a better job of instilling civic values, and policymakers at the state level should provide more charter schools and private school choice options for families.

Facts + Figures

FACT: Many countries around the world successfully use a merit-based immigration system to advance their national interests.

- Countries that use a merit-based system include Canada, Australia, New Zealand, and the United Kingdom, among others.
- From 2021 through 2024, more than 830,000 aliens were admitted into the U.S. under employment-based preferences—while more than 2.6 million were admitted under family-based preferences.

FACT: Unlimited birthplace citizenship is not required by the Constitution and is harmful to an effective immigration system.

- The current implementation of the 14th Amendment grants citizenship to nearly all children born in the United States, but this contradicts both the history and the original meaning of the amendment.
- Few advanced global economies use unlimited birthplace citizenship, as it attracts illegal immigration and birth tourism. For example, no country in Europe provides unrestricted birthplace citizenship.

FACT: Assimilation and Americanization are essential correlates of immigration.

- George Washington stated that immigration succeeds when "by an intermixture with our people, they, or their descendants, get assimilated to our customs, manners and laws: in a word, soon become one people."

- Abraham Lincoln pointed out that immigrants can grasp the Founding ideas in the Declaration of Independence. He said that these ideas act as "the electric cord in that Declaration that links the hearts of Patriotic and liberty-loving men together."
- In a 1919 letter to the American Defense Society, Theodore Roosevelt emphasized the importance of assimilation into American society, saying that "we should insist that if the immigrant who comes here in good faith becomes an American and assimilates himself to us, he shall be treated on an exact equality with everyone else."

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The Role of the Courts

Summary and Key Points

Policy Proposals

1. Policymakers should pledge to promote the appointment of constitutionalist judges.
2. Senators should prioritize determining whether judicial nominees will be committed to the judiciary's role as designed.
3. Senators should not abuse their power of "advice and consent."

Quick Facts

1. Courts with judges who serve unlimited terms have a total of 870 seats around the country.
2. The lower courts have the last word on most federal cases because the Supreme Court of the United States decides only about 70 cases per year.
3. Judicial vacancies continue to compromise the judiciary's ability to serve its proper purpose.

What to Say About the Role of the Courts

- Judges exist to interpret the law as written, not to impose personal or political views. Courts should not rewrite long-standing laws or traditions through creative legal interpretations.
- The Constitution limits the role of judges to applying laws passed by elected lawmakers.
- When courts exceed their constitutional role, democratic self-government is weakened.
- Judicial power must be restrained to preserve the balance between courts and representative government.
- Filling judicial vacancies is essential for courts to function fairly and efficiently. Most cases are decided by lower courts, making those judges especially important to everyday Americans.
- Senators should evaluate nominees based on fidelity to the Constitution, not political loyalty.

The Issue

America's Founders believed that the purpose of government is to secure such inalienable rights as life, liberty, and the pursuit of happiness, and they designed a system of government to further that purpose. This system limits government in several ways, such as separating the federal government into three branches, with checks and balances between them, and further dividing power between the federal and state levels of government.

The design of this system of government helps to define the role of each of its components, and those roles must be maintained for the system to achieve its purpose. To this end, not only is power separated into the three branches and divided between the federal and state levels, but the Constitution gives separate and distinct powers to each branch. Alexander Hamilton wrote that the exercise of these powers would involve will (the legislative branch), force (the executive), and judgment (the judiciary). Since the judicial branch is limited to using judgment in interpreting and applying the law to decide individual cases, Hamilton explained, it would be the "weakest" and "least dangerous" branch. This separation of powers, in both theory and fact, is so important, he wrote, that liberty itself depends on it.

As the Supreme Court explained in 1795, the Constitution contains "the permanent will of the people, and is the supreme law of the land; it is paramount to the power of the Legislature." Some cases therefore require that the Court evaluate whether laws enacted by the legislative branch are consistent with the Constitution—a process often referred to as "judicial review."

While the *Marbury v. Madison* (1803) decision established the practice of judicial review, it did not relieve the legislative and executive branches of their independent responsibility to evaluate the constitutionality of their own actions. For example, when Congress decides which laws to enact, it is interpreting the Constitution. When Members of Congress reject legislation that would violate the Constitution, they are acting in accordance with their oath.

Similarly, the President carries out this oath by determining which bills to sign into law. The President may sign or veto legislation for political or policy reasons, but faithfully discharging his oath may also require vetoing legislation that he believes would violate the Constitution. The President may also choose not to enforce a law signed by one of his or her predecessors if he concludes that it is unconstitutional. The responsibility of each branch to ensure that its actions are consistent with the Constitution is always a present duty.

America's Founders designed a system of government in which the judiciary must exercise its judicial power, especially judicial review, in a particular way and not as the sole actor. With the Supreme Court taking the lead, however, the judicial branch has recently been pushing past those limits and has expanded its power beyond the design intended for it. In *Cooper v. Aaron* (1958), for example, the Court asserted that "the federal judiciary is supreme in the exposition of the law of the Constitution." This trend has had several effects that undermine the liberty that the American system of government was designed to provide. For one thing, the judicial expansion of power has invited the other branches to ignore their independent duty to abide by the Constitution and to act as though they are free to do what they choose, in whatever manner, unless or until stopped by the courts.

In addition to proclaiming its superiority to the other branches in interpreting the Constitution, the judiciary has radically changed how it conducts that interpretation. Founder James Wilson, a signer of both the Declaration of Independence and the Constitution, and one of the original six Supreme Court justices, explained that in a republic, "the people are masters of the government." As a result, President George Washington said in his 1796 Farewell Address that the "basis of our political systems is the right of the people to make and to alter their constitutions of government." Moreover, returning to *Marbury*, the Supreme Court emphasized that the Constitution is written so that the limits it imposes on government "may not be mistaken nor forgotten."

If these principles are true, then they should direct how judges interpret and apply the law: A judge should use the Constitution as written and originally understood to conduct judicial review, not a constitution of the judge's own making with the meaning a judge wants it to have. Judges are limited, as the Supreme Court said in *Marbury*, to "say[ing] what the law is," and the Constitution is not, as Chief Justice Charles Evans Hughes would say a century later, "whatever the judges say it is."

These principles apply as much to the judicial branch as they do to the other two branches. Judges therefore may not treat the Constitution in a way that takes control of the Constitution away from the people. For this to be a "government of laws and not of men," as John Adams put it, the law, not judges themselves, must decide the cases and controversies that come before the courts.

In determining whether a contested law is consistent with the Constitution, judges act within their proper judicial power when they give effect to the original public meaning of the words and phrases of laws and the Constitution. A law's compliance with the Constitution is no guarantee of its soundness or wisdom. In fact, judges acting in accordance with their constitutional duties sometimes will uphold laws that may be bad policy while striking down laws that may be good policy. Judicial review requires the judge to determine not whether a law leads to good or bad results or accords with his or her personal views or priorities, but *whether that law violates the Constitution*.

Under the opposite approach, often called "judicial activism," judges use whatever process or method is necessary to achieve their desired result. This approach might be described as the political ends justifying the judicial means. A judge who employs judicial activism might ignore the law's text or its original public meaning, relying on external sources, such as foreign law, and might even fail to apply the law impartially. This is also sometimes called "living constitutionalism," a theory in which the meaning of the Constitution itself evolves and changes not through the amendment process set out in the Constitution itself, but through judicial decisions driven by the priorities and preferences of judges.

The following examples of Supreme Court activism, which involved high-profile issues, have garnered significant media attention:

- *Fisher v. University of Texas at Austin II* (2016), which, rather than requiring the university to meet the strict standards of the Constitution's guarantee of equal protection, allowed it to discriminate against prospective white and Asian American students.
- *Whole Woman's Health v. Hellerstedt* (2016), in which the Court, going beyond constitutional issues to make policy decisions and acting as "the country's ex officio medical board" as Justice Clarence Thomas wrote in his dissenting opinion, overturned reforms of substandard abortion clinics enacted by the Texas legislature.
- *King v. Burwell* (2015), in which the Court, in upholding the IRS's extension of tax credits to the federal health care exchange established pursuant to the misnamed Affordable Care Act, contorted the plain text of the statute to uphold President Barack Obama's signature legislative achievement for a second time.
- *Obergefell v. Hodges* (2015), which recognized a constitutional right to same-sex marriage with a decision that even supporters of the ruling have described as unintelligible and poorly reasoned.
- *Bostock v. Clayton County* (2020), which construed "sex" in Title VII of the 1964 Civil Rights Act to include sexual orientation and gender identity even though conceding that it meant only "biological distinctions between male and female" when Congress enacted it.

By contrast, a judiciary exercising its power as designed would decide each case in light of what the Constitution and the statutes say and what they originally meant, applying them impartially to the facts. Such judges respect the American people's right to control the Constitution, to elect representatives who enact statutes, and to remain masters of the government.

Recommendations

Policymakers should pledge to promote the appointment of constitutionalist judges. Specifically, this means pledging to promote the appointment of judges who will follow the design for the judiciary by interpreting the law as written and applying it impartially to decide cases. It also means that the President should nominate—and Senators should confirm—only faithful constitutionalists.

Senators should prioritize determining whether judicial nominees are committed to the judiciary's designed role in our system of government. In exercising "advice and consent," which is a check on the presidential power to appoint new judges, Senators must determine whether nominees are qualified for judicial service. These qualifications include not only appropriate legal experience, but also the proper judicial philosophy. Senators should seek to determine a nominee's understanding of the power and proper role of the courts, especially the process or method a nominee will follow to interpret and apply the law in deciding cases. Questions, such as the following, should inform the confirmation process:

- Are judges limited to deciding individual cases involving specific parties and particular facts, or may they address issues and solve broad problems?
- Should judges interpret the Constitution according to the original public meaning of its text, or may they find new meaning in other sources including foreign law?
- May judges take into account the political interests that might be served by their decisions?

Senators must not abuse their role of "advice and consent." The Senate advises as to whether the President should appoint someone he has nominated by giving or withholding consent. This does *not* mean that the Senate has an independent, coequal power of appointment. The Senate should not use procedural tactics that effectively hijack the President's power to appoint judges.

Facts + Figures

FACT: Courts with judges who serve unlimited terms have a total of 870 seats around the country.

- The Constitution gives Congress two categories of authority to create federal courts. Judges on courts established under Article I serve for specific terms. Those on courts established under Article III do not have specific terms, serving "during good Behaviour."
- Article III judges are nominated by the President and must be approved by the Senate.
- Today, the U.S. District Court has 673 seats, the U.S. Court of Appeals has 179, the U.S. Supreme Court has nine, and the U.S. Court of International Trade has nine, for a total of 870 seats on Article III courts.

FACT: On average, judicial appointments do not keep pace with new judicial vacancies.

- Judges in Article III courts serve for an average of 22 years, long past the presidency during which they were appointed.

- During the past four decades, an average of 48 vacancies has occurred each year in Article III courts, more than 80 percent of them due to judges leaving their positions, and the remainder due to the appointment of judges to different positions.
- Since 1981, Presidents have appointed an average of 45 judges to Article III courts per year.

FACT: The judiciary can struggle to serve its purpose when the number of vacancies increases and individual positions remain unfilled for a long time.

- The lower courts have the last word on most federal cases because the Supreme Court decides only about 70 cases per year, compared to the 1980s when the Court was deciding over 160 cases per year.
- Vacancies on Article III federal courts remained in triple digits for 32 straight months, from January 2017 through August 2019, the longest period in three decades.
- As of March 19, 2026, there are 35 total vacancies on the District Courts and 15 District Court positions that have been designated "emergencies" by the Administrative Office of the Courts due to their negative impact on caseloads.

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NATIONAL DEFENSE

Updated: **May 2026**

Border Security and Illegal Immigration

Summary and Key Points

Policy Proposals

1. Codify durable border security in federal law.
2. Limit "substantive due process" in immigration court to the issue of deportability; end immigration benefit applications in removal proceedings.
3. Reject amnesty for the existing illegal alien population, as it would undermine rule of law and encourage ever more unlawful migration.

Quick Facts

1. The number of inadmissible aliens encountered at ports of entry grew eightfold from 279,036 in FY 2018 to more than 2.3 million in FY 2024.
2. As of 2024, more than 3.6 million immigration cases were pending in immigration courts, up from 786,303 in October 2018.
3. It is estimated that almost half of the illegal aliens in the U.S. came here legally and then overstayed their visas.

What to Say About Border Security and Illegal Immigration

- A secure border is essential to public safety, national sovereignty, and the rule of law. When borders and interior enforcement are ignored, safety declines and confidence in the law collapses.
- Border security and removal policies should be enforced consistently and backed by clear federal law. States should not be forced to absorb the costs created by federal failure at the border.
- Allowing illegal entry undermines fairness for citizens and legal immigrants who follow the rules.
- Weak enforcement encourages dangerous migration and fuels criminal smuggling networks. Amnesty rewards illegal behavior and guarantees even more unlawful migration.
- Immigration courts must focus on the charges of removability, not provide yet a third (or more) bite at the apple to apply for immigration benefits during removal proceedings.

The Issue

The issue of illegal "immigration" has been at the forefront of significant political and policy battles for decades. To deal with this problem, three aspects of illegal immigration must be understood: entry through illegal border crossings, and legal entry followed by illegal visa overstays; inadequate interior enforcement to catch and remove those in the U.S. illegally for any reason; and excessive abuse of the immigration court system by aliens in removal proceedings, which facilitates and prolongs illegal immigration.

At least 11 million inadmissible aliens were allowed into the U.S. during the Biden Administration. They were either encountered and released by U.S. Border Patrol after entering between land ports of entry (catch and release); they were unlawfully paroled into the country by the Biden Administration at ports of entry; or they evaded the U.S. Border Patrol (got aways). The Biden Administration encouraged mass illegal immigration through several means, including permitting asylum and other immigration benefit fraud, mass immigration parole, and enticing unaccompanied alien child (UAC) border crossings.

The Trump Administration quickly secured the southern border in 2025 by using executive orders, ending Biden Administration policies, and increasing use of military assets. To make such border security durable, however, Congress needs to codify the Trump Administration changes and more. Needed statutory changes include closing asylum, catch-and-release, and UAC loopholes, and narrowing immigration parole and Temporary Protected Status.

A second aspect of illegal immigration is the long-standing issue of visa overstays, where aliens entered the U.S. legally on a visa or other form of entry and then failed to leave when their visa or authorization expired. To counter this kind of illegal immigration, interior enforcement tools are needed, including notification from the Department of Homeland Security (DHS) to temporary visa holders that their visa is about to expire, and that they must prepare their departure or else they will be deported.

Aliens also prolong their stay in the U.S. by gaming the immigration court system when the DHS places them in removal proceedings. Deportable aliens will ask for multiple continuances, file motions to reconsider, file motions to reopen, and file appeals to buy additional years in this country. What is labeled immigration due process is excessive process, especially when illegal aliens commonly ignore this country's lawful process before and upon entering the U.S.

Finally, at least 18.6 million deportable immigrants currently reside in the U.S. The Left argues in favor of amnesty for these aliens who have broken the law, but amnesty would be unfair to Americans and legal immigrants, would encourage more illegal immigration by rewarding it, and would bring trillions of dollars in costs. Rather, normalizing swift immigration enforcement and removing downstream benefits, such as drivers' licenses, bank accounts, sending remittances to home countries, and more, would encourage existing illegal "immigrants" to return to their home countries and deter additional illegal immigration.

Recommendations

For a more durable secure border beyond 2028, Congress should remove the Left's go-to tools for mass illegal immigration. Congress should end the ability to apply for asylum if an alien illegally entered the U.S. between ports of entry. Aliens showed during the Biden Administration that they are capable of going to a port of entry, when then-DHS Secretary Alejandro Mayorkas instructed them to do so, using the U.S. Customs and Border Protection (CBP) One app for mass parole.

Expressly limit immigration parole to true emergencies, such as emergency surgery, when an alien truly has no time to apply for a visa, and restrict the duration and expressly prohibit work authorization.

Limit Temporary Protected Status (TPS) to one short term, after which an alien must apply for a different benefit or depart. Expressly state that TPS is only for those aliens who were already in the U.S. when a disaster occurred in their home country; it is not for those who came after.

Rescind special immigration benefits for unaccompanied alien children, which have only incentivized and increased unaccompanied child border crossings.

Congress should reject the Ninth Circuit's interpretation of the *Flores* settlement. *Flores* has been interpreted to require the DHS to release from its custody all children, even if they are with a parent or parents, within 20 days. Since removal proceedings take longer than 20 days, the government is left with the choice either to detain the parent and release the child, or to release both the parent and the child. Congress should legislate to allow accompanied children to remain with their parents in immigration detention while they await their proceedings.

Strengthen immigration enforcement. U.S. laws must be enforced if further illegal immigration is to be deterred. The U.S. should judiciously increase the number of Immigration and Customs Enforcement (ICE) agents; expand the 287(g) program, which trains and deputizes state and local law enforcement officers to assist ICE in enforcing U.S. immigration laws; prevent sanctuary policies in states and localities; expedite removals of illegal immigrants caught at U.S. borders; end the ability of deportable aliens to apply for immigration benefits in deportation proceedings since they already had an opportunity to do so before and after entering the U.S.; and ensure that aliens show up at court hearings by maximizing the use of detention facilities.

Refuse amnesty to deportable aliens. Amnesty undermines the rule of law, and even the discussion of amnesty encourages more unlawful migration. If America were to suddenly award legal status to aliens unlawfully in the United States, it would be treating them better than aliens abroad who follow America's immigration procedures and patiently await a visa authorizing them to come to the United States.

Facts + Figures

FACT:

- The number of inadmissible aliens that the CBP encountered at and between ports of entry during the Biden Administration approached 11 million, the vast majority of whom were let into the U.S.
- More than 2 million additional illegal aliens evaded the U.S. Border Patrol during President Biden's four years. More than 550,000 UACs entered the U.S. during the Biden Administration, at least 400,000 of whom the Biden Department of Health and Human Services lost track of.

FACT:

- Eleven million immigration benefit applications are pending at the DHS's U.S. Citizenship and Immigration Services.
- More than 3 million removal cases are pending in the Department of Justice immigration court system.

FACT: Interior enforcement is critical to address all aspects of illegal immigration.

- It is estimated that more than 18 million illegal aliens currently live in the U.S.
- While difficult to tabulate accurately, it is estimated that almost half of the illegal alien population in the U.S. came here legally and then overstayed a visa.

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Homeland Security

Summary and Key Points

Policy Proposals

1. Privatize the Transportation Security Administration's (TSA's) security screeners while leaving the TSA or replacement government entity responsible for oversight.

2. Refocus the Cybersecurity and Infrastructure Security Agency (CISA) on its core mission: Protect federal civilian networks and serve as the national coordinator for critical infrastructure security and resilience.

3. Recast the Federal Emergency Management Agency (FEMA) as a lean catastrophic disaster coordinator. FEMA was built to coordinate the federal government's response when a disaster overwhelms what states and localities can handle on their own. Restore federalism: States lead, Washington supports.

4. Reform the Stafford Act: Raise the bar for federal declarations. The Stafford Act threshold to determine when a state qualifies for federal disaster assistance is far too low. Congress should tie the criteria to objective damage scales and set a meaningful minimum damage floor. Federal assistance should be for events that exceed what states can manage, not be a routine first call.

5. Examine the Department of Homeland Security's (DHS's) grant program (which is administered by FEMA) to eliminate grants and significantly cut funds for programs that do not protect the homeland and should not be federally funded.

6. Consider dismantling the DHS. It has been a failed 23-year experiment because the different missions of the department have not cohered. The DHS has only five operational components (CISA, FEMA, the TSA, the U.S. Coast Guard, and the U.S. Secret Service) and three immigration components (the U.S. Customs and Border Protection, the U.S. Immigration and Customs Enforcement, and the U.S. Citizenship and Immigration Services).

Quick Facts

1. Twenty-two airports participate in the TSA's Screening Partnership Program, which enables private companies to bid on airport screening jobs and staff them more efficiently.

2. Western intelligence assessments put China's military readiness for a Taiwan invasion at 2027. Volt Typhoon's pre-positioning inside U.S. power, water, and communications networks is how Beijing intends to hold American infrastructure hostage when that moment comes.

3. The Reagan Administration averaged 28 disaster declarations a year. By the George W. Bush Administration, that figure had climbed to 130. In 2024, the Biden Administration issued 90 major disaster declarations, well above the 30-year historical average of 55. FEMA has become a nearly automatic response operation, which is precisely why it keeps running short of money and capacity when a major storm or earthquake hits.

What to Say About Homeland Security

- The federal government has a duty to protect the homeland and keep Americans safe from real threats.
- Border chaos, weak vetting, and poor coordination have increased risks to public safety.
- Homeland security agencies should focus on core missions, not political or unrelated objectives.
- Failure to enforce laws at the border undermines every other aspect of homeland security.
- Transportation security should protect travelers efficiently without expanding unnecessary government control.
- Emergency response agencies should serve disaster victims, not act as migration support systems.
- A secure homeland requires proper vetting, enforcement, and accountability across all security agencies.
- When homeland security fails its mission, Americans face greater danger and less trust in government.

The Issue

Protecting the U.S. homeland requires managing risk posed by a wide variety of human and natural threats. Transportation security, disaster response, vetting of immigrants and visitors, and providing security, assistance, and rescue in U.S. waters and beyond are just a few of the critical missions that the DHS carries out every day. Under the Biden Administration, however, the DHS put the country at greater risk by opening the southern border, failing to vet those allowed into the United States, turning unrelated parts of the DHS, such as FEMA, into mass migration facilitators, and politicizing parts of the DHS against political opponents among the American people. While the Trump Administration has implemented sound immigration policies, the DHS as a department needs significant reform.

After 9/11, it was clear that more needed to be done to address the threat of terrorist attacks using airplanes. Today, it is also clear that the TSA needs to be reformed. The TSA not only sets security rules but employs the workforce that carries out those rules—not a design for good governance or fiscal responsibility. Most advanced economies have a security agency that sets the rules and performs oversight while security contractors do the screening. Congress's frequent defunding of the DHS needlessly hurts the traveling public and TSA employees. The United States should privatize the TSA to increase accountability, save taxpayer money, and limit government control over Americans' everyday lives.

Increasing demands on the USCG, especially in the Indo–Pacific and the Arctic, have strained its small budget and antiquated fleet, which already needs to be modernized and expanded to meet a range of threats. The Coast Guard last updated its Program of Record (POR), the document that lays out its fleet needs, in 2004. A Coast Guard analysis from 2009 estimated that the existing POR accounts for only 61 percent of the cutters needed to fulfill the Coast Guard's needs. That analysis also showed gaps in capability and capacity across the service's mission sets. The POR calls for 25 offshore patrol cutters, but the 2009 analysis suggested that the service would need 57 to meet its mission demands. To understand the risks and plan the fleet, the Coast Guard should update its POR to account for its current mission demands. This is critical, as the USCG received a historic infusion of funding, $25 billion in the One Big Beautiful Bill Act, which must be used wisely to increase the coverage of U.S. waters and defend against narcotics trafficking, interdiction of illegal migration, human traffickers, protection of natural resources (such as seabed minerals, fish stocks, and petroleum).

China's military has a target date: 2027, when Western intelligence assesses it will be ready for a full-scale invasion of Taiwan. Volt Typhoon is the cyber preparation for that scenario. Volt Typhoon is not espionage—Beijing is not stealing data from power grids and water systems. It is pre-positioning—embedding access designed to trigger domestic disruption the moment conflict begins, giving the American public and its leaders reason to hesitate. That window is closing, and the infrastructure protecting it is not ready.

CISA has drifted from the mission Congress gave it. The agency exists to be America's cyber defense agency and national coordinator for critical infrastructure—hunting threats, sharing intelligence, and building the partnerships that let the private sector defend the 85 percent of infrastructure it owns. Instead, CISA has accumulated regulatory functions that pull it away from that core. The National Security Agency has detailed intelligence on how Chinese hackers move inside American networks, but classification rules keep it from the utility operators positioned to act on it. Sector protection plans have not been meaningfully updated in nearly a decade. Volt Typhoon sat undetected inside some environments for over five years.

Hostile drones have buzzed nuclear plants, military bases, and port facilities. State and local law enforcement can do little more than watch. Federal law ties their hands, and the pilot programs that would give them real authority have been authorized since 2018 but never stood up. On top of that, Chinese-manufactured drones are still flying government missions across the country. Every flight is a collection opportunity for a country that is, by its own military planning, preparing to hold American infrastructure hostage and should be banned immediately from use.

CISA's job is to coordinate, not regulate. That means a common threat picture shared with federal agencies, infrastructure owners, and state and local governments, not documentation requirements that mistake compliance for defense. CISA's joint effort with industry to develop response playbooks for Chinese cyber scenarios is the right instinct.

Disaster response also suffers from resource problems as well as misplaced sources for financial relief. FEMA's Disaster Relief Fund and National Flood Insurance Program (NFIP) have frequently run out of funds or run vast deficits requiring taxpayer bailouts. Disaster relief policies have shifted responsibility from individuals and local governments, where it should lie, to the federal government and the taxpayers. This discourages state and local governments from taking commonsense precautionary steps to mitigate the impact of natural disasters. Moreover, since the bar for qualifying as a designated disaster is very low, states rely too heavily on FEMA after a disaster and hence do less to prepare for disasters before they strike. Similarly, the NFIP subsidizes flood insurance policies, which means that it consistently runs a deficit and encourages building and rebuilding in higher-risk, flood-prone areas.

In addition, FEMA is responsible for providing DHS grant money to states, localities, and nongovernmental organizations. When the DHS was created, such grants focused on equipment and training to protect ports, major urban targets, and other designated security priorities. Like all government programs, however, the FEMA grant program has expanded to provide taxpayer funds for non-security and other issues that are not relevant to the agency's mission. For example, in 2024, FEMA weaponized its resources against Trump-supporting households after natural disasters by refusing to canvass the homes because of a preemptive fear of "political hostility," which was unfounded. Agencies should not be politically motivated, especially in emergencies.

Recommendations

Invest in the U.S. Coast Guard. The USCG fulfills many missions at home and around the world, but it does so with a fleet that badly needs to be updated. Congress should provide consistent funding to the USCG so that it can complete its program of record. Congress should also demand a comprehensive review of the program of record to identify which capabilities the USCG needs to complete its missions.

Reform FEMA and disaster response. FEMA currently spends too much of its time on relatively small disasters, leaving it less prepared for the "big one." Similarly, much of the funding for such disasters comes from many different federal programs. This system should be reformed to encourage state and local governments to be more prepared for disasters in terms of funding, capabilities, and planning. Resilient, prepared communities are needed to help the United States recover from a disaster in a cost-effective manner.

Privatize the TSA. The TSA's government-only model does not effectively or economically provide the aviation security that America needs. At the 22 airports where the TSA uses the Screening Partnership Program, private companies can set their own staffing targets and hire as many screeners as they need. To increase accountability and save funding, Congress should privatize the TSA's security screeners while leaving the TSA, or its replacement government entity, responsible for setting rules and providing oversight.

Develop counter-drone systems and rules. The number of unmanned aerial systems (drones) is increasing rapidly, and the United States needs to do more to protect itself from their potentially harmful uses. The Departments of Homeland Security, Defense, and Justice should be authorized to develop rules of engagement for counter-drone operations, but it will take time to develop these rules and field capabilities to detect and take down malicious drones. Congress must encourage and support these efforts while also expanding drone protection beyond federal authorities: State and local law enforcement should be deputized and trained by the DHS in counter-drone operations to help protect more sites and facilities across the United States.

Consider dismantling the DHS. After 23 years, its multiple missions have not cohered. The department largely supports only eight operational components—making the department unnecessary if the components are privatized and moved elsewhere. The TSA should be mostly privatized, and the few remaining needed government functions can return to the Department of Transportation. Three of the components are immigration-related and should be re-merged with those immigration agencies spread across four other departments (Departments of Justice, State, Labor, and Health and Human Services) because immigration policy is far too fragmented. The Coast Guard has both military and law enforcement functions and can exist just as easily in another department. The U.S. Secret Service should be split in two between its protective and anti-counterfeiting functions, both of which can move to other departments. FEMA and CISA functions can move to other departments as well.

Facts + Figures

FACT: FEMA's National Flood Insurance Program (NFIP) currently owes $22.525 billion to the U.S. Treasury.

- For FY 2026, the Stafford Act threshold that triggers federal disaster assistance is $1.94 per capita statewide and $4.86 per capita at the county level. Events that small are not catastrophes. Because states know that Washington will cover 75 percent of costs no matter what, states have cut their own emergency management budgets for decades. FEMA now responds to a declared disaster roughly every three days. When a true catastrophe arrives, the fund is depleted and the agency is worn down from responding to so many events that states should handle.

- 70 percent of all cyberattacks in 2024 targeted critical infrastructure—the sector that is 85 percent privately owned. Once inside, attackers go undetected for an average of 194 days before discovery, giving adversaries more than six months of uncontested access to power grids, water systems, pipelines, and financial networks. The gap is not just in defenses but in detection. CISA's reactive, compliance-focused model does not close it.

Resources

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Military Readiness

Summary and Key Points

Policy Proposals

1. Ensure that the U.S. defense budget is commensurate with the challenges the U.S. is facing.
2. Support the transition to a posture of great-power competition.
3. Increase the size of the Navy fleet.
4. Commit to a major investment in naval shipyards.
5. Accelerate the procurement of fighters.
6. Sustain and support readiness.

Quick Facts

1. The majority of America's combat aircraft were purchased in the 1980s and 1990s and are now on average 31 years old.
2. The Navy is currently too small and too old to accomplish all its tasks.
3. Nearly one-third of U.S. spending on defense is devoted to manpower, not to equipment or training.
4. Measured as a percentage of GDP, the U.S. spends far less on defense now than it did during the 1980s, even as the military is still tasked with missions around the world.

What to Say About Military Readiness

- A strong military protects American lives and helps prevent wars before they start. When the military is unprepared, enemies take risks and American lives are put in danger.
- Military readiness means troops have the training, equipment, and support they need at all times. Readiness requires steady funding, not years of budget caps and short-term fixes.
- Years of underfunding have left the armed forces stretched thin as global threats continue to grow. Smaller force sizes limit America's ability to respond to more than one serious conflict at a time.
- Aging equipment and delayed maintenance make it harder for the military to act quickly in emergencies.

- America needs a strong defense industry to build and repair weapons fast if conflict breaks out.

The Issue

Americans expect the military to fulfill its constitutional obligation to defend the country and protect national interests at home and abroad. They understand that a strong America garners respect, gains friends and allies, enjoys strong economic and trading relations with more countries, and deters bad behavior on the part of its competitors and enemies. Conversely, Americans understand that a weak military invites aggression and undermines the protection of U.S. national interests.

A weak military incentivizes competitors to act boldly and more aggressively because they have less concern that the United States can impose any sort of cost or prevent them from imposing their will on others. A military that is ready, capable, competent, and large enough to defend U.S. interests globally reflects, and contributes to, American confidence. It signals to the world that the United States prioritizes ensuring that its interests can be defended.

Military readiness can be measured in many ways and means many things: All aspects of readiness contribute to the ability of a military force to win in battle. Individuals are ready if they are properly educated, trained, and equipped. Readiness can be viewed as a measure of a unit's equipment as well: If a specific percentage of necessary equipment is on hand and in working order, the unit is ready by that measure. Readiness is also a function of how the force is postured: where it is physically located relative to anticipated threats; whether it has operational employment concepts that are relevant to anticipated battlefields and opponents; and whether the constituent parts of the force—ground units, aviation squadrons, battle groups at sea, space and cyber units, special operations elements, supporting logistics organizations, and the network of surveillance, intelligence, reconnaissance, and headquarters units that binds everything together—are competent at working together to accomplish tactical and operational objectives. The force can be fully manned, equipped, and individually trained, but if it has not practiced together to a level that ensures effectiveness, all other aspects are meaningless.

Military readiness means all these things, and they all require funding, time, and sufficient capacity to ensure that the overall force is able to train even while parts of it are operationally committed. A force cannot be made ready overnight, and it is too late to get ready once a crisis has emerged. Readiness is the product of sustained and intentional investment in defense. It is expensive—but much less expensive than a lost war, lost markets, and lost influence. Investing in military readiness is a long-term investment in the strength, safety, and wealth of the United States.

Recommendations

Ensure that the U.S. defense budget is commensurate with the challenges the U.S. is facing. The Department of Defense has been trying to accomplish more (or the same) with fewer resources for years. In the 2010s, the Budget Control Act (BCA) artificially constrained the defense budget to a ceiling. Since the BCA's end in fiscal year (FY) 2022, the Administration has not requested the level of resources necessary to achieve the mission given the department. Since 2017, multiple Secretaries of Defense and a bipartisan independent commission have called for consistent increases of between 3 percent and 5 percent above inflation. This increase is necessary today in order to modernize and to expand the force as it pivots toward great-power competition, especially with China, and away from counterterrorism operations in the Middle East.

Support the transition to a posture of great-power competition. The 2018 National Defense Strategy (NDS) marked an important change and transition in the nation's military by moving its focus away from a

two-decade emphasis on fighting terrorism. The 2018 NDS outlined the importance of great-power competition against China and, to a lesser extent, Russia, prompting all military services to change their postures and investment profiles. These shifts are ongoing and will take both time and resources to materialize. A good example is the Marine Corps, which is shifting its operating concept toward distributed operations in contested environments to reflect the scenarios that it would most likely encounter in the Indo–Pacific region.

Increase the size of the Navy fleet. The Navy badly needs increased funding for its shipbuilding account. Ship construction costs are increasing, and the availability of shipyards to repair the ships it has is decreasing. The fleet bottomed out at 271 ships in 2015. It is the smallest fleet since 1916 and today faces growing challenges abroad as China aggressively builds its own blue-water navy, maritime patrol aircraft, and mobile land-based vehicles with more capable anti-ship missiles. At current and projected levels of spending, the Navy does not expect to reach the *minimum* fleet size necessary to perform its role within the Joint Force until the mid-2030s. Ship manufacturers, the yards conducting related maintenance, and the web of suppliers that provide the parts and materials needed for new ships could expand capacity if there were some assurance that future work would offset the upfront costs of expanding facilities and hiring more workers. As things stand, constrained shipbuilding budgets and volatility in funding even for current contracts have made manufacturers and suppliers risk averse. Risk aversion affects all ship classes, from a desperately needed small surface combatant to logistics support vessels, destroyers, and the new ballistic missile submarine that is meant to replace the aging *Ohio* class.

Commit to a major investment in naval shipyards. The Navy once operated 13 naval shipyards; today, it operates only four. The oldest (Norfolk) was established in 1757, and the youngest (Pearl Harbor) was established in 1908. Most of these facilities are in various stages of disrepair, lack adequate drydocks, have outdated support equipment, and have trouble employing an adequate workforce. All these problems contribute to substantial backlogs in ship maintenance, which, in turn, lead to lost steaming days (fewer ships available for use) and increased costs once a ship is inducted for maintenance. Commercial shipyards are contracted to perform much of the Navy's ship maintenance, but some actions can be performed only by the Navy's yards.

Accelerate the procurement of fighters. Because the Air Force has not been replacing retiring fighters with new ones rapidly enough, it is left with an older and smaller fleet that is unable to meet current demands. The service also has been investing more in research and development than it has in procuring contemporary aircraft. As a result, programs like the F-35A that could and should be accelerated have been operating at a slow rate of production and have not yet been fielded in sufficient numbers.

Sustain and support readiness. America's ability to deter its adversaries is highly dependent on having a ready force that is capable of acting effectively when needed. Readiness is a consumable that requires investment and maintenance through the years. Members of a unit are ready to fight only when they train together and develop the skills they need to operate together. The same goes for a ship and for any aircraft. When called upon, the military will fall to its level of training, which is why consistent investment in readiness levels at different levels of formation is essential.

Facts + Figures

FACT: The majority of America's combat aircraft were purchased in the 1980s and 1990s and are now on average 31 years old.

- Because of divestments and retirements in the 1990s, few aircraft were available for use as military operations ramped up in response to 9/11.
- New aircraft are not being purchased fast enough to replace those that are being retired.

FACT: The Navy is too small and too old to accomplish all its tasks.

- At now 293 total ships, 22 more than in 2015, the Navy remains the smallest it has been since 1916.
- While each ship is better than its predecessor, a ship can only be in one place at a time.
- The Navy is not projected to grow to 350-plus ships until the mid-2030s; China already has 355 ships.

FACT: Weighed against the demands of great-power competition in the modern age, the United States is not spending enough on defense.

- Manpower costs, especially with respect to health care, have dramatically outpaced inflation during the past 30 years.
- The cost of platforms capable of surviving on a technologically advanced battlefield has also increased, making it more expensive to maintain a force that can win against other major powers like China and Russia.
- The U.S. military must protect America with almost half the force of the Cold War.
- Entitlement spending and interest on the national debt (now at $30 trillion and climbing) continue to squeeze all other spending, including for defense.
- Measured both as a percentage of the federal budget and as a percentage of the nation's GDP, spending on defense is near historic lows.

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Updated: **May 2026**

Nuclear Threats

Summary and Key Points

Policy Proposals

1. Adequately fund U.S. nuclear weapons modernization programs and the infrastructure that supports them.
2. Restore America's strategic deterrence by building the nuclear arsenal of the 21st century.
3. Develop new means of protection for the American public and continue to assure U.S. allies through the continued development of the Golden Dome missile defense system.
4. Continue to support tools that make it harder for adversarial states to develop and procure nuclear weapons, and easier for the U.S. to detect such attempts.

Quick Facts

1. Russia has threatened the United States and its allies with nuclear weapons numerous times in recent years. Russia's war against Ukraine has only increased the nuclear saber-rattling by Moscow, to include moving nuclear-capable systems into Belarus and de-ratifying the Comprehensive Nuclear Test Ban Treaty.
2. Since the end of the Cold War, the United States has reduced its nuclear stockpile by more than 90 percent.
3. Iran has built up the largest ballistic missile force in the Middle East as well as a huge nuclear infrastructure that it does not need for civilian purposes.
4. The 44 U.S. long-range ballistic missile defense interceptors will not suffice to address the advancing ballistic missile threat to the United States.

What to Say About Nuclear Threats

- Nuclear weapons remain the most dangerous threat to American lives and national survival.
- The United States must modernize and diversify its nuclear arsenal for its strategic deterrent to remain credible. Protecting Americans demands reliable systems that work every day, not outdated promises on paper.
- America has reduced its nuclear stockpile dramatically and left it to atrophy since the Cold War, while adversaries are moving fast. Russia, China, Iran, and North Korea are expanding nuclear capabilities while America's arsenal is aging.
- An outdated nuclear force weakens America's ability to protect its people and reassure allies. America's missile defenses are limited and must be strengthened to protect the homeland from advancing threats.

The Issue

The nuclear threat environment is more complex and dangerous to Americans than it was during the Cold War. During the Cold War, the United States had to worry primarily about one large adversary, the Soviet Union. Since the dissolution of the Soviet Union, the United States shifted its focus to smaller conventional operations and counterterrorism. As a result, U.S. policymakers have neglected nuclear issues.

Today, the United States relies on legacy Cold War–era nuclear weapons and supporting infrastructure as Russia, China, and North Korea expand their nuclear forces and Iran adds to its missile arsenal with the intent to build nuclear weapons.

In other words, the U.S. objective of deterring a large-scale attack against the homeland and America's allies is as important as it was during the Cold War, while doing so has become far more challenging. At the same time, the United States has largely divested of its theater, non-strategic nuclear arsenal, while its adversaries are building up in this area.

Russia is adding to its nuclear arsenal and fielding new delivery systems that include novel capabilities, such as nuclear-armed hypersonic missiles launched from air, land, and sea. Russia continues to view nuclear weapons as central to warfighting—especially battlefield non-strategic nuclear weapons that could be used in an "escalate to de-escalate" strategy. In this scenario, Russia might use a low-yield nuclear weapon first in a conventional conflict to compel the United States or its allies to back down from further escalation. Indeed, today, Russia has roughly 2,000 such weapons, while the United States has 200.[1]

China is engaging in a breathtaking expansion of its nuclear forces, potentially adding hundreds of new missiles to its intercontinental ballistic missile (ICBM) arsenal and putting it on track to achieve nuclear parity, if not superiority, over the United States within a decade. In addition, China is building a nuclear weapons capability aimed at holding U.S. allies in the Western Pacific hostage to potential nuclear blackmail, and novel nuclear technologies, such as nuclear-capable hypersonic weapons, are in development. With nuclear forces capable of striking both the U.S. homeland and U.S. forces and allies in the Indo–Pacific, Beijing conceivably could coerce the United States and potentially constrain U.S. response options, particularly given the lack of American theater nuclear weapons in the Western Pacific.

Since 2017, North Korea has fielded 10 new missile systems capable of reaching South Korea and U.S. forces stationed there in addition to successfully testing sea-launched nuclear capabilities, as well as two ICBMs capable of reaching the American homeland. In 2017, Pyongyang exploded a hydrogen bomb 10 times more powerful than the atomic bombs used at the end of World War II. Iran has built up the largest ballistic missile force in the Middle East and has been enriching uranium, which is required to build nuclear weapons. The United States, however, has fielded no new delivery systems in recent years and remains the only nuclear-weapons state incapable of producing new nuclear weapons in quantity, despite being in the 13th year of a decades-long nuclear modernization program.

Thus, for the first time in its history, the United States will need to contend with two large nuclear-peer (or even nuclear-superior) adversaries—Russia and China—as well as a growing nuclear arsenal in North Korea.

America's nuclear policy should account for negative developments in the threat area as well as for deterioration of the U.S. nuclear enterprise and the intellectual and physical infrastructure that supports it. Because nuclear weapons pose the only direct existential threat to the United States, Congress and the Administration must re-energize measures to understand new developments in this area and their implications for U.S. and allied security.

Recommendations

In order to protect the United States and its allies from nuclear attack, Congress and the Administration should:

Restore America's strategic deterrence by building the nuclear arsenal of the 21st century. The U.S. government must understand what deters nuclear-armed states and structure its defense and nuclear postures accordingly. The changes in nuclear threats, especially China's expected vast nuclear expansion, make it essential that the United States update its nuclear posture and expand and diversify its strategic and non-strategic nuclear arsenals to meet new threat and deterrence requirements. It should reject the naive belief that U.S. unilateral disarmament and lack of nuclear weapons modernization will incentivize other countries to give up their nuclear weapons. Indeed, it is *the lack* of investment in nuclear capabilities that has emboldened U.S. adversaries and upset strategic stability.

Adequately fund U.S. nuclear weapons modernization programs and their supporting infrastructure. Washington must accept that modern and flexible nuclear weapons and their supporting infrastructure are necessary for deterring nuclear attack on the United States and its allies; outdated, Cold War–era nuclear forces will lose credibility over time. Congress and the Administration must fully fund U.S. nuclear forces and infrastructure. This includes continued support for the development of a nuclear-armed sea-launched cruise missile and potentially other diverse systems as the threats evolve.

Develop means of protection for the American public and allies. Missiles remain a delivery method of choice for U.S. nuclear-armed adversaries and competitors because of their relatively short flight times and low cost. The spread of these systems to countries like North Korea that threaten the United States and allies with ballistic and cruise missile attacks increases the imperative for the United States to develop a Golden Dome system that can protect the U.S. homeland and allies. The United States must continue to pursue development of Golden Dome in order to intercept incoming threats in all phases of flight.

Continue to assure allies. Just as the United States must think through new deterrence strategies and requisite capabilities for different nuclear-armed actors, it must also think carefully about how it reassures its allies. Reassurance is critical because it dissuades other countries from building their own nuclear weapons. For example, both Japan and South Korea have the technological ability and access to material with which to build their own nuclear weapons should they question U.S. commitment to their security. More nuclear-armed states would further increase the complexity of today's nuclear landscape, undermining U.S. interests and reversing decades of U.S. nonproliferation policy.

Continue U.S. nonproliferation and counterproliferation measures. The federal government should continue to support tools that make the development and procurement of nuclear weapons and the technologies that enable them more difficult in order to prevent nuclear proliferation in other countries, and easier for the United States to detect. One way to accomplish this would be through partnerships with other countries under the global Proliferation Security Initiative launched in 2003. Another would be by developing the technological capabilities and skills that make tracking and attributing weapons-grade materials easier. Such interdiction efforts contribute to international security.

Restore U.S. nuclear intelligence capabilities. For almost a decade, the United States has focused most of its intelligence collection resources on ongoing low-intensity and counterterrorism operations in the Middle East. As a partial consequence, the ability of the United States to assess foreign adversaries' nuclear weapons programs has deteriorated. Congress and the Administration should work together to provide the resources that the U.S. intelligence community needs to be more adept at understanding the development of adversaries' nuclear weapons and capabilities. U.S. nuclear laboratories have a fundamental role in improving America's understanding of the design and effects of its adversaries' weapons.

Facts + Figures

FACT: At least three hostile countries—China, North Korea, and Russia—threaten the United States and its allies with nuclear attacks. These countries either have or are developing nuclear warheads and delivery systems to enable them to execute such attacks and add credibility to their threats.

- In 2017, North Korea successfully tested two ICBM systems that demonstrated the ability to target the United States with nuclear warheads. In October 2020, Pyongyang paraded the world's largest road-mobile ICBM. The regime subsequently announced that the missile would have multiple warheads. Combined with its recent ability to produce mobile ICBM launchers indigenously, this raises the possibility that North Korea might be able to overwhelm America's missile defenses.

- In February 2019, Russian President Vladimir Putin threatened to aim Russia's nuclear weapons at the United States and its European allies should the United States position new intermediate-range missiles in Europe. This was by no means an isolated incident. Russia has threatened the United States and its allies with nuclear weapons numerous times in recent years. Russia's war against Ukraine has only increased the nuclear saber-rattling by Moscow, to include moving nuclear-capable systems into Belarus and de-ratifying the Comprehensive Nuclear Test Ban Treaty.

- China secretly tested nuclear weapons in 2020.

FACT: There is no empirical evidence that U.S. nuclear weapons reductions have dissuaded other countries from developing their own nuclear weapons capabilities.

- Since the end of the Cold War, the United States has reduced its nuclear stockpile by more than 90 percent from highs during the Cold War. Yet new nuclear weapons states have emerged, including India, Pakistan, and North Korea, and both Russia and China have expanded their capabilities.

- Despite calls for future arms control treaties, Russia has violated or withdrawn from three nuclear arms control treaties in the past 10 years alone. China has rebuffed every attempt for a dialogue on its potential participation in nuclear arms treaties. All this took place as the United States reduced the role and salience of nuclear weapons within its own defense posture.

- Other countries develop their nuclear capabilities based on their perceived individual national interests and security situation. To change their calculus, U.S. policy must address the underlying conditions that influence the decision to move forward with nuclear programs and make it too costly to pursue nuclear weapons programs.

FACT: Because other countries will continue to develop and rely on nuclear weapons for decades to come, the United States must develop means to defend itself and its allies from their devastating effects.

- A safe, secure, reliable, and effective U.S. nuclear arsenal and modern and flexible supporting infrastructure are essential to deterring attacks against the United States and its allies.

- The United States currently deploys only 44 long-range ballistic missile defense interceptors in Alaska and California. These interceptors cannot address the magnitude of the Russian and Chinese nuclear threats and will need to advance in both number and capability just to outpace the North Korean nuclear threat.

- The federal government must work not only to increase U.S. abilities and those of its allies to disrupt other nations' nuclear programs, but also to manage the consequences of a potential nuclear attack.

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Islamist Terrorism

Summary and Key Points

Policy Proposals

1. Degrade Islamist terrorist groups across the Middle East and prevent the next iteration of terrorist groups.
2. Renew U.S. commitment to preventing terrorist groups from controlling territory.
3. Bolster intelligence sharing on foreign fighters while reassessing domestic security procedures.
4. End the policy of U.S. government engagement with Muslim Brotherhood legacy groups.

Quick Facts

1. The al-Qaeda offshoot Islamic State of Iraq and al-Sham (ISIS) has affiliates in the Middle East, South and Southeast Asia, and Africa.
2. Offshoots of the Muslim Brotherhood have been operating and recruiting Muslims as members in the United States since the 1960s.

What to Say About Islamist Terrorism

- Islamist terrorism remains a real and deadly threat to American lives at home and abroad. When terrorism threats are minimized or ignored, violence spreads and Americans pay the price.
- Islamist networks continue recruiting, fundraising, and spreading ideology across borders. Defeating these groups requires stopping them from holding land and organizing openly.
- Terrorist groups seek control of territory to plan attacks and spread violence. Weak enforcement and political hesitation allow extremist groups time to regroup and adapt.
- Intelligence-sharing and strong partnerships are essential to stopping attacks before they occur.
- The United States should never legitimize or cooperate with groups tied to extremist movements.

The Issue

The most devastating terrorist attack in American history occurred on 9/11, resulting in the United States taking the fight to al-Qaeda in Afghanistan, Pakistan, Iraq, Syria, Yemen, and Somalia. Many of al-Qaeda's top leaders were killed, with Osama bin Laden tracked down and killed in Pakistan in May 2011.

Despite these welcome developments, the terrorist threat endures. The rise of ISIS led to a reign of terror that saw countless innocents, including Americans, killed by Islamists across the Middle East, Africa, Asia, and Europe. While the U.S.-led Global Coalition to Defeat ISIS succeeded in destroying the "caliphate" that ISIS created in Iraq and Syria, the war is far from over. ISIS, which pulled in tens of thousands of foreign fighters, is reverting to its insurgency roots, while al-Qaeda remains a resolute adversary.

The threat overseas has been accompanied by an ongoing risk to American lives domestically: Well over 100 Islamist terror plots have been directed at the United States since 9/11. While the vast majority have been thwarted by the diligent work of U.S. law enforcement and intelligence communities, attacks in American cities over the past decade—particularly from lone-wolf Islamists—are a reminder of the ongoing risk to American lives.

Troublingly, many of the plots that the United States has faced were not dreamed up by foreign terrorists, but were the work of those radicalized right here in America. One of the most influential Islamist ideologues in the post-9/11 era was an American citizen—Anwar al-Awlaki—a charismatic al-Qaeda cleric responsible for a wave of plots against the West until his death in a September 2011 drone strike. Unfortunately, Awlaki's online lectures continue to radicalize others.

Military victories on the battlefield must be backed up by victory in the battle of ideas against Islamism. The United States has excelled at the former. The latter has, so far, proved much trickier to achieve. As long as this remains the case, Islamist terrorism will continue to imperil the United States and its allies.

Recommendations

Renew the U.S. commitment to preventing terrorist groups from controlling territory. The United States plays a vital role in containing the terrorist threat emerging from the Middle East, Asia, and Africa. When terrorist groups control territory, it allows them space from which to plan attacks: 9/11 was planned in Afghanistan, and more recent attacks in Europe were planned in Syria. The control of territory also provides a source of revenue for terrorists, primarily through the extortion of those living under their control. The United States must work with its partners around the world to prevent the emergence of territory governed by Islamist groups, cutting off funding for terrorist groups while capturing and killing their fighters.

Harden defenses for the next wave of foreign fighters. The United States must be flexible if it wants to stay ahead of the next foreign fighter threat. That would involve monitoring the travel patterns of known and suspected terrorists and cajoling allies and partners into hardening their own security measures, while working to bolster intelligence sharing on developing threats to the United States and its allies. Hardening defenses would also involve an assessment of domestic security procedures and vulnerabilities.

Weaken the Muslim Brotherhood. A strategy is needed for political Islamist groups such as the Muslim Brotherhood. This strategy may involve designation of the Muslim Brotherhood as a terrorist organization if there is credible evidence of the Brotherhood committing acts of terrorism. However, with the Brotherhood tending to eschew overt acts of violence, the United States must also be prepared to weaken the movement's ideology.

Facts + Figures

FACT: Islamist terrorism is an ongoing threat to the homeland and to Americans overseas.

- Terrorists have shown themselves willing to attack civilians, the police, and the military. They have used whatever weapons were at hand to carry out these attacks, including homemade bombs, blades, firearms, cars, and even trucks.
- The most devastating Islamist attack since 9/11 occurred in Orlando, Florida, in June 2016. Omar Mateen, an American citizen inspired by ISIS, shot and killed 49 people in a nightclub.
- American civilians are regularly targeted in terrorist attacks abroad. Americans have been murdered in France, Belgium, the United Kingdom, Germany, Tajikistan, Kenya, and Sri Lanka.
- U.S. embassies and government installations have been targeted by Islamist terrorists for decades. High-profile attacks have occurred in Kenya, Tanzania, Yemen, and Libya.

FACT: ISIS persuaded a small number of American Muslims to travel to its caliphate.

- Dozens of American Muslims traveled to Syria to take part in the fighting there, most going on to join ISIS.
- ISIS recruits with close ties to America, including possible American citizens, remain detained in Kurdish-run camps in Syria.

FACT: Al-Qaeda and ISIS have terrorist affiliates around the world.

- ISIS has affiliates in the Middle East, South and Southeast Asia, and throughout Africa. Following Abu Bakr al-Baghdadi's death in 2019 and that of his successor in 2022, many of these affiliates pledged allegiance to Abu Hafs al-Hashimi al-Qurashi, ISIS's current leader.

FACT: The Muslim Brotherhood has a decades-old presence in the United States.

- The Muslim Brotherhood has operated and recruited members in the United States since the 1960s, initially focusing on university campuses.
- Mohammed Morsi, the former president of Egypt, was recruited into the Brotherhood while studying at the University of Southern California.
- Muslim Brotherhood offshoot groups based in the United States, such as the Council on American–Islamic Relations (CAIR), have been engaged with by both Democratic and Republican Administrations as well as members of Congress on both sides of the aisle.

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Strategic National Defense

Summary and Key Points

Policy Proposals

1. Modernize the nuclear deterrent to ensure its reliability and effectiveness in the coming decades.
2. Develop and deploy a comprehensive, layered missile defense system through Golden Dome.
3. Support the development of a space-based sensor and interceptor layer to augment the data needed for missile defense systems.

Quick Facts

1. The United States has not tested a nuclear warhead since 1992.
2. The United States currently has only 44 ground-based midcourse defense interceptors to protect the homeland.
3. More than 20 countries have ballistic missiles, including such U.S. adversaries as China, Russia, and North Korea.

What to Say About Strategic National Defense

- The federal government has a fundamental duty to defend the American people from serious external threats. When national defense is neglected, the cost is paid in lives, freedom, and national security.
- Our allies depend on American strength, but that strength must begin with protecting Americans first. Defending our homeland must be America's top priority, before commitments abroad or domestic political goals.
- America's nuclear deterrent is decades past its service life—while our adversaries have modernized and expanded their own nuclear arsenals over the past years.
- The United States must modernize and diversify its own deterrent if it hopes to credibly deter an adversary from carrying out a strategic attack on the United States.

The Issue

Ever since the end of World War II, U.S. nuclear weapons have kept the peace by deterring a large-scale attack against the United States and its allies. They are the most powerful weapons the United States currently has at its disposal. Nuclear weapons are an effective deterrent because they force adversaries that might be considering whether to attack the United States or its allies to face the prospect of immediate and overwhelming retaliation. Additionally, more than 30 countries around the world depend on U.S. nuclear security guarantees in exchange either for not developing their own nuclear weapons or, in the case of France and the United Kingdom, keeping their nuclear arsenals smaller than they otherwise would be.

At the same time, however, U.S. nuclear forces are old. The nuclear triad (bombers, intercontinental-range ballistic missiles, and submarine-launched ballistic missiles) is overdue for modernization. Nuclear warheads were last tested in 1992, and unlike its adversaries, the United States is currently unable to produce new warheads except for an extremely limited number in laboratory conditions. Because of their critical importance in maintaining national security, the government must ensure that America's nuclear weapons remain safe, secure, and militarily effective. Modernizing these weapons and the infrastructure that supports them has therefore been a number one priority for U.S. defense policy since at least 2010.

Providing for the common defense is one of the federal government's primary constitutional responsibilities. Perhaps nowhere is the gap between this duty and actual U.S. conduct as apparent as it is with respect to U.S. missile defense programs. Despite adversaries building up their missile arsenals, the United States deploys only a limited number of missile defense interceptors that are capable of defending the U.S. homeland from small-scale ballistic missile threats, such as those posed by North Korea or, potentially, Iran. This means that America is vulnerable to Russian and Chinese missiles.

U.S. vulnerability to a missile attack is an issue because it leaves Americans without protection should deterrence fail. The United States must therefore build Golden Dome as a multi-layered missile defense architecture, to include space-based interceptors.

Recommendations

Modernize the U.S. nuclear deterrent. U.S. nuclear bombers, submarines, and intercontinental-range ballistic missiles badly need modernization. Since the end of the Cold War, the United States has neglected its nuclear forces because of expectations that the international environment would become more secure. These hopes have dimmed with the return of great-power competition with Russia and China.

Congress has supported the nuclear weapons modernization program initiated by President Barack Obama and continued by President Donald Trump on a bipartisan basis. The first Trump Administration made two small adjustments to this program: deployment of a low-yield warhead for the submarine-launched ballistic missile and development of a sea-launched cruise missile to address what Russia and China could perceive as a gap in U.S. nuclear weapon capabilities. Russian leaders appear to think that the use of a low-yield nuclear weapon in a conventional conflict would compel the United States to back down. Moscow believes that Washington would not want to escalate the conflict to a possibly uncontrollable nuclear exchange, thereby accepting any gains from Russian aggression. That misconception is dangerous. Similarly, China may use its diverse range of nuclear missiles to coerce the United States not to respond in a regional contingency, such as a Taiwan conflict. The United States must ensure that its nuclear deterrent remains safe, secure, reliable, and effective for decades to come. To do so, the United States must not only continue the modernization program of record, but expand and diversify the operationally deployed strategic deterrent by fielding additional warheads on the strategic force and forward deploying non-strategic nuclear weapons.

Develop and deploy a comprehensive, layered missile defense system known as Golden Dome. Ballistic missiles launched by an adversary could reach anywhere in the United States in about 30 minutes—even less if launched from shorter range. The spread of ballistic missiles into the hands of dangerous actors, such as North Korea, increases the imperative need to develop a comprehensive, layered missile defense system. Such a system would include interceptors that can address missiles at all stages of flight, including the boost phase where they are the most vulnerable to an intercept. Congress should therefore support the development and deployment of missile defense capabilities.

Increase nuclear weapon test readiness. Nuclear test readiness is a critical component of deterrence. U.S. nuclear warheads are old, and the nation might need to conduct yield-producing experiments on its nuclear warheads in the future, whether because of an issue with the current warhead stockpile that requires a significant fix or because of developments in adversaries' nuclear capabilities that require a new weapon design. Congress and the Administration should support steps that give the United States more flexibility in the event it finds itself surprised by any of these developments.

Advance new nuclear weapons designs. The United States currently conducts only very limited activities to train future generations of weapon scientists and engineers in skills that would allow them to develop new nuclear warhead designs. Currently deployed U.S. nuclear warheads are based on 1970s and 1980s designs and prioritize yield-to-weight ratios over, for example, security features. The National Nuclear Security Administration (NNSA), the government agency responsible for nuclear stockpile maintenance, should ensure that the next generation of scientists not only has access to knowledge that their predecessors developed, but also gets to exercise the skills necessary for the design, development, and deployment of a new warhead.

Develop and deploy a capable space-based sensor and missile interceptor layer as part of Golden Dome. Adversaries are developing missiles that fly on cruise or hypersonic glide trajectories that are more difficult to detect and track than ballistic missiles. To improve these capabilities, the United States should deploy a layer of sensing and interceptor satellites in space to augment data that missile defense systems need to cue and deploy an interceptor toward an incoming missile.

Modernize the U.S. NNSA complex. The NNSA is tasked with the critical mission of maintaining a safe and effective stockpile of nuclear warheads. However, together with decades of underfunding since the end of the Cold War, the laboratories have lost critical nuclear weapons design and manufacturing skills. In addition, the facilities that host nuclear weapons activities are decades old and subject to different single points of failure. Congress should support the NNSA's efforts to address these issues and modernize the nuclear infrastructure. As current U.S. warheads continue to age and adversaries deploy more advanced nuclear capabilities, the United States will need to refurbish its own nuclear stockpile, and this requires modern design and manufacturing capabilities.

Facts + Figures

FACT: U.S. nuclear weapons have deterred large-scale attacks against the U.S. homeland and allies without fail every day since the dawn of the nuclear age. Having modernized, flexible, and agile nuclear weapons and the infrastructure to support them is the best guarantee of U.S. and allied security for the foreseeable future.

- U.S. nuclear delivery systems badly need modernization. The United States has not tested its nuclear warheads since 1992, and more than half of the buildings in the NNSA complex date from the Manhattan Project era.
- Modernization of nuclear weapons is affordable and a great deal for the value the United States would get by preventing the most devastating attacks known to mankind. Even at its peak, the planned nuclear modernization program would cost only around 7 percent of the Department of War's budget.

- More than 30 countries around the world depend on U.S. nuclear security guarantees. Some of these countries could develop their own nuclear weapons should U.S. commitments be perceived as unreliable.

FACT: More adversaries and potential adversaries are investing in missile technologies and threatening the safety of what the United States values.

- Missiles are a weapon of choice for U.S. adversaries because they are fast, are cheap, and can deliver a lethal payload against the homeland in less than 30 minutes.
- More than 20 countries around the world, including such U.S. adversaries as China, Russia, Iran, and North Korea, have ballistic missiles.
- The United States currently has only 44 ground-based midcourse defense interceptors in Alaska and California protecting the U.S. homeland. That is enough to address only a relatively small number of unsophisticated missiles like those that North Korea can field.

Resources

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FOREIGN POLICY

Updated: **May 2026**

Africa

Summary and Key Points

Policy Proposals

1. Make security and prosperity the twin pillars of U.S. engagement with Africa, focusing on citizen security that encourages investment and economic growth driven by private-sector partnerships.
2. Focus on individual African governments with which the United States can expect to have a mutually beneficial relationship.
3. Help African governments to achieve greater economic freedom and encourage U.S. private-sector involvement in the region.
4. Demonstrate U.S. commitment by making the U.S.–Africa Leaders Summit a biennial event.
5. Applaud efforts by European allies to engage positively with the continent to increase security and prosperity for Africans and to reduce migration flows from Africa to Europe.
6. Highlight attacks on Christians by Islamist groups throughout the Sahel and engage in limited foreign internal defense cooperation with Sahel governments to protect Christians in Africa.
7. Hold South Africa accountable for its discriminatory abuse of its Afrikaner minority.

Quick Facts

1. Africa possesses about 60 percent of the world's unused arable land, and projections indicate that Africans will make up one-third of the world's population by 2100.
2. Ernst & Young estimates that the African continent will constitute a $3 trillion economy by 2030.
3. Africa possesses 22 of the 33 mineral commodities that the United States deems critical to its economy and national defense.

What to Say About Africa

- Africa is growing quickly and its future will shape global security, economic growth, and U.S. interests. Stable societies make investment possible and give people better opportunities to build lasting livelihoods.
- American engagement in Africa should focus on security and prosperity, not endless aid programs that fail to deliver results. Private investment, not government aid, is the most reliable path to long-term growth and stability.

- The United States should work with African governments willing to pursue economic freedom and responsible governance, and stand against violence, including attacks on religious communities, across the continent.
- When America disengages from Africa, rivals fill the void and shape the continent's future against our interests. China and Russia are expanding influence in Africa, often at the expense of local people and sovereignty.

The Issue

The African continent is rapidly growing in strategic importance. Its ongoing demographic boom is producing an immense working-age population and potential consumer class. Richly endowed with natural resources, including arable land, important mineral commodities, and abundant fishing stocks, a number of its economies are among the fastest growing in the world. It has a commanding position on maritime chokepoints and abuts two continents, and its countries comprise the world's largest voting bloc in the United Nations, giving them significant diplomatic influence. Many countries, including American antagonists China and Russia, are rapidly building influence with African countries. Al-Qaeda and ISIS-aligned terrorist organizations have proliferated on the continent in the past decade, and many are currently strengthening.

Since the end of the Cold War, U.S. policy toward Africa has focused on delivering overseas development assistance and ameliorating the security problems emanating from the continent. This approach is outdated. It does not account for the continent's many economic opportunities for American companies, or the significant influence that America's geopolitical competitors have built on the continent. Chinese activity especially may threaten American strategic access to Africa, is increasingly creating anti-competitive economic norms on the continent that disadvantage U.S. companies, and is modeling illiberal governance that harms American efforts to promote democracy on the continent.

Under the Trump Administration, U.S. policy is adjusting to account for the realities of today's Africa. The Administration's Prosper Africa initiative intends to advance the critical task of facilitating more American private-sector activity. The Administration continues important initiatives, such as the President's Emergency Plan for AIDS Relief (PEPFAR) and the Millennium Challenge Corporation, as well. While rightly recognizing the paramount challenge of nation-state competitors, the Administration is also continuing important counterterrorism activities on the continent, including through the 2025 strikes on ISIS-affiliated Islamist groups that have engaged in massacres and ethnic cleansing of Christian communities in Nigeria.

The United States still lacks a strategic messaging campaign for the continent, however—a matter of increasing urgency since a significant part of the competition with China is one of ideology. In addition, the Administration has not had enough engagement with African leaders at the most senior level. Finally, while Prosper Africa has the right focus, its implementation has been too slow thus far.

The U.S. government's engagement with Africa must protect its core strategic interests in the continent, namely retaining sufficient influence and positioning on the continent to protect American interests there, facilitating regulatory and normative environments that ensure U.S. companies can compete on an even footing in Africa, building the capacity of African governments to protect their sovereignty and maintain stability, and ensuring that terrorists cannot use the continent as a staging ground for attacks against the U.S.

Recommendations

Focus on governments with which the United States can reasonably expect to have a mutually beneficial relationship. Countries that are good candidates for a strategic partnership should receive the full suite of U.S. engagements, such as consideration for a free-trade agreement; fully staffed U.S. embassies, including

a commercial attaché; U.S. government–facilitated visits by U.S. business delegations; high-level U.S. official visits and interventions on behalf of U.S. companies; and mobilization of that country's U.S. diaspora to invest and engage in other constructive ways.

Encourage and assist U.S. private-sector activity in Africa. Prosperous American companies strengthen U.S. economic might and contribute to American soft power. More U.S. business involvement in Africa would also help to resist the further institutionalization of anti-competitive economic norms on the continent that benefit competitors, such as China.

Help African governments to achieve greater economic freedom. Doing so would bring greater and more rapid prosperity to their people, and expand investment opportunities for American companies. The United States could provide the rationale, and the technical expertise, to liberalize regulatory environments, privatize state-owned industries, and improve the rule of law.

Foster good governance. The United States' most valuable allies are usually those that share its core values of democracy, rule of law, and respect for the free market. Good governance also promotes human flourishing and ameliorates instability and terrorism. The United States should assist African civil society organizations that hold their governments accountable, focus on helping the fight against corruption, and deepen coordination and cooperation with allies working on the same issues.

Launch a strategic messaging campaign in Africa. All government agencies that engage with African countries should have a unified message that explains the benefits of partnering with the United States; touts the value of democracy, individual liberty, and the free market; and highlights the decades of positive U.S. engagement in Africa. The campaign should include messaging about China in Africa that is culturally appropriate, respectful of African states' sovereign prerogatives, and realistic about some African countries' need for Chinese engagement.

Increase senior U.S. officials' engagement with African counterparts. Meetings in the Oval Office with the President are low-cost investments in a relationship that can have an outsized impact. Cabinet members and congressional delegations visiting the continent can also enhance ties with key African countries, such as Kenya, Morocco, Tunisia, Tanzania, Senegal, Angola, Nigeria, Zambia, Ghana, Rwanda, and the Democratic Republic of the Congo.

Make the U.S.–Africa Leaders Summit a biennial event. Many countries, including some U.S. competitors, hold regular summits with African heads of state. The United States has only ever held one, in 2014. A summit is a very public way to demonstrate commitment to the U.S.–Africa relationship, facilitate linkages between U.S. companies and African governments, and remind African governments of the desirability of partnering with the United States.

The Trump Administration has rightfully criticized South Africa for its discriminatory practices targeting the Afrikaner minority and prioritized Afrikaners for refugee resettlement in the United States. South Africa has also pursued closer and closer ties with adversaries of the United States, chiefly Russia and China.

At the request of the United States, Kenya has deployed troops to Haiti as part of a peacekeeping force. Kenya is consistently one of the closest African partners of the United States. Rwanda has taken the lead in combating terrorism and insurgencies in Africa and should be applauded for its efforts to do so. Rwandan troops have been successful in deployments to the Central African Republic and Mozambique. The United States should be supportive of initiatives by African governments to take responsibility for their own continent's security.

Facts + Figures

FACT: Africa's physical location, natural resources, soaring population growth, and growing economies make it increasingly important to American interests.

- Africa touches three of the world's eight maritime chokepoints, abuts Europe and Asia, and has thousands of miles of Atlantic and Indian Ocean coastline.
- In 2014, Africa had the largest or second-largest known reserves of 10 important mineral resources. It possesses 22 of the 33 mineral commodities that the United States deems critical to its economy and national defense, and on which the United States is more than 50 percent import reliant.
- Africa possesses about 60 percent of the world's unused arable land.
- Africa's population will likely double by 2050 and quadruple by 2100, which means that one-third of the world's population will be African.
- Ernst & Young estimates that 19 African economies will grow by 5 percent or more per year by 2030, and that the continent will constitute a $3 trillion economy. According to ExxonMobil, about 30 percent of the world's increase in energy demand will be in Africa between 2015 and 2040.

FACT: Other countries, including U.S. competitors, are rapidly increasing their engagements in Africa.

- According to McKinsey, China's trade with Africa has grown by about 20 percent every year since 2000. In 2017, China–Africa trade was three times greater than U.S.–Africa trade. Chinese institutions issued loans worth $5 billion to $6 billion every year to African governments from 2013 to 2015, constituting an estimated one-third of all new debt in sub-Saharan Africa in 2015. Two-thirds of African countries use some Chinese military equipment.
- Russia has 40 military cooperation agreements with African countries.[1] Russian mercenaries have operated in at least five African countries, and Africa receives 17 percent of all Russian arms exports.

FACT: Islamist terrorism is a potent and growing threat in parts of Africa.

- The Sahel region remains the epicenter of global terrorism as of 2025, accounting for more than 50 percent of all terrorism deaths worldwide.[2]
- In 2025, Burkina Faso was the single country most affected by terrorism.

FACT: Poor governance is a critical impediment to development and security in Africa.

- Sub-Saharan Africa is the world's worst performing region in Transparency International's Corruption Perceptions Index.

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China

Summary and Key Points

Policy Proposals

1. Defend American economic interests from the many threats posed by China, such as intellectual property theft and espionage.
2. Uphold the strength and credibility of U.S. alliances in the region even as the United States asks allies to shoulder more of the burden.
3. Work with U.S. allies and trading partners to build collective action addressing economic challenges.
4. Support Taiwan against Communist China's threats to its economic and political freedom.

Quick Facts

1. China is one of the world's worst human rights violators, persecuting and imprisoning a massive number of Christians and other ethnic and religious minorities.
2. China has the world's largest military, benefiting from a two-decade-long modernization program, rapid defense budget increases, and the world's largest manufacturing base.
3. American investors have funneled hundreds of billions of dollars into the Chinese economy with minimal transparency or oversight, in some cases funding sanctioned Chinese military and technology enterprises that harm American interests.

What to Say About China

- China represents the most serious long-term threat to America's security, economy, and global leadership.
- A strong U.S. military presence in the Indo-Pacific is essential to preventing conflict.
- The Chinese Communist Party uses military buildup, economic pressure, and technology theft to expand its power. When China's aggression goes unchecked, the region grows more unstable, and the risk of major war grows.
- China is building the military capabilities to use force against Taiwan and is increasing provocative activities in the Taiwan Strait.
- The United States must work with allies to reduce reliance on China and limit its global influence. Dependence on China for trade, supply chains, or technology creates serious national security risks.

- Advanced American technologies should never be used to strengthen China's military capabilities or surveillance state.

The Issue

The greatest existential threat facing the United States today is the People's Republic of China (PRC), led and controlled by the Chinese Communist Party (CCP). Whether politicians and pundits in Washington care to acknowledge it or not, the United States is in a new Cold War with the PRC, an adversary even more capable and dangerous than the Soviet Union was at the height of its power.

Somewhere along the way, the U.S. government forgot the lessons of the last Cold War even as China grew more belligerent and leveraged access to American financing and technology to fuel its rise economically and militarily.

Instead of adapting to the threat, multiple Administrations pursued closer engagement with the PRC, all assuming that they could guide China on a path to greater economic openness and, ultimately, more political freedom. That gambit failed disastrously. Under General Secretary Xi Jinping, the PRC has grown more repressive at home and more aggressive abroad.

America's engagement strategy, fueled by trade and manufacturing policies that empowered the CCP, has left the U.S. dependent on the Chinese economy. Critical supply chains, from vital rare-earth elements to key pharmaceutical products, remain largely or wholly dependent on the PRC. The COVID-19 pandemic exposed just how much of the U.S. economy depends on the PRC for essential goods and services.

Even worse, the failed engagement strategy left the American people exposed to a wide range of malicious CCP activities here on American soil. The PRC has established a presence on U.S. college campuses and operates secret police stations in American cities. Popular Chinese social media apps transmit the data of millions of American citizens to the Chinese government while Chinese companies "donate" surveillance drones to fire and police departments in the U.S.

Decades of systemic, unprecedented corporate espionage by the PRC have bled the U.S. economy of trillions of dollars through intellectual property theft. PRC hackers have compromised the sensitive personal data of tens of millions of Americans.

Chinese "friendship associations" and agents of the CCP's United Front Work Department peddle influence in Washington and on Wall Street alongside CCP-funded lobbyists and consulting firms. Meanwhile, fentanyl and other synthetic opioids largely sourced from China have contributed to a nationwide drug epidemic.

In China, the space for academic, religious, economic, and political freedom has evaporated. The CCP's genocide of China's Uyghur minority and mistreatment of Christians, Tibetans, Hong Kong residents, and political dissidents has grown more systematic, and the police state, more draconian. Access to open markets did not lead China to economic and political freedom. It empowered the police state and enhanced the CCP's grip over the economy.

Abroad, the PRC is increasingly determined to establish hegemony, supplant U.S. leadership, and intimidate its Indo–Pacific neighbors into submission. It is conducting mock blockades of Taiwan, clashing with Indian troops in the Himalayas, and sending fighter jets to probe Japanese airspace. It has launched economic coercion campaigns against South Korea and Australia while taking Canadian citizens hostage as political prisoners. It is backing Russia's deadly invasion of Ukraine and keeping the rogue North Korean regime afloat.

The PRC lays claim to the entire South China Sea—and with it some of the world's most important sea lanes of trade—where it has militarized new artificial islands and deployed a maritime militia to bully its neighbors. It has harassed U.S. military aircraft and naval vessels operating legally in international waters in an ongoing series of dangerous encounters. In 2023, a Chinese spy balloon penetrated American airspace and crossed over sensitive military installations as it traversed the continental U.S.

These are not imagined slights. This is the behavior of an adversary, not a competitor. A course correction is long overdue. To date, the U.S. government's response has been inadequate.

Recommendations

Uphold the credibility of U.S. alliances. The United States has historically been intent on ensuring that no other nation dominates East Asia—a goal that dates back to the 19th century. Given Asia's importance as a market for American goods and a source of technology and innovation, there are both realpolitik and principled reasons for upholding American commitments to the region. Many of China's neighbors are also American allies.

Crack down on illegal Chinese police operations in the U.S. The Department of Justice should reinstate the China Initiative and immediately shut down illegal CCP police operations in the U.S.

Address China's role in the U.S. drug crisis. The U.S. should sanction individuals and entities in China, Mexico, and the U.S. that are involved in enabling the trafficking of fentanyl and other synthetic opioids and rigorously enforce the sanctions regime.

Secure critical mineral supplies. To expand the mining of vital rare-earth elements in the U.S. and reduce critical dependencies on China, the government must reform outdated federal and state environmental statutes, including the National Environmental Policy Act, the Clean Water Act, and the Clean Air Act, eliminating redundant state regulatory barriers while maintaining commonsense environmental standards.

Promote "reshoring," "nearshoring," and "friendshoring." For critical industries vital to U.S. national security and economic well-being, the U.S. government should encourage and incentivize firms to divest from China; the U.S. government must also be prepared to employ punitive policy measures to enforce compliance in the most sensitive industries, including sanctions and entity-list restrictions.

Urgently increase munitions production and arm Taiwan. The executive branch should prioritize arming Taiwan and should use the drawdown authority in the Taiwan Enhanced Resilience Act to arm Taiwan with critical munitions to fill gaps until delayed platforms are delivered.

Hold China accountable for its role in the COVID-19 pandemic. The U.S. should continue to investigate the origins of COVID-19 and advocate for a truly independent, international investigation both to advance the principle of accountability and to prepare for future pandemics. Until a transparent and thorough investigation is conducted with full Chinese cooperation, the U.S. should suspend all funding and cooperation with Chinese laboratories on biomedical research.

Expand economic and security cooperation with India. The U.S. should aid India in developing the capabilities necessary to prevent continued Chinese incursions across the two countries' disputed border and the naval capacity to remain a responsible steward of the Indian Ocean.

Facts + Figures

FACT: The PRC has the world's second-largest gross domestic product (GDP), at about $19.4 trillion in 2025.

- This compares with the American GDP of approximately $31.1 trillion in 2025.

FACT: The Chinese People's Liberation Army (PLA) is the world's largest military. It has become increasingly sophisticated because of its two decades–long modernization program and has enjoyed double-digit budget increases for most of that time. Key capabilities include the:

- PLA Ground Force (PLAGF), one of the world's largest ground forces, with more than 975,000 troops. (The entire U.S. military has about 1 million active-duty personnel.)
- PLA Navy (PLAN), with three aircraft carriers, roughly 100 destroyers and frigates, and more than 70 submarines.
- PLA Air Force (PLAAF), with more than 2,000 combat aircraft.
- PLA Rocket Force (PLARF). Responsible for China's nuclear forces, the PLARF has more than 300 intercontinental ballistic missiles (ICBMs) and submarine-launched ballistic missiles (SLBMs), and several hundred nuclear-armed intermediate-range ballistic missiles (IRBMs). It also controls several thousand short- and medium-range ballistic missiles.
- PLA Strategic Support Force (SSF), China's information warfare force, which controls China's military space systems, electronic warfare units, and cyber warfare capabilities.

FACT: The PRC is America's third-largest trading partner after Mexico and Canada, comprising roughly 11 percent of U.S. foreign trade.

- The PRC is also the third-largest country destination for U.S. goods and services exports, again following Mexico and Canada. (The 27 countries of the European Union form the largest export market for the U.S.)

FACT: The PRC is the third-largest foreign owner of U.S. government debt after Japan and the United Kingdom, although its holding of U.S. Treasuries has declined substantially in recent years.

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Europe

Summary and Key Points

Policy Proposals

1. Ensure that The North Atlantic Treaty Organization (NATO) remains focused on its core mission—mutual defense with the capabilities needed to deter Russian aggression against a member state. Revitalize collaboration between U.S. and U.K. conservatives to safeguard the Special Relationship. Forge ties between British conservatives and the Trump Administration.

2. Develop strong bilateral relationships with individual European countries instead of reflexively supporting the European Union.

3. Strengthen transatlantic conservative networks defending freedom of speech and conscience, and combatting mass migration and woke green and transgender agendas.

4. Maintain and increase the U.S. strategic deterrent for NATO, and shift some of the remaining U.S. troops in Europe to the Indo–Pacific as U.S. troop levels in Europe are reconfigured to support the U.S. pivot to Asia.

Quick Facts

1. In 2014, only three NATO members—Greece, the United Kingdom, and the United States—spent 2 percent of GDP on defense; by 2025, all NATO members were projected to have met the 2 percent minimum with many moving toward the new minimum of 3.5 percent on core defense spending.

2. Non-U.S. members of NATO added a cumulative total of $350 billion to their defense budgets from 2014 to 2022.

3. The United States and the member states of the European Union account for approximately half of the global economy.

What to Say About Europe

- A strong, stable, and sovereign Europe is important to American security, prosperity, and global leadership. When Europe is weak or divided, instability spreads and American interests are put at risk.

- Strong alliances work best when all partners contribute fairly and invest seriously in their own security.

- The United States and Europe share deep economic ties that support jobs and growth on both sides of the Atlantic. Economic cooperation with Europe should promote free markets, fair trade, and national sovereignty.

- American military presence has helped keep Europe secure and prevent major conflict for decades. But, Europe must take greater responsibility for its own defense as threats from Russia continue to grow.

- The U.S.–U.K. relationship offers new opportunities to strengthen ties through trade and cooperation.

The Issue

Europe is vitally important to the United States economically, diplomatically, militarily, and politically. The continent has geographical proximity to some of the world's most dangerous and contested regions, bordering, or in close proximity to, Russia, the Arctic, Iran, Asia Minor, the Caspian Sea, and North Africa. China would clearly like to drive a wedge into the transatlantic relationship, thus weakening the United States while continuing to access Europe's market and technology in service of the aims of the Chinese Communist Party. Russia's ongoing brutal and unprovoked full-scale war against Ukraine directly affects the security interests of Europe as well as those of the United States. Europe and the United States face similar challenges moving forward: an aggressive Russia, the rise of an assertive and bellicose China, Islamist terrorism, and economic and social challenges compounded by decades of reckless spending and divisive social policies pursued by the Left.

The United States and Europe share a strong commitment to the rule of law, human rights, free markets, and democracy. During the 20th century, millions of Americans fought for a free and secure Europe, and hundreds of thousands died for it. America's economic ties to the region are likewise important. A stable, secure, and economically viable Europe is in America's economic interest. For more than 70 years, the U.S. military presence has contributed to regional security and stability, and both Europeans and Americans have benefited economically. The United States and the member states of the European Union account for approximately half of the global economy, and the United States and EU member countries are generally each other's principal trading partners and primary sources of foreign direct investment, all of which benefits both the U.S. economy and, by extension, the American worker.

On January 31, 2020, the United Kingdom left the EU. Brexit has given rise to a host of opportunities for enhancing the U.S.–U.K. Special Relationship, one of which is negotiating and signing a free trade agreement. The United States and the United Kingdom have long championed economic freedom and have the world's largest and sixth-largest economies, respectively. Their economies are closely intertwined, and each partner is the other's top foreign direct investor. While an agreement that lowers tariffs would generate some gains, tariffs between the nations are already low; therefore, any agreement must also address non-tariff barriers to trade. A trade agreement would have the important added benefit of renewing the close cooperation between the two nations and reaffirming their shared commitment to economic freedom and national sovereignty. Negotiations stalled under President Joe Biden, but have advanced under the second Trump Administration with a bilateral "framework" trade agreement that maintained a 10 percent baseline tariff which was lower than that set for the European Union (15 percent).

NATO has been the foundation of European security for more than 70 years. Its founding mission was to protect the territorial integrity of its members and, if required, to defeat the Soviet Union. NATO members are no longer worried about the spread of communism, but many—especially given Russia's unprovoked second invasion of Ukraine—are worried about protecting their territory from Russian expansion. This makes NATO just as crucial to the maintenance of transatlantic security today as it was at the end of the Cold War. The United States benefits from a NATO that can deter aggression and defend the territorial integrity of its members.

As an intergovernmental security alliance, however, NATO is only as strong as its member states. After the end of the Cold War, many European nations cut defense spending, and the inevitable result has been a significant loss of capability. In 2006, NATO set a target for member states to spend 2 percent of GDP on defense. At the 2014 Wales Summit, member states recommitted to spending 2 percent of GDP on defense and 20 percent of defense budgets on "major equipment" purchases, a commitment reaffirmed at the Vilnius Summit in 2023. NATO defense spending continues to trend upward with non-U.S. members adding a total of $350 billion to their defense budgets from 2014 to 2022. In 2025, NATO members agreed to a new defense spending goal of

5 percent, broken down into 3.5 percent for core defense spending and an additional 1.5 percent of national-security-related spending for infrastructure. Since Russia's February 2022 invasion of Ukraine, additional members have pledged and taken action to attain the NATO benchmarks, with Poland, Germany, the Nordic states, and the Baltic states, now at or well above the 2 percent benchmark and moving toward the new 3.5 percent core military spending benchmark.

In addition to investing in necessary capabilities, NATO should establish a robust permanent force structure in the Eastern European member states to deter potential future Russian aggression against an Alliance member. Members across the Alliance should contribute to this force structure, and U.S. troops are a vital component. A permanent U.S. presence in Europe shows that the United States is willing and able to live up to its NATO treaty obligations, thus making it less likely that Russia will make a miscalculation. In addition, this proximity to global hot spots in the Middle East gives U.S. policymakers more options for responding to incidents in the region.

The ongoing war in Ukraine underscores the need for Europe to move away from its reliance on Russia and China (via, for instance, production of solar panels and wind turbines) for its energy needs. Europe has begun to re-evaluate ill-considered policies, such as the phaseout of nuclear power and the curtailed use of important sources of domestic fossil fuels, due to the need for secure substitute energy supplies. U.S. exports of LNG are an important component of future European energy security. The U.S. should expand its domestic production of LNG and its capacity to export it, just as Europe should expand its ability to import LNG, as rapidly as possible.

It is essential that the U.S. and Europe work together on addressing the challenge of China. The degree to which Europe is aligned with the U.S. on responding to China will go a long way toward determining the success of U.S. efforts. American policymakers would do well to shift Europe's views of China from an economic lens to one with a clear focus on the security risks of dependence. The U.S. will find little success in seeking to browbeat Europe into alignment. Rather, U.S. officials should consistently and resolutely argue that getting closer to China is not in Europe's long-term self-interest, and that dependence on China would be even more dangerous than dependence on Russia.

The Three Seas Initiative (3SI) launched in 2016 is useful in strengthening trade, infrastructure, energy, and political cooperation among countries bordering the Adriatic Sea, the Baltic Sea, and the Black Sea. It is a force multiplier that bolsters security in Europe and strengthens transatlantic trade ties by marrying private capital with some of Europe's most dynamic and growing economies while also helping to block Chinese and Russian efforts to make inroads in the region.

Recommendations

In order to maintain a secure European theater, the U.S. should:

Remain committed to America's NATO Treaty obligations. NATO has served as the bedrock of transatlantic security for more than 70 years. If the European members meet their stated pledges to invest in collective defense, it should be clear that the United States remains committed to NATO, including Article V of the North Atlantic Treaty, which states that an attack on one NATO member is considered an attack on all.

Ensure that NATO remains focused on its core mission—mutual defense with the capabilities needed to deter Russian aggression against a member state. NATO does not have to be everywhere doing everything, but it does have to be capable of defending its members' territorial integrity. Everything else it does is secondary to this core goal.

Push for European NATO members to take primary responsibility for the conventional defense of Europe. The U.S. will remain in NATO, but wealthy European allies need to take primary responsibility, especially because the U.S. needs to focus on deterring China.

Focus on developing strong bilateral relationships with individual European countries instead of reflexively supporting the European Union. The EU is a supranational, undemocratic organization that infringes on the national sovereignty of its members, wastes taxpayer money, distorts European immigration policies, and champions a radical leftist energy and social agenda. The U.S. should re-examine its unthinking support for the EU and focus instead on building and sustaining closer relations with individual European governments, particularly those led by conservative leaders, such as Italy and Poland. Efforts should be made to strengthen transatlantic networks of conservative politicians, policymakers, and think tank leaders to promote freedom of speech and sane migration policies and push back on anti-growth "green transition" ideology.

Refuse to back European Union defense integration. Nothing would strain the transatlantic bond more—and undermine NATO faster—than EU defense integration. "EU strategic autonomy" in defense is a Brussels-driven chimera, not a panacea. A robust U.S.-led NATO remains the only guarantor of transatlantic security. The United States should continue to focus on advancing a "NATO first" agenda that ensures American engagement and influence in European defense issues. NATO has been the cornerstone of transatlantic security for almost seven decades. It affords the United States a level of influence in the region that is commensurate with the number of troops, equipment, and funding that it commits to Europe.

Speak with a united voice on Chinese and Russian abuses. The United States and Europe must be clear, consistent, and timely in highlighting Chinese and Russian violations of human rights, including Russia's indiscriminate brutality and targeting of civilians in Ukraine. The West's moral standing rests on maintaining this unequivocal consistency rather than, for example, making exceptions to or watering down criticism to ease business dealings or—in the case of China—securing never-to-be-realized promises of climate change mitigation.

Enhance investment screening mechanisms in Europe. Acquisitions by adversarial powers in European nations will affect the United States. Examples abound, such as the acquisition of ports or airfields that are needed to reinforce European defense in the event of a major conflict; acquisitions of companies working on advanced technologies that would allow China to acquire valuable intellectual property instantly (leapfrogging) rather than producing it from scratch domestically; or simply the accumulation of acquisitions that give China greater political clout in a European country. The United States should encourage allies to adopt more stringent national investment screening mechanisms.

Encourage allies to leave China's 14+1 initiative. While largely defunct, some NATO allies remain part of China's 14+1 engagement format. The 14+1 initiative is an attempt by China to expand its business and investment opportunities in Eastern and Central European nations. For economic, political, and security reasons, some countries, such as the Baltic states, have already withdrawn, and most others have downgraded their participation. Remaining participants should follow suit and abandon the 14+1 initiative for preferable alternatives like the Three Seas Initiative, thus signaling to China that its predatory lending practices and pernicious political influence are not welcome in their nations.

Facts + Figures

FACT: U.S. troops are in Europe first and foremost to protect U.S. national interests.

- U.S. forces are not based in Europe to allow Europeans to create an elaborate welfare state on the backs of American taxpayers.

- U.S. bases in Europe provide flexibility, resilience, and options for America's leaders in a dangerous world.
- The garrisons of American service personnel in Europe are no longer the fortresses of the Cold War; they are the forward operating bases of the 21st century.

FACT: European NATO allies did not spend enough on defense, although the trends in 2025 and 2026 have been quite favorable.

- In 2014, only three NATO members—Greece, the United Kingdom, and the United States—spent 2 percent of GDP on defense.
- In 2025, all NATO members are estimated to have spent at least 2 percent of GDP on defense.
- American conservatives should praise the moves by European countries to increase their defense budgets and take more responsibility for their own defense. President Trump deserves credit for having pushed them to do so.

FACT: The United States and Europe are each other's principal trading partners and sources of foreign direct investment.

- Europe is by far the largest source of foreign direct investment in the United States, with Europe's direct investment position in the U.S. totaling nearly $3.6 trillion in 2024.
- More than 55 percent of total U.S. global investment is in Europe.
- European companies operating in the United States, and U.S. companies operating in Europe, are directly responsible for millions of American and European jobs, respectively.

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Updated: **May 2026**

Foreign Aid

Summary and Key Points

Policy Proposals

1. Press the U.S. Department of State to execute a three-year global health security strategy plan to transition U.S. aid programs to national country ownership before the fall 2028 elections. Complete the defunding of expensive, leftwing intermediaries such as United Nations agencies and international NGOs.

2. Transition humanitarian aid commitments to regional allies in Europe and the Persian Gulf. Cut all assistance to countries where taxpayer funds are diverted to terrorists and criminal syndicates.

3. End funding to the National Endowment for Democracy, the U.S. Institute of Peace (USIP), and the Peace Corps.

4. Transition foreign assistance programs from welfare grants to diplomacy centered on trade and investment benefits as the core method to promote American national power overseas.

Quick Facts

1. Since 1946, U.S. foreign aid spending has averaged $35 billion per year, and in total exceeds $2.5 trillion. Despite recent cuts, the United States remains the world's single largest donor.

2. Israel, Egypt, Pakistan, and Afghanistan were among the top recipients of U.S. military aid for decades. The United States should rightly fund its allies (Israel) and stop funding countries that work against its interests (aid to Afghanistan has now been eliminated).

3. Foreign aid from all governments was $223 billion in 2023, while global private remittances, the money that immigrants and migrants send to their families in their home countries, exceed $700 billion annually.

What to Say About Foreign Aid

- Foreign aid should advance American interests, not bankroll a permanent international aid bureaucracy. Endless foreign aid weakens accountability abroad and asks American taxpayers to pay for other governments' failures.

- Taxpayer dollars should never go to governments or groups that fund terrorists or criminal networks.

- The United States should stop paying expensive intermediaries who undermine our allies and push divisive agendas abroad.

- Aid works best when it helps countries stand on their own, not depend on Washington year after year. Congress should end funding for programs that fail to improve security, stability, or prosperity.

- Wealthy regional partners should take more responsibility instead of relying on American taxpayers.
- Real diplomacy comes from trade, investment, and alliances—not endless welfare-style cash transfers.

The Issue

"Foreign aid" is a catch-all moniker that encompasses a wide variety of overseas activities funded by U.S. government agencies in poor countries around the world, mostly through international organizations (such as the United Nations), international NGOs, and for-profit contractors. The total spent per year in taxpayer-funded U.S. foreign aid and international diplomatic operations (such as the costs of maintaining U.S. embassies) has traditionally been less than 1 percent of the federal budget.

Too often, nonmilitary foreign aid has been divorced from U.S. national security goals, unlike security assistance, such as to Israel and Egypt, that had a clearer geostrategic purpose. Aid beneficiaries are often located in unstable areas of the world, requiring the U.S. to cooperate with less-than-ideal governments.

Traditionally, foreign aid is intended to reduce poverty and encourage economic growth in recipient countries by funding activities dedicated to improving agriculture, education, health, and democracy. Higher standards of living support U.S. interests as wealthier countries are more stable, ideologically friendlier, and likely to become mutually beneficial economic partners. Unfortunately, the record of such aid in promoting economic growth and improved living standards is poor and the aid industry became beholden to the financial and ideological interests of self-serving implementers rather than those of the taxpayer, leading to much waste, fraud, and abuse.

Although aid, specifically global health and humanitarian aid, has had some positive impact (containing deadly epidemics, such as Ebola, responding to natural disasters, such as hurricanes, and feeding starving war refugees), the trillions of dollars of aid given by the United States (and other donors) have failed to produce promised results. Foreign aid has not generated economic growth or "graduated" countries from aid dependence. Open-ended aid programs remove incentives for recipient governments to end economy-strangling socialist policies, tackle endemic corruption, and take responsibility for the social services needs of their own citizens, relying instead on foreign donors to finance those needs.

USAID, established in 1961 to check Soviet expansionism, led U.S. foreign aid efforts to blunt communism's appeal in poor countries and helped to transition former Soviet satellites in Eastern Europe into U.S. allies. Thereafter, private capital flows proliferated and soon overshadowed the impact of government aid programs by a factor of 20 to one. Today, developing countries have far greater access to investment capital and global markets than they did 60 years ago.

During the post–Cold War period, two negative trends in foreign aid emerged. First, aid saw substantial permanent increases in global health and humanitarian aid responses. Under President George W. Bush, the President's Emergency Plan for AIDS Relief (PEPFAR) saved millions of people in Africa from the devastating disease. However, the program has lasted more than two decades and cost $125 billion. The global health lobby that emerged from it has spawned a powerful progressive industry that presses the U.S. Congress for never-ending funding while dissuading recipient countries from ending their dependence on U.S. foreign aid. Humanitarian responses to conflict continue post-war, resulting in multigenerational dependence on emergency food and nonfood aid and the radicalization of frustrated populations.

Second, the multibillion-dollar aid industry became a global platform to promote the goals of the Left, beginning with the Clinton Administration's fixation on promoting abortion overseas, expanding into climate and LGBTQ advocacy during two Obama Administrations, and peaking with the transgender and DEI ideologies of the Biden Administration. Aid became a money pot for U.S.-based NGOs that provide the political Left with

an infrastructure of election foot soldiers, donors, advocacy groups, and anti-conservative media narratives all paid for by the U.S. taxpayer.

The arrival of a second Trump Administration has inaugurated radical reform of U.S. foreign aid and realignment with U.S. national interests and traditional values. Key elements of that reform have been the dismantling of USAID, deep cuts in aid levels, the defunding of the aid industrial complex, and assigning responsibility for ensuring that aid is a tool of national security—not an international social welfare program.

Despite these historic reforms, the U.S. Congress remains beholden to a multimillion-dollar disinformation campaign by the aid industrial complex that risks the overturning of these reforms in a post-Trump White House by maintaining high foreign aid spending levels that will sustain the leftwing aid industrial complex.

Recommendations

Foreign aid must align with U.S. national interests and American values. It can relieve global poverty only if coupled with promoting American commercial interests—especially in critical minerals, energy security, and other strategic sectors, addressing humanitarian crises without funding terrorists or aid dependence, promoting private sector–led economic growth, and advancing U.S. security priorities amid Chinese communist threats. The Trump Administration has instituted a new and realistic baseline for effective foreign aid delivery. Legislation should codify the Trump Administration's foreign aid reforms, and appropriators should adopt lower spending levels to encourage efficiencies and defund the global radical Left.

USAID must never be revived, and the aid industrial complex must be starved of its funding base. This agency failed to achieve its own goals of alleviating poverty, promoting U.S. interests, protecting Americans, and reflecting common American values. Agency staff was captured by the radical Left seeking to build a radical global infrastructure of progressive NGOs, to interfere in other country elections by supporting leftwing political candidates and subverting conservative ones, and to discriminate against Christian countries and faith-based organizations. It also ignored the diversion of billions in aid to terrorist and criminal organizations as well as anti-American governments.

Humanitarian assistance must focus on responding to major natural disasters and epidemics, or to support large numbers of refugees and displaced persons fleeing war. These kinds of responses serve the national interest and generate international goodwill toward the United States. However, stringent rules and vetting procedures must govern the distribution of food and nonfood emergency aid to avoid falling into the hands of terrorists and criminals, affected communities must be locally integrated to prevent intergenerational aid dependence, and regional allies must assume financial responsibility for the long-term care of these communities.

Similarly to the Administration's Global Health Security Strategy, all global health programs must bypass expensive, corrupt, and radicalized U.N. agencies, international NGOs, and for-profit contractors and sign direct compact agreements with the governments of recipient countries in order to transition program responsibility to national ownership. The State Department should work with local faith-based groups to strengthen national health care capacity. Setting limits on U.S. global health programs will improve America's ability to respond to outbreaks of dangerous viruses while strengthening the capacity of recipient national governments to provide social services to their own people. Working through local churches will act as natural barriers to progressive activist efforts to impose abortion, LGBTQ ideology, and other socially divisive mandates on traditionally conservative societies. The U.S. must also end its program reliance on hostile multilateral organizations, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, which suffer from gross inefficiencies, corruption, radical international staff, and deep penetration by America's enemies, especially communist China.

The multibillion-dollar Democracy Fund must be eliminated. This congressional foreign aid budget line funded some of the most egregious overseas programs, including transgender, DEI, and climate "justice" programs that violated American values and damaged America's global reputation. These funds supported a global civil society program based on the social movement theories of Donatella della Porta, a Marxist professor in Italy, and so-called disinformation campaigns targeted conservatives abroad. The National Endowment for Democracy (NED) spearheaded such disinformation campaigns, hired only leftwing activists, and its officers interfered in the 2024 election by coordinating multimedia attacks on presidential candidate Donald Trump as "Hitler," "Stalin," and "Mussolini." Congress continues to fund the NED at record levels, rewarding bad behavior, and removing all executive branch oversight of the NED's overseas activities. Other institutions, such as the USIP and the Peace Corps, merit termination given their leftwing partisanship or inconsequential impact, respectively.

Facts + Figures

FACT: U.S. foreign assistance spending (including security assistance) has averaged about $35 billion a year since 1946 (in 2018 dollars), and in total exceeds $2.5 trillion.

FACT: Although there have been American foreign aid programs for more than 100 countries around the world, four of the top five recipients of U.S. aid in recent years—Israel, Egypt, Pakistan, and Afghanistan—had been in the top five for decades, though with the Taliban in control of Afghanistan, U.S. aid to that country is now eliminated.

FACT: Today foreign aid is dwarfed by private financial flows—from charities, foundations, corporations, churches, and individuals—along with increased trade and investment generated by the growth of the private sector, greater domestic resources, substantial flows of remittances, and increased capital flows to developing countries.

- Global remittances alone exceed $700 billion annually, and dwarf any impact that U.S. foreign aid programs could make on these countries.
- Remittances are on top of global foreign direct investment (FDI) inflows (comprised of equity capital, reinvested earnings, and intracompany loans), which the United Nations Conference on Trade and Development estimates to have been about $1.5 trillion in 2024 (including investment in developed and developing nations).
- In addition to remittances and FDI, the figures for which are probably greatly understated, there are private philanthropy flows, which the Indiana University Global Philanthropy Indices estimated to be $70 billion globally in 2023.
- Americans have been generous in their global charitable giving, reaching $35.54 billion in 2024 according to Giving USA.
- Global government foreign aid by Organization for Economic Cooperation and Development member countries reached more than $223 billion in 2023, with the U.S. government the largest donor at $65 billion.

FACT: Although the U.S. government has made some efforts over the years to consolidate and improve the transparency and accountability of U.S. foreign assistance programs, tracking and assessing the vast array of U.S. foreign aid programs remains opaque.

- Despite congressional requirements, the U.S. government still fails to provide Congress lists of all awards and subawards, preventing Congress from exercising its accountability functions and preventing the American public from scrutinizing aid decisions by U.S. aid officials.

- Major foreign aid agencies include the U.S. Department of State, the International Development Finance Corporation, the Millennium Challenge Corporation, the U.S. Export-Import Bank, the Department of the Treasury, the Department of Agriculture, the Department of Health and Human Services, the Department of War (Department of the Army, Department of the Navy, Department of the Air Force, and U.S. Army Corps of Engineers), the Department of the Interior, the Department of Justice, the Department of Labor, the Department of Commerce, the Department of Energy, the Department of Homeland Security, and the Department of Transportation.

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International Trade

Summary and Key Points

Policy Proposals

1. Promote free enterprise and trade by expanding and improving existing trade agreements with allies, rule-of-law economies, and trusted partners.

2. Reassert congressional authority over trade policy and amend trade laws to ensure appropriate oversight, while preserving narrow presidential authority to address demonstrable national security threats and unfair trade practices.

3. Enact a rules-based border-adjustment tax mechanism through Congress to neutralize foreign tax asymmetries and reduce reliance on sweeping tariffs.

4. Eliminate tariffs on intermediate goods from allies and trusted suppliers and renew programs that make alternatives to China more competitive.

5. Recalibrate "Buy American" mandates into a more targeted resilient-sourcing policy that preserves competition in ordinary procurement while protecting genuinely strategic sectors.

6. Use narrowly tailored trade tools to reduce adversary dependence in critical sectors, such as critical minerals, semiconductors, and supply chains with forced labor.

Quick Facts

1. In 2024, U.S. two-way trade in goods and services totaled about $7.30 trillion—$3.19 trillion in exports and $4.11 trillion in imports—equal to roughly a quarter of GDP, according to the Bureau of Economic Analysis (BEA).

2. In 2024, U.S. imports of capital goods were $962.4 billion, and imports of industrial supplies and materials were about $675.5 billion, according to the BEA and the U.S. Census Bureau.

3. Trade supports an estimated 39 million U.S. jobs, or about one in five U.S. jobs, according to the *Business Roundtable*.

4. Manufacturing employment has stabilized around 12.5 million, down from nearly 14 million before the 2008 Great Recession and the roughly 17 million from before China joined the World Trade Organization (WTO) in 2001, according to recent Federal Reserve Economic Data.

5. Over the past decade manufacturing labor productivity and output remained flat to slightly negative due to onerous environmental regulations, taxation policy, and domestic policy issues.

What to Say About International Trade

- International trade strengthens the American economy when it is fair, open, and rules based. Unfair foreign practices harm U.S. industries and require firm, targeted responses.
- Trade policy should expand opportunities for American workers, businesses, and innovators. Trade with trusted allies reduces dependence on adversaries and strengthens supply chain resilience.
- Congress should reclaim its role in trade policy to ensure transparency and accountability.
- Broad tariffs often raise prices for American families without solving underlying trade problems.
- Strategic sectors deserve calibrated trade policy to ensure adequate supply without sacrificing competition across the broader economy.
- National security is weakened when trade policy fails, and input costs rise over the long run.

The Issue

The constitutional right to sell, and liberty to buy, around the world with limited government intervention is an essential component of a free society. The Heritage Foundation's annual *Index of Economic Freedom* has found year after year that greater trade freedom is associated with greater prosperity for average citizens.

For decades, America has generally promoted freer trade at home and abroad, recognizing its broad economic benefits to consumers and final-goods producers as well as helping to build an international commercial order more rooted in rules than coercion. In recent years, however, commitment to extending unlimited free trade to all countries, irrespective of non-market conditions, has waned as the costs of such policies have come into national focus.

U.S. policymakers have imposed or threatened sweeping tariffs on hundreds of billions of dollars' worth of imports from nearly every country in recent years. Although such measures may create negotiating leverage in some cases, they also impose real costs on American households, producers, and trusted partners. Where restrictions are justified, they should be narrowly tailored, grounded in law and precedent, and implemented—in close consultation with Congress—as reasonably as possible.

As a general rule, the United States should maintain free trade with countries that broadly operate under comparable labor, environmental, and business standards and whose supply chains are not built on forced labor, transshipment fraud, or heavy state-backed market distortions. Where an easily demonstrable national security dependence exists, such as a non-substitutable input used in a defense application, there are grounds for well-calibrated tariffs, quotas, or bans. Where America has little comparative advantage in producing a specific good, policymakers should generally permit free trade, provided the exporting country is operating lawfully and sustainably rather than through forced labor, state-owned enterprises, or an artificial comparative advantage fueled by subsidies.

Trusted allies and rule-of-law partners should not be treated the same as hostile or heavily distorted non-market economies. A prudent trade policy can favor reciprocal commerce under lawful conditions without pretending that all trade relationships are equally beneficial or equally trustworthy. Programs that lower tariffs on inputs from trusted developing-country partners, such as those traditionally included in the Generalized System of Preferences (GSP), can reduce input costs for American producers and consumers while making alternatives to China more competitive. Reciprocal trade, grounded in natural comparative advantage

and the rule of law, better reflects prudent conservative trade policy than either unlimited liberal internationalism or sweeping protectionism.

That distinction also helps to explain why many conservatives were right to be wary of China's accession to the WTO without meaningful reform of its non-market practices. The problem was assuming that all trade relationships would naturally converge toward lawful and reciprocal market behavior. Trade with hostile or heavily subsidized non-market systems can create dependencies that are later used as leverage against the United States.

The United States already has a substantial network of congressionally approved free trade agreements with 20 countries: Australia, Bahrain, Chile, Colombia, Israel, Jordan, Korea, Morocco, Oman, Panama, Peru, Singapore, and the two North American partners in the United States–Mexico–Canada Agreement, as well as the six partners in the Dominican Republic–Central America Free Trade Agreement. Those agreements are meant to create predictability, lower barriers, and strengthen long-term commercial ties under the rule of law. However, these agreements should not be treated as static; periodic review is prudent for all parties.

Broad tariff bludgeoning against agreement partners cuts against the stability that those agreements are meant to provide and creates understandable consternation abroad. The executive branch should only depart from those commitments through clearly delineated authorities granted by Congress, such as Section 201 and Section 301 of the Trade Act of 1974, or Section 232 of the Trade Expansion Act of 1962, and not through vague or open-ended assertions of power.

For that reason, prudent conservative trade policy should not endorse sweeping tariff actions based on legally ambiguous emergency authorities or blunt theories about trade deficits. The United States does not benefit from treating all imports, all countries, or all trade relationships as strategically interchangeable. Broad tariffs may create negotiating leverage in some cases but may also impose costs on American households, producers, and trusted partners.

By contrast, where a real strategic dependence exists, narrowly tailored restrictions can help to create the market space for allied alternative supply chains to emerge, especially in critical minerals and other strategic inputs where China's leverage has become obvious. The answer to China dependence is not universal tariffing; it is building resilient alternatives that cannot be easily weaponized in times of tension.

However, attributing American economic weakness solely to unfair foreign competition misdiagnoses many of the problems often assigned to free trade. Onerous regulations, stifling taxation, and domestic policy failures prevent Americans from benefiting from free, fair, and reciprocal global commerce. Instead of denying American families and businesses access to lawful foreign markets and competitively priced inputs, policymakers should resolve these internal issues and make the American economy more competitive.

The direction of trade policy today largely reflects decades of congressional delegation to the executive branch. Under Article I, Section 8 of the U.S. Constitution, Congress should play the leading role in regulating trade. Specifically, Americans' constitutional right to lawfully sell abroad and buy from abroad under prudent governance is imperiled by onerous domestic regulations, malicious foreign practices, and inconsistent trade restrictions that stifle such hard-fought liberties.

Recommendations

Recalibrate congressional oversight of trade policy and clearly delineate the executive branch's trade authority. In the wake of legally ambiguous emergency authorities for sweeping tariff actions, some have argued for more authority to be delegated to the executive branch. Prudent conservative policy should

caution against such an approach, as further devolution of trade authority will inevitably be used by those seeking domestic protection and political favoritism from Washington.

Preserve narrow executive tools for genuine trade and national security concerns. Sections 201 and 301 of the Trade Act of 1974, and Section 232 of the Trade Expansion Act of 1962, already delegate substantial authorities to the executive to address unfair trade practices and demonstrable national security threats. Barring congressional action, those tools should remain narrowly available for transparent use with meaningful congressional oversight. If Congress creates additional delegated authority, such as with a Reciprocal Trade Act, it should be tightly calibrated to specific products or sectors rather than broad trade balances or economy-wide tariff actions.

Consider a destination-based, cash-flow border adjustment tax mechanism through Congress. Rather than relying on sweeping tariffs or legally ambiguous emergency authorities, Congress should consider a durable border adjustment mechanism that neutralizes foreign tax asymmetry, improves the competitive position of American producers, and provides a less-disruptive alternative to tariffs. Properly designed, such a system would apply on a destination basis, allowing imports to be taxed while exports receive offsetting treatment, thereby reducing stacking effects on firms that rely on imported intermediate or capital goods. It would provide a more durable, rules-based framework for reciprocity while potentially raising revenue that could be used for deficit reduction or pro-growth tax reform.

Reduce or eliminate tariffs on intermediate goods from allies and trusted suppliers. Because roughly two-thirds of all U.S. imports are intermediate goods, access to competitively priced parts, machinery, and raw materials from around the world allows U.S. industries to produce high-value goods at internationally competitive and affordable prices. However, this principle should be applied prudently. Tariff relief should not extend to goods tied to forced labor, transshipment fraud, or clear adversary dependence in critical sectors. Congress should, therefore, pair tariff liberalization with stronger sourcing diversification and origin enforcement policy.

Authorize preference arrangements for trusted developing-country partners that lower lawful sourcing costs and make alternatives to China more competitive. Congress should be open to renewed preference programs, including GSP-like frameworks, for developing-country partners that operate under sufficiently lawful and reliable commercial conditions. Such frameworks need not replicate prior multilateral structures; Congress can define eligible countries, principles, and sectors while allowing executive branch negotiation or administration of product-level details for each individual country if desired. The goal should be to reduce input costs for American producers and consumers while encouraging diversification away from coercive or heavily distorted supply chains.

Recalibrate "Buy American" product mandates to include targeted resilient sourcing rules. Buy American or domestic content laws can limit competition in government procurement, leading to increased costs for taxpayers. Except in cases of genuine defense, semiconductor, and critical mineral concerns, the government should generally purchase the best-quality product at the most competitive price. In strategically sensitive sectors, the objective should be resilient sourcing from the United States and allied economies and not indiscriminate domestic content mandates that raise costs without solving real vulnerabilities.

Counter adversary dependence through diversification, not autarky. Where an easily demonstrable national security dependence exists, such as a non-substitutable input used in a defense application or a permanent magnet chokepoint leveraged by China, there are grounds for well-calibrated tariffs, quotas, or bans. But the long-run solution is not self-sufficiency at any cost. It is building market-viable, white-listed alternate supply chains with allies and trusted partners, encouraging domestic production where it makes strategic sense, and removing domestic policy barriers that prevent U.S. industry from competing.

Reject restoration of multilateral arrangements that undermine U.S. sovereignty without solving unfair trade behavior. The United States can remain a pro-trade nation without endorsing every feature of the post–Cold War trade architecture. Trade liberalization does not require surrendering U.S. policy space to a judicialized multilateral system that failed to constrain major non-market abuses. For example, the U.S. is right to reject the WTO Appellate Body for encroaching on American sovereignty and to call for reforms to such institutions or the creation of viable alternatives.

Facts + Figures

FACT: American businesses benefit from trade, especially when it lowers the cost of lawful inputs and expands access to foreign markets.

- Small and medium-sized U.S. businesses make up 97 percent of all exporters by firm count, though larger firms account for twice their export value. However, tariffs on imports or retaliatory tariffs on exports can have an outsized impact on these small businesses.
- Reciprocal free trade agreements can make exporting for smaller firms easier by reducing tariffs, paperwork, and bureaucratic red tape.
- More than half of U.S. imports consist of capital goods and intermediate goods used by American producers. In 2024, U.S. imports of capital goods totaled $962.4 billion, and imports of industrial supplies and materials totaled about $675.5 billion, underscoring how many American producers rely on imported inputs.
- In 2024, U.S. exports totaled $3.19 trillion, including $2.08 trillion in goods and $1.11 trillion in services.

FACT: The trade deficit is not a budget deficit and does not mean that America is losing money to foreign countries.

- In 2024, the U.S. goods and services trade deficit was $918.4 billion—3.1 percent of GDP.
- The broader current-account deficit was $1.13 trillion in 2024—3.9 percent of GDP.
- Those figures measure cross-border trade and income flows, which are distinct from the federal budget and linked to offsetting financial flows. The trade deficit represents the difference between exports and imports of goods and services, and the number is not an indicator of the health of the U.S. economy.

FACT: Trade policy should strengthen, not weaken, American resilience.

- Forced labor, critical minerals, and semiconductors are now central trade policy concerns.
- Goods made with forced labor should not enter American markets.
- The United States should reduce dependence on China-linked strategic supply chains rather than accept them as the inevitable result of globalization.

FACT: Not all trade restrictions are equal.

- Broad tariffs usually raise costs for consumers and downstream producers.
- Narrowly tailored trade tools can be justified when tied to hostile-state coercion, discriminatory treatment, forced labor, or clear strategic vulnerability.

- A prudent trade policy distinguishes between economy-wide protectionism and limited measures used to counter coercion and dependence.

FACT: Domestic competitiveness matters as much as border policy.

- The American economy often fails to optimize the benefits of trade because of onerous regulation, stifling taxation, and domestic policy failures, which have collectively contributed to insufficient domestic capacity in strategic sectors.
- Allied investment can strengthen U.S. industrial capacity and should not be treated as equivalent to hostile-state penetration.
- A rules-based border adjustment mechanism could provide a more predictable and transparent response to persistent foreign tax asymmetries than repeated reliance on sweeping tariffs.

FACT: The composition of trade matters as much as the volume.

- Because such a large share of U.S. trade consists of production inputs rather than final consumer goods, broad tariffs often cascade through supply chains and raise costs for downstream American producers. This follows directly from the scale of imported capital goods and industrial supplies in the official trade data.
- A prudent trade policy therefore distinguishes between broad protectionism and narrow measures tied to forced labor, hostile-state coercion, or clear strategic dependence.

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Updated: **May 2026**

Iran and the Middle East

Summary and Key Points

Policy Proposals

1. Support Egypt's fight against Islamist terrorist groups.
2. Deploy strong U.S. military forces in the region to bolster deterrence against terrorism and an Iranian nuclear breakout.
3. Work with Israel, Saudi Arabia, Bahrain, the United Arab Emirates, and other members of the Gulf Cooperation Council (GCC) to roll back Iranian influence in the Gulf. Work with pro-Western African allies, such as Egypt and Morocco, to roll back Iranian influence in Africa.
4. Encourage countries to designate all of Iran's proxies as Foreign Terrorist Organizations in their entirety, including the Polisario Front, which is armed and funded by Iran and Hezbollah, and has claimed responsibility for the murder of Americans since 1988.
5. Maintain the blockade on the Strait of Hormuz until the Iranian regime no longer has control of any part of the Strait.
6. Empower the people of Iran with access to internet (via Starlink) so they can coordinate actions to topple the regime.
7. Create conditions for the Iranian people to seize the opportunity and reclaim their freedom by communicating with people on the ground and alerting them when it is safe to go out and resume protesting.
8. Ensure that all Iran's airports and seaports cannot be used for the transfer of weapons or oil to malign actors. Impose a no-fly-zone and use military action if need be.
9. Ensure that Iranian proxies, such as Hezbollah, Hamas, and the Houthis, are fully demilitarized and do not pose a threat to the peoples of Lebanon, Yemen, and Gaza.

Quick Facts

1. The Arab Spring, which began in December 2010, toppled autocratic leaders in Tunisia, Libya, Egypt, and Yemen.
2. Syria's Assad regime, aided by Russia, Iran, and Hezbollah, collapsed just three months after Israel began its 2024 operation in Lebanon and eliminated Hezbollah's Secretary General Hassan Nasrallah.
3. The 2015 nuclear deal did a better job of dismantling U.S. sanctions than it did of dismantling Iran's nuclear program. This was underscored by the ease and speed with which Iran exceeded the limits set by the Joint Comprehensive Plan of Action (JCPOA) after the U.S. withdrew in 2018.

4. Iranian Revolutionary Guards provided funding, weapons, and training to militia groups that killed more than 600 U.S. troops in Iraq.
5. After returning to office in 2025, President Donald Trump restored the Maximum Pressure campaign against Iran—following President Joe Biden's decision to unilaterally relieve sanctions and allow Iran access to the oil markets and lift the arms embargo.
6. The Hamas terrorists who perpetrated the October 7 attacks trained in Iran.
7. Operation Midnight Hammer and Operation Epic Fury severely decimated the Iranian regime's nuclear and missile capabilities, but the regime remains in place and continues to pose a major threat to U.S. security.
8. Only when the people of Iran are able to overthrow the regime will the threat be fully eliminated.
9. Thanks to decisive actions by the United States and Israel over the past two years, Iran and its proxies are at their weakest points ever.

What to Say About Iran and the Middle East

- Iran is the primary driver of violence and instability across the Middle East. The Iranian regime arms and directs terrorist groups that attack civilians and U.S. allies.
- The Iranian people deserve freedom and support in resisting an oppressive and violent regime.
- Terrorist groups backed by Iran must be disarmed to create lasting regional stability. When Iran's aggression is tolerated, chaos spreads and American interests are directly threatened.
- Allowing Iran to gain nuclear weapons would dramatically increase the risk of a wider regional war.
- Strong U.S. military presence helps prevent Iran from threatening shipping lanes and regional partners.
- U.S. policy should work with regional allies to roll back Iran's influence and proxy networks.

The Issue

The Middle East, the world's most volatile and conflict-ridden region, continues to generate some of the most dangerous threats to U.S. security.

The first Trump Administration eased many of the political restrictions that hampered the military efforts against ISIS and delivered much more robust military support to help the Iraqi government and Kurdish militias to dismantle the so-called caliphate. ISIS has been forced to return to its underground roots in Iraq and Syria but continues to pose a terrorist threat to the United States and its allies. ISIS also has established affiliates in Egypt, Yemen, and in multiple countries in Asia and Africa.

The barbaric attacks on Israelis on October 7, 2023—murdering the largest number of Jews since the Holocaust—and Israel's seven-front war that followed, were a direct result of the Biden Administration's weakness and refusal to confront Iran and its proxies. Israel responded with an impressive force and dealt impressive blows to the leadership and capabilities of Hamas and Hezbollah. Yet the Biden Administration held up the sales of munitions to Israel. These munitions—which Israel had already paid for—were ultimately released when President Trump returned to office in January 2025.

In June 2025, President Trump ordered the obliteration of Iran's major nuclear facilities—Fordow, Natanz, and Isfahan. In the successful Operation Midnight Hammer, this goal was achieved without a single American casualty. Israel, for its part, in its concurrent Operation Rising Lion, destroyed Iran's heavy-water reactor in Arak and other sites, as well as missile warehouses and launchers. The operation lasted 12 days after which a ceasefire came into place.

Nonetheless, Iran was not deterred and refused to negotiate with the United States. In February 2026, Israel launched Operation Roaring Lion concurrent with the United States' Operation Epic Fury. Israel eliminated Supreme Leader Ayatollah Ali Khamenei in a targeted assassination on the first day of the joint operation with the United States. Iran retaliated by firing at nearly all its neighbors—at least 12 countries. The United States targeted missile facilities and launchers, while Israel focused on targeted assassinations of regime officials. Following more than a month of fighting, a temporary two-week ceasefire was reached and negotiations in Pakistan took place. The negotiations bore no fruit, and President Trump ordered a blockade on the Strait of Hormuz, which Iran had blocked since the beginning of the war.

Recommendations

Strengthen U.S. strategic partnerships, especially with Israel. The 2015 nuclear agreement with Iran had a corrosive effect on bilateral relationships with important U.S. partners in the Middle East, particularly Israel, Saudi Arabia, the United Arab Emirates, and Bahrain—which are most threatened by Iran. The Trump Administration strengthened ties with Arab partners after pulling out of the Iran nuclear deal and imposing sanctions on Iran in 2018. The Biden Administration, however, rushed to embrace Iran as the Obama Administration had, which is disastrous for U.S. interests as well as the interests of Israel and Arab partners. Instead, the Biden Administration should have given priority to safeguarding the vital security interests of the United States and its partners by maintaining a favorable regional balance of power to deter and contain Iran and fight terrorism. Thankfully, the Trump Administration, through various operations against Iran and its proxies, has restored U.S. deterrence in the region. The United States and its European allies also should strengthen military, intelligence, and security cooperation with Israel and Arab states threatened by Iran.

Support Egypt's fight against terrorism. Egypt is a key ally against Islamist extremism and a crucial supporter of Arab–Israeli peace efforts. ISIS has spearheaded an insurgency in Egypt's Sinai Peninsula since the 2013 coup that removed President Mohamed Morsi's Islamist government from power and remains a potent terrorist threat to Egypt and to Israel. Washington should help Egypt's army and security forces to replace Cairo's narrowly focused and militarized counterterrorism efforts with a population-centric counterinsurgency campaign against ISIS and its supporters that includes enhanced political outreach to disaffected Bedouin tribes in the Sinai.

Put a high priority on missile defense. Washington should help Israel to strengthen its missile defenses and help the GCC countries to build an integrated and layered missile defense architecture to blunt the Iranian missile threat. The United States should also field missile defense interceptors in space that can intercept Iranian missiles in the boost phase, which would add a valuable additional layer to missile defenses.

Support human rights in Iran. Congress should make it clear that the U.S. stands with the Iranian people, not with the repressive regime of the ayatollahs. It should hold hearings to publicize and condemn Tehran's violations of human rights, expose the corruption of regime officials, publicize the activities of opposition groups, and help those groups to communicate with the Iranian people.

Facts + Figures

FACT: The JCPOA did a much better job of dismantling sanctions against Iran than it did of dismantling Iran's nuclear program.

- The JCPOA amounted to little more than a diplomatic speed bump for the regime in Tehran, which reaped huge economic benefits from sanctions relief in exchange for making temporary and easily reversible nuclear concessions that it can discard when it serves its interests as it has done repeatedly.
- Under the terms of the deal, key restrictions on Iran's uranium enrichment would begin to sunset after 10 years to 15 years, allowing Iran to ramp up its uranium enrichment to an industrial scale and sprint to a future nuclear breakout. The JCPOA gave Iran access to about $100 billion in frozen funds and allowed it to boost its oil exports and expand its military spending.
- The Obama Administration handed Iran a better deal on uranium enrichment than previous Administrations gave to such U.S. allies as South Korea, Taiwan, and the UAE, which were denied that option. It was an even better deal than the Shah of Iran—an American ally—received in 1976 before the Iranian revolution from the Ford Administration, which denied his request for an enrichment capability.
- The Biden Administration tried to re-enter the JCPOA but failed to do so, whereas the second Trump Administration successfully obliterated Iran's nuclear weapons program through the use of force.
- President Trump has demonstrated that no deal is better than a bad deal. And he has insisted repeatedly that Iran must never have nuclear weapons and cannot have a uranium enrichment program.

FACT: Hamas's barbaric attack on Israelis on October 7, 2023, came as a direct result of the Biden Administration's failure to confront Iran and its proxies.

FACT: Decisive actions taken by Israel against Hamas and Hezbollah, as well as by the United States and Israel against Iran and the Houthis, have made the region and the world safer than ever. As a result of joint Israeli–American operations, Iran and its proxies are at their weakest point ever.

FACT: Iran remains a threat not just to the region, but also to the United States and Europe. Its intercontinental ballistic missiles can already reach nearly all of Europe and will soon be able to reach the East Coast of the United States. Iran has tried to assassinate President Trump as well as other current and former U.S. officials. It has murdered U.S. military troops in the region, and targeted U.S. military bases and embassies around the world. As long as the Iranian regime is in place and is not confronted, these threats will grow ever more immediate.

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Israel

Summary and Key Points

Policy Proposals

1. Strengthen U.S.–Israeli strategic cooperation in intelligence sharing, missile defense, cyber defense, and counterterrorism.
2. Expand the Trump Administration's Abraham Accords to include other Arab and Muslim states that are willing to normalize relations with Israel.
3. Encourage closer working relationships between Israel and Sunni Arab states.
4. Support Israel's efforts to deter, and defend itself from, Iran and its proxies.
5. Push for the disarming of Hamas; a Hamas that still operates and governs in Gaza means continued violence and instability.
6. Consider incremental steps in Israeli–Palestinian peace negotiations, rather than rushing to failure on a comprehensive settlement.

Quick Facts

1. Israel has reshaped the Middle East by defeating Iran and its proxy network following Hamas's October 7, 2023, attack.
2. The Abraham Accords have proven resilient, and even expanded in certain areas, since October 7.
3. In 2016, the United States pledged to provide $38 billion in military aid to Israel over a 10-year period. That money is largely spent in the United States on American products supporting American businesses and American jobs.
4. The Department of War's 2026 National Defense Strategy describes Israel as a "model ally"—the only country to be so described in the report.

What to Say About Israel

- Israel is a close U.S. ally that shares democratic values and common security interests. A strong U.S.–Israel partnership helps stabilize a dangerous region and protect American interests.
- Israel has the right to defend itself against attacks without outside pressure that weakens its security. Israel faces constant threats from Iran and terrorist groups that openly seek its destruction.

- Disarming Hamas is essential to ending cycles of violence and instability in the region.
- Expanding cooperation between Israel and Arab states, particularly through the Abraham Accords, has improved security and advanced peace and prosperity.
- U.S. support for Israel strengthens American credibility with allies and partners around the world and contributes to U.S. technological leadership across the globe.
- When allies like Israel are abandoned, violence increases and America pays a higher price later.

The Issue

Israel, the only genuine democracy in the Middle East, shares important values and interests with the United States. It faces significant security threats from Iran as well as from Arab states and extremist Islamic movements that refuse to accept its right to exist. This refusal to accept the existence of Israel manifested itself on October 7, 2023, when Hamas, an Iranian proxy, invaded Israel's southern communities and massacred about 1,200 people, injured thousands more, and abducted more than 250 to the Gaza Strip. The ensuing war saw Israel battle Iran and its proxies on seven fronts: Gaza, Judea and Samaria (the West Bank), Lebanon, Syria, Iraq, Yemen, and Iran. Iran has also threatened Israel with its arsenal of ballistic missiles, the largest in the region. Finally, Tehran's pursuit of nuclear capabilities remains a constant threat.

Hamas's October 7 attack—named Operation Al-Aqsa Flood—sought to unify the proxy network in a collective assault on Israel to destroy the Jewish state. While the operation had been in the planning stages for many years, the timing of Hamas's decision to launch the attack was heavily influenced by the progress made toward potential normalization between Israel and Saudi Arabia. In the weeks prior, both Israel's Prime Minister Benjamin Netanyahu and Saudi Arabia's Crown Prince Mohammed bin Salman had publicly indicated the warming relations between their two countries. Peace between Jerusalem and Riyadh would be a watershed moment in the Middle East and effectively the end of the so-called Arab–Israeli conflict.

On October 6, 2023, the Islamic Republic of Iran's strength was at its zenith. It had amassed the region's largest arsenal of ballistic missiles, provided financing, training, and arms to Hezbollah in Lebanon, to Hamas and Palestinian Islamic Jihad in Gaza, to the Houthis in Yemen, and to various militias in Iraq. Through the Assad regime in Syria, the Iranian Revolutionary Guard Corps had a land bridge to Hezbollah and was able to establish a base of operations in the Syrian Golan to target Israel.

By the beginning of 2026, all of this was in ruins, as Israel defeated Hamas and Hezbollah, neutralized the Houthi missile attacks from Yemen, and executed Operation Rising Lion, alongside America's Operation Midnight Hammer, as part of the 12-Day War against Iran. In December 2024, the Assad regime in Syria fell, which has created political instability within that country but provided additional security for Israel's northern border. In February 2026, the United States launched Operation Epic Fury and Israel launched Operation Roaring Lion in Iran. The unprecedented military and intelligence cooperation between the two nations enabled them to eliminate much of the Islamic Republic's leadership, and deal devastating blows to Iran's ballistic missile arsenal, nuclear program, air force and navy, and military industries.

Israel demonstrated its military strength in the two-and-a-half-year campaign against Iran and its terror network and now finds itself in an unprecedented position in the region. Although its enemies are down, they are not out, and new ones are creeping into the picture. Turkey is using instability in Syria to encroach on that country's northern territory and influence Damascus. And it remains to be seen whether Hamas will fully disarm as per the terms set forth in the October 2025 ceasefire agreement. Hezbollah, too, is regrouping as it seeks to retain control over Lebanon.

Still, Israel is expanding its network of allies and partners. The Abraham Accords, brokered by President Donald Trump in September 2020, among Israel, the United Arab Emirates, Bahrain, and Morocco, held fast during the two-year war. In November 2025, Kazakhstan became the newest member of the Accords, with other countries likely to follow suit. Though Saudi–Israeli normalization was put on hold after October 7, it remains on the table.

On the Palestinian front, there is little progress to be made toward a peaceful resolution so long as (a) the Palestinian body politic remains politically divided between Hamas and the Palestinian Authority (PA), (b) Palestinians favor Hamas over the PA, and (c) the PA continues its glorification of terror and retains its "pay for slay" program, which provides stipends to Palestinian terrorists or their families for attempting to kill Israelis.

President Trump proclaimed his interest in reaching the "ultimate deal," a peace agreement between Israelis and Palestinians during his first term. He did not endorse a "two-state solution" as envisioned in the Oslo Accords; instead, he indicated that he could accept any solution on which the two sides might be able to agree. Changing previous policy, his Administration stated that "the establishment of Israeli civilian settlements in the West Bank is not per se inconsistent with international law"[1] and cut U.S. aid to the PA to pressure it to take a stronger stand against terrorism. In early 2020, the Administration put forth the Vision for Peace in an effort to offer the Palestinians an economic path toward statehood. The PA rejected it outright.

The Biden Administration reversed many of the Trump Administration's policies on Arab–Israeli issues. President Biden pledged to improve relations with the PA and reopened the consulate in Jerusalem that was closed in 2019 after serving as the U.S. diplomatic mission to the PA for 25 years. After October 7, 2023, President Joe Biden traveled to Israel to deliver a public "bear hug"—which came with strings attached and would limit the Israeli ability to operate to retrieve the hostages and defeat its enemies. At multiple points during the campaign, the Biden Administration held the Israelis back from prosecuting the war, which prolonged the conflict. The Administration also withheld munitions and parts necessary for Israel to defend itself.

In contrast, President Trump has established himself as the most pro-Israel President in U.S. history. Building on the accomplishments of the first term, the second Trump Administration supplied Israel with the weapons it needed to defend itself and coordinated with Israel during the 12-Day War and Operations Epic Fury and Roaring Lion.

Looking forward in the bilateral relationship, the future of the 2016 Memorandum of Understanding—in which the United States provides Israel with $3.8 billion in annual foreign military financing—will be deliberated. In January 2026, Prime Minister Netanyahu publicly stated that he supports tapering off U.S. support to Israel over 10 years.

Recommendations

Strengthen U.S.–Israeli strategic cooperation. The political instability that has plagued the Middle East in recent years underscores the fact that Israel is America's most reliable, stable, and effective ally in the region. Congress should support all efforts to enhance strategic cooperation with Israel, particularly in intelligence sharing, missile defense, cyber defense, and counterterrorism efforts.

Deprioritize the Israeli–Palestinian conflict. This is not a priority for the United States in the region. A final settlement cannot be brokered as long as the PA is unwilling and unable to make the deep compromises that a realistic peace requires. If considered, the United States should pursue incremental progress on security arrangements and confidence-building measures, as well as efforts to improve the welfare of ordinary Palestinians. Washington also should insist that the PA end its incitement of terrorist attacks and halt the annual subsidies of more than $330 million that it pays to jailed terrorists and the families of "martyrs" killed in

confrontations with Israelis. A government that incentivizes terrorism is not a partner for peace negotiations. In Gaza, the United States should insist on the full disarmament of Hamas.

Penalize Palestinian terrorism and encourage moderation. The United States should veto any Palestinian efforts to attain unilateral statehood through the United Nations and should withdraw U.S. financial support for any U.N. agency that facilitates such efforts. It should also encourage the development of a practical working relationship between Israel and Sunni Arab states that face threats from Iran.

Expand the Abraham Accords to include other Arab and Muslim states. The Trump Administration should continue its efforts to expand the Accords, and look beyond the Middle East to the Caucasus, Central Asia, Southeast Asia, Africa, and even Latin America for additional members. Abraham Accords members could also help to isolate Hamas, subsidize Palestinian economic development, and encourage the emergence of a moderate Palestinian leadership that is willing and able to negotiate a peace treaty with Israel.

Support Israel's efforts to deter and defend against Iranian threats, particularly those emanating from Lebanon and Yemen. Hezbollah maintains a hold on Lebanon, though the government is required to disarm the terrorist group per the November 2024 ceasefire with Israel. It is actively reconstituting its forces as it establishes new leadership and recruits new fighters. Hezbollah maintains missile capabilities that threaten Israel and a tunnel system that threatens Israel's northern communities. The U.N. Interim Force in Lebanon (UNIFIL) was not able to prevent Hezbollah from establishing itself on Israel's northern border. The Houthis in Yemen remain a threat to Israel and to international shipping lanes. Israel responded to recurring missile and drone attacks from the Houthis with aerial strikes against their military, energy, and transportation infrastructure, as well as key military and political leaders. Still, the threat remains, and will require American, Arab, and European involvement to defeat it.

Help to strengthen Israeli missile defense capabilities. Israel continues to face the threat of ballistic missiles launched from Iran, Lebanon, or Yemen, and shorter-range rockets and drones launched by Hezbollah, Hamas, Palestinian Islamic Jihad, or Iraqi Shia militias.

Facts + Figures

FACT: Israel faces significant threats and has fought multiple wars with hostile neighbors including the:

- 1948 Arab–Israeli War,
- 1956 Suez War,
- 1967 Arab–Israeli War,
- 1973 Arab–Israeli War,
- 1978 South Lebanon conflict to push Palestinian terrorists back from Israel's border,
- 1982 Lebanon war to eject Palestinian terrorists from Lebanon,
- 2006 conflict with Hezbollah in Lebanon,
- 2008–2009 conflict with Hamas,
- 2012 conflict with Hamas and other Islamist terrorist groups,

- 2014 conflict with Hamas and other Islamist terrorist groups,
- 2021 conflict with Hamas and other Islamist terrorist groups, and
- 2023–2026 conflict with Iran and its proxy groups: Hamas, Hezbollah, and the Houthis

FACT: Israel was committed to a negotiated resolution of the Israeli–Palestinian conflict, though Palestinians had not negotiated in good faith. Since October 7, in light of the continued large-scale Palestinian support for terror attacks and Israel's elimination, most Israelis no longer see an independent Palestinian state on the strategic heights overlooking Israel's major cities as an acceptable option.

- Palestine Liberation Organization leader Yasser Arafat wanted a peace process to consolidate his control over the Palestinians, and he did not seek a genuine peace.
- Arafat never fulfilled his Oslo commitment to end terrorism. He turned a blind eye to Hamas's terrorist attacks, released Hamas terrorists from jail, and ordered an overt return to terrorism in the second intifada in 2000.
- Israel withdrew from Gaza in 2005 and then saw it transformed into a base for terrorism after Hamas seized power in a 2007 coup.
- Hamas rejects not only peace negotiations with Israel, but Israel's very right to exist.
- The PA, which broke off negotiations with Israel in 2014, has pushed for unilateral statehood by lobbying the United Nations in violation of its commitments under the 1993 Oslo Accords.

FACT: The United States has provided crucial military aid to Israel.

- In 2016, the U.S. pledged to provide $38 billion in military aid over 10 years ($33 billion to foreign military financing and $5 billion for missile defense). This agreement replaced a previous $30 billion 10-year agreement that ran through FY 2018. Much of this aid is spent in the United States on American products that create American jobs.
- The current package expires in 2028. The next agreement should see aid tapered off and replaced by co-investment in cooperative defense programs and strong economic, trade, and defense partnerships.
- The objective is to elevate the U.S.–Israel relationship to a strategic partnership that leverages both countries' comparative capabilities and advantages.

FACT: Despite widespread claims by anti-Israel and antisemitic voices, Israel did *not* commit genocide in Gaza. On the other hand, Hamas's actions on October 7 *were* genocidal.

- Israeli leaders made clear that the objective of the war was to defeat Hamas and return the hostages.
- While civilian casualties are a tragic consequence of any conflict in an urban environment, Israel went to great lengths to avoid these casualties.
- Whereas the average civilian-to-combatant death ratio in conflict since World War II is about nine-to-one, Israel achieved a nearly 1.5-to-one ratio.

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Updated: **May 2026**

Latin America

Summary and Key Points

Policy Proposals

1. Reassert a security-first hemispheric strategy that emphasizes the role of military cooperation and targeted operations against narco-threats while isolating authoritarian enablers and extra-hemispheric adversaries.

2. Strengthen border security and enforcement capacity in the U.S. and with partners (Mexico, Central America, Colombia, and key Caribbean states), integrating scalable Department of War (DOW) support roles.

3. Counter China's dual-use infrastructure strategy by pairing security cooperation with credible alternatives in ports, telecommunications, energy, and logistics—reducing dependency and protecting strategic nodes.

4. Maintain pressure on authoritarian regimes in Cuba and Nicaragua that enable criminality and invite adversarial influence; coordinate with like-minded partners to sustain regional cohesion.

Quick Facts

1. Global illicit markets provide the capital base for violent non-state actors, with estimates of roughly $650 billion annually for the illegal drug trade and more than $150 billion annually for human trafficking.

2. Mexican transnational criminal organizations source precursor chemicals primarily from China and increasingly use decentralized Chinese money laundering networks.

What to Say About Latin America

- Strong partnerships with Latin America's growing group of pro-U.S. conservative leaders improves regional stability and protect U.S. interests.

- The Caribbean and maritime routes function as a third U.S. border and demand serious attention.

- Insecurity in Latin America directly impacts U.S. national security, deadly drug flows, and public safety inside the United States. When the United States disengages from Latin America, instability grows and threats move closer to home.

- The U.S. military has an essential role in securing our hemisphere through regional cooperation and direct engagement against narco-terrorists. Mass migration and narco-trafficking thrive when the U.S. does not play a leading role in its security.

- China is expanding its malign influence in Latin America to undermine U.S. national security with a strategic presence just off U.S. shores.

- Authoritarian regimes in the region such as Cuba actively empower U.S. adversaries by inviting them into our hemisphere.

The Issue

The United States has a strategic interest in Latin America and the Caribbean stemming from geographic proximity and deep economic ties. As such, hemispheric stability has long been an underappreciated but direct driver of U.S. national security outcomes. The Trump Administration has shifted this dynamic dramatically, raising Latin America to the top of U.S. national security priorities.

Latin America and the Caribbean continue to face substantial narco-terrorism threats that cause, in some cases, deep and entrenched violence within states. These networks are fueled by revenue from drug trafficking, human trafficking, and other illicit activities that allow them to scale and modernize their operations.

Mexican cartel networks source precursor chemicals primarily from China and increasingly rely on Chinese money laundering networks—alongside methods such as bulk cash smuggling, trade-based laundering, and virtual currency—to move illicit proceeds. The Treasury Department's Financial Crimes Enforcement Network has similarly highlighted fentanyl-linked suspicious transaction patterns that connect U.S. and foreign nodes, including China and Mexico, across the supply chain.

China's hemispheric presence has become a more substantial threat to U.S. national security over the past several years. Specifically, this includes the establishment of dual-use infrastructure and intelligence-related facilities that can reduce U.S. freedom of action or disrupt crucial supply chains.

Through substantial engagement, the Trump Administration has begun to push back on China's encroachment into the Western Hemisphere. In early 2026, Panama's Supreme Court annulled the contract of a subsidiary of Hong Kong-based conglomerate CK Hutchison to operate two key ports at either end of the Panama Canal.

Similarly, key operations by the U.S. military have dealt major blows to Latin American narco-terrorism threats. In Venezuela, the January 3, 2026, operation to arrest Nicolás Maduro was a highly targeted action conducted pursuant to a U.S. warrant for narco-trafficking and related offenses.

At the same time, the Trump Administration is using major diplomatic pressure and military cooperation to press Mexico and other countries to confront the narco-terrorist threats within their territory.

Recommendations

The U.S. should sustain and advance recent security gains and reassert hemispheric stability through a combined strategy: operational disruption of trafficking networks, strengthened border integrity, partner capacity building, and a credible economic alternative to Chinese malign influence.

- **Modernize the anti-cartel framework with a military-security focus.** The U.S. and regional militaries should play a more substantial role in confronting major narco-terrorist threats within the Western Hemisphere, where drug cartels are now larger and better equipped than most militaries.

- **Protect strategic infrastructure from China's coercion and dual-use risk.** Prioritize screening and mitigation for ports, logistics hubs, undersea cables, and telecom core networks. The Panama Canal ports dispute illustrates how infrastructure control can become a geopolitical pressure point in the hemisphere.

- **Sustain follow-through in Venezuela after Maduro's removal.** Further U.S. engagement is necessary to ensure that Venezuela does not remain a threat and to prevent a successor regime from inheriting and perpetuating Maduro's narco-trafficking and migration-enabling networks; the objective should be to translate disruption into conditions for credible political transition.

- **Expand maritime and Caribbean security as a homeland priority.** Treat the Caribbean as a third U.S. border: strengthen maritime domain awareness, expand law enforcement presence in U.S. territories where appropriate, and work with partner governments to build capacity to secure coastlines, ports, and air hubs exploited by traffickers.

- **Strengthen U.S. border integrity with scalable DOW support.** Bolster DOW and Department of Homeland Security resources alongside an enhanced military support role (logistics, surveillance, infrastructure, and other lawful support authorities) with appropriate resourcing to limit readiness trade-offs elsewhere.

Facts + Figures

FACT: Thanks to President Trump's deployment of the U.S. military to the border, illegal migration fell dramatically after 2025—dropping roughly 80 percent to 95 percent from the record highs of 2021–2024 (millions annually) to the lowest levels in decades, with fiscal year 2025 southwest border apprehensions at approximately 237,000, compared with approximately 1.5 million–2.9 million in recent peak years.

FACT: The U.S. Government Accountability Office finds Mexican networks source precursor chemicals primarily from China and increasingly use decentralized Chinese money laundering networks.

FACT: Panama's high-court action against CK Hutchison's canal-adjacent port concession has been treated as a major U.S.–China geopolitical flashpoint over infrastructure control.

FACT: Violence in Haiti remained severe in 2025 and early 2026, with UN reporting documenting thousands killed and widespread sexual violence alongside expanding gang control of routes.

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North Korea

Summary and Key Points

Policy Proposals

1. Push for a comprehensive road map to denuclearization and insist on robust verification measures.
2. Enhance implementation of sanctions against entities that are in violation of U.N. declarations or U.S. legislation and regulations.
3. End unilateral U.S. disarmament by resuming military exercises with South Korea.
4. Uphold human rights principles by enforcing the North Korea Sanctions and Policy Enhancement Act.

Quick Facts

1. Pyongyang has a 1.1 million–man army, 70 percent of which is deployed within 60 miles of North Korea's border with South Korea.
2. North Korea spends an estimated 25 percent of its gross national product on its military.
3. Since 2017, in addition to parading a multiple-warhead intercontinental ballistic missile (ICBM), North Korea has successfully tested a hydrogen bomb, two ICBMs capable of threatening the American homeland, and 14 new missile systems capable of targeting South Korea and U.S. forces stationed there.
4. During a crisis, Pyongyang's cyber warfare could have a massive impact on financial, infrastructure, transportation, military, and government computer networks.

What to Say About North Korea

- North Korea remains one of the most dangerous threats to American troops and allies in Asia. When North Korea's threats are downplayed, the risk of sudden conflict increases dramatically.
- Protecting America and our allies requires a firm response to the real threat North Korea poses, not symbolic gestures or empty promises.
- The regime continues building nuclear weapons and missiles despite years of talks and concessions. North Korea threatens U.S. bases in South Korea, Japan, and Guam with growing missile capabilities.
- Pretending North Korea will voluntarily disarm ignores decades of evidence and repeated deception. Past agreements failed because the regime never reduced its weapons or hostile behavior.

The Issue

North Korea poses one of the world's biggest threats to U.S. national security interests. Pyongyang presents a multifaceted military threat to peace and stability in Asia as well as a global proliferation risk.

Pyongyang has conducted six nuclear tests, including of a powerful hydrogen bomb 10 times the size of the atomic weapons used at the end of World War II. Leaked U.S. intelligence estimates indicate that the regime had between 30 and 60 nuclear weapons in 2017, with a capability to produce seven to 12 more of these weapons annually.

The regime has successfully tested road-mobile ICBMs, including a variant that could reach the entire continental United States. In October 2020, Pyongyang paraded the world's largest road-mobile ICBM. The regime subsequently announced that the missile would have multiple warheads. Combined with its recent ability to produce mobile ICBM launchers indigenously, this raises the possibility that North Korea could overwhelm America's missile defenses.

Despite three U.S.–North Korea leader meetings, there has been no decrease in North Korea's WMD arsenal or production capabilities. The U.S. Intelligence Community has assessed that Pyongyang has increased its production of fissile material for nuclear weapons, and satellite imagery has revealed upgrades to missile, re-entry vehicle, missile launcher, and nuclear weapon production facilities. The Intelligence Community continues to assess that North Korea is not likely to give up all its WMD stockpiles, delivery systems, and production capabilities.

North Korea's conventional forces also threaten U.S. bases in South Korea, Japan, and Guam. Pyongyang has deployed hundreds of short-range, medium-range, and intermediate-range missiles that can threaten all of Japan and South Korea as well as U.S. bases on Okinawa and Guam. Since 2019, North Korea has tested 14 new missile systems that can target South Korea and U.S. forces stationed there more effectively.

North Korea has approximately 1 million people in its military and several million more in its reserves. Pyongyang has forward deployed 70 percent of its ground forces within 90 miles of the Demilitarized Zone (DMZ), making it possible to attack with little or no warning. This is of particular concern because South Korea's capital, Seoul, is only 30 miles south of the DMZ. North Korea's armed forces, with their forward-deployed, offensively oriented disposition, and the regime's history of making threats and initiating hostilities pose the greatest danger of armed conflict. In addition, confidence-building measures that have been implemented to date have not reduced the North Korean tactical or strategic conventional military threat to South Korea, nor do they represent progress in denuclearization.

Recommendations

Push for a comprehensive road map to denuclearization. Any agreement must include a complete North Korean data declaration of its nuclear and missile programs as well as an unambiguous and public North Korean commitment to the U.N. requirement to abandon its nuclear and missile production capabilities and existing arsenals in a complete, verifiable, and irreversible manner.

Insist on robust verification measures. U.S. negotiators must emulate the robust and intrusive verification regime of the Strategic Arms Reduction Treaty, Intermediate-Range Nuclear Forces Treaty, and Conventional Armed Forces in Europe Treaty. Pyongyang should pledge compliance with U.N. resolutions, the Non-Proliferation Treaty, and International Atomic Energy Agency safeguards. Verification provisions must include a data declaration of all production, fabrication, test, and storage facilities; the stockpile of fissile material, nuclear weapons, and missiles; on-site inspections of declared facilities; and short-notice challenge inspections of

non-declared facilities. Any new agreement with North Korea that lacks such critically important protocols is a bad deal.

Condition a peace agreement on reducing the conventional force threat. The United States and South Korea should not sign a peace treaty until the North Korean nuclear threat is eliminated and the conventional threat is reduced. Conventional forces should be capped and then weaned away from the forward area using measures similar to those in the Conventional Armed Forces in Europe Treaty and the accompanying Vienna Document of Confidence and Security Building Measures. Signing a simplistic peace declaration would provide a false perception of peace while creating societal and legislative momentum for reducing or removing U.S. forces before reducing the North Korean threat that necessitated American involvement in the first place.

Fully enforce U.S. laws. Sanctions are a critical component of U.S. foreign policy. They uphold America's laws and defend its financial system—but only if they are implemented. The United States should sanction the 300 North Korean entities that are violating U.S. laws and against which it has deferred action, penalize Chinese banks that are engaged in money laundering and other crimes by identifying them as primary money-laundering concerns or imposing significant fines, impose sanctions on Chinese shipping companies that are flouting U.N. restrictions on North Korean oil, and impose secondary sanctions on ports that are aiding North Korea's smuggling of goods that are prohibited by U.N. sanctions.

Uphold human rights principles by enforcing the North Korea Sanctions and Policy Enhancement Act. The United States should make human rights an integral component of U.S. policy. Downplaying North Korean human rights violations to gain diplomatic progress is antithetical to U.S. values, undermines the diplomatic isolation of North Korea, and sets a poor precedent for negotiations.

Facts + Figures

FACT: North Korea's nuclear, missile, and conventional forces are a formidable threat to the United States and its allies in northeast Asia.

- North Korea has steadily improved the quality and quantity of its nuclear and missile arsenals. After assuming power, Kim Jong-un oversaw an expansive diversification of North Korea's arsenal and accelerated nuclear and missile testing. New weapons overcame the shortcomings of their predecessors and now pose a far greater threat to allied forces and missile defense systems.
- North Korea is producing a new generation of advanced mobile missiles that, in addition to being more accurate, more mobile, and more difficult to detect and target, have an enhanced ability to evade allied missile defenses.
- The U.S. Intelligence Community has estimated that in 2017, North Korea had produced between 30 and 60 nuclear warheads' worth of fissile material with the capacity to create seven to 12 warheads per year. The regime has successfully tested a hydrogen (thermonuclear) weapon at least 10 times as powerful as the Hiroshima and Nagasaki bombs.
- Pyongyang has practiced missile launches under wartime conditions by firing multiple missiles from numerous locations throughout the country, simulated nuclear airburst attacks over South Korea and Japan, and conducted salvo launches of several missiles simultaneously.

FACT: North Korea is one of the greatest cyber threats to the United States, its allies, and the international financial system.

- North Korea has conducted cyber guerrilla warfare to steal classified military secrets, absconded with billions of dollars in money and cryptocurrency, held computer systems hostage, and inflicted extensive damage on computer networks.

- In August 2019, the U.N. Panel of Experts estimated that North Korea had cumulatively gained $2 billion from cybercrime. Some experts now assess that Pyongyang may gain $1 billion a year—a third of the value of the nation's exports—from cyber heists.

- North Korea has proven to be adept at deeply penetrating even highly secure computer networks of governments, militaries, banks, and international financial transaction systems, and critical infrastructure targets. During a crisis, Pyongyang's cyber warfare could have a massive impact on financial, infrastructure, transportation, military, and government computer networks.

FACT:

- South Korean K-9 artillery on Yeonpyeong Island must now move to the peninsula to train, but North Korean 4th Corps artillery, which attacked Yeonpyeong Island in 2010 killing four South Koreans, is not affected by the inter-Korean military agreement.

- Under the inter-Korean military agreement, South Korea closed the only long-range artillery practice range in Gangwon Province. Practice with the Chungmoo MRL and K-9 self-propelled artillery howitzer at the range had included live-fire exercises every year in April and November.

- The unilateral U.S. concession on curtailing military training exercises did not lead to any progress in denuclearization talks and risked degrading allied deterrence and defense capabilities. North Korea continues its military training exercises, including the large-scale Winter Training Cycle, and has conducted more than 40 missile tests during the past three years.

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Russia

Summary and Key Points

Policy Proposals

1. Maintain sanctions on Russia, alongside European allies, to bring the war in Ukraine to an end.
2. Support the construction of the Trans-Caspian Gas Pipeline and the Southern Gas Corridor project.
3. Establish a multinational NATO corps in the Baltic region.

Quick Facts

1. The Trump Administration has imposed multiple rounds of sanctions on Russia, including more than 1,800 Russian individuals and entities, while seizing shadow fleet oil tankers.

What to Say About Russia

- Russia has a long record of invading neighbors and using force to expand its influence. When Russia's aggression goes unanswered, it grows more dangerous and harder to stop later.
- Russia's election meddling and foreign influence campaigns threaten democratic systems far beyond Europe.
- Russian military threats put U.S. allies in Eastern Europe directly at risk. The war in Ukraine shows Russia is willing to destabilize Europe to advance its interests.
- Strong alliances and forward defense are essential to protecting countries Russia tries to intimidate. Sanctions against Russia work best when the United States and our allies remain united and consistent.
- America's energy independence weakens Russia's ability to pressure Europe through oil and gas exports.

The Issue

Russia remains an American geopolitical adversary and competitor to NATO. Since coming to power in 1999, Vladimir Putin has tried to undermine the United States and its allies at every turn. No matter how distant the Russian military threat might seem to Americans, it poses a legitimate threat to countries in Eastern Europe, many of which the United States is obliged by treaty obligation to defend.

Russia has shown a willingness to use military force to advance national interests. Since March 2014, it has illegally occupied Ukraine's Crimean Peninsula and sustained a war in Ukraine's eastern Donbas region, before launching a

full-scale invasion of Ukraine in 2022 that has resulted in more than one million casualties, including thousands of civilians. All this has occurred while Russia continues to occupy northern regions of the country of Georgia.

Russia's threat and meddling extend to other regions as well, including the Middle East and Latin America. Russia's close relationship with Iran has also proven problematic, particularly for the United States, since Russia provides diplomatic cover to Iran on international statutes at, for example, the United Nations Security Council (UNSC); sells arms to Iran; and has increased intelligence sharing to support Iranian military operations. In Venezuela, Russia backed former socialist dictator Nicolás Maduro, although Russia failed to come to Venezuela's aid in early 2026 when the United States arrested Maduro.

Russia's ability to act in the Middle East and Latin America has diminished in recent years, and its decision to invade Ukraine prompted increased defense spending and unity in NATO, as well as the addition of Sweden and Finland to the Alliance. All this has resulted in a strengthened NATO that complicates Russian strategic planning. If NATO countries increase defense spending to 5 percent of GDP and expand their militaries, Russian ability to threaten NATO will decrease.

Recommendations

Take a realistic approach to Russia. So far, the Trump Administration's policies have been the toughest on Russia in a generation. As President Donald Trump has stated repeatedly, the 2022 invasion of Ukraine would not have happened had he been President.

Work with allies in Europe to maintain solidarity on sanctions. The United States should strongly encourage its allies in Europe to keep sanctions in place against Russia for its aggression against Ukraine, especially as a means of forcing Russia to negotiate an end to the conflict. The United States should work with its European allies to ensure that these sanctions remain in place as long as Russia continues its aggression.

Concentrate U.S. aid to Ukraine through NATO's Prioritized Ukraine Requirements List (PURL) initiative. In line with President Trump's call for European allies to take the lead in supporting Ukraine, this support should be channeled through PURL for maximum effectiveness when buying from the United States.

Offer political support for the construction of the Trans-Caspian Gas Pipeline and the Southern Gas Corridor project. As Europe seeks alternatives to Russian gas, the Southern Gas Corridor and completion of the Trans-Caspian Gas Pipeline will play important roles. This is because they will both link Caspian-region energy markets with Europe, bypassing Russia and Iran. Furthermore, the construction of the Trans-Caspian Gas Pipeline will help to ease regional tensions between Azerbaijan and Turkmenistan.

Commit to America's NATO treaty obligations. As long as the United States remains a member of the Alliance, it must make clear to any adversary that an attack on one NATO member will, without question, continue to be considered an attack on all. Any deviation from this commitment would only invite aggression.

Continue pressing NATO allies to increase defense spending to 5 percent of GDP by 2035. While the United States should acknowledge the consistent recent increases in defense spending by its NATO allies, some allies, such as Spain, continue to shirk their NATO commitments. America's leadership role in NATO means continuing to encourage allies to develop and maintain a plan to live up to their defense spending commitments, and to maintain and increase the progress of recent years.

Establish a NATO multinational corps in the Baltic region. Germany has begun to deploy a permanent presence in Lithuania—a positive development that other NATO members should replicate in Latvia and Estonia to round out a full multinational NATO corps stationed in the Baltic states.

Continue to participate in training exercises in the Arctic region. Exercises above the Arctic Circle are vital to ensuring that the NATO Alliance is prepared to meet potential threats to Arctic security. The United States should also consider hosting NATO exercises in Alaska.

Increase pressure on Russia to bring Vladimir Putin to the negotiation table and end the war in Ukraine. The United States should further augment sanctions on Russia's energy sector, support seizures of shadow fleet tankers, and continue to cut Russia off from the global financial system.

Facts + Figures

FACT: The Trump Administration has been the toughest on Russia since President Ronald Reagan.

- The Trump Administration has kept and introduced multiple rounds of sanctions on Russia, including more than 1,800 Russian officials and entities. To date, Russia has lost between $300 billion and $320 billion due to U.S. and EU sanctions and a substantial decrease in foreign investment and trade.
- Russia's diplomatic presence in the United States has been largely downsized. So far, the Trump Administration has expelled 60 Russian diplomats and spies from U.S. soil and closed the Russian consulates in San Francisco and Seattle.
- The second Trump Administration has armed Georgia and Ukraine, both under partial Russian occupation, with advanced defensive weapons, something the Biden Administration refused to do. The first Trump Administration armed Ukraine with Javelin anti-tank missiles, aid that was pivotal to stopping Russia's attempt to seize Kyiv in 2022.

FACT: Russia is greatly improving its military capabilities.

- In 2018, Russia introduced the new State Armament Program for 2018 to 2027, a $306 billion investment in new equipment and force modernization.
- Russia is using eastern Ukraine and Syria to test its military equipment. So far, Russia has tested shipborne and air-launched long-range cruise missiles in Syria and flying platforms and unmanned aerial vehicles in Ukraine.
- Combat operations in Ukraine have taught Russian commanders hard lessons about tactical success, enabled Russian development and mass production of combat drones, and permitted combat use of hypersonic missiles.
- Russia is quickly boosting its military presence in the Arctic. Russian investment in Arctic bases over the past decade has resulted in 14 operational airfields along with 16 deepwater ports. Russia has begun laying a nearly 8,000-mile fiber-optic cable across its Arctic coast to link military installations from the Kola Peninsula all the way to Vladivostok, to be completed in 2026.

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Updated: **May 2026**

Taiwan

Summary and Key Points

Policy Proposals

1. Arm Taiwan to deter and degrade Chinese invasion.

2. Actively support Taiwan's participation in the international community.

Quick Facts

1. Taiwan produces more than 60 percent of the world's semiconductors and more than 90 percent of the most advanced semiconductors. China's seizure—or destruction—of these industries would impose tremendous costs on U.S. workers and producers.

2. The waters around Taiwan host some of the world's most important trade routes and are a key passage for roughly a third of global cargo.

3. According to Heritage's 2026 Index of Economic Freedom, Taiwan is the fifth-freest economy in the world.

4. Taiwan is the United States' fifth-largest merchandise trading partner and fifth-largest source of U.S. imports as of 2025—a substantial increase over previous years.

What to Say About Taiwan

- Taiwan is a critical partner whose freedom matters to American security and stability in the Indo-Pacific. Taiwan's defense depends on strong preparation and clear signals of American support.

- China is actively preparing to take Taiwan by force and will do so if it believes the cost will be low. A Chinese invasion of Taiwan would disrupt global trade and directly harm American economic interests.

- America must prioritize military readiness in the Indo-Pacific to prevent conflict before it starts. Delayed weapon transfers weaken Taiwan's ability to defend itself in a crisis.

- Supporting Taiwan helps discourage aggression and maintain peace in a vital region. When Taiwan is abandoned, aggression is rewarded and the risk of war rises sharply.

The Issue

Taiwan is a critical U.S. partner in the Indo–Pacific. It is a de facto independent country with an unsettled de jure status. Though the CCP has never governed Taiwan, the CCP claims that Taiwan is a part of the People's Republic of China and has intensified military coercion aimed at compelling Taiwan to accept CCP rule.

An armed conflict over Taiwan would be distinct from any war that generations of Americans have experienced. It would inflict economic harm on every American household. If the United States intervened, it would likely result in significant loss of life and treasure, even without nuclear escalation. On the other hand, if China took control of Taiwan, that would be a major step forward in the CCP's efforts to achieve hegemony throughout the Indo–Pacific, with dire implications for America's security, freedom, and prosperity. It would also pose a direct threat to key U.S. allies Japan and South Korea. Deterring CCP aggression against Taiwan must therefore be an apex priority for U.S. foreign policy.

The Taiwan Relations Act (TRA) forms the statutory basis of U.S. policy toward Taiwan and heavily influences which options are available to the United States to strengthen deterrence against a Chinese invasion. In 1979, when the Carter Administration ended formal diplomatic ties with Taiwan in favor of opening relations with China, Congress stepped in to provide the basis for continuing strong relations with Taiwan through the TRA. The TRA authorizes "the continuation of commercial, cultural, and other relations between" the United States and Taiwan, which U.S. Administrations have generally referred to as an "unofficial" relationship.

The TRA has a diplomatic component and prohibits the United States from "supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization." Taiwan maintains diplomatic relations with 13 countries and belongs to 37 international organizations and their subsidiary bodies, including the World Trade Organization (WTO) and the Asia–Pacific Economic Cooperation (APEC) forum.

Although the United Nations resolution admitting the People's Republic of China did not address Taiwan's status, the CCP has subsequently sought to exclude Taiwan from many other U.N.-related organizations, such as the U.N. Educational, Scientific, and Cultural Organization (UNESCO), the U.N.'s Food and Agriculture Organization (FAO), and INTERPOL. The United States has long supported Taiwan's "meaningful participation" in more international organizations, including U.N. agencies. Since 2016, the CCP has reversed the moderate policy it maintained during Taiwan's previous administration and aggressively sought to punish the island's ruling party by inducing Taiwan's diplomatic allies to sever relations with Taiwan and shutting it out from both the International Civil Aviation Organization (ICAO) and the World Health Assembly (WHA)—an organization to which it had previously been granted observer status with Beijing's support.

The TRA codifies a U.S. interest in Taiwan's security and makes certain commitments toward Taiwan's defense. While these TRA provisions are short of a mutual defense treaty, they are uniquely strong, underpinning a U.S. policy of "strategic ambiguity" concerning whether the U.S. would intervene in Taiwan's defense. The TRA declares "that peace and stability in the area are in the political, security, and economic interests of the United States, and are matters of international concern" and emphasizes that the use of anything "other than peaceful means" constitutes "a threat to the peace and security of the Western Pacific area and [is] of grave concern to the United States." The TRA further states that it is U.S. policy to "maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan." The fiscal year 2023 National Defense Authorization Act specified further that, "consistent with the Taiwan Relations Act...it shall be the policy of the United States to resist a fait accompli that would jeopardize the security of the people on Taiwan." The 2025 National Security Strategy (NSS) of the United States stated that the United States has a national interest in "deterring conflict over Taiwan, ideally by preserving military overmatch." The NSS states that the U.S. does not support any unilateral change to the status quo in the Taiwan Strait, especially because of "Taiwan's dominance of semiconductor

production...because Taiwan provides direct access to the Second Island Chain and splits Northeast and Southeast Asia into two distinct theaters," and because of the U.S. economic interest given that "one-third of global shipping passes annually through the South China Sea."

At the same time, the TRA makes it a matter of policy that the U.S. "will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." Since the TRA's enactment, U.S. military support to Taiwan has consisted almost exclusively of foreign military sales, sales of U.S. military hardware that Taiwan pays for from its defense budget. However, the eroding security balance in the Taiwan Strait has exposed both the limitations of this narrow defense relationship and opportunities for the United States to use security assistance to strengthen Taiwan's defenses and bolster deterrence against China.

The urgency of such efforts is only growing. In recent years, the CCP has dramatically increased military coercion toward Taiwan, including live-fire military exercises, provocative missile testing, and unprecedented encroachments into Taiwan's airspace and waters. Since 2022, CCP belligerence has breached historic records, including ballistic missile launches over Taiwan's main island and multiple mock blockades of Taiwan. At the same time, U.S. military sales to Taiwan have been significantly delayed due to existing constraints in the U.S. industrial base, compounded by the U.S. shouldering a disproportionate share of the security assistance burden for Ukraine. The backlog in arms sales for Taiwan grew to more than $20 billion in 2026, with delivery timelines for key weapons systems stretching beyond 2027, a year in which many in Washington believe that the People's Liberation Army (PLA) could field the capabilities to launch a successful invasion.

In late 2023, Congress passed the Taiwan Enhanced Resilience Act (TERA), which, if fully implemented, could help to mitigate the acute threat to Taiwan's security. The TERA authorized for the first time the use of U.S. security assistance authorities for Taiwan, including foreign military financing assistance to supplement and shape Taiwan's defense acquisitions and presidential drawdown authority to allow the transfer of weapons from U.S. stocks.

Recommendations

In order to deter a Chinese invasion of Taiwan, the U.S. should:

Arm Taiwan. Congress and the Administration should fund and implement the foreign military financing provision and the presidential drawdown authority provision of the TERA to harden Taiwan's defenses as quickly as possible. Particular attention should be given to accelerating Taiwan's fielding of "asymmetric defense capabilities," such as relatively affordable coastal, air, and missile defenses, that are optimized for use against a Chinese invasion force and can be fielded in large numbers. At the same time, the United States should increase production of the weapons and other capabilities required by U.S., Taiwanese, and other allied and partner forces for a Taiwan contingency.

Restore conventional deterrence in the Indo–Pacific. The United States should urgently resource a strategy of denial against China. This is imperative to convince Beijing not only that an invasion of Taiwan would prove costly, but also—and more important—that it would fail. Given constraints on U.S. defense spending, however, funding this strategy will require disciplined prioritization, emphasizing improvements to U.S. forces in the Indo–Pacific over secondary priorities in other theaters. The Administration's forthcoming budget requests should reflect that prioritization, as should congressional defense authorizations and appropriations.

Actively support Taiwan's international space and participation in international organizations. Taiwan has critical expertise to share with international organizations. More broadly, Taiwan's meaningful participation in international organizations would integrate its security policy into its broader relationship

with global partners and deter China from coercing it into unification. The Administration should encourage Taiwan's membership, observer status, or other meaningful participation in INTERPOL, the WHO, and the ICAO. Critical to this effort is a re-evaluation of the grounds under which Taiwan ceded its U.N. seat to China in 1971. Beijing has gone beyond the intent of the agreement approving that change to shut Taiwan out of international organizations. Polls consistently show that the vast majority of Taiwanese prefer the status quo of Taiwan's diplomatic status, with only 4.5 percent supporting a push for independence as soon as possible.

Facts + Figures

FACT: Taiwan's freedom from Chinese dominion is in the United States' national interest.

- Taiwan produces more than 60 percent of the world's semiconductors and more than 90 percent of the most advanced semiconductors. China's seizure—or destruction—of these industries would impose tremendous costs on U.S. workers and producers.
- The waters around Taiwan are home to some of the world's most important trade routes. CCP control of Taiwan would dramatically improve China's ability to blockade or impose other forms of economic coercion on U.S. allies Japan, the Philippines, and South Korea.

FACT: Taiwan is a like-minded democracy and critical trading partner.

- Taiwan has been a vibrant democracy since 1996. As of 2016, it had celebrated three peaceful transfers of power between opposing parties.
- Taiwan has diplomatic relations with 13 nations; more than 60 foreign countries maintain embassies or representative offices in Taiwan.
- Taiwan is the United States' fifth-largest merchandise trading partner and fifth-largest source of U.S. imports as of 2025—a substantial increase over previous years. According to The Heritage Foundation's *2026 Index of Economic Freedom*, Taiwan has the world's fifth-freest economy.

FACT: China has become more aggressive in its actions and rhetoric toward Taiwan.

- The People's Liberation Army Navy and Air Force routinely threaten Taiwan and violate its airspace. In 2019, China's Xi Jinping said that "reunification" was "an inevitable requirement for the great rejuvenation of the Chinese people." At the 100th anniversary of the founding of the CCP on July 1, 2021, Xi said, "We must take resolute action to utterly defeat any attempt toward 'Taiwan independence.'" On October 9, 2021, he said, "No one should underestimate the Chinese people's staunch determination, firm will, and strong ability to defend national sovereignty and territorial integrity."

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International Organizations and Treaties

Summary and Key Points

Policy Proposals

1. Quit U.S. membership in United Nations agencies, international organizations, and treaties that are redundant, wasteful, or contrary to U.S. values and interests.

2. Veto harmful, obsolete, or ineffective U.N. peacekeeping missions, while strictly enforcing the 25 percent cap on the United States' assessed share of the U.N. peacekeeping budget.

3. Condition funding to the United Nations and other international organizations on waivers of immunity to lawsuits in U.S. courts for serious wrongdoing. Make alignment with U.S. interests in international organizations—such as voting with the United States at the United Nations, and non-membership in the International Criminal Court (ICC)—mandatory criteria in foreign aid allocation.

4. Take steps to make President Donald Trump's reforms to U.S. involvement durable in international organizations, including by insisting on the constitutional processes for treaty ratification.

Quick Facts

1. The amount spent on international organizations surged from roughly $5 billion in 2005 to $21 billion in 2022. Such spending doubled under the Biden Administration. (In 2024, the latest year for which data was available at time of publication, spending had sunk slightly to $19.5 billion.)

2. Even the most innocuous-sounding international organizations have institutionalized woke ideology, with nearly every U.N. entity seeking to make climate, gender issues (including "trans") issues, a central part of their work. In 2019, the United States contributed $639 million to the U.N. regular budget and more than $1.8 billion for U.N. peacekeeping.

3. U.S. financial contributions to the United Nations surpassed the combined contributions of 184 other countries.

4. International organizations, such as the United Nations, enjoy greater immunity from lawsuits than foreign countries or the U.S. President. They can literally invade a foreign country and murder American citizens without being held accountable, as employees of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) did when they joined Hamas in attacking Israel on October 7, 2023.

What to Say About International Organizations and Treaties

- International organizations should serve American interests, not override U.S. sovereignty or constitutional processes.
- Many global institutions have grown costly, ineffective, and disconnected from their original missions.
- U.S. participation should be conditional on accountability, transparency, and alignment with American values.
- Taxpayers should not fund international bodies that undermine U.S. interests or promote divisive agendas.
- Treaties must follow constitutional procedures and respect Congress's role in oversight and approval.
- Peacekeeping missions should be ended when they fail to deliver security or protect civilians.
- Foreign aid and diplomatic engagement should reward countries that align with the United States.
- When international institutions operate without accountability, American influence declines and costs rise.

The Issue

There are many valid reasons, consistent with U.S. interests, for America to engage with other countries through international organizations, legal agreements, and treaties. However, such organizations and instruments are not ends in themselves. More international organizations are not always better. The question that must be asked of every organization and treaty of which the United States is a member is how it helps Americans.

Successfully defending America's interests by engaging in these relationships can be challenging. International organizations frequently have member states whose interests are at odds, so action and decision-making in these organizations are often gridlocked or subject to a process that appeals to the lowest common denominator. Worse, countries opposed to U.S. policies and leadership use the United Nations and other international organizations, in which they are on a more equal footing with the U.S., to assert their influence and counterbalance U.S. leadership and constrain U.S. action.

As of 2024, the United States was a member of, or financially contributes to, roughly 160 international organizations, funds, treaty bodies, councils, groups, bureaus, centers, commissions, and peacekeeping operations. According to the most recent State Department report, the United States provides $19.5 billion to those organizations each year.[1] The benefits of membership in these entities to U.S. interests vary considerably, and in many cases are entirely obscure. For example, though the United States is by far the largest funder, as well as the physical host, of the United Nations, it is typically on the losing end of most contested U.N. General Assembly votes.[2] As the 2026 State Department Strategic Plan states, the United Nations "has strayed far from its purpose of solving international disputes peacefully."

International organizations are where accountability goes to die. They are even further removed from voters than national governments are. Because all states participate on equal terms, there is a classic agency problem in monitoring, with no individual member having adequate incentive to make the necessary effort. Meaningful reform is impossible for institutions governed by international agreements in which every member state needs to agree to changes.

Some of these organizations, such as the North Atlantic Treaty Organization (NATO), at least have a clear goal of mutual defense, and the potential of strengthening U.S. security cooperation with allied nations. Other

organizations, such as the United Nations, are often ineffective and flawed, but U.S. membership is critical for opposing actions and resolutions contrary to U.S. interests, particularly in the U.N. Security Council where the United States has a veto. However, the United Nations is not a monolith, and U.N. membership does not require U.S. participation in all its affiliated organizations. The United States should therefore leave those whose costs outweigh the benefits of membership. The Trump Administration has taken important steps in this direction, withdrawing or ending participation in nearly 70 international organizations,[3] including major U.N. entities, such as the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the United Nations Framework Convention on Climate Change.

These withdrawals should just be the beginning of a broader reassessment of the utility of U.S. membership in such organizations. Like canceling unused online subscriptions, international organizations need to justify their value proposition to the United States on a regular basis. There should be a strong presumption against organizations dedicated to, or promoting, progressive causes—such as climate, migration, and gender ideology—or that purport to exercise interpretive powers over international law.

The spectrum of international agreements and treaties is similarly complex. In some cases, the benefits of the agreement can justify the accompanying constraints on U.S. conduct. For instance, in addition to the NATO treaty, a number of agreements improve the mutual security of the U.S. and its allies. Similarly, the General Agreement on Tariffs and Trade (GATT) and subsequent modifications, including the establishment of the World Trade Organization in 1995, established rules for trade that have contributed to enormous increases in per capita income in the United States and around the world. Human rights instruments, such as the four treaties of the 1949 Geneva Conventions and the International Covenant on Civil and Political Rights, codify important rules and principles. However, the difficulty of revising or updating multilateral instruments like the Geneva Conventions, combined with a lack of an authoritative interpreter, means that even such generally reasonable conventions cede power to international lawyers, academics, and NGO networks that proliferate "soft law" interpretations in ways that contradict sovereignty and almost always disadvantage the United States.

More recent multilateral treaties would impose significant economic costs or threaten fundamental freedoms. The International Covenant on Economic, Social and Cultural Rights, which the United States signed in 1977 but has not ratified, would elevate entitlements and policy decisions on health care and education to the level of rights, which serves to debase the notion of human rights and fundamental freedoms. The Arms Trade Treaty would impose significant constraints on the ability of the United States to support the defense of its allies, while doing nothing to constrain arms sales by dictatorships. President Trump was correct to end U.S. support for these deeply flawed agreements.

America should be willing to work through international organizations and ratify international agreements to address genuinely shared concerns, but it must not be held hostage by an irrational, ritualistic adherence to these approaches. Moreover, it should use all tools available to it, from withdrawing and defunding to conditioning funding on accountability measures to ensuring the good functioning of the institutions of which it remains a member.

Recommendations

Quit U.S. membership in U.N. agencies, international organizations, and treaties that are redundant, wasteful, or contrary to U.S. values and interests. The State Department should conduct regular audits of, and publicly report on, how U.S. participation in each international organization advances specific U.S. interests. If a U.N. body or other treaty-based international organization has proven irrelevant, hopelessly flawed, or antithetical to U.S. interests, the United States should not reward its poor performance with financial support or participation, which lends it unwarranted prestige and credibility.

In particular, the United States should quit treaties that provide for mandatory jurisdiction by the International Court of Justice, which has become entirely politicized and consistently hostile to U.S. interests. For example, it has issued rulings declaring climate change an international law violation and demanding that the United Kingdom end its sovereignty over Diego Garcia, site of a vital U.S. base. The United States should also look for opportunities to exit treaty-based legacy organizations, such as the International Labor Organization. Moreover, it should magnify the effect of its own exit by encouraging allies to do the same. Once the U.S. exits an international organization, Congress should repeal any relevant legislation that authorized membership, so that a President who wants to rejoin would have to get Congress's approval again.

Be willing to withhold funding to reform international organizations, as President Trump has done with the United Nations. Because they receive funding from many nations, international organizations are typically not accountable to any. Failure to demand that international organizations operate effectively and efficiently is a disservice to the mission of those organizations and fails to respect the American people, whose tax dollars often comprise a major share of their budgets. The United States needs to ensure that every agency and body in the U.N. system operates in a transparent, accountable, and well-managed manner. Although the United States is an influential nation, most international organizations operate on a one-nation, one-vote process, and the United States often fails in its efforts to pass reform measures. As such, it must be prepared to use its considerable financial leverage to advance critical reforms when normal diplomatic efforts fall short.

Veto obsolete or ineffective U.N. peacekeeping missions and enforce the 25 percent cap on America's U.N. peacekeeping assessment. Peacekeeping is one of the biggest line items in the U.N. budget, and the United States pays the lion's share, despite Congress having legislated a 25 percent budget cap on U.S. contributions to U.N. peacekeeping efforts (notably, the United Nations' peacekeeping budget is separate from the general budget that is funded from assessed contributions). The effectiveness of these missions overall is dubious, and they have been plagued by accusations of systematic sexual abuse, particularly in the Democratic Republic of the Congo and the Central African Republic. President Trump in his first term successfully pressured the United Nations to cut its peacekeeping budget, but it quickly bounced back under President Joe Biden. Unlike other U.N. programs, peacekeeping operations must be regularly reauthorized by the Security Council, and thus the United States can veto them outright. This is a unique area where the United States itself can push through meaningful, irreversible reform overnight.

Condition funding to the United Nations and other international organizations on waivers of immunity to lawsuits in U.S. courts for serious wrongdoing. Make alignment with U.S. interests in international organizations—such as voting with the United States at the United Nations, and non-membership in the ICC in foreign aid allocation. U.N. officials have been involved in heinous crimes—from UNRWA's massive infiltration by Hamas, including actual participation in the October 7 massacres, to rampant and endemic sex crimes by peacekeepers in Africa. All this wrongdoing is shielded by the United Nations' broad, treaty-based immunity. The United Nations can waive this immunity—and the United States should require it to do so as a funding condition.

Countries should also be accountable for opposing U.S. interests in international organizations. For example, a country that votes with the United States less than 90 percent of the time would have its foreign aid cut by the percentage of times it does not vote with the United States. Additional cuts to foreign aid could target membership in inherently problematic organizations like the ICC and WHO. The Administration should engage with Congress to ensure that entering into international agreements, which legally bind the United States, is done with great deliberation. Despite the Constitution clearly requiring treaties to be subject to the advice and consent of the Senate, in recent decades the executive branch has increasingly used workarounds to bypass the Senate's role. Which international agreements constitute treaties requiring Senate advice and consent in accordance with Article II of the Constitution is subject to significant dispute. The uncertainty persists despite internal regulations adopted by the State Department, known as the Circular 175 procedure, which lay out eight factors for determining whether an international agreement should be

negotiated as a treaty, which is subject to Senate advice and consent, or as an "international agreement other than a treaty." The Senate should also adopt a practice of returning treaties to the executive branch if they fail to secure Senate advice and consent. Finally, for organizations that the United States has quit, such as WHO and UNESCO, Congress should repeal the original statutory authorizations for membership in those organizations, to make clear that any rejoining must be explicitly approved by Congress.

Facts + Figures

FACT: The U.S. remains the largest single contributor to the U.N. system. In 2025, the United Nations demanded that the United States pay 22 percent of its regular budget (approximately $820 million to $827 million of a roughly $3.72 billion total) and roughly 26 percent of the U.N. peacekeeping budget (for the fiscal year (FY) 2026 totaling $5.4 billion). Historically, U.S. voluntary contributions to U.N. humanitarian and other programs have reached $8 billion to $10 billion annually in recent peak years, though these have been significantly scaled back for FY 2026 under the current Administration (with an initial $2 billion anchor pledge for humanitarian assistance in 2026 and broader reviews of participation and funding).

FACT: Peacekeeping can be a useful option for addressing crises, but significant problems and weaknesses continue to beset these operations.

- In recent years, U.N. peacekeeping operations have had problems with sexual exploitation and abuse, unwillingness by peacekeepers to protect civilians as they are charged to do, and unintended tragic consequences, such as the introduction of cholera to Haiti.
- The United Nations Interim Force in Lebanon has entirely failed at its mission of disarming Hezbollah. Instead, it has run interference for the Iranian terror group and served as de facto human shields in its conflict with Israel. The Trump Administration wisely used its veto power over reauthorization to insist the mission close by the end of 2026. There will be attempts to delay that deadline, which must be firmly resisted.

FACT: Repressive governments are able to secure prominent positions in the U.N. system and exert harmful influence.

- A majority of the United Nations' 193 member states are not politically free, according to Freedom House, nor economically free, according to The Heritage Foundation's *Index of Economic Freedom*.
- In 2026, the U.N. Human Rights Council includes members such as China, Burundi, and others with well-documented records of systemic human rights abuses, allowing authoritarian regimes to influence agendas, shield allies from scrutiny, and advance priorities often at odds with universal human rights standards and U.S. interests.
- China, Cuba, Eritrea, Russia, Saudi Arabia, Venezuela, and other oppressive governments that deny their citizens basic human rights have won election to and served on the U.N. Human Rights Council.
- Membership of the U.N. Conference on Disarmament, which is charged with combatting proliferation and use of weapons of mass destruction, includes known proliferators such as Iran, North Korea, Pakistan, and Syria.
- Voting coincidence with the United States in the U.N. General Assembly between 1980 and 2024 averaged well under 40 percent—that is, on average, the United States was on the losing side of contentious votes most of the time.

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