



## The Daily Dish

# Waiving the Jones Act

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The administration continues to struggle with the economic fallout of the attacks on Iran, especially the increased prices of [oil and gasoline](#). Reportedly, among the options is waiving the requirements of the Jones Act. This raises three questions: (1) What is the Jones Act? (2) Would waiving the Jones Act help reduce oil and gasoline prices? and (3) Can the administration waive the Jones Act?

Section 27 of the Merchant Marine Act of 1920, introduced by then-Senator Wesley Jones, regulates coastal trade and requires that all goods transported by water between U.S. ports be carried on ships constructed in the United States, fly the U.S. flag, are owned by U.S. citizens, and are crewed by U.S. citizens.

As a general proposition, the Jones Act should simply go. The notion was that it would be a mechanism to support shipbuilding in the United States. It wasn't. It was supposed to generate a ready reserve of ships in the event of the need for naval capability. Nobody believes it has. It is the mother of all Buy America provisions and is accordingly indefensible as economic policy.

Waiving it would have some specific benefits for consumers. According to a [working paper](#) from the National Bureau of Economic Research, waiving the Jones Act could reduce average East Coast gasoline, diesel, and jet fuel prices by 63 cents, 82 cents, and 80 cents per barrel. That must make it an attractive option for the administration.

But can the administration simply waive it away? Only in specific circumstances. According to WTOP [news](#): "The law can be waived in the 'interest of national defense,' the U.S. Maritime Administration notes, either through the Homeland Security or Defense Department." Waiving it to lower prices at the pump hardly seems to meet the "national defense" criterion, but it seems unlikely to slow down an administration that has shown little interest in such legal niceties.

A better option would be to go the legislative route and simply repeal the Jones Act entirely.