

Jones Act 2026 Waiver After Action Report

Navigistics Consulting is pleased to present this report on the impact of the Jones Act waiver issued on March 17, 2026, in response to the Iran / Strait of Hormuz situation. Jones Act waivers are allowed under 46 U.S.C. § 501 Waiver of Navigation and Vessel-Inspection Laws (a link to which is included in Appendix A to this report). That law specifies (among other items) that Jones Act waivers can be requested by the Secretary of Defense when he “...considers necessary in the interest of national defense to address an immediate adverse effect on military operations.” Accordingly, we address the defense need for the waiver in this report.

This report also covers the following:

- How rates under the Jones Act compared to international tanker rates before and during the waiver.
- Examines the voyages made to date under the waiver, their role in national defense, volumes moved under waivers as a percentage of the total market, and any “unique” characteristics of the voyage.
- How U.S. refiners/traders continue to export commodities on the waiver list during the waiver period.
- Looks at the impact on gasoline prices of the waiver.
- Addresses claims made in an op-ed by the Cato Institute that the Jones Act is indefensible.
- Assesses how the impact of 2025/2026 closure/repurposing of PADD 5 refineries may be exacerbating the PADD 5 gasoline and jet fuel issues.

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In the balance of the report, we provide our analysis of the 150-day Jones Act Waiver currently in effect.

I. Overview of the March 17, 2026 Jones Act Waiver

In response to the February 28, 2026 military action by the U.S. and Israel against Iran, Iran responded by effectively closing the Strait of Hormuz. As gasoline prices rose significantly in the U.S., the Trump Administration issued a 60-day waiver of the Jones Act on March 17, 2026. The initial 60-day Jones Act waiver was set to expire on May 17, 2026. On April 24, 2026 the

Trump administration extended the initial Jones Act waiver for 90 days with it now expiring on August 16, 2026.

The Jones Act waiver covers 659 commodities as listed by the U.S. Department of Homeland Security (DHS). In the next section, we address the defense relevance of the commodities covered by the Jones Act waiver.

II. Defense Relevance of the Jones Act Waiver

Our approach to assessing the defense relevance of each Jones Act waiver voyage involves the following two steps:

- Examine the use of each of the 659 commodities by the U.S. military and assess each commodities military usefulness and whether a shortage of that commodity would create “an immediate adverse effect on military operations.” This analytical step examines the commodities in isolation.
- Examine the actual Jones Act movement to determine whether the voyage and delivery solved “an immediate adverse effect on military operations.” Therefore, if the commodity moved does have any defense relevance, we examined the actual Jones Act waiver voyage to see if it was done to prevent “an immediate adverse effect on military operations.”

We examined the defense relevance of each of the 659 commodities that DHS identified as being allowed to be shipped under the Jones Act waiver. Under 46 U.S.C. § 501(a), when a Jones Act waiver is granted, it should be "in the interest of national defense to address an immediate adverse effect on military operations." According to the White House Office of Public Liaison, the waiver in this case has been granted to "help ensure that U.S. airfields and military installations are properly supplied, particularly from the U.S. Gulf Coast, so that the U.S. can avoid a shortfall that would adversely affect military operations" (source: "Jones Act Waiver Issued in Response to Iran Conflict: Legal Analysis and Implications," Holland & Knight, March 20, 2026). Using this as a starting point, Navigistics examined the 659 commodities included in the waiver and assessed their military criticality. We did so by assigning each commodity a different tier of military criticality (1-4). The result of this analysis is presented in Figure 1 with details provided in Appendix B.

Figure 1
Distribution of Waiver Commodities by Military Criticality Tier

Tier	Count	Description
4	6	Direct, immediate operational impact
3	177	Significant near-term impact
2	449	Indirect / broader-economy impact
1	27	Minimal direct military operational impact
Total	659	

Source: HTS_Military_Criticality_Triage spreadsheet.

Tier 4 commodities meet the “...immediate adverse effect on military operations.” required in 46 U.S.C. § 501(a), based on the practical approach that we took to assigning Tier levels to the commodities. Common clean finished petroleum fuels such as jet fuel, diesel, and motor gasoline are descriptors used for the commercial grades of fuels. The U.S. military has specific standards / specifications for its corresponding fuels, such as JP-5 for sea-based planes, JP-8 for land-based planes, and F-76 for Naval Distillate propulsion fuel, which differ from standard commercial fuel grades. Therefore, we did not view the movement of commercial grades of fuel as meeting the criteria of being required or it would cause an “...immediate adverse effect on military operations.”

The military criticality assessment was based on the following sources:

1. DLA Energy Commodities Handbook (DESCH 4120.1) — procurement catalog organized by Federal Supply Class (FSC 9130, 9140, etc.).
2. DoD 4140.25-M-V1, "DoD Management of Energy Commodities and Related Services" — Chapter 4 designates standardization policy: JP-8, JP-5, and F-76 as primary military fuels.
3. MIL-DTL / MIL-PRF specifications — controlling technical specs (MIL-DTL-83133, MIL-DTL-5624, MIL-DTL-16884).
4. Strategic Petroleum Reserve (42 U.S.C. § 6231 et seq.) — covers crude oil at the national strategic level (DOE, not DLA).
5. Defense Production Act of 1950 - Title III, Critical Chemicals (50 U.S.C. §§ 4531-4534) — covers chemicals essential to defense including energetics precursors.

Based on these sources, we performed research using an initial classification tool to determine how best to assign Tiers. We then reviewed the assignments for accuracy and consistency with the identified sources.

Each of the four tiers are described briefly below:

Tier 4 (6 commodity codes)

- **Energetics (6 commodity codes)** — TNT plus nitrotoluene precursors; primary military explosives.

Tier 3 (101 commodity codes)

- **Aviation lubricants and turbine oils (4 commodity codes)** — lubricants for aircraft and marine turbine engines; needed for sustained operations and depot maintenance.
- **Chemical feedstocks** — benzene, toluene, xylene, styrene. Toluene feeds TNT; others feed propellants and composites.
- **Industrial lubricants and lubricating preparations** — depot maintenance and sustained ops.

- **Halons (Halon 1301, Halon 1211, ~10 codes)** — worth flagging specifically. These are irreplaceable fire-suppression agents in aircraft engine bays and armored vehicles. Production is banned under the Montreal Protocol, so DoD operates on recovered/recycled stocks. This is a real ongoing IBAS concern.
- **Sulfuric acid, ammonia, sulfur** — chemical chain into both energetics and batteries.
- **Chlorinated solvents (TCE, PCE)** — depot degreasing operations.
- **Hydraulic fluids and electrical insulating oils** — aircraft, armor, shipboard power.

Tier 2 (525 commodity codes)

- **Commercial fuels (69 commodity codes)** — jet fuel, diesel, gasoline, kerosene, and heavy/marine fuel oils in commercial grades. The military procures to its own specifications (JP-5, JP-8, F-76), so a shortage of the commercial grades is felt mainly through the broader fuel economy and sustainment rather than as a direct, immediate effect on military operations.
- **Crude petroleum (1 commodity code)** — upstream feedstock to finished fuels; addressed at the national level through the Strategic Petroleum Reserve rather than as a directly procured military item.
- **Blend stocks and refinery feedstocks (6 commodity codes)** — gasoline blendstock, alkylate, isomerate, vacuum gas oil, and naphtha. These are commodity-market intermediates upstream of finished fuels; a shortage affects the broader fuel supply chain rather than directly removing a military-specification product.
- **Coal, coke, and lignite (~60 codes)** — power generation feedstocks and metallurgical inputs for steel production.
- **Natural gas, LNG, LPG, propane, butane, ethane (~40 codes)** — power generation, heating, and petrochemical feedstocks.
- **Olefin feedstocks (ethylene, propylene, butadiene, isoprene)** — plastics, synthetic rubber including tires, and downstream chemistry.
- **Aromatic intermediates (cyclohexane, cumene, ethylbenzene, naphthalene, alkylbenzene)** — specialty chemicals, surfactants, polymers, resins.
- **Modern refrigerants (HFCs, HFOs, HCFCs)** — shipboard cooling, avionics cooling, base HVAC.
- **Fertilizers (entire Chapter 31)** — food security with long-cycle national-security relevance.
- **Phosphoric acid and phosphate chain** — primarily fertilizer with downstream industrial chemistry.
- **Halogenated chemicals not otherwise classified** — specialty solvents, polymer intermediates (vinyl chloride → PVC, chlorinated benzene derivatives, ethylene dichloride).
- **Phenols and cresols** — feed resins, plastics, pharma, specialty chemistry.
- **Petroleum waxes, jelly, paraffin** — coatings, candles, packaging, some munitions sealants.

- **Bitumen and asphalt** — runway, road, and base construction.
- **Petroleum coke** — aluminum smelting anodes, steel production.
- **Biodiesel** — partial diesel substitute; supplemental military use.
- **Refinery intermediates not otherwise classified** — light oils, unfinished oils, hydrocarbon mixtures.

Tier 1 (27 commodity codes)

Peat, creosote, waste oils with PCBs, banned pesticides (aldrin, chlordane, DDT, methyl bromide), and a few banned brominated flame retardants. These have essentially no direct military operational role.

In assigning the tiers, we asked the question, "If a shortage occurred, how immediately would it hurt military operations?" This is an end-use criticality judgment based on the role each commodity plays in DoD operations. For some codes, there are key authoritative frameworks that answer the question: the commodity is explicitly procured, specified, or designated as a standard military item by an authoritative government source (e.g., DLA Energy procurement catalog, MIL-SPEC, or DoD standardization policy). For other codes, the commodity is not directly designed by DoD but is addressed under a related authority (e.g., the Strategic Petroleum Reserve for crude, or DPA Title III Critical Chemicals for chemical precursors). For some of the codes, no authoritative U.S. Government framework designates the commodity as critical to defense, but it is nonetheless an operationally essential upstream input of military fuels, as in the case of refinery feedstocks (e.g., vacuum gas oil, naphtha, blendstock). More detail on the tier assignments can be found in Appendix B.

We utilized this assessment of the commodity's defense criticality in our evaluation of the voyages made under the Jones Act waiver.

III. Availability of Jones Act Vessels during Waiver

Our assessment of the availability of a Jones Act vessel to make a voyage done by a foreign-flag vessel under a Jones Act waiver involved examining the availability of Jones Act vessel(s) to move the commodity that the Secretary of Defense "...considers necessary in the interest of national defense to address an immediate adverse effect on military operations." Accordingly, only movements of Tier 4 commodities (as described in the prior section of this report) are applicable. However, we did examine all the Jones Act waiver voyages¹ included in MARAD's 6/1/2026 Report to determine the availability of Jones Act liquid bulk vessels (tankers, ATBs, or towed barges) to move the commodity. Because of the need to prevent an "immediate adverse effect on military operations" we did not require the availability of the same size liquid bulk

¹ MARAD's 6/1/2026 Report listed 79 Jones Act waiver voyages, however, not all the voyages had complete data. Accordingly, we refer to the "total" as the number of voyages with all the data needed for the specific analysis. The "total" will vary between 76 and 79 depending on the completeness of the data used.

vessel but rather also allowed for the move to be made by multiple smaller vessels with a wider laycan² date range.

Our approach to this analysis involved the following:

- We examined all the waiver voyages included in MARAD's 6/1/2026 Report to determine load date, load port, commodity carried, and barrels carried. This also facilitated determining if the vessel could make the voyage (e.g., an asphalt move requires a vessel with cargo heating capability).
- We then looked at the Position Lists from L&R Midland, a prominent Jones Act tanker broker, to determine if a Jones Act vessel was available that could meet the transport needs (not all brokers know all available vessels). Position lists are used by brokers to show available vessels. L&R typically puts out two or three position lists per week. We looked at position lists within 28 days of the load date to identify Jones Act vessels available to make the move (capable of handling the commodity). The L&R Midland Position Lists also identify the date when the Jones Act vessel is "available", so we confirmed the vessel was available within a seven-day loading window we established around the actual load date. We excluded "relet"³ vessels from being considered "available."
- We also received input from Jones Act carriers on the availability of vessels during the waiver period (this input is considered propriety and not documented here).

MARAD's 6/1/2026 Report identified 77 Jones Act Waiver voyages made by foreign-flag vessels. We excluded 10 voyages requiring dry bulk vessels, gas carriers, or cargo heating due to the specialized characteristics required or were a local Puerto Rico move (non-standard voyage). We determined that Jones Act vessels were available to make 58 of the 67 voyages (87 percent) made under the Jones Act waiver.

A sample Jones Act tanker / ATB position list from L&R Midland, used in this analysis, is included as Appendix C.

IV. Tanker Rates – Jones Act v. International

There are discussions that claim that in a direct comparison, Jones Act tankers are more expensive than foreign-flag tankers. This conclusion relies on an Apples-to-Oranges comparison to make that claim. Foreign-flag tankers do not comply with U.S. laws regarding taxes, immigration, labor, and other issues. For example, foreign-flag tankers do not pay U.S. or State

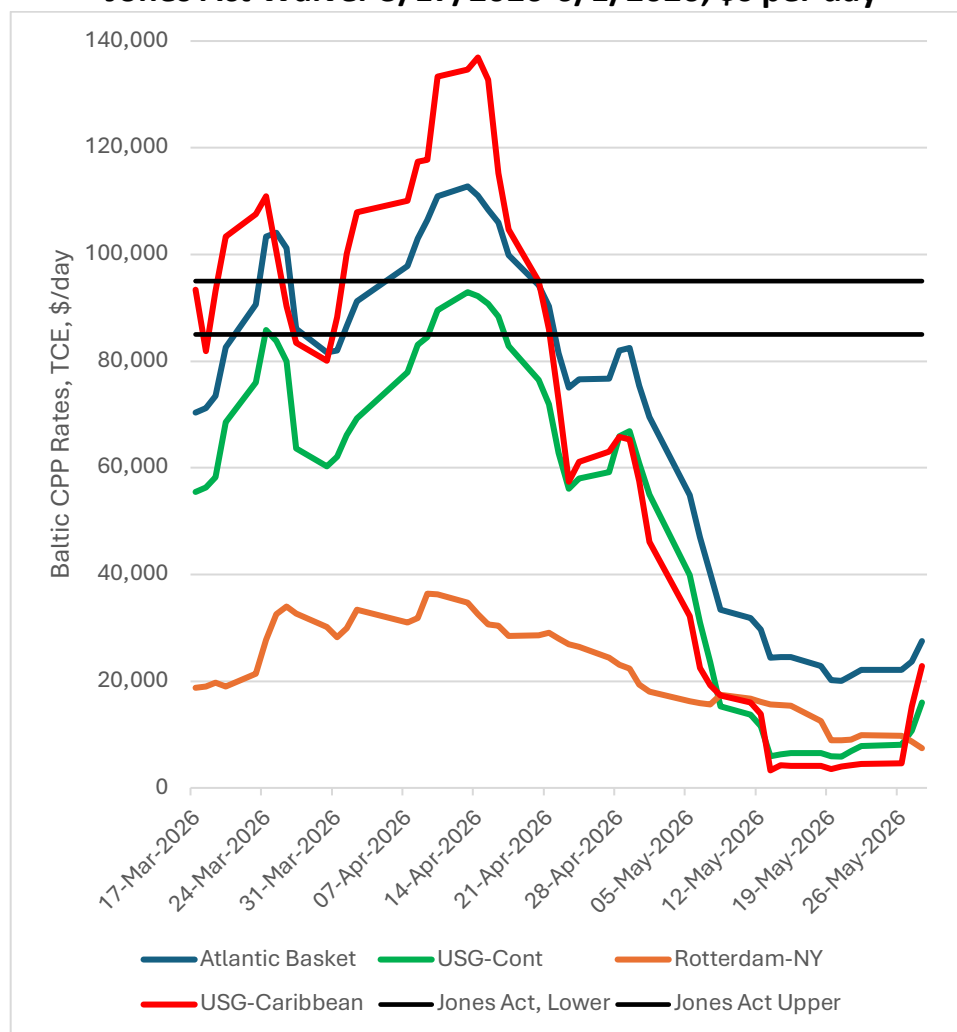
² In chartering a "laycan" is short for the date window when a chartered vessel must present itself at the load terminal available to load cargo ("laytime" starts) and the latest arrival date after which the charterer has the right to cancel the charter (the "can" part of "laycan").

³ A "relet" is when a charterer has excess capacity and makes a term chartered vessel available for a spot charter to a third party.

corporate taxes (U.S. tax is 21 percent alone). Immigration issues are also a concern as foreign-flag tankers would require crews to get visas or other work permits to participate directly in the U.S. economy (as is required of virtually all other U.S. industries as it takes away U.S. jobs). Wages for most non-licensed positions onboard are paid less than the U.S. minimum wage. Foreign-flag mariners in most third-party flags (e.g., Panama, Marshall Islands, and Liberia) are not able to organize into bargaining units (i.e., unions). None of these costs are considered in our rate comparison that follows.

International tanker rates have reasonable visibility through broker and consultant reports, as well as the Baltic Exchange provides current rate assessments on select trade routes. A major variability in oil tanker rates is the headhaul v. backhaul issue. And the directionality can change over time. Baltic Exchange time charter equivalents (TCE) are provided in Figure 2 for MR tankers operating in the Atlantic/Caribbean/U.S. Gulf area.

Figure 2
Baltic Exchange TCE MR Tanker Rates – Atlantic Market,
Jones Act Waiver 3/17/2026-6/1/2026, \$s per day



Source: Baltic Exchange

The data in Figure 2 covers the Jones Act waiver from 3/17/2026, when it was issued onwards (to 6/1/2026). The two horizontal black lines in Figure 2 show the range of Jones Act MR term charter rates (between \$85k and \$95k per day depending on class of Jones Act MR tanker e.g., State/Veteran, ECO, Double-Eagle) at that time. The Jones Act rates were stable through the turmoil, however, that same turmoil drove international tanker rates unstable. The lower orange line represents Rotterdam to New York moves, a back haul at that time.

The TCE is only a portion of the cost of delivering oil or other liquid/dry bulk commodities. The primary cost categories are:

- Capital costs – The cost of owning the ship (purchase or bareboat charter, profits and taxes would be captured in this category)
- Operating costs – Ownership, crew, M&R, store/spares, registration, and insurance.
- Voyage costs – Fuel and port charges (pilots, tugs, agency, dockage & demurrage, etc.).

The TCE covers operating costs and includes the contributions to shipowners' capital costs (profit (loss), taxes, etc.). On a term chartered ship, the shipowner is responsible for ship capital and operating costs while the charterer pays for voyage costs in addition to the charter hire. In a spot charter, the shipowner pays both operating and voyage costs

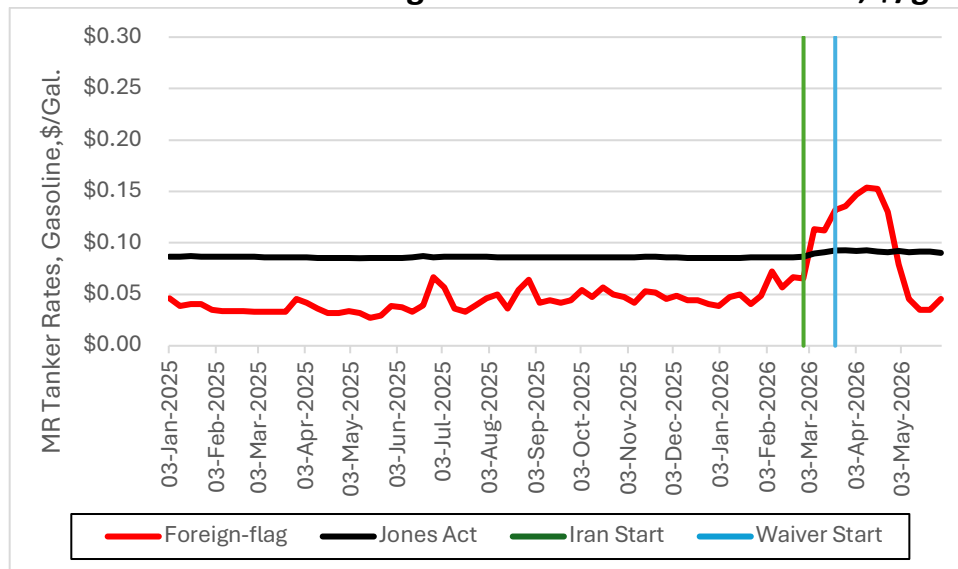
We next look at spot foreign-flag spot tanker rates in comparison to Jones Act costs for domestic movements on three representative gasoline routes. Remember the apples-to-oranges comparison issue as foreign-flag tanker operators are not subject to U.S. laws applicable to U.S. flag operators in domestic commerce. Foreign carriers have lower crewing costs, regulatory burdens, and no or low tax regimes compared to U.S.-flag vessel operators that must comply with all U.S. laws, such as U.S. minimum wage, labor, taxation, and immigration laws. Complying with these laws for operations in domestic commerce would increase the cost of foreign-flag tanker transportation and reduce any differential with Jones Act tanker costs. As such, the rate comparison is predicated on foreign vessels operating in international commerce operating free from those laws compared to U.S.-flag operators operating in domestic commerce subject to those laws.

For our analysis of Jones Act tanker transportation costs in comparison to foreign-flag tanker costs we took a close look at the following three Jones Act trades:

Gasoline to Florida – We used a New Orleans to Port Everglades route as representative for the trade. The analysis is done on a full voyage cost (spot market) basis. For foreign-flag costs we used the Worldscale system (there is a Worldscale flat for the New Orleans to Port Everglades voyage) and the CRS time series of Worldscale rates (WS) for Pozos, Columbia (Caribbean side) to New York (we felt it was the most representative non-Jones Act trade to the New Orleans – Port Everglades route). As all Jones Act MR tankers are on time charter, we did our calculation of Jones Act costs using an ECO Jones Act tanker at a \$95k per day term charter rate, with 23 tons/day main engine fuel consumption (plus additional for auxiliaries and discharge pumping), Houston MGO bunker prices (weekly), and \$150k of round-trip port charges. The weekly rates

assessment for the New Orleans to Port Everglades route for Jones Act and foreign-flag tankers are shown in Figure 3.

Figure 3
New Orleans to Port Everglades Gasoline Tanker Rates, \$/gal.



Source: Navigistics analysis

The Jones Act and foreign-flag MR tanker rates shown in Figure 4 are summarized in Figure 4.

Figure 4
Comparison Jones Act and Foreign-flag MR Tanker Rates, New Orleans to Port Everglades, \$ per gallon

	Foreign-flag	Jones Act	Difference
2025	\$0.042	\$0.086	\$0.044
During Waiver	\$0.097	\$0.091	(\$0.006)
2025-2026	\$0.054	\$0.087	\$0.033

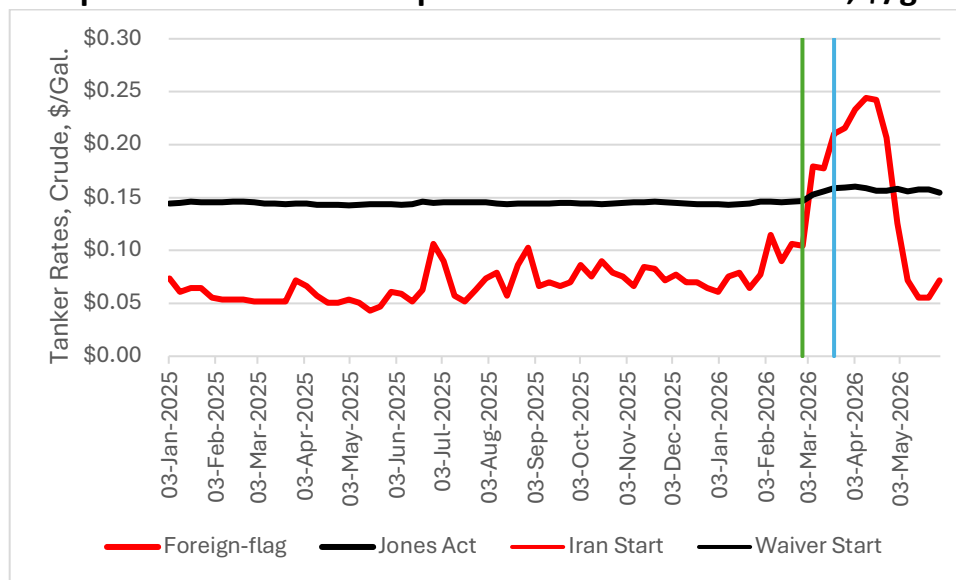
Source: Navigistics analysis

Jones Act MR tanker transportation costs about 9¢ per gallon to move gasoline from U.S. Gulf Coast refineries to Florida. Saving 10¢ per gallon by eliminating the Jones Act when the total cost is less than 10¢ per gallon shows how the purported saving are not realistic. After the waiver was announced the differential disappeared and foreign-flag MR transportation cost more than Jones Act MR tanker transportation shortly after the Iran/U.S./Israel thing launched.

Crude Oil to Northeast U.S. Refineries – The largest Lower-48 crude oil trade (i.e., non-Alaskan crude oil related) is WTI from U.S. Gulf Coast up to U.S. Northeast refineries (all are located in Philadelphia, Delaware, or New Jersey). We used the Corpus Christi to Philadelphia route as a representative for the trade. The analysis is done on a full voyage cost (spot market) basis. For foreign-flag costs we used the Worldscale system (there is a Worldscale flat for the Corpus Christi to Philadelphia voyage) and the CRS time series of Worldscale rates (WS) for

Pozos, Columbia (Caribbean side) to New York (we felt it was the most representative non-Jones Act trade to the Corpus Christi to Philadelphia route). As all Jones Act MR tankers are on time charter, we did our calculation of Jones Act costs using an ECO Jones Act tanker at a \$95k per day term charter rate, with 23 tons/day main engine fuel consumption (plus additional for auxiliaries and discharge pumping), Houston MGO bunker prices (weekly), and \$150k of round-trip port charges. The weekly rates assessment for the Corpus Christi to Philadelphia route for Jones Act and foreign-flag tankers are shown in Figure 5.

Figure 5
Corpus Christi to Philadelphia Crude Oil Tanker Rates, \$/gal.



Source: Navigistics analysis

The Jones Act and foreign-flag MR tanker rates shown in Figure 6 are summarized in Figure 6.

Figure 6
Comparison Jones Act and Foreign-flag MR Tanker Rates, Corpus Christi to Philadelphia, \$ per gallon

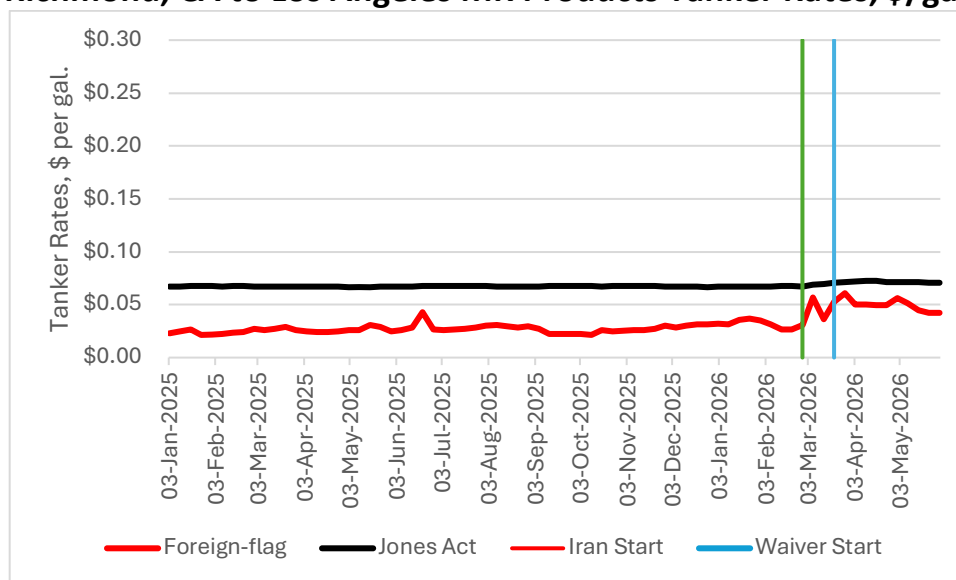
	Foreign-flag	Jones Act	Difference
2025	\$0.066	\$0.145	\$0.078
During Waiver	\$0.153	\$0.156	\$0.002
2025-2026	\$0.085	\$0.147	\$0.062

Source: Navigistics analysis

Jones Act MR tanker transportation costs about 14¢ per gallon to move WTI crude oil from Corpus Christi, TX to Philadelphia, PA. This move is also being made by a surplus Jones Act eligible ANS tanker, the 185k DWT Alaskan Explorer (light loaded to 872k barrels) at lower cost (about 7.5¢ per gallon ex lightering). After the waiver was announced the differential declined to near zero.

Intra-West Coast Movements of Clean and Dirty Products – There are Jones Act tanker transportation moves between the three major West Coast refining areas; Los Angeles/Long Beach, San Francisco Bay area, and the Puget Sound area as well as to the local markets in Portland, OR and San Diego, CA. These moves involve finished products as well as refinery intermediates (e.g., vacuum gas oil or VGO). There are no published time series of tanker moves that are geographically nearby. We believe a Pacific route is the most appropriate for identifying the likely WS rates for the Intra-West Coast movements. We chose the Mumbai, India to Chiba, Japan as the most applicable as it does not involve the Strait of Hormuz. However, we know the Asian products trades were severely impacted by the closure of the Strait of Hormuz. In any event, we show the results of this analysis for a Richmond, CA to Los Angeles tanker move in Figure 7.

Figure 7
Richmond, CA to Los Angeles MR Products Tanker Rates, \$/gal.



Source: Navigistics analysis

The Jones Act and foreign-flag MR tanker rates shown in Figure 8 are summarized in Figure 8.

Figure 8
Comparison Jones Act and Foreign-flag MR Tanker Rates, Corpus Christi to Philadelphia, \$ per gallon

	Foreign-flag	Jones Act	Difference
2025	\$0.027	\$0.067	\$0.041
During Waiver	\$0.047	\$0.071	\$0.024
2025-2026	\$0.031	\$0.068	\$0.037

Source: Navigistics analysis

Jones Act MR tanker transportation costs about 7¢ per gallon to move clean/dirty products from Richmond, CA to Los Angeles. Based on the Asian trade route's rates, the Jones Act transport

cost was ~4¢ per gallon higher than foreign-flag before the Jones Act waiver and about ~2¢ per gallon after the Jones Act waiver was put in place.

Remember, the differentials shown are for specific routes that involve Jones Act MR tanker transportation. As we show later, only about 6.5% of gasoline sold in the U.S. involves a Jones Act movement. Therefore, a 1¢ per gallon saving on ocean-going transportation would translate to a \$0.00065 per gallon savings on the average cost of gasoline at the national level.

V. Details of Voyages Made Under the Jones Act Waiver

Voyages carrying cargo between U.S. ports by foreign-flag vessels requires a waiver of the Jones Act. The U.S. law covering Jones Act waivers (46 U.S.C. § 501) includes a requirement for reporting any waiver voyage details to MARAD within 10 days of discharging the cargo and MARAD must post information on the waivers to a Department of Transportation (DOT) website within 48 hours. We utilized the information from MARAD's website (<https://www.maritime.dot.gov/ports/domestic-shipping/domestic-shipping>) for information on the Jones Act waiver voyages to date (June 1, 2026 Report and is included in Appendix D). The June 1, 2026 MARAD Report includes 78 total voyages on 65 unique vessels.

We examined each of the Jones Act waiver voyages and assigned a Defense Relevance Military Criticality Tier (shown earlier) to each Jones Act waiver voyage based on the commodity carried. Our Assignments for each voyage are shown in Appendix E and summarized in Figure 9.

Figure 9
Defense Criticality Tier of Jones Act Waiver Voyages in 2026

Tier	Number of Voyages	% of Voys	Tier Definition
4	0	0%	Direct, immediate operational impact
3	67	86%	Significant near-term impact
2	11	14%	Indirect / broader-economy impact
1	0	0%	Minimal direct military impact
Total	78	100%	

Of the Jones Act waiver voyages reported by MARAD in its June 1, 2026 Report, not a single waiver voyage met the requirement under 46 U.S.C. § 501(a), “in the interest of national defense to address an immediate adverse effect on military operations.” (Tier 4)

The breakdown of liquid bulk commodities carried is provided in Figure 10.

Figure 10
Liquid Bulk Commodities Moved With Jones Act Waivers 2026
(through June 1, 2026 Report), Barrels

Cargo Description	Total Barrels	Shipments
WTI Crude Oil	2,427,462.39	4
Gasoline Blend Stock	1,407,047.62	6
Unleaded Gasoline	1,151,629.72	5
Gasoline	862,606.00	4
Low Sulfur Vacuum Gas Oil	807,232.33	2
Alkylate	625,129.49	2
Bakken Crude Oil	609,387.07	2
Jet Fuel (Kerosene Type)	605,960.79	2
WTI Crude	600,000.00	1
Motor Fuel Blending Stock	533,487.80	2
Vacuum Gas Oil	522,896.00	2
Heavy Crude Oil	497,397.72	2
Propane	410,447.14	2
Jet Fuel, Kerosene-type	402,751.14	2
Gasoline Blendstock	321,300.00	1
Renewable Diesel	319,401.45	2
Other mixtures of hydrocarbons, renewable diesel	317,576.60	1
Finished grade gasoline	317,178.00	1
Regular Gasoline	314,579.46	1
Other Motor Fuel	313,990.70	1
Other Oils and Oils from Bit Mineral	300,000.00	1
Motor Fuels, Gasoline	299,627.00	1
Unleaded Gasoline Motor Fuel, Reformulated	299,029.86	1
CBOB 87 Gasoline	296,899.63	1
Diesel fuel oil	295,379.45	4
Undenatured ethanol	269,846.62	2
Low Sulphur Gas Oil	250,384.73	1
Ultra Low Sulfur Diesel	220,091.33	3
High Octane Gasoline Blend Stock	205,298.00	1
Gasoline (CBOB blending component)	200,294.46	1
Fuel Oil	194,376.39	1
Undenatured Ethyl Alcohol for Fuel Use	150,022.88	2
No. 6 Fuel Oil	149,835.63	1
Isomerate	100,238.87	1
Jet Fuel	85,038.71	2
ULSD	79,995.51	1
Naphtha	73,502.29	1

Bitumen	71,595.30	1
Mixtures, Hydrocarbons SPK	57,627.00	1
Straight Run Naphtha (SRN)	50,103.76	1
Jet Fuel, JP-5	48,113.00	1
High Sulfur Fuel Oil (HSFO) #6 Oil	45,068.15	1
Jet	38,437.13	1
Fuel Oil (VLSFO) for bunkers	4,120.36	2
Very Low Sulfur Fuel Oil (VLSFO)	2,822.64	1
TOTAL	17,155,210.12	79

Source: Navigistics analysis of MARAD's June 1, 2026 Waiver Report

The amounts for the major fuel types (aggregated from Figure 10) are shown in Figure 11.

Figure 11
Aggregated Liquid Bulk Commodities
Moved With Jones Act Waivers 2026
(through June 1, 2026 Report), Barrels

Commodity Group	Total Barrels	Shipments
Gasoline (finished)	3,855,540	15
Diesel (ULSD)	300,087	4
Diesel (other)	295,379	4
Jet fuel	1,180,301	8
Fuel oil / VLSFO / residual	396,223	6
Fuel ethanol	419,870	4
Renewable diesel	636,978	3
Gasoline blendstock	3,392,796	14
Vacuum gas oil	1,580,513	5
Naphtha / jet blendstock	481,233	4
Crude oil	4,134,247	9
Other (non-fuel chemical)	482,042	3
TOTAL	17,155,210	79

Gasoline and related components have been the largest commodity moved under the Jones Act waiver. In 2025, there were 136.6 billion gallons of gasoline sold in the U.S.; of that total we determined that 8.9 billion gallons moved on Jones Act vessels (6.5% of total supplied). The 8.9 billion gallons represents about 24,400 kgallons per day. This shows that during the first 76 days of the Jones Act waiver about 1.85 billion gallons of gasoline was sold in the U.S. (not seasonally adjusted). This implies that about 15% of the gasoline moving by tanker or barge during the waiver period (to June 1, 2026) moved under a waiver. Therefore, if the waiver really does save 5¢ per gallon, the expected reduction in the cost of gasoline (if all savings were passed onto consumers, an extremely unlikely event), the expected reduction included in the current \$4.305 (6/1/2026 per EIA regular gasoline U.S. average) would be \$0.0005 per gallon. That is

less than 5/100ths of a penny. That says that the cost of gasoline on average would have been \$4.305/gallon in the U.S. without the Jones Act waiver versus \$4.305/gallon with the waiver.

The breakdown of dry bulk commodities carried is provided in Figure 12.

Figure 12
Dry Bulk Commodities Moved With Jones Act Waivers 2026
(through June 1, 2026 Report), metric tons

Cargo Description	Total Metric Tons	Shipments
Anhydrous Ammonia	65,303.93	3
Petroleum Coke Not Calcined	32,998.82	1
Distillate & residual fuel oils	973.00	1
TOTAL	99,275.75	5

Source: Navigistics analysis of MARAD's June 1, 2026 Waiver Report

It is also interesting to see where the cargoes moving under the waiver were loading and where they were discharged. The location of loadings by PADD is shown in Figure 13.

Figure 13
PADD Loaded of Liquid Bulk Commodities, Barrels

PADD of Origin	Total Barrels	Shipments
PADD 3	11,516,289.04	50
PADD 5	4,074,958.78	20
PADD 1	856,622.54	4
Foreign	519,067.00	3
PADD 6 (PR)	188,272.76	2

The location of discharge by PADD is shown in Figure 14.

Figure 14
PADD Discharged of Liquid Bulk Commodities, Barrels

PADD of Discharge	Total Barrels	Shipments
PADD 5	8,427,117.74	37
PADD 1	5,763,813.27	18
PADD 6	1,805,210.90	12
PADD 3	1,159,068.21	12

We show all of routings of liquid bulk commodities, by commodity in Appendix E.

Next we look at the ships used during the Jones Act waiver identified in the MARAD June 1, 2026 Report. We identified where each ship was built (none were built in the U.S.) and where the “controlling owner” is located (only one in the U.S., International Seaways).

Where the ships used in the Jones Act waiver were built is shown in Figure 15.

Figure 15
Country of Build Vessels used in Waiver Voyages

Country	Unique Vessels	% of Vessels	Voyages	% of Voyages
Korea	38	58.5%	47	60.3%
China	15	23.1%	18	23.1%
Japan	8	12.3%	9	11.5%
Vietnam	2	3.1%	2	2.6%
Philippines	1	1.5%	1	1.3%
Romania	1	1.5%	1	1.3%
Total	65	100%	78	100%

Source: Navigistics analysis – S&P IHS Ship data

We also looked at where the ships used in the Jones Act waiver are registered (their flag) and the results are shown in Figure 16.

Figure 16
Flags of Vessels Used in Jones Act Waiver Voyages

Vessel Flag	Unique Vessels	% of Vessels	Voyages	% of Voyages
Marshall Islands	25	38.5%	33	42.3%
Liberia	13	20.0%	15	19.2%
Singapore	12	18.5%	14	17.9%
Panama	5	7.7%	5	6.4%
Denmark	3	4.6%	3	3.8%
Malta	2	3.1%	2	2.6%
Hong Kong	1	1.5%	2	2.6%
Italy	1	1.5%	1	1.3%
Liberia / Marshall Islands	1	1.5%	1	1.3%
Norway / Marshall Islands	1	1.5%	1	1.3%
United Kingdom	1	1.5%	1	1.3%
Total	65	100%	78	100%

The three largest ship registries are Panama, Marshall Islands, and Liberia. Those three flags provide very low-cost structures (e.g., registration fees), taxes, and operating flexibility (e.g., use mariners from virtually any nationality).

MARAD Jones Act waiver reports identify the country where the ship is registered (flag) but not where the controlling owner is located. We did that research using the S&P Global Maritime

Portal's Sea-Web database (they identify the controlling owner and address). The result of this analysis is shown in Figure 17.

Figure 17
Nationality of Controlling Company (Owner)
of Ships used under the Jones Act Waiver

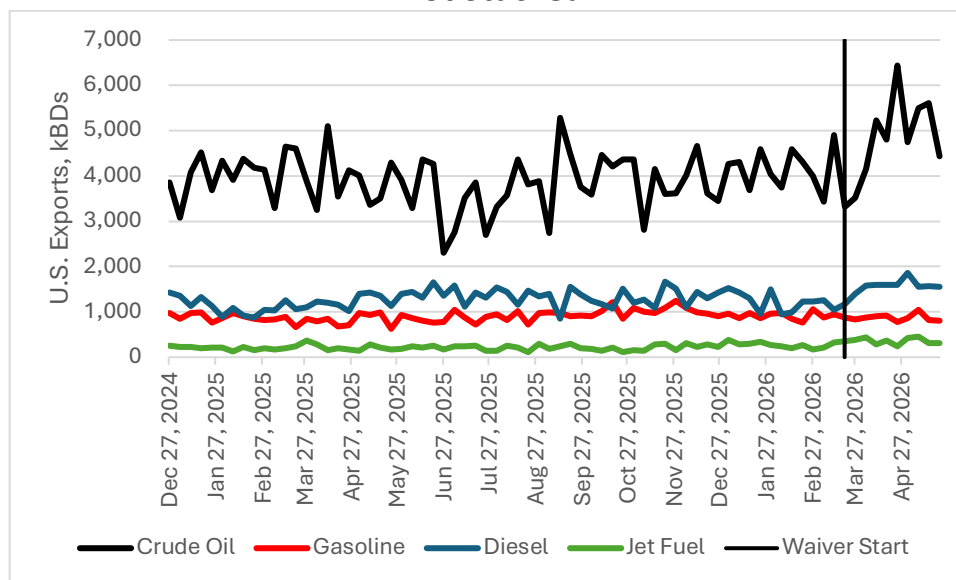
Owner Nationality	Unique Vessels	% of Vessels	Voyages	% of Voyages
China	12	18.5%	13	16.7%
Japan	11	16.9%	15	19.2%
Singapore	10	15.4%	12	15.4%
Greece	9	13.8%	10	12.8%
Norway	4	6.2%	6	7.7%
Chile	1	1.5%	4	5.1%
Korea	3	4.6%	3	3.8%
Monaco	3	4.6%	3	3.8%
Bermuda	2	3.1%	2	2.6%
Denmark	2	3.1%	2	2.6%
Ireland	1	1.5%	1	1.3%
Italy	1	1.5%	1	1.3%
Netherlands	1	1.5%	1	1.3%
Peru	1	1.5%	1	1.3%
Sweden	1	1.5%	1	1.3%
Turkey	1	1.5%	1	1.3%
USA	1	1.5%	1	1.3%
United Kingdom	1	1.5%	1	1.3%
Total	65	100%	78	100%

Source: Navigistics analysis – S&P IHS Ship data

VI. U.S. Petroleum Exports During the Waiver

Despite the supply shock brought on by the closure of the Strait of Hormuz, the U.S. oil industry continued to export significant volumes of crude oil and clean petroleum products (gasoline, diesel, and jet fuel). The exports before and during the waiver (through June 1, 2026) are shown in Figure 18.

Figure 18
U.S. Petroleum Exports, thousands of barrels per day (kBDs)
Not Stacked



Source: EIA

The volume of U.S. petroleum exports by commodity type between when the waiver was issued (3/17/2026) and the latest available EIA data (week of 5/23/2026), is shown in Figure 19.

Figure 19
Exports During the Waiver (3/17/2026
Through Week of 5/23/2026)

	k Barrels	kBDs
Crude Oil	19,506,354	4,598
Gasoline	3,742,326	882
Diesel	6,079,374	1,433
Jet Fuel	1,362,690	321
Total	30,690,744	7,235

Source: Navigistics analysis of EIA data

After instituting a Jones Act waiver to help with refined clean petroleum issues in the U.S., the U.S. proceeded to export 3.7 billion gallons of gasoline, 6.1 billion gallons of diesel, and 1.4 billion gallons of jet fuel (through week of 5/23/2026). The U.S. also exported 19.5 million barrels of crude oil during that same period (4,598 kBDs). Exports of the commodities shown in Figure 20 are shown (in kBDs to ease comparison) are shown in Figure 20.

Figure 20
Exports During 2024 and 2025, kBDs

	2024	2025	During Waiver	During Waiver, Barrels
Crude Oil	4,093	3,987	4,598	464,437,000
Gasoline	874	902	882	89,103,000
Diesel	1,291	1,263	1,433	144,747,000
Jet Fuel	210	219	321	32,445,000
Total	6,468	6,371	7,234	730,732,000

Source: Navigistics analysis of EIA data

Crude oil exports have been higher during the Jones Act waiver period during 2026 (in kBDs) than they were in 2024 or 2025 (annual basis, kBDs). Gasoline exports have stayed on a similar level as in 2024 and 2025. Diesel and jet fuel exports increased during the 2026 Jones Act waiver (3/17/2026 through week of 5/23/2026) from their 2024 and 2025 levels.

VII. Impact of the Jones Act Waiver Voyages on Gasoline Prices

Waiving the Jones Act would be highly unlikely to lower the price of gasoline at the pump, and claims that American consumers would see a material benefit — commonly framed as a nickel (5¢) per gallon — is not supported by the economics. Once that claim is checked against the actual volumes, freight rates, and contract structures involved, it fails. Whatever small savings a waiver might unlock would almost certainly be captured by refiners or commodity traders rather than passed through to drivers.

Navigistics Consulting developed a report for AMP on the limited potential impact of a Jones Act waiver on gasoline prices on March 12, 2026. Some of the highlights from that report are provided below. In addition, we used linear regression analysis to determine if any of the Jones Act waiver voyages using foreign-flag tankers to move gasoline had any mathematically determinable impact on gasoline prices. The analysis is presented later in this section, the answer is NO, there was no mathematically discernable impact of any Jones Act waiver voyage carrying gasoline on gasoline prices.

Jones Act gasoline is delivered to markets that have deep-draft ocean-going vessel access without pipeline service. Inland (River) transport is not considered in this analysis as a Jones Act waiver would not provide the deep-draft ocean-going vessel access required for foreign tankers (i.e., non-Jones Act compliant tankers) and it is highly unlikely foreign tugs and barges will reposition for the waiver period to provide inland domestic services. The primary Jones Act MR tanker gasoline trades are as follows:

- US PADD 3 refineries to Florida (Florida lacks pipeline access from PADD 3 refineries) approximately 7.3 billion gallons per year

- US PADD 3 refineries to north of Florida (Georgia to Boston) approximately 0.8 million gallons per year
- Intra PADD 5 refineries (e.g., San Francisco to Los Angeles) approximately 1.6 billion gallons per year.

It is worth noting that gasoline prices in PADD 3, the source region for two of the largest Jones Act gasoline trades, have historically been among the lowest in the country.

According to the U.S. Energy Information Administration (EIA), U.S. consumers purchased 8.91 million barrels of gasoline per day in 2025. At 42 gallons per barrel, a savings of 5¢ per gallon across that entire volume would total roughly \$6.8 billion per year. That figure alone shows how implausible the claim is: \$6.8 billion is enough to buy the entire fleet of Jones Act tankers that serves this trade — 43 medium-range (MR) vessels — at an assumed price of about \$160 million per ship, every single year. Because a waiver can only affect gasoline that actually moves on Jones Act tankers, the nationwide 5¢ framing is misleading from the outset; the relevant denominator is far smaller than total U.S. consumption.

That smaller denominator is the heart of the matter. Of the roughly 136.6 billion gallons of gasoline sold in the United States in 2025, only about 8.9 billion gallons — approximately 6.5% — move via Jones Act ocean transport.

The figures form a consistent picture. The Jones Act gasoline trade is small relative to national consumption (about 8.9 billion of 136.6 billion gallons), ocean freight is a minor component of the retail price (Distribution & Marketing as a whole is about 20%, or \$0.61 of a \$3.05 gallon), the fleet that serves this trade is already paid for under long-term fixed charters that run through 2028 and beyond, and Jones Act spot rates are currently competitive with — or cheaper than — foreign-flag equivalents. The maximum theoretical benefit of a waiver to the national average gasoline price lands somewhere around a quarter of a cent per gallon, and even that would most likely be retained by commodity traders rather than reaching American drivers.

We also used linear regression analysis to determine if one could find any correlation between actual Jones Act waiver voyages and a reduction in U.S. gasoline prices. The analysis found no support for such a correlation. While a small sample size (11 weekly observations) makes it difficult to prove the negative (i.e., no reduction in gasoline prices), the only correlation we found showed a slight price increase from using foreign-flag vessels. Our regression analysis is described in Appendix G.

VIII. Claims by Opponents of the Jones Act

Opponents of the Jones Act (e.g., the Cato Institute and U.S. oil refiners), have made claims that waiving the Jones Act would save U.S. consumers between 5¢ and 10¢ per gallon of gasoline. This claim is not supported by the facts as shown in the prior section of this report. Economic claims of the consumer benefits of Jones Act waivers are not supported with specific facts. U.S.

law says that the U.S. military's needs are the reason for the Jones Act. The Jones Act provides employment and experience for U.S. mariners that will likely be called upon to move military cargo into war zones, something mariners on foreign-flag vessels have refused to do in the past (look no further than Operation Desert Shield, the build-up to the first Iraq war in 1990/91 for examples).

The Cato Institute makes the claim that new trades are emerging in the U.S. domestic market because of the Jones Act waiver. This claim is not supported. Cato looked at the MARAD list of waiver voyages and claimed they are new trades with absolutely no analysis of prior Jones Act moves on the routes. Cato's new route claims include:

- Diesel from Louisiana to Puerto Rico -
- Crude Oil from Texas to Pennsylvania –
- Gasoline from Houston to Long Beach –
- Renewable Diesel from New Orleans to Portland –
- Gasoline and Diesel from Washington to California and Oregon –
- Fertilizer, ethanol, and refined products within Louisiana, Texas, and California -

Cato's analysis appears to rely on the list of voyages provided by MARAD; however, historical shipment data shows that these are trades that have been performed by Jones Act operators. We look at Cato's claims by trade route. Over the last 12 months (June 2025 - June 2026):

- Diesel from Louisiana to Puerto Rico – We identified 16 voyages of Jones Act MR product tankers from PADD 3 ports to Puerto Rico. Not a new trade.
- Crude Oil from Texas to Pennsylvania – We identified 63 voyages of Jones Act Crude or MR product tankers from PADD 3 ports to Northeast Refineries. Not a new trade.
- Gasoline from Houston to Long Beach – We identified at least one voyage every month of Jones Act oil tank vessel (tanker or ATB) from PADD 3 ports to PADD 5 ports. Not a new trade.
- Renewable Diesel from New Orleans to Portland – Jones Act tank vessels make episodic voyages from PADD 3 to New England. Not a new trade.
- Gasoline and Diesel from Washington to California and Oregon – This is a major Jones Act MR trade with at least 11 Jones Act MR product tankers and eight large ATBs (over 142k BBLs capacity each) deployed in the intra-PADD 5 trade. Not a new trade.
- Fertilizer, ethanol, and refined products within Louisiana, Texas, and California – These are all trades that have been served by Jones Act vessels including small inland barges. Fertilizer movements are unclear.

IX. How the Purposeful Shift to Increasing Dependence on Imports through the Closure / Re-purposing of PADD 5 Refineries has Exacerbated the Supply Problems in PADD 5 Brought on by the Closure of the Strait of Hormuz

The U.S. refining industry has been changing the PADD 5 (West Coast) refining industry such that the supply chain for gasoline and jet fuel is increasing its dependence on imports of those fuels. Changes to the PADD 5 refining industry are shown in Figure 21.

Figure 21
PADD 5 Refinery Closures and Repurposing

Refinery	Crude Capacity	Status	Closure Date	Notes
Marathon Martinez	155	Closed	Aug 2020	Conversion to RD & SAF
P66 Rodeo/Santa Maria	120	Closed	Jan'23/Mar '24	Conversion to RD
P66 Carson/Wilmington	139	Closed	Nov 2025	
Valero Benicia	150	Closed	Feb 2026	

The total closures were of 564 kBDs of crude oil charge capacity. This represents a significant loss of clean petroleum products offset somewhat by Renewable Diesel (RD) and Sustainable Aviation Fuel (SAF). California's total refinery capacity on January 1, 2025 (per the EIA) was 1.7 MBDs. The total closures represent about a quarter of California's refining capacity (on a crude oil intake capacity basis).

The loss of refining capacity in PADD 5 is being handled with increased imports and some movements from PADD 3 through the Bahamas (gasoline only using the "BORCO Two-Step" 1 kBD in 2024 and 22 kBDs in 2025), imports to PADD 5 of gasoline (finished and blend components), jet fuel, and diesel are shown in Figure 22.

Figure 22
PADD 5 Imports of Clean Products, kBDs
2024/2025/2026 YTD through March

	2024	2025	2026 (YTD)
Gasoline	73	95	163
Jet Fuel	81	93	100
Diesel	13	15	10

Source: Navigistics analysis of EIA data.

Note that in Figure 23, the “BORCO Two-Step” volumes have been deducted and, therefore, are not included in imports.

Gasoline imports to PADD 5 increased by 123% from 2024 to 2026 (YTD-March). Jet fuel imports increased by 23% from 2024 to 2026 (YTD-March). Diesel imports declined by 23% from 2024 to 2026 (YTD-March). Gasoline and Jet Fuel are the critical fuels to watch in PADD 5 (due to the refinery restructuring that has been reshaping PADD 5’s clean products supply chain) as we navigate our way through the Strait of Hormuz morass.

PADD 5 typically looks to Asia (primarily Korea) for clean product imports, but volumes have been moving from Europe and elsewhere recently. Many countries are limiting or banning exports of clean products as listed below:

- Russia: Banned gasoline exports earlier in 2026 and implemented a ban on jet fuel exports (effective through November 30, 2026) to stabilize domestic markets following extensive Ukrainian drone strikes on oil refineries.
- China: The government implemented strict caps and temporary export suspensions for diesel, gasoline, and jet fuel to preempt domestic shortages during tight global energy markets.
- South Korea: Imposed mandatory caps, limiting outbound shipments to 100% of 2025 monthly levels to safeguard domestic availability.
- Vietnam: Implemented temporary fuel export restrictions to arrest potential domestic shortages.
- Thailand: Banned exports of petroleum products to retain domestic fuel in light of regional armed conflicts and supply chain tightening.
- The Netherlands: Banned the export of low-quality, toxic gasoline and diesel (often known as "dirty diesel") from the ports of Rotterdam and Amsterdam to developing West African markets.

The market for imports to PADD 5 may become problematic.

Clearly, the U.S. refining industry’s switch from PADD 5 fuel manufacturing to imports did not take into account a potential Strait of Hormuz closure. However, it may have been a timing issue as there are two product pipelines under development that will move clean products from PADD 3 to PADD 5 (to Phoenix, AZ where they will connect with existing PADD 5 product pipelines to serve a broad portion of the California market). Those two projects are:

- ONEOK’s PADD 3 to PADD 5 Sunbelt Connector is a 24” - 200 kBD clean petroleum products pipeline that will run from El Paso, TX to Phoenix, AZ. Startup is planned in mid-2029.
- P66 and Kinder Morgan announced in October 2025 that they would be developing the Western Gateway System for bringing clean petroleum products from P66 refineries in PADDs 2 & 3 (Wood River, IL Ponca City, OK, and Borger, TX). The system includes a new 800-mile 20-inch pipeline from Borger, TX to Phoenix, AZ. The expected capacity is 200 kBDs. We understand they had a successful open season that was completed in

December 2025 with a second open season (for the Phoenix to Los Angeles portion) successful in April 2026. Start-up is expected in mid-2029 as well.

These two pipelines will provide 400 kBDs of clean product pipeline capacity that will eliminate the “BORCO Two-Step” and reduce PADD 5’s imports. Unfortunately, the two pipelines will not be completed until mid-2029.

The closing of PADD 5 refineries has resulted in reduced supply of gasoline while the Jones Act waiver has had no impact on supply (the “BORCO Two-Step” was in operation without the Jones Act waiver so PADD 3 gasoline was delivered to PADD 5 without a Jones Act waiver).

X. Impacts on the Jones Act Market of a Long-Duration Jones Act Waiver

Discussion with Jones Act brokers revealed the extensive impact of the long duration (150 days) blanket Jones Act waiver on Jones Act operators. Virtually all current Jones Act charter negotiations include “waiver threats” in an effort to drive down Jones Act tanker charter rates. The “waiver threats” take the form of, “Give us this charter rate or we use a waiver.” The mechanism of this blanket waiver (allows any waiver if carrying a commodity on the DHS list of 659 commodities), facilitates this approach by charterers as we understand that there is currently “no” checking if Jones Act eligible vessels are available.

A blanket waiver of such long-duration provides refiners a major negotiating weapon to use against Jones Act shipowners and mariners. This extends the damage to the U.S. merchant marine, from just the cargo moved on a Jones Act ineligible vessel to virtually all Jones Act eligible vessels that can carry the cargo (whether chartered or not).

* * * * *

In conclusion, recognize that if Jones Act costs were a pass through to drivers, then the refiners and traders would have less concerns about the Jones Act.

Respectfully submitted,

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