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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

March 20, 2026

The Honorable Scott Bessent
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Kevin Hassett
Director
White House National Economic Council
1600 Pennsylvania Avenue NW
Washington, DC 20500

Pierre Yared
Acting Chair
White House Council of Economic Advisers
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Secretary Bessent, Director Hassett, and Acting Chair Yared:

More than two weeks ago, President Trump dragged the United States into an illegal and reckless war with Iran. Since then, at least 13 American servicemembers have been killed and dozens more have been wounded.¹ Thousands of civilians in the region have been killed or injured, and millions more have been displaced from their homes.² And in addition to these horrific human costs, there is also a financial and economic cost from this war that hurts American families and consumers. I write today with grave concern that President Trump is weakening an already fragile economy, and will continue to do so, pouring billions of dollars into a war that will drive up prices, slow growth, and leave American families with higher costs while they are forced to foot the bill.

I. Higher Energy Prices

The U.S. war with Iran has effectively halted all shipping through the Strait of Hormuz, removing roughly one-fifth of the world's oil and gas supply from the market.³ As a result, gas prices have skyrocketed: Brent crude oil, which sets the price for most of the world's traded oil,

¹ Time, "What We Know About the Thirteen U.S. Service Members Killed in the Iran War," Chantelle Lee, March 10, 2026, <https://time.com/article/2026/03/10/us-service-members-killed-iran-war-casualties/>.

² New York Times, "Here's What Happened in the War in the Middle East on Saturday", Ashley Ahn, March 14, 2026, <https://www.nytimes.com/2026/03/14/world/middleeast/iran-war-recap-kharg-island-oil.html>.

³ Reuters, "How the Strait of Hormuz closure affects global oil supply," Clare Farley, Minami Funakoshi, Pasit Kongkunakornkul, Kripa Jayaram, Sumanta Sen, and Simon Webb, March 11, 2026, <https://www.reuters.com/graphics/IRAN-CRISIS/OIL-LNG/mopaokxlypa/>.

is at its highest level since 2022 – and is up more than 40% from one month ago.⁴ According to AAA, average gasoline prices are now \$3.91 – nearly \$1 higher per gallon than just a month ago.⁵

This burden will fall hardest on low- and middle-class families.⁶ According to one estimate, the rise in Brent crude oil prices since the start of the war amounts to roughly an additional \$35 per month in fuel costs for the average household.⁷

In addition to increasing costs at the gas pump, these elevated oil prices are expected to drive up home heating costs, adding further pressure on utility prices that have already soared by 10.9 percent under President Trump.⁸ And airlines have already begun raising fares to account for rising jet fuel costs – which are up by about 50% since the war started⁹ – meaning families will pay more to travel.

And relief for consumers doesn't seem in close reach. U.S. Energy Secretary Wright recently acknowledged that “Americans are feeling it right now. Americans will feel it for a few more weeks.”¹⁰ In its March 2026 Short-Term Energy Outlook, the U.S. Energy Information Administration forecasts that Brent crude will remain above \$95 per barrel over the next two months and remain elevated above its pre-war baseline for the rest of the year.¹¹

II. Higher Food Prices

American families had already paid hundreds of dollars more for groceries in 2025 as grocery prices rose 2.3 percent in 2025 – up from 1.2 percent in 2024 or nearly double the prior year's pace – largely due to President Trump's chaotic tariffs.¹² Costs continued to climb at the start of

⁴ Bloomberg, “Brent Oil Closes Above \$100 for First Time Since August 2022,” Mia Gindis and Charles Gorrivan, March 12, 2026, <https://www.bloomberg.com/news/articles/2026-03-12/brent-oil-closes-above-100-for-first-time-since-august-2022>; Trading Economics, Brent crude oil, <https://tradingeconomics.com/commodity/brent-crude-oil>.

⁵ AAA, National Average Gas Prices, <https://gasprices.aaa.com/>, retrieved March 20, 2026.

⁶ The Hill, “Gas price surge over Iran hits Americans already struggling with affordability,” Rachel Frazin, March 12, 2026, <https://thehill.com/policy/energy-environment/5781586-gas-prices-iran-war-oil-recession-affordability/amp/>.

⁷ *Id*; Committee staff estimations based on data presented in the article.

⁸ Time, “How Much the War in Iran is Costing Americans,” Miranda Jeyaretnam, March 13, 2026, <https://time.com/article/2026/03/13/war-iran-us-israel-cost-hormuz-gas-oil-electricity/>; U.S. Bureau of Labor Statistics, Economic News Release, Consumer Price Index, “Table 2. Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, by detailed expenditure category,” February 2026, <https://www.bls.gov/news.release/cpi.t02.htm>.

⁹ New York Times, “Flight Costs Are Up, but Travelers Aren't Deterred, U.S. Airlines Say,” Niraj Chokshi, March 17, 2026, <https://www.nytimes.com/2026/03/17/business/air-travel-iran-war-fares-jet-fuel.html>.

¹⁰ NBC News, “Energy secretary says Americans could feel relief on gas prices ‘in a few more weeks’,” Alexandra Marquez, March 15, 2026, <https://www.nbcnews.com/politics/trump-administration/energy-secretary-americans-relief-gas-prices-iran-wright-hormuz-oil-rcna263541>.

¹¹ U.S. Energy Information Administration, Short-Term Energy Outlook, March 10, 2026, <https://www.eia.gov/outlooks/steo/>.

¹² U.S. Senate Committee on Banking, Housing, and Urban Affairs, “Trumpflation: Donald Trump's Broken Promises on Affordability,” minority staff report, https://www.banking.senate.gov/imo/media/doc/1_year_costs_report.pdf; U.S. Department of Agriculture, Economic Research Service, “Food Price Outlook - Summary Findings,” February 25, 2026, <https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings>.

the year. According to the Consumer Price Index, grocery prices rose 0.5 percent over the month and 2.4 percent annually in February 2026.¹³ Now, Trump’s war with Iran threatens to push those costs even higher.

About one-third of the world’s fertilizer inputs transit through the Strait of Hormuz.¹⁴ Gulf countries, including Iran, that are most exposed to disruptions from the war, account for nearly 49% of global urea exports (the most used solid nitrogen fertilizer across the globe) and about 30% of global ammonia exports (a critical ingredient for nitrogen-based fertilizers).¹⁵ While the U.S. does not directly import large quantities of fertilizer from the Middle East, our domestic fertilizer market is sensitive to the global supply chain and price movements in the region.¹⁶ As the Farm Bureau explains, “if countries that rely more heavily on Persian Gulf fertilizer supplies, such as India or Brazil, are forced to seek alternative sources, their demand may shift toward other global suppliers, increasing competition for available product and driving prices higher for U.S. farmers.”¹⁷

And U.S. farmers are already seeing the price shock. In the first week of the war alone, the U.S. import price of urea fertilizer jumped 30%.¹⁸ One farmer shared that his fertilizer suppliers are warning him that they “can’t get the fertilizer.”¹⁹ The disruption is hitting just as U.S. farmers prepare for the planting season, when farmers rely on fertilizer most.²⁰ If farmers can’t get the amount of fertilizer they need before planting and thus are forced to use less or none at all, that would lead to “reductions or shifts in planted acreage and lower yields, which affects our nation’s food security and the affordability of essential goods.”²¹ Higher fertilizer costs and decreased food supply will ultimately lead to higher grocery prices for American families. One analyst estimates the “disruption could raise [grocery] inflation by roughly 2 percentage points, adding about 0.15 percentage points to headline inflation in the U.S.”²²

III. Higher Retail Prices

As crude oil prices rise, the cost of refined fuels such as gasoline, diesel, and jet fuel rises as well, meaning households see higher prices not only at the pump or on airline fares, but on retail goods as delivery firms and other fuel-intensive industries face higher operating costs. Diesel

¹³ U.S. Bureau of Labor Statistics, Economic News Release, Consumer Price Index, “Table 2. Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, by detailed expenditure category,” February 2026, <https://www.bls.gov/news.release/cpi.t02.htm>.

¹⁴ NBC News, “The Iran war’s looming economic threat: Higher food prices,” Allie Canal, March 13, 2026, <https://www.nbcnews.com/business/consumer/iran-war-fertilizer-prices-food-rcna263336>.

¹⁵ American Farm Bureau Federation, “Middle East Tensions Raise Spring Planting Concerns,” Faith Parum, March 9, 2026, <https://www.fb.org/market-intel/middle-east-tensions-raise-spring-planting-concerns>.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ CNBC, “Food prices could rise as Iran conflict disrupts fertilizer supply chain,” Brandon Gomez, March 11, 2026, <https://www.cnbc.com/2026/03/11/iran-news-food-prices-could-rise-due-to-fertilizer-shortages.html>.

¹⁹ NBC News, “The Iran war’s looming economic threat: Higher food prices,” Allie Canal, March 13, 2026, <https://www.nbcnews.com/business/consumer/iran-war-fertilizer-prices-food-rcna263336>.

²⁰ *Id.*

²¹ *Id.*

²² CNBC, “Food prices could rise as Iran conflict disrupts fertilizer supply chain,” Brandon Gomez, March 11, 2026, <https://www.cnbc.com/2026/03/11/iran-news-food-prices-could-rise-due-to-fertilizer-shortages.html>.

powers the trucks, trains, and farm equipment that move goods through the U.S. supply chain.²³ Since the conflict escalated, U.S. diesel prices have jumped sharply, rising above \$5 for the first time since 2022 from \$3.69 just one month ago.²⁴ Indeed, the 25 percent increase in diesel prices that occurred in the first week of the war “was the largest ever weekly increase in both price a gallon and percentage terms since the government started tracking diesel prices in 1994.”²⁵

Higher diesel costs squeeze trucking companies, who often pass those expenses through to retailers via fuel surcharges.²⁶ And retailers, in turn, often pass those costs onto consumers.²⁷ Because most consumer goods – from groceries and household products to apparel – are transported by diesel-powered trucks, sustained increases in diesel prices can translate directly into higher prices on store shelves and further drive up inflation.²⁸ As one investment strategist noted, “[i]f the Iran war keeps diesel prices elevated, this becomes a direct hit on consumer prices. Groceries get more expensive, delivery costs rise and household budgets are tightened.”²⁹

IV. Increased Economic Uncertainty

The war threatens to further weaken an already fragile U.S. economy. The U.S. shed 92,000 jobs in February,³⁰ GDP growth was revised down to a mere 0.7 percent in Q4 of 2025 as consumer spending pulled back,³¹ and consumer sentiment has been consistently low.³² Instead of addressing the economic pain he’s caused, the President is pouring billions into a conflict that will drive up inflation and stifle growth. Goldman Sachs, for example, has estimated that every 10 percent increase in oil prices would boost overall inflation by 0.2 percentage points and lower GDP growth by 0.1 percentage points.³³ Another estimate found that the conflict could push consumer prices up by as much as 1 percent in March,³⁴ which would be the highest monthly

²³ NBC News, “‘A direct hit for consumer prices’: Diesel surges past \$5 a gallon,” Hannah Parker and Allie Canal, March 17, 2026, <https://www.nbcnews.com/business/consumer/diesel-prices-iran-war-farmers-trump-rcna263902>.²⁴

Id.; AAA, National Average Gas Prices, <https://gasprices.aaa.com/>, retrieved March 20, 2026.

²⁵ Wall Street Journal, “Record Diesel-Price Surge Hits U.S. Truckers, Retailers and Manufacturers,” Paul Berger, March 10, 2026, <https://www.wsj.com/logistics-report/record-diesel-price-surge-hits-u-s-truckers-retailers-and-manufacturers-76c84eb7>.

²⁶ *Id.*

²⁷ Financial Times, “Soaring fuel prices to cast long shadow across US economy,” Myles McCormick, Jamie Smyth, Gregory Meyer, Christian Davies, and Martha Muir, March 10, 2026, <https://www.ft.com/content/4b55d2eb-7231-4229-931f-0930d118f350?syn-25a6b1a6=1>.

²⁸ NBC News, “‘A direct hit for consumer prices’: Diesel surges past \$5 a gallon,” Hannah Parker and Allie Canal, March 17, 2026, <https://www.nbcnews.com/business/consumer/diesel-prices-iran-war-farmers-trump-rcna263902>.

²⁹ *Id.*

³⁰ U.S. Bureau of Labor Statistics, Economic News Release, Employment Situation Summary, February 2026, <https://www.bls.gov/news.release/empisit.nr0.htm>.

³¹ CNBC, “Fourth-quarter GDP revised down to just 0.7% growth; January core inflation was 3.1%,” Jeff Cox, March 13, 2026, <https://www.cnbc.com/2026/03/13/fourth-quarter-gdp-revised-down-to-just-0point7percent-growth-january-core-inflation-was-3point1percent.html>.

³² Reuters, “US consumer confidence dives to a more than 11-1/2-year low,” Lucia Mutikani, January 27, 2026, <https://www.reuters.com/business/us-consumer-confidence-slumps-january-level-last-seen-2014-2026-01-27/>.

³³ Morningstar, “U.S. economic outlook cut by Goldman over the Iran war - and the fear goes beyond oil,” Steve Goldstein, March 12, 2026, <https://www.morningstar.com/news/marketwatch/20260312183/us-economic-outlook-cut-by-goldman-over-the-iran-war-and-the-fear-goes-beyond-oil>.

³⁴ Reuters, “US consumer inflation steady before Iran conflict drives up oil prices,” Lucia Mutikani, March 11, 2026, <https://www.reuters.com/business/us-consumer-prices-increase-expected-february-2026-03-11/>.

increase in nearly four years.³⁵

As the war threatens to keep inflation persistently high, it could delay any Federal Reserve interest rate cuts. Specifically, sustained oil prices around \$100–\$130 per barrel could “take Fed rate cuts completely off the table,” meaning policymakers may hold rates higher for longer than markets previously expected.³⁶ Some analysts now “see no cuts in 2026” despite having projected two interest rate cuts before the war.³⁷ Meanwhile, geopolitical uncertainty has pushed long-term bond yields higher.³⁸ Fewer interest rate cuts from the Fed along with higher long-term bond yields will mean higher borrowing costs for American families and businesses. Mortgage rates, which closely track long-term Treasury yields, have increased since the war began.³⁹ The President and his war are standing in the way of lower interest rates and lower costs for American families, not the Federal Reserve.

The list of economic consequences goes on and on. The global implications of the blockade of the Strait of Hormuz threaten to disrupt supply chains – causing shortages and raising prices – across a wide range of industries, such as electronics, automotive manufacturing, and critical medical supply chains.⁴⁰ And it does not appear that the Trump Administration has any meaningful plan to keep prices low or prevent Americans from running low on the goods they need to work, go to school, and feed their families. Indeed, Director Hassett said on Tuesday that continuing the war “would hurt consumers” but that that is “the last of [the administration’s] concerns right now.”⁴¹

³⁵ U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPIAUCSL>.

³⁶ Reuters, “Iran war traps Treasuries investors in stagflationary oil dilemma,” Jamie McGeever, March 2, 2026, <https://www.reuters.com/markets/iran-war-traps-treasuries-investors-stagflationary-oil-dilemma-2026-03-02/>.

³⁷ New York Times, “Iran War Risks Sharpening Fed Divisions Over Rate Cuts,” Colby Smith, March 16, 2026, <https://www.nytimes.com/2026/03/16/business/iran-war-fed-rate-cuts.html>.

³⁸ CNBC, “Treasury yields rise with oil prices as traders assess Iran war’s impact on inflation,” Yun Li, Sean Conlon, and Sawdah Bhaimiya, March 11, 2026, <https://www.cnbc.com/2026/03/11/us-treasury-yields-investors-await-key-inflation-report-.html>.

³⁹ CNN, “Mortgage rates climb to 6.11% as Iran war roils markets,” Bryan Mena, March 12, 2026, <https://www.cnn.com/2026/03/12/economy/us-mortgage-rates>.

⁴⁰ CNN, “The war created an oil problem. It’s not the only price you’ll pay,” David Goldman, March 17, 2026, <https://www.cnn.com/2026/03/17/business/price-increases-oil-food-aluminum-iran-war>; Wall Street Journal, “How the Iran War Could Hit Big Tech: A Helium Shortage,” Jinjoo Lee, March 6, 2026, <https://www.wsj.com/livecoverage/jobs-report-unemployment-stock-market-03-06-2026/card/how-the-iran-war-could-hit-big-tech-a-helium-shortage-YQpPgwg7DzOPRiNAovfe>; CNBC, “Where the auto supply chain is most threatened by the Iran war,” Robert Ferris, March 11, 2026, <https://www.cnbc.com/2026/03/11/autos-supply-chain-iran.html>; CNBC, “Strait of Hormuz standoff puts supply of America’s generic drug prescriptions at risk,” Kevin Williams, March 17, 2026, <https://www.cnbc.com/2026/03/16/strait-of-hormuz-closure-generic-drug-prescriptions.html>.

⁴¹ CNBC, “NEC Director Kevin Hassett: Tankers are starting to go through the Strait of Hormuz,” March 17, 2026, <https://www.cnbc.com/video/2026/03/17/nec-director-kevin-hassett-tankers-are-starting-to-go-through-the-strait-of-hormuz.html>.

IV. Conclusion and Questions

The administration spent \$11.3 billion in the first six days of the war and is estimated to be spending at least an additional \$1 billion for each day that war continues.⁴² That's tens of billions of dollars that could have gone towards investments that would deliver broad, tangible benefits to American families and the wider economy. That same \$11.3 billion could have provided a full year of health insurance to 1.3 million Americans, food assistance for 5.5 million Americans, or covered housing assistance for up to 1.5 million low-income families – without causing avoidable death, displacement, and suffering.⁴³ The cruel irony is impossible to ignore: for more than a year, this administration has been systematically cutting the very programs that lower costs for American families – while now showing no hesitation to spend tens of billions of federal dollars on an illegal war that inflicts additional harm on families and economies at home and abroad.

The President should end this illegal war as quickly as possible to prevent further loss of life and geopolitical harm – and so American families do not have to pay the price for his reckless and chaotic military interventions. As you are the President's top economic advisers, I request your responses to the following questions and ask that you consider the following analyses by April 10, 2026:

1. What information did you and your teams receive prior to the war starting about the coming conflict? Please explain.
2. The U.S. war with Iran has effectively halted all shipping through the Strait of Hormuz, removing roughly one-fifth of the world's oil and gas supply from the market. As a result, gas prices have skyrocketed for American consumers, jet fuel costs are making air travel more expensive, and diesel costs are driving up the costs of many goods.
 - a. Prior to the war starting, did the administration conduct any analysis regarding the potential impact on oil and gas transit through the Strait of Hormuz, and what were the findings of that analysis?
 - b. What contingency plans, if any, did the administration develop prior to the conflict to mitigate disruptions to global energy supply chains and consumer prices?
 - c. What specific actions is the administration currently taking to reduce gasoline, diesel, and jet fuel prices for American consumers?
 - d. Please provide all data, models, forecasts, and internal analyses the administration has produced regarding the projected trajectory of oil and gas prices for the remainder of 2026.

⁴²New York Times, "Pentagon Tells Congress First Week of Iran War Cost More Than \$11.3 Billion," Catie Edmondson, March 11, 2026, <https://www.nytimes.com/2026/03/11/world/middleeast/iran-war-costs-pentagon.html>; Forbes, "Why Trump's War With Iran Is Costing Nearly \$1 Billion A Day—At Least," Alison Durkee, March 10, 2026, <https://www.forbes.com/sites/alisondurkee/2026/03/10/why-trumps-war-with-iran-is-costing-nearly-1-billion-a-day-at-least/>.

⁴³Time, "What US Spending on the War in Iran Could Fund Instead," Nik Popli, March 16, 2026, <https://time.com/article/2026/03/16/what-us-spending-on-the-war-in-iran-could-fund-instead/>.

3. The U.S. war with Iran has also disrupted global fertilizer supply chains, resulting in increased starvation around the world and threatening higher grocery prices for U.S. consumers.
 - a. Prior to the war starting, did the administration conduct any analysis regarding the potential impact on fertilizer transit through the Strait of Hormuz, and what were the findings of that analysis?
 - b. What contingency plans, if any, did the administration develop prior to the conflict to mitigate disruptions to global fertilizer supply chains and U.S. grocery prices?
 - c. What specific actions is the administration currently taking to ensure U.S. farmers have access to sufficient fertilizer supplies before and during the 2026 planting season?
 - d. Please provide all data, models, forecasts, and internal analyses the administration has produced regarding the current and projected impact of the conflict on fertilizer prices and downstream grocery prices.

4. The U.S. war with Iran threatens to keep inflation persistently high.
 - a. Prior to authorizing military action, did the administration consult with the Council of Economic Advisers or outside economists regarding the potential inflationary impact of a war with Iran? If so, what were their findings?
 - b. What is the administration's current projection for the war's impact on inflation and GDP growth?
 - i. Please provide all economic models, forecasts, and internal analyses regarding the conflict's projected impact on inflation and GDP.

Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs