



JONES ACT WAIVER SITUATION REPORT October 5, 2026 Update (Report #28)

Case-by-Case Requests and Commercial Usage

- The case-by-case process has reached 132 numbered requests from foreign operators, with 127 VARs circulated.
 - The difference between requests and VARs reflects requests that were withdrawn, deemed invalid, or not circulated, although the current public record does not provide a complete disposition for every numbered request.
 - The Administration has not provided a complete public accounting of which requests were approved, denied, withdrawn, or ultimately completed, preventing any evaluation as to whether the case-by-case process is functioning as represented.
- The newest requests continue to resemble recurring commercial programs rather than isolated movements responding to an immediate adverse effect on military operations.
 - The most recent requests are concentrated in the Northeast and Puerto Rico. Foreign operators continue to request commercial activity irrelevant to national security such as recurring movements in a single request, transshipments through the Dominican Republic, and standard Jones Act movements from the Gulf Coast to Atlantic.
 - Multiple movements reported by MARAD on September 30 transported petroleum products from the West Coast to the Gulf Coast.¹ These movements delivered petroleum products into the Gulf Coast, the nation's largest refining and petroleum-supply region. **The published reports should therefore explain what immediate adverse effect on military operations each movement addressed as these appear to be commercial movements and not an emergency response to an immediate adverse effect on military operations.**
 - The waiver does not create fuel, reopen the Strait of Hormuz, or provide any savings at the pump. It transfers domestic cargo to foreign vessels while weakening investment in American capacity. The Administration should end the waiver as quickly as possible.

Investment and Domestic-Capacity Effects

- The waiver is doing damage beyond the cargo carried on any individual foreign voyage. Industry discussions this week identified a concrete consequence of policy uncertainty.
 - Industry participants report that Jones Act dredging newbuild projects representing **more than \$700 million in planned investment have been deferred amid uncertainty over continued federal waiver policy.** The affected investment would otherwise support U.S. shipyard work, maritime suppliers, skilled employment, and future domestic capacity.
 - Industry participants report that lenders are reassessing Jones Act vessel financing because repeated waivers increase uncertainty. This risks creating a destructive cycle on investment in the domestic American maritime sector and a self-reinforcing capacity problem.

¹ U.S. Maritime Administration, "20260930 0600 17 MAR 2026 and 18 MAY 2026 Extension MARAD 501(c) Waiver Report," U.S. Department of Transportation, September 30, 2026.

- A September 27 *Washington Examiner* commentary warned that weakening the Jones Act could allow Chinese-controlled maritime interests deeper access to domestic U.S. commerce and waterways.² America’s navigable waterways connect ports, bridges, pipelines, refineries, and major metropolitan areas far inside the country, all of which become increasingly vulnerable as the waiver persists.
 - The Jones Act is a homeland-security safeguard, not merely a shipping rule. It keeps domestic point-to-point commerce within a U.S.-flag system supported by American ownership, crews, shipyards, and legal accountability. Repeated foreign-vessel access to domestic commerce raises security, enforcement, and accountability concerns not present to the same degree in the U.S.-flag coastwise system.
 - The MARAD waiver record shows the concern is immediate, not theoretical. Waiver cargoes have benefited vessels tied to Chinese builders, owners, and managers. A policy justified in the name of national defense should not expand the role of the Chinese maritime industrial base in protected domestic commerce.

Compliance and Reporting Failures

- Section 501(c) requires waiver recipients to submit specified voyage information to MARAD no later than 10 days after a voyage concludes. AMP’s review of the published data identifies 32 movements reported after the listed deadline.³
- Foreign operators’ failure to comply with statutory reporting requirements shows that the waiver has become the Wild West, with unprecedented access and zero accountability.
 - Required reporting is not optional paperwork. It is the basic mechanism for determining how foreign vessels used an extraordinary national-defense waiver.
 - The newest postings are especially troubling. Eleven movements reported from September 24 through September 29 were apparently unreported as much as four months after their required date.
 - These late disclosures followed Bloomberg reporting that foreign-flag waiver voyages had gone unreported. Together, the missing and delayed reports show a system operating like the Wild West: foreign operators receive access to protected American commerce, conduct the movement, and then disregard or substantially delay the legal transparency obligations attached to that privilege.
 - Notably, operators and reporters have identified over a dozen other coastwise movements by foreign operators that have still not been reported to MARAD. **Late reports, failures to report whatsoever, and complete disregard for American laws are now commonplace for foreign operators.**
 - The Administration should investigate noncompliance, demand complete reporting, and refuse further waiver access to parties that have not met their legal obligations.

Fuel Prices and Refining Economics

- RBN Energy reported that the 3-2-1 crack spread reached a record \$80.63 per barrel, while the diesel crack spread moved over \$100 per barrel – the highest mark in history by a significant margin.⁴ The crack spreads are the leading indicators of profitability for refiners, and they typically hover around \$25 per barrel in a normal market.
 - **These historically elevated crack spreads demonstrate that current fuel prices are being driven heavily by refining economics and product scarcity.**
 - They also underscore that the waiver has not produced visible consumer relief: refinery margins remain exceptionally strong while retail prices remain elevated and gasoline inventories remain tight.

² Washington Examiner, “Without the Jones Act, Communist China Could Crew the Mississippi,” September 27, 2026.

³ AMP compared each reported discharge or voyage-completion date with the corresponding MARAD reporting date and treated reports submitted more than 10 days later as untimely.

⁴ RBN Energy, “Motor Gasoline Inventories Plummet to 12-Year Low as 3-2-1 Crack Spread Soars to All-Time High,” September 30, 2026.

- Foreign access to domestic cargo does not require refiners or traders to pass transportation savings to consumers. Increased waiver traffic demonstrates commercial opportunity for oil companies and foreign shipping interests, not that the waiver is working for American consumers.
- For the week of September 28, the national average was \$4.465 per gallon for regular gasoline and \$6.382 per gallon for on-highway diesel.
- The most visible financial benefit in the current market is accruing at the refining level, not appearing as lower prices at the pump.
- The current waiver authority is scheduled to expire on November 15. It has been in place for more than six months, yet the week's reporting continued to document record or near-record diesel costs, severe pressure on farmers during harvest, and gasoline inventories at their lowest level in nearly 12 years.⁵ **The waiver has not delivered measurable relief to consumers.**
 - RBN Energy reported U.S. motor-gasoline inventories just above 204 million barrels for the week ending September 25, the lowest level since November 2014.⁶
 - These figures are consistent with a market constrained by refinery availability, product inventories, and regional logistics. They do not demonstrate that Jones Act transportation requirements are the cause of elevated fuel prices.

⁵ The Washington Post, "Soaring Diesel Prices Are Clobbering Trump's MAGA Faithful, Exposing Rifts," September 27, 2026.

⁶ RBN Energy, "Motor Gasoline Inventories Plummet to 12-Year Low as 3-2-1 Crack Spread Soars to All-Time High," September 30, 2026.