

Federal Government Waives, then Doesn't Waive, the Jones Act for Crude Oil Sale

JUNE 24, 2011

On June 23, 2011, the Department of Energy announced the availability for sale of crude oil from the Strategic Petroleum Reserve. In connection with that sale, the Notice of Sale first indicated that the Department of Homeland Security had issued a general waiver of the Jones Act for the marine delivery of crude oil purchased in the sale. The Jones Act requires the use of qualified U.S.-flag vessels to transport merchandise between U.S. ports. Such a waiver would have required a finding that it was in the interest of national defense. Similar short term waivers were granted in the aftermath of Hurricanes Rita and Katrina with clear findings that they were needed in the interests of national defense. Then, overnight, the Department reversed course and reissued the Notice of Sale removing the Jones Act waiver. No explanation was provided in the amended Notice for the change of position.

1 Min Read

Author

[Charlie Papavizas](#)

This entry has been created for information and planning purposes. It is not intended to be, nor should it be substituted for, legal advice, which turns on specific facts.