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The Energy-for-Treasuries Exchange Program

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A 5-year, market-based program to lower U.S. energy costs, increase energy supply, and secure long-term Treasury financing.



Lower Energy Costs
Reduce gasoline, diesel, natural gas and electricity prices for U.S. consumers and businesses

Stronger Treasury Financing
Attract new, long-term demand for U.S. Treasuries at a higher yield

Greater U.S. Energy Supply
Increase total energy available to the U.S. through higher production and redirected exports



Program Overview

Duration
5 years, with automatic expiration

Congressional Oversight
Annual reporting and review; renewal only by new legislation

Participants
U.S. and international oil and natural gas producers (e.g., Chevron, Shell)

Incentive
Access to 10-, 15-, and 30-year U.S. Treasury bonds with a time-limited higher yield

Mechanism
Digital exchange credits that record verified discounted energy deliveries and Treasury purchase rights

How It Works

Increase U.S. Supply
Produce more energy or redirect exports to the U.S. (at a discount)

→

Qualifying Deliveries
Sell oil or natural gas to U.S. buyers below a benchmark price (e.g., ~20% discount)

→

Verification
Independent measurement using pipeline, refinery, export and customs data, plus audited sales records

→

Exchange Credits
Earn digital credits based on verified incremental volumes and price discounts

→

Treasury Incentive
Use credits to purchase U.S. Treasuries (10-, 15-, 30-year) with a higher yield for up to 5 years

Incentive Structure (Illustrative)

Source of Additional U.S. Supply	Treasury Credit Multiplier*
Redirected exports to U.S. market	≈ 3×
Increased U.S. production	≈ 5× – 7×
Increased foreign production to U.S.	≈ 5× – 7×

*Treasury purchase entitlement per $1 of verified wholesale discount (e.g., 20% below benchmark). Final multipliers set by legislation.

Illustrative Economics (Oil Example)

Additional U.S. deliveries: 20,000 barrels per day

Spot price: **$80** per barrel | **Discount: 20% ($16/bbl)**

Annual wholesale discount	Treasury multiplier	Annual Treasury purchase entitlement
$116.8M	5×	$584M

Amounts are illustrative. Results depend on actual volumes, prices, multipliers, participation and program design.

Key Safeguards

- ✓ **Incremental Supply Test** – Each producer has a 24–36 month baseline; only increases above that level qualify.
- ✓ **Production Incentive** – Higher credit multiplier for new production than for redirected exports.
- ✓ **Market-Wide Check** – No credit if another supplier's U.S. deliveries decline by a similar amount.
- ✓ **Consumer Pass-Through** – Contractual requirements to ensure lower prices reach households and businesses (gasoline, diesel, natural gas, electricity).
- ✓ **Caps and Clawbacks** – Limits on total bond issuance and recovery of incentives for misreporting or noncompliance.

Program Timeline (5 Years)

Year 1
Launch program, set baselines, begin verified deliveries

Years 2 – 4
Expand participation, monitor supply, prices and consumer savings annually

Year 5
Comprehensive evaluation of market impact, Treasury demand and federal cost

Expiration
Program ends automatically unless Congress approves an extension.

Expected Outcomes

Lower Energy Prices
Meaningfully lower costs for gasoline, diesel, natural gas and electricity.

More Long-Term Treasury Demand
Tens to hundreds of billions of dollars in additional U.S. Treasury purchases.

Higher Supply & Resilience
Increased domestic and foreign energy available to the U.S., with stronger energy security.

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