

JONES ACT WAIVER 2026 — AFTER ACTION REPORT FOR INITIAL WAIVER PERIOD

June 25, 2026

An analysis of the initial 60-day period of the blanket Jones Act waiver covering 659 commodities and 78 voyages reported by MARAD shows no military necessity, no gasoline price relief, and a massive transfer of U.S. cargoes to foreign — including Chinese — ships, while U.S. refiners continue exporting record petroleum volumes.

1. The Waiver Is Allowing Increasing Chinese Influence in Domestic Commerce

- Built in: Korea (58.5%), **China (23.1%)**, Japan (12.3%)
- Controlled by: **China (18.5%)**, Japan (16.9%), Singapore (15.4%), Greece (13.8%).

2. No Military Necessity Demonstrated

- **ZERO** of 78 waiver voyages in MARAD's June 1, 2026 Report addressed "an immediate adverse effect on military operations."
- Commercial fuels, blendstocks, and crude oil dominate the movements— none meet DoW military specifications (JP-5, JP-8, F-76).

3. Jones Act Vessels Were Available

- U.S.-flag tankers, ATBs, and barges were available to perform **87%** of the qualifying waiver voyages (58 of 67).

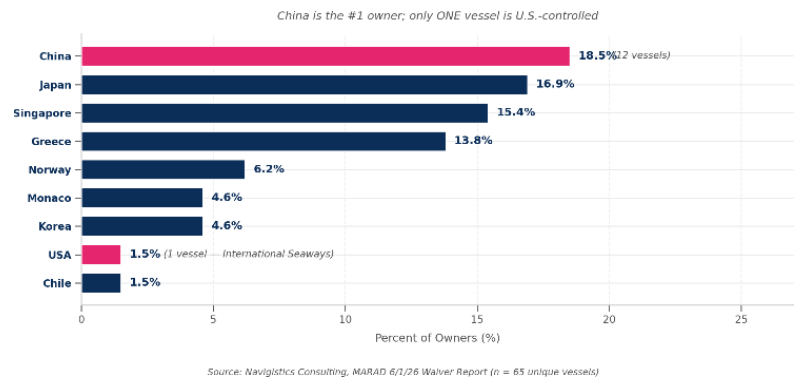
4. No Impact on Gasoline Prices

- Only **~6.5%** of U.S. gasoline (8.9B of 136.6B gallons in 2025) moves on Jones Act vessels.
- 11-week regression analysis (Mar 23 – Jun 1, 2026) found **no credible evidence of price relief** at the pump for consumers.

5. Foreign-Flag Shipping Rates Often Matched or Exceeded Jones Act Rates During the Waiver Period Analyzed

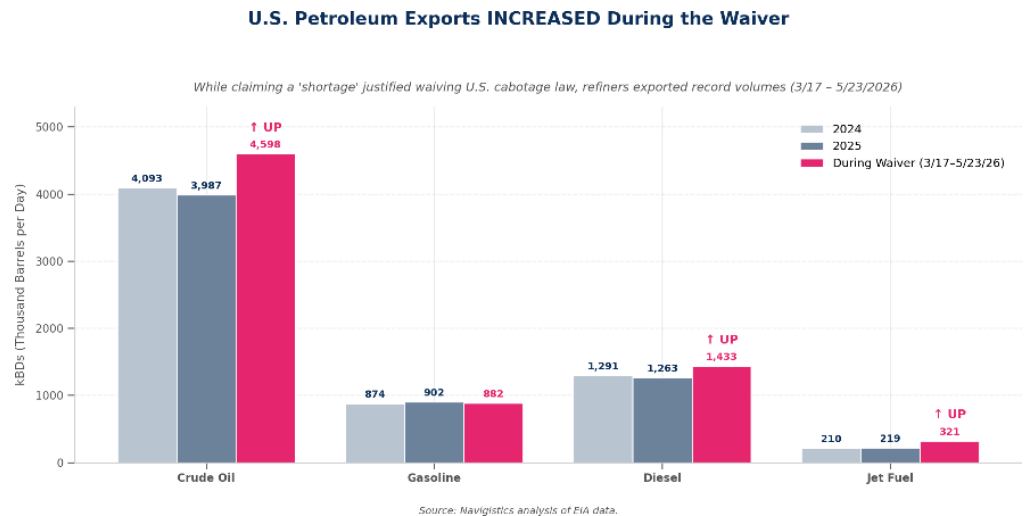
- New Orleans → Port Everglades (gasoline): Foreign shipping rates: \$0.097/gal vs. Jones Act \$0.091/gal — **Jones Act transportation was cheaper by \$0.006.**
- Corpus Christi → Philadelphia (crude) shipping rates: Foreign \$0.153/gal vs. Jones Act \$0.156/gal — near parity (+\$0.002).
- Richmond → Los Angeles (products) shipping rates: Foreign \$0.047/gal vs. Jones Act \$0.071/gal (+\$0.024) — two cents that does not appear to be passed along to the consumer.

Who CONTROLS the Waiver Vessels?



6. U.S. Continued Exporting Massive Petroleum Volumes During the "Shortage"

- The U.S. exported ~731 million barrels of petroleum during the waiver window.
- **Crude, diesel, and jet fuel exports all INCREASED** vs. prior-year baselines — the opposite of what a genuine domestic shortage would produce.
- **If domestic supply were truly inadequate, exports would have fallen — they rose.** The data show a market-allocation choice by refiners, not a national emergency requiring a Jones Act waiver.



7. PADD 5 Supply Strain Is Self-Inflicted — Not a Jones Act Problem

- Four PADD 5 refinery closures removed **roughly one-quarter** of California's refining capacity (564 kBDs). PADD 5 gasoline imports surged **+123%** (73 → 163 kBDs) from 2024 to YTD 2026.
- The refinery closures created the California energy island, not Jones Act transportation requirements.

8. Claims the Waiver has Opened "New Trades" Is False

- A vast majority (**83.3%**) of the voyages have been performed by single, unique vessels, illustrating that a vast majority are ad hoc usage of the waiver.
- Claims that the waiver established "new" Jones Act trades are refuted by documented historical voyages over the last 12 months showing Jones Act vessels have operated in such trades.

9. Long-Duration Blanket Waiver Is Damaging the U.S. Merchant Marine

- A respected ship broker's report indicates charterers are routinely using "waiver threats" in Jones Act rate negotiations ("Give us this rate or we'll waiver it").
- MARAD is not verifying Jones Act vessel availability before granting waivers — damaging the entire fleet and the U.S. mariner workforce DoW relies on for sealift.

TAKEAWAYS

- The waiver is not delivering military necessity, lowering pump prices, or unlocking new commerce.
- The waiver is transferring U.S. cargoes to Chinese-, Greek-, and Singapore-owned, foreign-flag, foreign-built tankers.
- U.S. refiners continue exporting record volumes of crude, gasoline, diesel, and jet fuel, while fuel prices in the U.S. continued to rise.
- The real PADD 5 problem is the loss of roughly 25% of West Coast refining capacity, creating a structural import-dependency issue that no Jones Act waiver can fix.
- The blanket structure is being weaponized against U.S.-flag operators and mariners — the very fleet that is important to DoW sealift capabilities and manpower.

Source: Navigistics Consulting, Jones Act 2026 Waiver After Action Report and Appendices, June 23, 2026.