

UNLEASHING AMERICA'S OFFSHORE ENERGY

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**ADVANCING AMERICAN
FREEDOM FOUNDATION**

TOPLINE: The One Big Beautiful Bill (OB3) unleashes American energy by requiring 36 oil and gas lease sales in the Gulf of America and the Cook Inlet of Alaska through 2040.

BACKGROUND: Offshore oil and gas production delivers substantial economic and energy benefits to Americans, contributing \$30 billion to GDP in fiscal year 2024. Offshore drilling supplies about 668 million barrels of oil (14% of total domestic output) and 700 billion cubic feet of natural gas (2% of total domestic output) per year. Government revenue from offshore oil and gas activities was \$5.8 billion in fiscal year 2025, benefiting American taxpayers. Leases are issued for five to 10 years and then may be extended for decades if the leases produce reliable energy for Americans.

What OB3 Does:

- Requires 30 oil and gas lease sales in the Gulf of America through 2040.
- Requires six oil and gas lease sales in Cook Inlet of Alaska through 2032.
- Lowers the royalty rate that oil and gas companies must pay from between 16.66% and 18.75% to between 12.5% and 16.66%.

Why It Matters?

- More offshore oil and gas leases will create additional jobs beyond the 266,000 positions that offshore oil and gas already provides.
- Natural gas is responsible for about 40% of U.S. electricity generation, so expanded offshore energy production is an important contributor to affordable electricity prices.
- Each barrel of crude oil produces about 20 gallons of gasoline, 12 gallons of diesel, 4 gallons of jet fuel, and other oil products. Expanding the supply of oil and gas improves the affordability of everyday goods and services like groceries, clothing, and airfare.
- Harnessing America's natural resources increases its energy security and shields the country from price volatility due to foreign conflicts and disasters.

Where Can I Find the Changes? OB3 Section 50102; 43 U.S.C. § 1331, 1337.

BOTTOMLINE: Abundant energy is a key driver of economic dynamism, affordability, and energy security. Expanding the energy supply by simply opening more opportunities to explore and drill for oil and gas is a win-win for American consumers, workers, and companies alike.

