



Department of Energy
Washington, DC 20585

September 6, 2017

Ms. Lisa L. Burley
Chief/Supervisory Attorney-Advisor
Cargo Security, Carriers and Restricted Merchandise Branch
Office of Trade, Regulations and Rulings
U.S. Customs and Border Protection
799 Ninth Street, NW, 5th Floor
Washington, DC 20229

Dear Ms. Burley:

Thank you for your September 2 letter requesting the U.S. Department of Energy's (DOE) review of the request from SeaRiver Maritime Inc. (SeaRiver) for the use of foreign flag vessels to help alleviate disruptions to the transportation of petroleum products to the affected areas as well as other regions supplied by Texas.

After discussions with the Department of Homeland Security, Customs and Border Protection, the Department of Defense, and the Maritime Administration, DOE has amended its recommendation. As noted, there have been severe disruptions in both the midstream and downstream sectors of the oil supply system as a result of Hurricane Harvey. Some refineries and product pipeline networks are shut-in or running at reduced rates. These refineries and pipeline networks are critical to the production and distribution of refined products such as gasoline, diesel, and jet fuels for the east coast.

As a result, DOE determines that conditions exist for a potential imminent shortage in the areas that are currently predicted to be affected by Hurricane Irma, namely Florida, Georgia, and South Carolina. DOE believes the waiver is in the interest of national defense, and supports critical infrastructure because the waiver mitigates future refined product supply risks in the impacted regions. DOE would support an industry-wide 7-day waiver of the Jones Act for refined products—specifically gasoline, diesel, and jet fuel—to be shipped from New York, Pennsylvania, Texas, and Louisiana to South Carolina, Georgia and Florida. After 7 days, the Department will review the merits of an extension.

DOE expresses no view on the availability of qualified U.S.-flag vessels, which will be determined by the U.S. Maritime Administration. If you have any questions or concerns, please do not hesitate to contact me. I can be reached at (202) 586-1411.

Sincerely,

A handwritten signature in cursive script that reads "Patricia A. Hoffman".

Patricia A. Hoffman
Acting Assistant Secretary
Office of Electricity Delivery and Energy Reliability

