

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

July 8, 2011

(b)(6)  
Team Lead – International Crude Operations  
Shell Trading (US) Company  
(b)(6)  
Houston, Texas 77010

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) on or about July 15-17, 2011, to (b)(4) (b)(4), on or about July 16-18, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97011.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated “petroleum availability is crucial to economic security and the national defense” and:

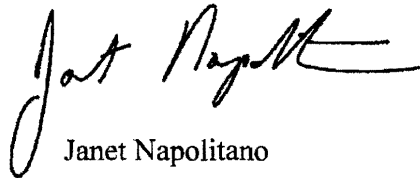
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Thursday, July 07, 2011 6:12 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6)  
(b)(6)  
**Subject:** JONES ACT WAIVER REQUEST - SPR CRUDE / (b)(4)  
(b)(4)

Good day,

Shell Trading is nominating the (b)(4) for our SPR lifting of crude oil from (b)(4) (b)(4).

PURCHASER OF SPR PETROLEUM...SHELL TRADING (US) COMPANY

POINT OF CONTACT.....(b)(6)

FOREIGN VESSEL TO BE USED.....(b)(4)

CARGO QUANTITY.....(b)(4)

LOADPORT.....(b)(4)

EXPECTED DESTINATION.....(b)(4)

LOAD WINDOW SCHEDULED.....15-17 JUL

DOE CONTRACT.....DE-SC96-11PO97011

UNLOADING DATE.....16-18JUL

The vessel has been approved at (b)(4) and the window has been accepted with DOE.

Kind regards,

(b)(6)

(b)(6)

Team Lead - International Crude Operations

Shell Trading US Company

(b)(6), Houston, TX 77010, USA

Tel: (b)(6) Other Tel: Cell: (b)(6)

Email (b)(6)

Internet: <http://www.shell.com>

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

July 8, 2011

(b)(6)  
Plains Marketing, L.P.  
(b)(6)  
Houston, TX 77002

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) on or about July 18-20, 2011 to (b)(4), (b)(4) on or about July 21-23, 2011 aboard the non-coastwise qualified vessel (b)(4). (b)(4) In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97010.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated “petroleum availability is crucial to economic security and the national defense” and:

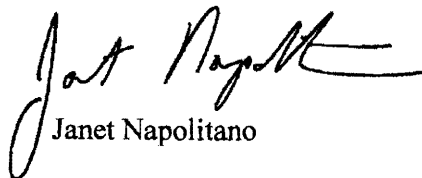
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano

(b)(6)

**From:** (b)(6)

**Sent:** Friday, July 08, 2011 10:57 AM

**To:** CBP Jones Act Waiver - SPR

**Cc:** (b)(6)

**Subject:** Jones Act Waiver Request for Plains Marketing, L.P.

Dear U.S. Customs and Border Protection (CBP),

We are Plains Marketing, L.P. purchasers of SPR petroleum. We wish to obtain a Jones Act Waiver for the following voyage:

Point of contact:

(b)(6)

Plains Marketing, L.P.

(b)(6)

Houston, Tx 77002

W) (b)(6)

C) (b)(6)

Email: (b)(6)

Foreign vessel to be used for the transportation: (b)(4) – To Be Nominated

Cargo quantity: (b)(4) bbls

Load port: (b)(4). (Seaway)

Loading Date: July 18-20, 2011

Unloading port: (b)(4)

Unloading date: July 21-23, 2011

DOE contract number: DE-SC96-11PO97010

We look forward to your reply.

Thanks and best regards,

(b)(6)

Plains Marketing, L.P.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 8, 2011

(b)(6)  
Lead, Americas Chartering  
ConocoPhillips Company  
(b)(6)  
Houston, Texas 77079-1175

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) on or about July 18-20, 2011, to (b)(4) (b)(4) on or about July 21-23, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97001.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

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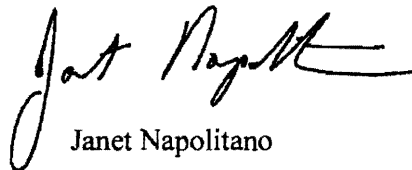
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

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We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

A handwritten signature in black ink, appearing to read "Janet Napolitano". The signature is written in a cursive, flowing style with a large initial "J".

Janet Napolitano



(b)(6)

**From:** (b)(6)  
**Sent:** Friday, July 08, 2011 4:26 PM  
**To:** CBP Jones Act Waiver - SPR: (b)(6)  
(b)(6)  
**Cc:** (b)(6)  
**Subject:** Jones Act Waiver Application for SPR Sale - DE-SC96-11PO97001  
**Attachments:** SPR JONES ACT WAIVER REQUEST (b)(4).doc

TO:

(b)(6)

Please confirm receipt of our attached letter requesting Jones Act Waiver for Sale Contract DE-SC96-11PO97001 on vessel (b)(4)

Thanks for your soonest reply in this matter.

(b)(6)

Lead, Americas Chartering

ConocoPhillips Company

Office: (b)(6)

Cell: (b)(6)

Fax (b)(6)

yahoo: (b)(6)

email: (b)(6)

Market info email: chartering@conocophillips.com

The information in this electronic message may be privileged and confidential and is intended only for the use of the individual (s) and/or entity (entities) named above. If you are not the intended recipient, you are on notice that any unauthorized disclosure, copying, distribution, or taking of any action in reliance on the contents of the electronically transmitted materials is prohibited.



DATE: July 8, 2011

TO: [CbpJonesActWaiver-SPR@dhs.gov](mailto:CbpJonesActWaiver-SPR@dhs.gov)

(b)(6)

From:

(b)(6)

Lead, Americas Chartering

Office: (b)(6)

Cell: (b)(6)

email: (b)(6)

RE: Jones Act Waiver Application for SPR Sale – **DE-SC96-11PO97001**

ConocoPhillips Company is a successful bidder for a cargo from the Strategic Petroleum Reserves Sale – Notice of Sale DOE Contract Number **DE-SC96-11PO97001**. On July 8, 2011 ConocoPhillips Company contacted the above regarding available U.S. flag vessels. On July 8, 2011, ConocoPhillips Company was told that none were available. ConocoPhillips Company hereby requests a Jones Act Waiver for the above SPR Sale DOE Contract Number:

Cargo Size: (b)(4) bbls

Load Port: (b)(4)

Load Window: July 18-20, 2011

Discharge Port: (b)(4)

Discharge Window: July 21-23, 2011

Intended Vessel: (b)(4)

Intended Vessel Flag: (b)(4)

IMO Number: 9182942

If there any questions concerning this request, please do not hesitate to contact the undersigned at the above contact information.

Please notify me at my contact information above with your decision.

Thank you for consideration.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



# Homeland Security

July 8, 2011

(b)(6)  
Supervisor, Marine Services  
Murphy Oil USA Inc.

(b)(6)  
El Dorado, AR 71731-7000

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from (b)(4) on or about August 3-5, 2011 to (b)(4), on or about August 5-7, 2011 aboard the non-coastwise qualified vessel (b)(4). In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97008.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

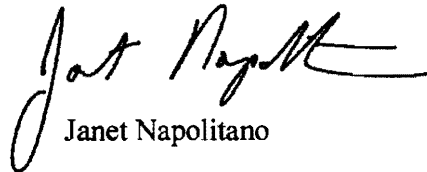
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Friday, July 08, 2011 6:32 PM  
**To:** CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** (b)(6)  
**Subject:** Rev 1 (b)(4) Inc. - Jones Act Waiver request  
**Attachments:** (b)(4) - Rev 1 Jones Act Waiver Request.pdf; Notice of Acceptance - (b)(4) #8280.pdf (b)(4) Questionnaire 88.doc; 062911 SPR US FLAG.xlsx

Thank you for your quick response. I have revised the Jones Act Waiver request to include the vessel Name (b)(4) loading dates (August 3-5, 2011) and load port (b)(4), along with discharge dates (August 5-7, 2011) and disport (b)(4). Your consideration is much appreciated.

Best regards,

(b)(6)  
(b)(4)  
Office: (b)(6)  
Cell: (b)(6)  
fax: (b)(6)

**From:** "CBP Jones Act Waiver - SPR" <CbpJonesActWaiver-SPR@dhs.gov>  
**To:** (b)(6)  
**Date:** 07/08/2011 04:17 PM  
**Subject:** RE (b)(4) - Jones Act Waiver request  
**Sent by:** (b)(6)

Thank you for your request for a Jones Act Waiver pertaining to the transportation of crude oil from the Strategic Petroleum Reserve. US Customs and Border Protection (CBP) has conducted a review of your request and has determined that you have not provided sufficient information from which your request may be considered.

The actual vessel or vessels and corresponding cargo quantity(ies) and lading dates, load ports, and unloading dates, and destination ports for the voyage(s) are required. We can not process a request for possible vessels.

Accordingly, your request for a Jones Act Waiver is being rejected for the following reason(s):

- **Failure to provide the specific name of the actual vessel(s)** that will be engaged in the proposed coastwise transportation.

You may submit a new request once you have the requisite information.

Sincerely,

US Customs and Border Protection

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**From:** (b)(6)  
**Sent:** Friday, July 08, 2011 5:05 PM  
**To:** CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** (b)(6)  
**Subject:** Murphy Oil USA, Inc. - Jones Act Waiver request

(b)(4), Inc. has purchased SPR petroleum (Notice of acceptance attached) and are requesting a Jones Act Waiver.  
Details are attached.

Regards,

(b)(6)  
(b)(4)  
Office: (b)(6)  
Cell: (b)(6)  
fax: (b)(6)

----- Forwarded by (b)(6) on 07/08/2011 03:40 PM -----

**From:** (b)(6)  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Date:** 07/01/2011 12:17 PM  
**Subject:** Jones Act Inquiry: US Flag vessel availability

(b)(6)

Per your request, attached is our most recent listing of available coastwise qualified tankers. Hopefully you can use something from this list to meet your needs.

Regarding the Jones Act waiver request process, please see our website at:

Strategic Petroleum Reserve Draw Down – Jones Act

[http://www.marad.dot.gov/ships\\_shipping\\_landing\\_page/domestic\\_shipping/strategic\\_petroleum\\_reserve/strategic\\_petroleum](http://www.marad.dot.gov/ships_shipping_landing_page/domestic_shipping/strategic_petroleum_reserve/strategic_petroleum)

Our understanding is that Jones Act waivers cannot be requested until the purchaser contract with DOE is completed.

I hope this is of assistance.

Sincerely,

(b)(6)

Office of Cargo Preference & Domestic Trade  
Maritime Administration

Tel: (b)(6)

**From:** (b)(6)

**Sent:** Friday, July 01, 2011 1:05 PM

**To:** (b)(6)

**Subject:** US Flag vessel availability

Attn: (b)(6)

(b)(4) has a successful offer with DOE to lift (b)(4) bbls of (b)(4) at the (b)(4)

(b)(4) Delivery point is (b)(4)

We are looking for a vessel which will hold the (b)(4) bbls for one trip to load as early as July 25-30.

Please confirm if there are any U.S. Flag vessels for this purpose.  
If not, I will be applying for a Jones Act waiver.

Please confirm soonest.

Best regards,

(b)(6)  
(b)(4)  
Office: (b)(6)  
Cell: (b)(6)  
fax: (b)(6)

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This e-mail and all attachments is confidential and may contain legally privileged information intended solely for the use of the addressee. If you are not the intended recipient, you are hereby notified that reading or any other use of this message is unauthorized. Any views or opinions expressed in this message are solely those of the author, and do not necessarily reflect those of Murphy Oil Corporation or any of its subsidiaries.



**MURPHY**  
OIL USA, INC.

(b) (6)  
(b) (6)  
El Dorado, AR 71731-7000  
(b) (6)

July 8, 2011

U.S. Customs and Border Protection  
Office of Regulations and Rulings  
Chief, Cargo Security  
Carriers and Immigration Branch  
U.S. Department of Homeland Security  
1300 Pennsylvania Avenue, NW  
Mint Annex  
Washington, D.C. 20229

Dear Sir:

Concerning the Notice of Sale DE-NS96-11PO97000, we are requesting a Jones Act waiver for movement of Strategic Petroleum Reserves (SPR) as we have been awarded by the Department of Energy. As requested in Standard Sales Provision (SSPs) C.7(e), the following is Murphy Oil USA's requestor information:

Attention (b)(6)  
Supervisor, Marine Services  
Office (b)(6) / Cell (b)(6)  
Murphy Oil USA, Inc.  
(b) (6)  
El Dorado, AR 71730

Per SSPs C.7(e) the purpose for the waiver is to take delivery of (b)(4) bbls of SPR crude oil sold to Murphy Oil USA, Inc. with assigned contract number DE-SC96-11PO97008.

Murphy Oil USA is seeking a Jones Act waiver as there are no U.S. flag vessels available to load the complete cargo of (b)(4) barrels of crude oil that we have purchased. (b)(6) has been contacted and confirmed no U.S. Flag vessels available to hold this quantity.

The vessel we request Jones Act Waiver on is named (b) (4). (b) (4). The Q88 for this vessel in attached. The intended number of voyages we are requesting is one. Loading of (b)(4) bbls (b) (4) crude oil will be at (b)(4) (b)(4) with requested load window of August 3-5, 2011. The unloading will be at Murphy Oil USA, Inc. in (b)(4) on August 5-7, 2011 where these barrels will be processed at our crude oil refinery. The estimated period of time in which vessel will be employed by Murphy is August 1-10, 2011.

We appreciate your consideration of our request.

Sincerely,

(b)(6)

Supervisor, Marine Services

Attachments: Murphy Oil USA, Inc. Notice of Sale DE-SC96-11PO97008 (b) (4)  
Current list of available U.S. Flag vessels received from (b)(6) indicating no available vessels to load the (b) (4) required for this movement.

(b)(4)  
cc: U.S. Department of Energy, U.S. Department of Transportation, SPR Project Management Office,  
(b)(6)

**MURPHY**  
**USA** ★

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 12, 2011

(b)(6)

Plains Marketing, L.P.

(b)(6)

Houston, TX 77002

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4) on or about July 29-31, 2011 to (b)(4), on or about August 2-4, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97009.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states "a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port" unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is "coastwise-qualified." The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is "necessary in the interest of national defense." 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department's usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

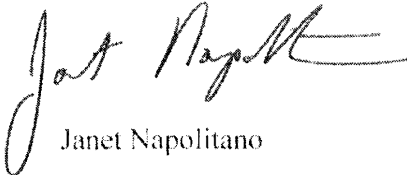
... to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)

**Sent:** Monday, July 11, 2011 4:30 PM

**To:** CBP Jones Act Waiver - SPR

**Cc:** (b)(6)

**Subject:** Jones Act Waiver Request for Plains Marketing, L.P.

Dear U.S. Customs and Border Protection (CBP),

We are Plains Marketing, L.P. purchasers of SPR petroleum. We wish to obtain a Jones Act Waiver as follows:

Point of contact:

(b)(6)

Plains Marketing, L.P.

(b)(6)

Houston, TX 77002

W) (b)(6)

C) (b)(6)

Email (b)(6)

Foreign vessel to be used for the transportation: (b)(4)

Cargo quantity: (b)(4) bbls

Load port: (b)(4)

Loading Date: July 29-31, 2011

Unloading port: (b)(4).

Unloading date: Aug 2-4, 2011

DOE contract number: DE-SC96-11PO97009

We look forward to your reply.

Thanks and best regards,

(b)(6)

Plains Marketing, L.P.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 14, 2011

(b)(6)  
Crude Supply and Trading  
British Petroleum Products, NA  
(b)(6)  
Chicago, IL 60606

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve at (b)(4) on or about July 20-22, 2011, to (b)(4), on or about July 22-24, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97027.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states "a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port" unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is "coastwise-qualified." The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is "necessary in the interest of national defense." 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department's usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

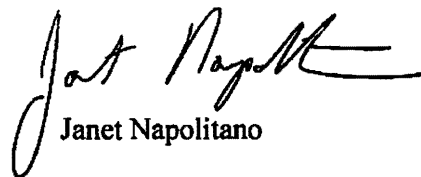
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano

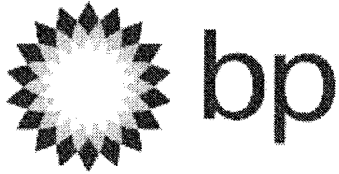
(b)(6)

**From:** (b)(6)  
**Sent:** Tuesday, July 12, 2011 12:12 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6)  
**Subject:** BP's request for Jones Act Waiver  
**Attachments:** JonesActWaiverRequest.doc

(b)(6) >

(b)(6)  
Crude Trading  
BP - IST  
Off (b)(6)  
Cel. (b)(6)

This e-mail may contain confidential or proprietary information belonging to the BP group and is intended only for the use of the recipients named above. If you are not the intended recipient, please immediately notify the sender and either delete this email or return to the sender immediately. You may not review, copy or distribute this email. Within the bounds of law, this part of BP retains all emails and IMs and may monitor them to ensure compliance with BP's internal policies and for other legitimate business purposes.



July 12, 2011

Department of Homeland Security (b)(6)  
Department of Transportation (b)(6)  
Department of Energy (b)(6)

Subj: Jones Act Waiver

As part of our participation in the process for release of SPR Crude Oil, BP Products North America ("BP") has been awarded one parcel of (b)(4) barrels under contract number DE-SC96-11PO97027 to be loaded on July 20-22 out of the (b)(4)

Considering there is no U.S. Flag tonnage available to load this parcel size, BP requests a Jones Act waiver. We have placed on subjects vessel (b)(4) (Q88 attached). Intended destination for this parcel is the Port (b)(4) (b)(4) with an ETA July 22-24.

We appreciate your consideration and prompt response.

Sincerely,

(b)(6)  
Crude Supply & Trading  
BPPNA  
Email: (b)(6)  
Off: (b)(6)



Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 15, 2011

(b)(6)  
Team Lead – International Crude Operations  
Shell Trading (US) Company  
(b)(6) -- (b)(6)  
Houston, Texas 77010 USA

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about July 16-18, 2011, to (b)(4), on or about July 23-25, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97011.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b) (6)

**From:** (b)(6)  
**Sent:** Tuesday, July 12, 2011 5:37 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6)  
**Subject:** JONES ACT WAIVER REQUEST - SPR CRUDE / (b)(4)

Good day,

Shell Trading is nominating the (b)(4) for our SPR lifting of crude oil from (b)(4) (b)(4)

PURCHASER OF SPR PETROLEUM...SHELL TRADING (US) COMPANY

POINT OF CONTACT.....(b)(6)

FOREIGN VESSELS TO BE USED.....(b)(4)

CARGO QUANTITY.....(b)(4)

LOADPORT.....(b)(4)

EXPECTED DESTINATION.....(b)(4)

LOAD WINDOW SCHEDULED.....16-18 JUL

DOE CONTRACT.....DE-SC96-11PO97011

UNLOADING DATE.....23-25JUL

The vessel has been approved at (b)(4)

Kind regards,

(b)(6)

(b)(6)

Team Lead - International Crude Operations

Shell Trading US Company

(b) (6) Houston, TX 77010, USA

Tel: (b)(6) Other Tel: Cell (b)(6)

Email: (b)(6)

**Internet:** <http://www.shell.com>

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

July 15, 2011

(b)(6)

Team Lead – International Crude Operations  
Shell Trading (US) Company

(b)(6)

Houston, Texas 77010 USA

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about July 19-21, 2011, to the (b)(4), on or about July 29 - August 2, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97013.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated “petroleum availability is crucial to economic security and the national defense” and:

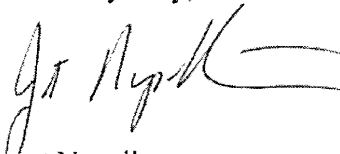
... to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Tuesday, July 12, 2011 5:38 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6)  
**Subject:** JONES ACT WAIVER REQUEST - SPR CRUDE / (b)(4) (b)(4)

Good day,

Shell Trading is nominating the (b)(4) for our SPR lifting of crude oil from (b)(4)

PURCHASER OF SPR PETROLEUM...SHELL TRADING (US) COMPANY

POINT OF CONTACT.....(b)(6)

FOREIGN VESSELS TO BE USED.....(b)(4)

CARGO QUANTITY.....(b)(4)

LOADPORT.....(b)(4)

EXPECTED DESTINATION.....(b)(4)

LOAD WINDOW SCHEDULED.....19-21 JUL

DOE CONTRACT.....DE-SC96-11PO97013

UNLOADING DATE.....29JUL-02AUG

The vessel has been approved at (b)(4).

Kind regards,

(b)(6)

(b)(6)

Team Lead - International Crude Operations

Shell Trading US Company

(b)(6) Houston, TX 77010, USA

Tel: (b)(6) Other Tel: Cell: (b)(6)

**Email:** (b)(6)

**Internet:** <http://www.shell.com>

(b)(6)

Team Lead - International Crude Operations

Shell Trading US Company

(b)(6) Houston, TX 77010, USA

**Tel:** (b)(6) **Other Tel:** Cell: (b)(6)

**Email:** (b)(6)

**Internet:** <http://www.shell.com>



Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 18, 2011

(b)(6)  
JP Morgan Ventures Energy Corp.  
(b)(6)  
Stamford, Connecticut 06902

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about July 23-25, 2011 to (b)(4), on or about July 25-27, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97005. This request covers the transportation of (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

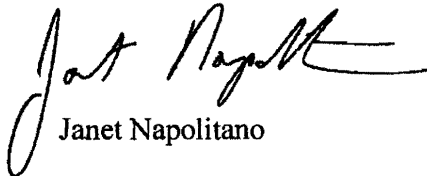
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Friday, July 15, 2011 12:53 PM  
**To:** CBP Jones Act Waiver - SPR  
**Subject:** FW: JONES ACT WAIVER REQUEST (AMENDED TO INCLUDE DOE CONTRACT NUMBER)

**From:** (b)(6)  
**Sent:** Friday, July 15, 2011 12:42 PM  
**To:** (b)(6)  
**Subject:** JONES ACT WAIVER REQUEST (AMENDED TO INCLUDE DOE CONTRACT NUMBER)

Good morning,

We were successful in securing (b)(4) of the SPR release.

We will be receiving (b)(4) of approx (b)(4) bbls each.

Our first established load window with the DOE is 23-25 July.

Would like to request a Jones act waiver

Required details as follows

DOE CONTRACT NUMBER: DE-SC96-11PO97005

FOREIGN FLAG VESSEL REQUESTED: (b)(4)

QUANTITY: APPROX (b)(4) BBLs +/- 10 PERCENT

LOAD PORT (b)(4)

LOAD WINDOW: 23-25 JULY

DISPORT: (b)(4)

DISPORT WINDOW: 25-27 JULY

tk / brgds,

(b)(6)

JP Morgan

office tel: (b)(6)

mobile: (b)(6)

9/21/2011

e-mail: (b)(6)

This email is confidential and subject to important disclaimers and conditions including on offers for the purchase or sale of securities, accuracy and completeness of information, viruses, confidentiality, legal privilege, and legal entity disclaimers, available at <http://www.jpmorgan.com/pages/disclosures/email>.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 20, 2011

(b)(6)  
JP Morgan Ventures Energy Corporation  
(b)(6)  
Stamford, CT 06902

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about July 19-21, 2011, to (b)(4), on or about July 22-July 24, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97005, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated “petroleum availability is crucial to economic security and the national defense” and:

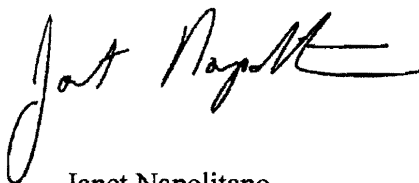
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

A handwritten signature in black ink, appearing to read "Janet Napolitano". The signature is written in a cursive, flowing style with a large initial "J".

Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Monday, July 18, 2011 4:36 PM  
**To:** CBP Jones Act Waiver - SPR  
**Subject:** FW: JONES ACT WAIVER REQUEST (b) (4)

**From:** (b)(6)  
**Sent:** Monday, July 18, 2011 4:26 PM  
**To:** (b)(6)  
**Subject:** JONES ACT WAIVER REQUEST (b) (4)

Good evening,

We are requesting Jones act waiver for our second SPR delivery out of (b)(4)

Details as follows.

DOE CONTRACT NUMBER: DE-SC96-11PO97005

FOREIGN FLAG VESSEL REQUESTED: (b)(4)

QUANTITY: APPROX (b)(4) +/- 10 PERCENT

LOAD PORT (b)(4)

LOAD WINDOW: 19-21 JULY

DISPORT: (b)(4)

DISPORT WINDOW: JULY 22-24

tk / brgds,

(b)(6)

JP Morgan

(b)(6)

Stamford CT 06902

office tel: (b)(6)

mobile: (b)(6)

e-mail: (b)(6)

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Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 20, 2011

(b)(6)

Chartering and Freight Trading Manager  
Valero Marketing and Supply Company

(b)(6)

San Antonio, Texas 78249

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about July 25-27, 2011, to (b)(4), on or about July 30-August 2, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97020, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

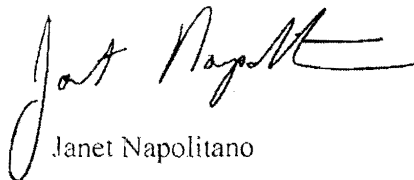
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)

**Sent:** Monday, July 18, 2011 4:41 PM

**To:** (b)(6)  
(b)(6)

**Cc:** (b)(6)  
(b)(6)

**Subject:** JONES ACT WAIVER REQUEST- crude contract DE-SC96-11PO97020- July 25-27 to VALERO

**Importance:** High

\*\*resubmission with discharge dates\*\*

**July 18, 2011**

U. S. Customs and Border Protection Office  
of Regulations and Rulings Chief, Cargo Security  
Carriers and Immigration Branch  
U.S. Department of Homeland Security  
1300 Pennsylvania Avenue, NW  
Mint Annex Washington, D.C. 20229

Attn: (b)(6)

**Re: Request for Jones Act Waiver for Strategic Petroleum Reserve Cargo**

Dear Sirs:

Valero is the purchaser of certain petroleum cargos from the Strategic Petroleum Reserve pursuant to the Department of Energy Notice of Sale DE-NS96-11PO97000, as supplemented and amended. The contract number for the purchase is **DE-SC96-11PO97020**.

**Valero has confirmed that there are not any available US Flag vessels that could perform the (b)(4) lifting of crude oil on July 25-27 dates.**

Because of the unavailability of U.S. flag Jones Act qualified vessels for the marine transport of the purchased petroleum cargos, [Valero] requests a waiver from provisions of 46 U.S.C. App. 883 ("Jones Act") in order to transport the petroleum cargos between coastwise points in the United States on vessels which are not Jones Act qualified. The specific cargo, cargo size, load port, destination, load window and vessel for which the waiver is requested is listed below:

(b)(4) barrels of (b)(4)

Loading July 25-27 at (b)(4)

Discharging at Nustar terminal (b)(4) on July 30-Aug 2

Performing vessel: (b)(4) (vessel description attached)

Thank you for your consideration.

(b)(6)

Chartering and Freight Trading Manager

Valero Marketing and Supply Company

(b)(6)

(Office) (b)(6)

(Fax) (b)(6)

(Cell) (b)(6)

24 Hour Marine Incident # 1-800-964-2210

\*\*resubmitted with discharge dates\*\*

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 20, 2011

(b)(6)  
Plains Marketing L.P.  
(b)(6)  
Houston, Texas 77002

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about July 29-31, 2011, to (b)(4), on or about August 1 – 3, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97009, and this portion represents (b)(4) barrels. Your request supersedes your previous request which was granted on July 12, 2011.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

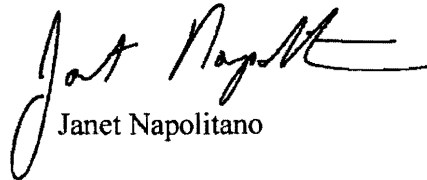
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b) (6)

**From:** (b)(6)  
**Sent:** Monday, July 18, 2011 5:24 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6)  
**Subject:** FW: SPR Drawdown: Plains Marketing, L.P. Jones Act Waiver Request  
**Attachments:** 11-2908.05 Plains Marketing (b)(4) Approval Signed 07.12.11.pdf

Dear U.S. Customs and Border Protection (CBP),

Please see attached Jones Act waiver we received on July 12, 2011.

Please issue a new waiver in accordance with details below:

We are Plains Marketing, L.P. purchasers of SPR petroleum. We wish to obtain a Jones Act Waiver as follows:

Point of contact:

(b)(6)

Plains Marketing, L.P.

(b)(6)

Houston, TX 77002

W) (b)(6)

C) (b)(6)

Email: (b)(6)

Foreign vessel to be used for the transportation: (b)(4)

Cargo quantity: (b)(4) bbls

Load port: (b)(4)

Loading Date: July 29-31, 2011

\*\*Unloading port (b)(4)

\*\*Unloading date: Aug 1-3, 2011

DOE contract number: DE-SC96-11PO97009

\*\* change from original

We look forward to your reply.

Thanks and best regards,

(b)(6)

Plains Marketing, L.P.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 21, 2011

(b)(6)

Team Lead, International Crude Operations  
Shell Trading (US) Company

(b)(6)

Houston, Texas 77010

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about July 28-30, 2011, to the (b)(4) on or about July 29-August 2, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97013. Your request supersedes your previous request which was granted on July 15, 2011.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.



Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

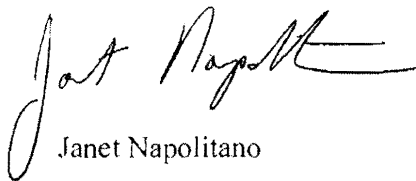
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Tuesday, July 19, 2011 4:23 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6)  
(b)(6)  
**Subject:** JONES ACT WAIVER REQUEST - SPR CRUDE / (b)(4)  
**Attachments:** Replacement for original content

Good day,

Shell Trading **will be substituting** the (b)(4) **with the** (b)(4) for our SPR lifting of crude oil from (b)(4).

PURCHASER OF SPR PETROLEUM....SHELL TRADING (US) COMPANY

POINT OF CONTACT.....(b)(6)

FOREIGN VESSELS TO BE USED.....(b)(4)

CARGO QUANTITY.....(b)(4)

LOADPORT.....(b)(4)

EXPECTED DESTINATION.....(b)(4)

LOAD WINDOW SCHEDULED.....**FORMERLY 19-21 JUL, NEW WINDOW 28-30JUL**

DOE CONTRACT.....DE-SC96-11PO97013

UNLOADING DATE.....29JUL-02AUG

The (b)(4) vessel is clear at (b)(4).

Kind regards,

(b)(6)

(b)(6)

Team Lead - International Crude Operations

Shell Trading US Company

(b)(6), Houston, TX 77010, USA

Tel: (b)(6) Other Tel: Cell: (b)(6)

Email: (b)(6)

Internet: <http://www.shell.com>

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 22, 2011

(b)(6)  
Chartering and Freight Trading Manager  
Valero Marketing and Supply Company  
(b)(6)  
San Antonio, Texas 78249

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about July 26-28, 2011, to (b)(4), on or about July 31, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97020, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

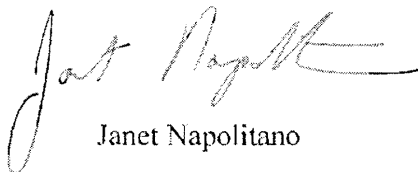
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Wednesday, July 20, 2011 3:14 PM  
**To:** (b)(6) CBP Jones Act Waiver - SPR; Shipping.Better@dot.gov  
**Cc:** (b)(6)  
**Subject:** JONES ACT WAIVER REQUEST- crude contract DE-SC96-11PO97020- July 26-28 to VALERO  
**Importance:** High  
**Attachments:** (b)(4) - Q88 20 July 2011.doc  
**July 20, 2011**

U. S. Customs and Border Protection Office  
of Regulations and Rulings Chief, Cargo Security  
Carriers and Immigration Branch  
U.S. Department of Homeland Security

(b) (6)

Attn: (b)(6)  
**Re: Request for Jones Act Waiver for Strategic Petroleum Reserve Cargo**

Dear Sirs:

Valero Marketing and Supply Company (VMSC) is the purchaser of certain petroleum cargos from the Strategic Petroleum Reserve pursuant to the Department of Energy Notice of Sale DE-NS96-11PO97000, as supplemented and amended. The contract number for the purchase is **DE-SC96-11PO97020**.

**VMSC has confirmed that there are not any available US Flag vessels that could perform the (b) (4) lifting of crude oil on July 26-28 dates.**

Because of the unavailability of U.S. flag Jones Act qualified vessels for the marine transport of the purchased petroleum cargos, VMSC requests a waiver from provisions of 46 U.S.C. App. 883 ("Jones Act") in order to transport the petroleum cargos between coastwise points in the United States on vessels which are not Jones Act qualified. The specific cargo, cargo size, load port, destination, load window and vessel for which the waiver is requested is listed below:

(b)(4) barrels of (b) (4)  
**Loading July 26-28 at (b)(4)**  
**Discharging at (b)(4) on July 31**  
**Performing vessel: (b)(4) (full vessel description attached)**

Thank you for your consideration. Please confirm receipt of this request.

(b)(6)  
Chartering and Freight Trading Manager  
Valero Marketing and Supply Company

(b)(6)  
(Office) (b)(6) (Fax) (b)(6)  
(Cell) (b)(6)

24 Hour Marine Incident # 1-800-964-2210

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

July 22, 2011

(b)(6)  
Tesoro Maritime Corporation  
(b)(6)  
San Antonio, TX 78259

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the following transportation of crude oil. The crude oil would be transported from the Strategic Petroleum Reserve (SPR) at (b)(4) on or about August 3-5, 2011, to (b)(4), on or about August 7-9, 2011, aboard the non-coastwise qualified vessel (b)(4). Subsequently, the same crude oil would be transported from (b)(4), (b)(4) on or about August 19-20, 2011, to (b)(4), on or about August 29-30, 2011, on the non-coastwise qualified (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97017 and the transportation described above is for (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

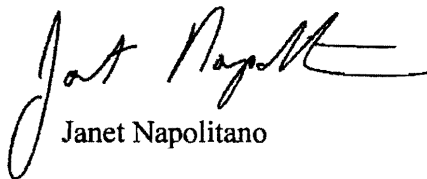
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)

**Sent:** Thursday, July 21, 2011 10:34 AM

**To:** CBP Jones Act Waiver - SPR

**Cc:** (b)(6)  
(b)(6)

**Subject:** TESORO - JONES ACT WAIVER REQUEST

GOLD STAR MARITIME, ON BEHALF OF TESORO REFINING & MARKETING COMPANY, HEREBY NOMINATES 2 FOREIGN FLAG VESSELS TO LIFT THE FOLLOWING SPR CARGOES AND REQUESTS 2 WAIVERS FOR JONES ACT FLEET UTILIZATION.

**REFERENCE: DOE CONTRACT #DE-SC96-11PO97017**

**POINT OF CONTACT** (b)(6)  
GOLD STAR MARITIME / TESORO MARITIME COMPANY

(b)(6)

**FOREIGN VESSEL:** (b)(4)  
**LAYCAN:** 3-5 AUGUST, 2011  
**LOAD PORT:** (b)(4)  
**DISPORT:** (b)(4) (PROJECTED ARRIVAL 7-9 AUGUST)  
**CARGO:** (b)(4)

**FOREIGN VESSEL:** (b)(4)  
**LAYCAN:** 19-20 AUGUST, 2011  
**LOAD PORT:** (b)(4)  
**DISPORT:** (b)(4) (PROJECTED ARRIVAL 29-30 AUGUST)  
**CARGO:** (b)(4)

Best Regards,

(b)(6)  
Chartering  
Tesoro Maritime Corp.

(b)(6)



Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 25, 2011

(b)(6)  
Marathon Petroleum Company  
(b)(6)  
Findlay, Ohio 45840

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 1-3, 2011, to (b)(4) on or about August 5-7, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97006, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

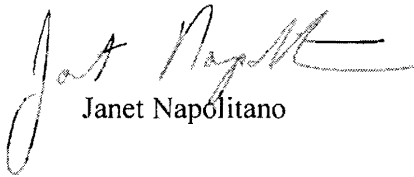
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Thursday, July 21, 2011 1:47 PM  
**To:** CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** (b)(6)  
**Subject:** RE: Jones Act Waiver Application

Gentlemen,

Marathon Petroleum Company would like to request a waiver of the Jones Act requirements to transport crude oil purchased by Marathon in the recent SPR crude sale. Today I talked to (b)(6) (b)(6) with (b)(4), an American Flag ship broker, and he has informed me that there are no American Flag vessels available to move our cargo volume of (b)(4) barrels at this time. Details of our movement are as follows:

DOE Contract No.: DE-SC96-11PO97006

Cargo Volume: (b)(4) barrels

Foreign Flag Vessel: (b)(4)

Load Port: (b)(4)

Load Window: August 1-3, 2011

Discharge Port: (b)(4)

Discharge Window: August 5-7, 2011

If you require additional information, please do not hesitate to contact me.

Best Regards,

(b)(6)

Chartering Representative

Marathon Petroleum Company

(b)(6)

Findlay, OH 45840

Office: (b)(6)

Mobile: (b)(6)

Email: (b)(6)

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

July 22, 2011

(b)(6)  
Tesoro Maritime Corporation  
(b)(6)  
San Antonio, Texas 78259

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the following transportation of crude oil. The crude oil would be transported from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 6-8, 2011, to (b)(4) on or about August 12-14, 2011, aboard the non-coastwise qualified vessel (b)(4). Subsequently, the same crude oil would be transported from (b)(4) on or about September 15-16, 2011, to (b)(4), on or about September 30-October 1, 2011, on the non-coastwise qualified (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97017 and the transportation described above is for (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

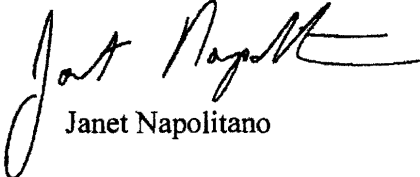
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded onto the vesse(b) (4) on or before August 31, 2011, and subsequently onto the vesse(b) (4).

Yours very truly,

  
Janet Napolitano

(b)(6)

**From:** (b)(6)

**Sent:** Thursday, July 21, 2011 4:52 PM

**To:** CBP Jones Act Waiver - SPR

**Cc:** (b)(6)  
(b)(6)

**Subject:** TESORO - JONES ACT WAIVER REQUEST

GOLD STAR MARITIME, ON BEHALF OF TESORO REFINING & MARKETING COMPANY, HEREBY NOMINATES 2 FOREIGN FLAG VESSELS TO LIFT THE FOLLOWING SPR CARGO AND REQUESTS 2 WAIVERS FOR JONES ACT FLEET UTILIZATION.

**REFERENCE: DOE CONTRACT #DE-SC96-11PO97017**

**POINT OF CONTACT:** (b)(6)

GOLD STAR MARITIME / TESORO MARITIME COMPANY

(b)(6)  
(b)(6)  
(b)(6) OFFICE  
(b)(6) CELL

**FOREIGN VESSEL:** (b)(4)

**LAYCAN:** 6-8 AUGUST, 2011

**LOAD PORT:** (b)(4)

**DISPORT:** (b)(4) (PROJECTED ARRIVAL 12-14 AUGUST)

**CARGO:** (b)(4)

**FOREIGN VESSEL:** (b)(4)

**LAYCAN:** 15-16 SEPTEMBER, 2011

**LOAD PORT:** (b)(4)

**DISPORT:** (b)(4) (PROJECTED ARRIVAL 30-1 OCTOBER )

**CARGO:** (b)(4)

Best Regards,

(b)(6)  
Chartering  
Tesoro Maritime Corp.

(b)(6)

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

July 22, 2011

(b)(6)  
ConocoPhillips  
(b)(6)  
Houston, Texas 77079

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the following transportation of crude oil. The crude oil would be transported from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 1-3, 2011, to the (b)(4) on or about August 3-5, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97001 and the transportation described above is for (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

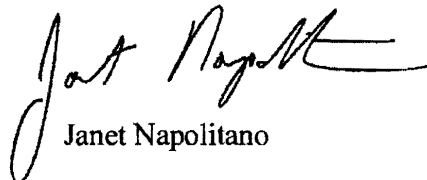
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano



(b)(6)

**From:** (b)(6)  
**Sent:** Friday, July 22, 2011 12:28 PM  
**To:** CBP Jones Act Waiver - SPR  
**Subject:** RE: Jones Act Waiver Application for SPR Sale - DE-SC96-11PO97001- loading August 1-3, 2011

Good day,

I am very sorry for the confusion as this was stated on previous Jones Act waiver requested and Approved therefore reason for my confusion. I will in future just stated (b)(4) as that will be final discharge port.

thanks very much for your help clarifying and assisting with our request. Have very nice weekend.

(b)(6)

Lead, Americas Chartering  
ConocoPhillips Company  
Office: (b)(6)  
Cell: (b)(6)  
Fax: (b)(6)  
yahoo: (b)(6)  
email: (b)(6)

Market info email: chartering@conocophillips.com

The information in this electronic message may be privileged and confidential and is intended only for the use of the individual (s) and/or entity (entities) named above. If you are not the intended recipient, you are on notice that any unauthorized disclosure, copying, distribution, or taking of any action in reliance on the contents of the electronically transmitted materials is prohibited.

**From:** (b)(6) ] **On Behalf Of** CBP Jones Act Waiver - SPR  
**Sent:** Friday, July 22, 2011 11:25 AM  
**To:** (b)(6)  
**Subject:** RE: Jones Act Waiver Application for SPR Sale - DE-SC96-11PO97001- loading August 1-3, 2011

(b)(6)

The confusion arises from your original request's naming the discharge port as "(b)(4)"

If you are confirming (b)(4) as the definite discharge port, we will process your request.

Sincerely,

US Customs and Border Protection

9/21/2011

**From:** (b)(6)  
**Sent:** Friday, July 22, 2011 12:13 PM  
**To:** (b)(6)  
(b)(6)  
**Subject:** RE: Jones Act Waiver Application for SPR Sale - DE-SC96-11PO97001- loading August 1-3, 2011

We did state port discharge to be (b)(4), therefore can you please reconsider approval for this request or give guidance what more information that you would require as official port called (b)(4)?

Thanks very much for your help in this matter.

(b)(6)  
Lead, Americas Chartering  
ConocoPhillips Company  
Office: (b)(6)  
Cell: (b)(6) 6  
Fax: (b)(6)  
yahoo: (b)(6)  
email: (b)(6)

Market info email: chartering@conocophillips.com

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**From:** (b)(6)  
**Sent:** Friday, July 22, 2011 10:25 AM  
**To:** (b)(6)  
(b)(6)  
**Subject:** RE: Jones Act Waiver Application for SPR Sale - DE-SC96-11PO97001- loading August 1-3, 2011

SPR Jones Act Waiver Inbox

Thank you for your request for a Jones Act Waiver pertaining to the transportation of crude oil from the Strategic Petroleum Reserve. US Customs and Border Protection (CBP) has conducted a review of your request and has determined that you have not provided sufficient information from which your request may be considered.

Accordingly, your request for a Jones Act Waiver is being rejected for the following reason(s):

9/21/2011

- Failure to provide port of unloading. X  
*You must provide a definite port of unloading.*

You may submit a new request once you have the requisite information.

Sincerely,

US Customs and Border Protection

---

**From:** (b)(6)  
**Sent:** Friday, July 22, 2011 11:09 AM  
**To:** CBP Jones Act Waiver - SPR; (b)(6)  
(b)(6)  
**Subject:** Jones Act Waiver Application for SPR Sale - DE-SC96-11PO97001- loading August 1-3, 2011

TO: [CbpJonesActWaiver-SPR@dhs.gov](mailto:CbpJonesActWaiver-SPR@dhs.gov)

(b)(6)

Please confirm receipt of our attached letter requesting Jones Act Waiver for Sale Contract DE-SC96-11PO97001 on vessel (b)(4) loading August 1-3, 2011.

Thanks for your soonest reply in this matter.

(b)(6)

Lead, Americas Chartering

ConocoPhillips Company

Office: (b)(6)

Cell: (b)(6)

Fax: (b)(6)

yahoo: (b)(6)

email: (b)(6)

Market info email: [chartering@conocophillips.com](mailto:chartering@conocophillips.com)

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9/21/2011



(b) (6) Houston TX 77079-1175

DATE: July 22, 2011

TO: CbpJonesActWaiver-SPR@dhs.gov

(b)(6)

From: (b)(6)  
Lead, Americas Chartering  
Office: (b)(6)  
Cell: (b)(6)  
email: (b)(6)

RE: Jones Act Waiver Application for SPR Sale – **DE-SC96-11PO97001**

ConocoPhillips Company is a successful bidder for a cargo from the Strategic Petroleum Reserves Sale – Notice of Sale DOE Contract Number **DE-SC96-11PO97001**. On July 22, 2011 ConocoPhillips Company contacted the above regarding available U.S. flag vessels. On July 22, 2011, ConocoPhillips Company was told that none were available. ConocoPhillips Company hereby requests a Jones Act Waiver for the above SPR Sale DOE Contract Number:

Cargo Size: (b)(4) bbls  
Load Port: (b)(4)  
Load Window: August 1-3, 2011  
Discharge Port: (b)(4)  
Discharge Window: August 3-5, 2011  
Intended Vessel: (b)(4)  
Intended Vessel Flag: (b)(4)  
IMO Number: (b)(4)

If there any questions concerning this request, please do not hesitate to contact the undersigned at the above contact information.

Please notify me at my contact information above with your decision.

Thank you for consideration.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 25, 2011

(b)(6)  
Plains Marketing L.P.  
(b)(6)  
Houston, Texas 77002

Dear (b)(6),

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about July 29-31, 2011, to (b)(4), on or about August 1-3, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state that you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97009, and this portion represents (b)(4) barrels. Your request supersedes your previous requests which were granted on July 12 and 20, 2011.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

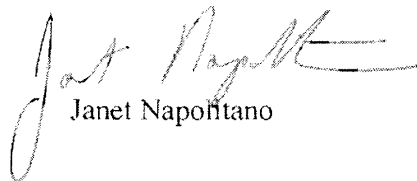
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Friday, July 22, 2011 4:42 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6)  
**Subject:** SPR Drawdown: Plains Marketing L.P. Jones Act Waiver Request  
**Attachments:** 11-2908.12 Plains Marketing (b)(4) Approval Signed 07.20.11.pdf

Dear U.S. Customs and Border Protection (CBP),

Please see attached Jones Act waiver we received on July 20, 2011.

Please note that we must substitute the vessel (b)(4) with the vessel (b)(4). All other details of this waiver remain the same. Please issue a new waiver accordingly. Thanks and best regards,

(b)(6)  
Plains Marketing, L.P.

-----  
Sent from my BlackBerry Wireless Handheld

**From:** (b)(6)  
**To:** (b)(6)  
**Sent:** Thu Jul 21 16:37:44 2011  
**Subject:** FW: SPR Drawdown: Plains Marketing L.P. Jones Act Waiver Request

Dear U.S. Customs and Border Protection (CBP),

Please see attached Jones Act waiver we received on July 20, 2011.

Please issue a new waiver in accordance with details below:

We are Plains Marketing, L.P. purchasers of SPR petroleum. We wish to obtain a Jones Act Waiver as follows:

Point of contact:

(b)(6)

Plains Marketing, L.P.

(b)(6)

Houston, TX 77002

W (b)(6)

C) (b)(6)

Email: (b)(6)

Foreign vessel to be used for the transportation: TBN

Cargo quantity (b)(4) bbls

Load port: (b)(4)

Loading Date: July 29-31, 2011

Unloading port: (b)(4)

Unloading date: Aug 1-3, 2011

DOE contract number: DE-SC96-11PO97009

We look forward to your reply.

Thanks and best regards,

(b)(6)  
Plains Marketing, L.P.



Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 26, 2011

(b)(6)

Team Lead – International Crude Operations  
Shell Trading (US) Company

(b)(6)

Houston, Texas 77010

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 2-4, 2011, to the (b)(4) on or about August 5-7, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97014, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

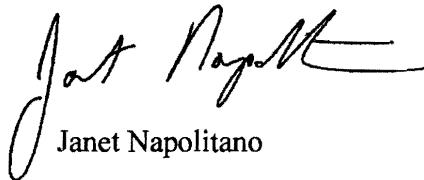
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Monday, July 25, 2011 5:53 PM  
**To:** CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** (b)(6)  
**Subject:** JONES ACT WAIVER REQUEST - SPR CRUDE / SUN (b)(4)

Good day,

Shell Trading is nominating the (b)(4) for our SPR lifting of crude oil from (b)(4) (b)(4) 2-4 AUG...

PURCHASER OF SPR PETROLEUM...SHELL TRADING (US) COMPANY

POINT OF CONTACT.....(b)(6)

FOREIGN VESSELS TO BE USED.....(b)(4)

CARGO QUANTITY.....(b)(4)

LOADPORT.....(b)(4)

EXPECTED DESTINATION.....(b)(4)

LOAD WINDOW SCHEDULED.....2-4AUG

DOE CONTRACT.....DE-SC96-11PO97014

UNLOADING DATE.....5-7AUG

The vessel has been approved at (b)(4)

Kind regards,

(b)(6)

(b)(6)

Team Lead - International Crude Operations

Shell Trading US Company

(b)(6) Houston, TX 77010, USA

Tel: (b)(6) Other Tel: (b)(6)

Email: (b)(6)

**Internet:** <http://www.shell.com>

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

July 29, 2011

(b)(6)

Team Lead – International Crude Operations  
Shell Trading (US) Company

(b)(6)

Houston, Texas 77010

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 5-7, 2011 to the (b)(4) on or about August 7-9, 2011 aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97014, and this portion represents (b)(4) barrels. Your request supersedes your previous request which was granted on July 26, 2011.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

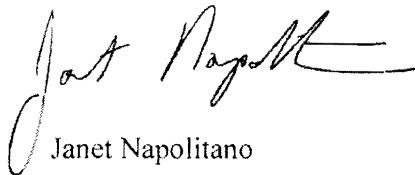
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

From: (b)(6)  
Sent: Wednesday, July 27, 2011 9:05 AM  
To: CBP Jones Act Waiver - SPR; (b)(6)  
(b)(6)  
Subject: REVISION: JONES ACT WAIVER REQUEST - SPR CRUDE / (b)(4)  
(b)(4)

Good day,

PLEASE BE ADVISED THAT THE TERMINAL HAS SHUFFLED THE LOAD WINDOWS FOR THE SPR  
DRAWDOWN AND OUR NEW WINDOW IS 5-7 AUG (b)(4), FORMERLY 2-4 AUG.  
Please also rescind the (b)(4) waiver.

Shell Trading is nominating the (b)(4) for our SPR lifting of crude oil from (b)(4)  
(b)(4) 5-7 AUG...

PURCHASER OF SPR PETROLEUM...SHELL TRADING (US) COMPANY

POINT OF CONTACT.....(b)(6)  
FOREIGN VESSELS TO BE USED.....(b)(4)  
CARGO QUANTITY.....(b)(4)  
LOADPORT.....(b)(4)  
EXPECTED DESTINATION.....(b)(4)  
LOAD WINDOW SCHEDULED.....5-7AUG  
DOE CONTRACT.....DE-SC96-11PO97014  
UNLOADING DATE.....7 9AUG

The vessel has been approved at (b)(4)

Kind regards,

(b)(6)

(b)(6)

Team Lead - International Crude Operations

Shell Trading US Company

(b)(6), Houston, TX 77010, USA

Tel: + (b)(6) Other Tel: (b)(6)

Email: (b)(6)

Internet: <http://www.shell.com>



Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 2, 2011

(b)(6)  
Marathon Petroleum Company  
(b)(6)  
Findlay, Ohio 45840

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 7-9, 2011, to (b)(4), on or about August 10-12, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97006, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

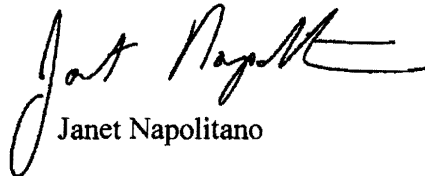
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Monday, August 01, 2011 3:47 PM  
**To:** CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** (b)(6)  
**Subject:** Jones Act Waiver Application

Gentlemen,

Marathon Petroleum Company would like to request a waiver of the Jones Act requirements to transport crude oil purchased by Marathon in the recent SPR crude sale. I have talked to (b)(6) (b)(6) with L&R Midland, an American Flag ship broker, and he has informed me that there are no American Flag vessels available to move our cargo volume of (b)(4) barrels at this time. Details of our movement are as follows:

DOE Contract No.: DE-SC96-11PO97006

Cargo Volume: (b)(4) barrels

Foreign Flag Vessel: (b)(4)

Load Port: (b)(4)

Load Window: August 7-9, 2011

Discharge Port: (b)(4)

Discharge Window: August 10-12, 2011

If you require additional information, please do not hesitate to contact me.

Best Regards,

(b)(6)

Chartering Representative

Marathon Petroleum Company

(b)(6)

(b)(6)

(b)(6)

(b)(6)

(b)(6)

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

August 5, 2011

(b)(6)

Valero Marketing and Supply Company

(b)(6)

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 8-10, 2011, to (b)(4), on or about August 29-31, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97022, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

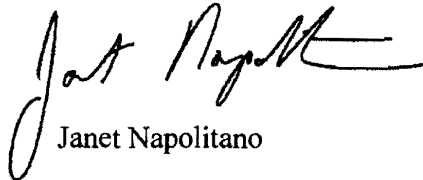
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Tuesday, August 02, 2011 11:51 AM  
**To:** (b)(6) CBP Jones Act Waiver - SPR; Shipping.Better@dot.gov  
**Cc:** (b)(6)  
**Subject:** JONES ACT WAIVER REQUEST- crude contract DE-SC96-11PO97022-(b)(4)  
**Importance:** High  
**Attachments:** (b)(4) Questionnaire 88.doc  
**August 2, 2011**

U. S. Customs and Border Protection Office  
of Regulations and Rulings Chief, Cargo Security  
Carriers and Immigration Branch  
U.S. Department of Homeland Security  
1300 Pennsylvania Avenue, NW  
Mint Annex Washington, D.C. 20229

Attn: (b)(6)  
**Re: Request for Jones Act Waiver for Strategic Petroleum Reserve Cargo**

Dear Sirs:

Valero Marketing and Supply Company (VMSC) is the purchaser of certain petroleum cargos from the Strategic Petroleum Reserve pursuant to the Department of Energy Notice of Sale DE-NS96-11PO97000, as supplemented and amended. The contract number for the purchase is **DE-SC96-11PO97022**.

**VMSC has confirmed that there are not any available US Flag vessels that could perform the (b)(4) lifting of crude oil on August 8-10 dates.**

Because of the unavailability of U.S. flag Jones Act qualified vessels for the marine transport of the purchased petroleum cargos, VMSC requests a waiver from provisions of 46 U.S.C. App. 883 ("Jones Act") in order to transport the petroleum cargos between coastwise points in the United States on vessels which are not Jones Act qualified. The specific cargo, cargo size, load port, destination, load window and vessel for which the waiver is requested is listed below:

(b)(4) barrels of (b)(4)  
**Loading Aug 8-10 at (b)(4)**  
**Discharging at Valero terminal (b)(4) on August 29-31**  
**Performing vessel: (b)(4) (full vessel description attached)**

Thank you for your consideration. Please confirm receipt of this request.

(b)(6)  
Chartering and Freight Trading Manager  
Valero Marketing and Supply Company  
(b)(6)  
San Antonio, Texas 7824 9  
(Office) (b)(6) (Fax) (b)(6)  
(Cell) (b)(6)  
24 Hour Marine Incident # 1-800-964-2210

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



# Homeland Security

August 5, 2011

(b)(6)  
Plains Marketing L.P.  
(b)(6)  
Houston, Texas 77002

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 8-10, 2011, to (b)(4), on or about August 10-12, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97009, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

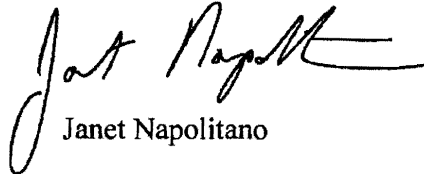
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano



(b)(6)

**From:** (b)(6)

**Sent:** Tuesday, August 02, 2011 3:02 PM

**To:** CBP Jones Act Waiver - SPR

**Cc:** 'Shipping Better (Shipping.Better@dot.gov)'; (b)(6)

**Subject:** Jones Act Waiver Request for Plains Marketing, L.P.

Dear U.S. Customs and Border Protection (CBP),

We are Plains Marketing, L.P. purchasers of SPR petroleum. We wish to obtain a Jones Act Waiver as follows:

Point of contact:

(b)(6)

Plains Marketing, L.P.

(b)(6)

Houston, TX 77002

(b)(6)

Foreign vessel to be used for the transportation: (b)(4)

Cargo quantity: (b)(4) bbls

Load port: (b)(4)

Loading Date: Aug 8-10, 2011

Unloading ports and dates: Part cargo will discharge at (b)(4) around Aug 9-11, 2011. The ship will then travel directly to (b)(4) where it will discharge all remaining cargo around Aug 13-15, 2011.

DOE contract number: DE-SC96-11PO97009

We look forward to your reply.

Thanks and best regards,

(b)(6)

Plains Marketing, L.P.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



# Homeland Security

August 5, 2011

(b)(6)  
Marathon Petroleum Company  
(b)(6)  
Findlay, Ohio 45840

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 10-12, 2011, to (b)(4), on or about August 13-15, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97007, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

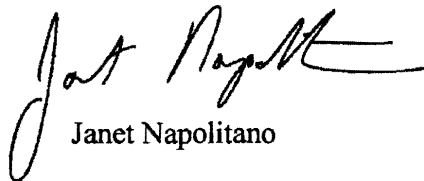
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Wednesday, August 03, 2011 1:03 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6) Shipping.Better@dot.gov  
**Subject:** Jones Act Waiver Application

Gentlemen,

Marathon Petroleum Company would like to request a waiver of the Jones Act requirements to transport crude oil purchased by Marathon in the recent SPR crude sale. I have talked to (b)(6) (b)(6) with L&R Midland, an American Flag ship broker, and he has informed me that there are no American Flag vessels available to move our cargo volume of (b)(4) barrels at this time. Details of our movement are as follows:

DOE Contract No.: DE-SC96-11PO97007

Cargo Volume: (b)(4) barrels

Foreign Flag Vessel: (b)(4)

Load Port: (b)(4)

Load Window: August 10-12, 2011

Discharge Port: (b)(4)

Discharge Window: August 13-15, 2011

If you require additional information, please do not hesitate to contact me.

Best Regards,

(b)(6)

Chartering Representative

Marathon Petroleum Company

(b)(6)

(b)(6)

(b)(6)

(b)(6)

(b)(6)



Homeland  
Security

August 8, 2011

(b)(6)  
Tesoro Maritime Corporation  
(b)(6)  
San Antonio, TX 78259

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the following transportation of crude oil. The crude oil was loaded from the Strategic Petroleum Reserve (SPR) at (b)(4) on August 6, 2011, destined to (b)(4), on or about August 7-9, 2011, aboard the non-coastwise qualified vessel (b)(4). Subsequently, the same crude oil would be transported from (b)(4), on or about August 14-15, 2011, to (b)(4), on or about August 26-27, 2011, on the non-coastwise qualified (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97017 and the transportation described above is for (b)(4) barrels. Your request supersedes your request which was granted on July 22, 2011.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states "a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port" unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is "coastwise-qualified." The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is "necessary in the interest of national defense." 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department's usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

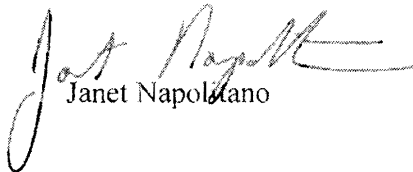
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Wednesday, August 03, 2011 3:07 PM  
**To:** (b)(6) CBP Jones Act Waiver - SPR  
**Cc:** (b)(6)  
**Subject:** FW: TESORO - JONES ACT WAIVER REQUEST - revision #3  
**Attachments:** 11-2908.15 Tesoro (b)(4) and (b)(4) Approval Signed 07.22.11.pdf

(b)(6)

Gold Star Maritime, on behalf of Tesoro Refining and Marketing Company confirms that the only the second vessel, (b)(4) loading dates are changing and the (b)(4) (b)(4) and (b)(4) remain the two performing vessels in the attached waiver.

Sincerely,

(b)(6)  
Manager Commercial Shipping  
Tesoro Maritime Company

(b)(6)

**From:** (b)(6) **On Behalf Of** CBP Jones Act Waiver - SPR  
**Sent:** Wednesday, August 03, 2011 1:24 PM  
**To:** (b)(6)  
**Subject:** RE: TESORO - JONES ACT WAIVER REQUEST - revision #3

(b)(6)

Please confirm that you are only changing the second vessel's lading dates for the attached waiver, and please confirm that you are still using the same two vessels referenced in the attached waiver.

Sincerely,

US Customs and Border Protection

**From:** (b)(6)  
**Sent:** Wednesday, August 03, 2011 2:12 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6)  
**Subject:** RE: TESORO - JONES ACT WAIVER REQUEST - revision #3

GOLD STAR MARITIME, ON BEHALF OF TESORO REFINING & MARKETING COMPANY, HEREBY REQUESTS CHANGE IN LIFTING DATES OF NOMINATED FOREIGN FLAG VESSEL, (b)(4), FROM 19-20 AUGUST 2011 TO 14-15 AUGUST 2011 AND REQUESTS A WAIVER TO LIFT THE FOLLOWING SPR CARGO FOR JONES ACT FLEET UTILIZATION ON THESE NEW DATES.

REFERENCE: DOE CONTRACT #DE-SC96-11PO97017

POINT OF CONTACT: (b)(6)  
GOLD STAR MARITIME / TESORO MARITIME COMPANY

(b)(6)

**NEW**

FOREIGN VESSEL: (b)(4)  
LAYCAN: 14-15 AUGUST, 2011  
LOAD PORT: (b)(4)  
DISPORT: (b)(4) (PROJECTED ARRIVAL 26-27 AUGUST)  
CARGO: (b)(4) (b)(4) MB

**Previous**

FOREIGN VESSEL: (b)(4)  
LAYCAN: 19-20 AUGUST, 2011  
LOAD PORT: (b)(4)  
DISPORT: (b)(4) (PROJECTED ARRIVAL 29-30 AUGUST)  
CARGO: (b)(4) (b)(4) MB

BEST REGARDS,

(b)(6)  
Manager Commercial Shipping  
Tesoro Maritime Company

(b)(6)  
(b)(6)  
Phone: (b)(6)  
Cell: (b)(6)  
E-Mail: (b)(6)  
Yahoo: (b)(6)

**From:** (b)(6)  
**Sent:** Thursday, July 21, 2011 5:14 PM  
**To:** (b)(6) 'CBP Jones Act Waiver - SPR'  
**Cc:** (b)(6)  
**Subject:** RE: TESORO - JONES ACT WAIVER REQUEST - revision #2

Performing vessel for (b)(4) has already changed. Update below.

**From:** (b)(6)  
**Sent:** Thursday, July 21, 2011 9:34 AM  
**To:** 'CBP Jones Act Waiver - SPR'  
**Cc:** (b)(6)  
**Subject:** TESORO - JONES ACT WAIVER REQUEST

GOLD STAR MARITIME, ON BEHALF OF TESORO REFINING & MARKETING COMPANY, HEREBY NOMINATES 2 FOREIGN FLAG VESSELS TO LIFT THE FOLLOWING SPR CARGOES AND REQUESTS 2



WAIVERS FOR JONES ACT FLEET UTILIZATION.

REFERENCE: DOE CONTRACT #DE-SC96-11PO97017

POINT OF CONTACT: (b)(6)  
GOLD STAR MARITIME / TESORO MARITIME COMPANY  
(b)(6)

FOREIGN VESSEL: (b)(4)  
LAYCAN: 3-5 AUGUST, 2011  
LOAD PORT: (b)(4)  
DISPORT: (b)(4) (PROJECTED ARRIVAL 7-9 AUGUST)  
CARGO: (b)(4), (b)(4) MB

FOREIGN VESSEL: (b)(4)  
LAYCAN: 19-20 AUGUST, 2011  
LOAD PORT: (b)(4)  
DISPORT: (b)(4) (PROJECTED ARRIVAL 29-30 AUGUST)  
CARGO: (b)(4), (b)(4) MB

Best Regards,

(b)(6)  
Chartering  
Tesoro Maritime Corp.

(b)(6)



Homeland  
Security

August 5, 2011

(b)(6)  
Sea River Maritime, Inc.  
SRM-EMB-4.024  
(b)(6)  
Houston, Texas 77002

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the following transportation of crude oil. The crude oil would be transported from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 9-11, 2011, to the (b)(4) on or about August 13-15, 2011, aboard the non-coastwise qualified vessel (b)(4). ExxonMobil Corporation has purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97003, and the above transportation is for the entire contract.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

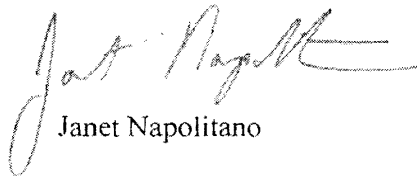
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Wednesday, August 03, 2011 5:09 PM  
**To:** (b)(6)  
**Cc:** CBP Jones Act Waiver - SPR; (b)(6); (b)(6) Shipping.Better@dot.gov; (b)(6)  
**Subject:** RE: Jones Act Waiver Application - Single SPR Marine Cargo Lifting  
**Attachments:** SKMBT\_C65211080316020.pdf



SKMBT\_C65211080316020.pdf (495...

All:  
Please accept the attached resubmission of our application for a Jones Act Waiver on behalf of ExxonMobil Oil Corporation, the purchaser of a single marine parcel of SPR (b)(4). The corresponding DOE Sales Contract number is: DE-SC96-11PO97003.

(See attached file: SKMBT\_C65211080316020.pdf)

Regards,

(b)(6)

(b)(6)  
External Affairs Manager  
SeaRiver Maritime, Inc.

(b)(6)  
(b)(6)  
Houston, TX 77002

(b)(6) (fax)

(b)(6)

To  
cc

Subject  
RE: Jones Act Waiver Application -  
Single SPR Marine Cargo Lifting

SPR Jones Act Waiver Inbox

Thank you for your request for a Jones Act Waiver pertaining to the transportation of crude oil from the Strategic Petroleum Reserve. US Customs and Border Protection (CBP) has conducted a review of your request and has determined that you have not provided sufficient information from which your request may be considered.

Accordingly, your request for a Jones Act Waiver is being rejected for the following reason(s):

Failure to provide DOE contract number.

You may submit a new request once you have the requisite information.

Sincerely,

US Customs and Border Protection

-----Original Message-----

From: (b)(6) [redacted] prvs=

Sent: Wednesday, August 03, 2011 3:04 PM

To: (b)(6) [redacted]

Subject: Fw: Jones Act Waiver Application - Single SPR Marine Cargo Lifting

(b)(6) [redacted]

I am bringing this waiver application directly to your attention as we received a failed delivery notification when attempting to submit the application to the specified email address (CbpJonesActWaiver-SPR@dhs.gov).

I seek your assistance by acknowledging receipt of the attached and forwarding it to the proper email address.

Respectfully,

(b)(6) [redacted]

(b)(6) [redacted]

External Affairs Manager  
SeaRiver Maritime, Inc.

(b)(6) [redacted]

(b)(6)

----- Forwarded by (b)(6) /Houston/ExxonMobil on 08/03/2011 01:58 PM  
-----

(b)(6)  
(b)(6) /Hous  
ton/ExxonMobil

CbpJonesActWaiver-SPR@dhs.gov

To

cc

08/03/2011  
01:52 PM

(b)(6);  
(b)(6)

Subject

Jones Act Waiver Application -  
Single SPR Marine Cargo Lifting

Please see attached Jones Act Waiver Application submitted on behalf of ExxonMobil Oil Corporation.

(See attached file: Jones Act Waiver Application.pdf)

Regards,

(b)(6)  
Office Phone: (b)(6)  
Fax: (b)(6)  
Cell Phone: (b)(6)  
Email: (b)(6) [attachment "Jones Act Waiver Application.pdf" deleted by (b)(6) /Houston/ExxonMobil]



SeaRiver Maritime, Inc.  
SPM-FMB-1.024

(b)(6)  
Commercial Manager

(b)(6)

3 August 2011  
RE: Jones Act Waiver Application  
Single SPR Marine Cargo Lifting

(b)(6)

Director, Border Security & Trade Compliance Division  
Regulations and Rulings - Office of International Trade  
U.S. Customs and Border Protection  
799 9th Street, N.W.  
Washington, D.C. 20229-1179  
Transmitted by email: [CbpJonesActWaiver-SPR@dhs.gov](mailto:CbpJonesActWaiver-SPR@dhs.gov)

Dear (b)(6):

This letter is pursuant to the protocol established by The Department of Energy, the Department of Homeland Security (U.S. Customs and Border Protection) and the Department of Transportation (Maritime Administration) for Jones Act Waiver applications related to the recent drawdown directive of the Strategic Petroleum Reserve by the President of the United States. SeaRiver Maritime, Inc., a wholly-owned marine affiliate of Exxon Mobil Corporation, is submitting this application on behalf of ExxonMobil Oil Corporation, the purchaser of a single marine parcel of (b)(4) barrel of (b)(4)

The lack of suitable Jones Act tonnage capable of a single lifting makes it necessary to petition for the temporary use of a foreign flag vessel. Therefore, SeaRiver seeks approval of the use of the (b)(4) (b)(4) (b)(4), to transport the subject volume from (b)(4) to the (b)(4) in mid-August.

**Application Details:**

Nominated Vessel(s): (b)(4)  
DOE Contract Number: DE-SC96-11PO97003  
Parcel Volume and Type: (b)(4) barrels (single lifting) (b)(4)  
Load Point: (b)(4)  
Load Date: 9-11 August 2011  
Discharge Point (b)(4)  
Discharge Date: 13-15 August 2011

Please contact me at (b)(6) if you need clarification of additional information.

Sincerely

(b)(6)

cc:  
U.S. DOT - MarAd  
(b)(6)  
Washington, DC 20590  
[Shipping.Better@dot.gov](mailto:Shipping.Better@dot.gov)

(b)(6)  
Deputy Secretary - Petroleum Reserves  
Office of Fossil Energy - U.S. DOE  
(b)(6)  
Washington, DC 20585  
(b)(6)

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

August 5, 2011

(b)(6)  
Valero Marketing and Supply Company  
(b)(6)  
San Antonio, Texas 78249

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 10-12, 2011, to (b)(4) on or about August 14-16, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97022, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.



Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

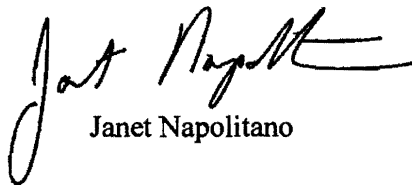
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

From: (b)(6)  
Sent: Wednesday, August 03, 2011 5:57 PM  
To: (b)(6) CBP Jones Act Waiver - SPR;  
Shipping.Better@dot.gov  
Cc: (b)(6)  
(b)(6)  
Subject: JONES ACT WAIVER REQUEST- crude contract DE-SC96-11PO97022- (b) (4)

August 2, 2011

U. S. Customs and Border Protection Office  
of Regulations and Rulings Chief, Cargo Security  
Carriers and Immigration Branch  
U.S. Department of Homeland Security  
1300 Pennsylvania Avenue, NW  
Mint Annex Washington, D.C. 20229

Attn: (b)(6)  
Re: Request for Jones Act Waiver for Strategic Petroleum Reserve Cargo

Dear Sirs:

Valero Marketing and Supply Company (VMSC) is the purchaser of certain petroleum cargos from the Strategic Petroleum Reserve pursuant to the Department of Energy Notice of Sale DE-NS96-11PO97000, as supplemented and amended. The contract number for the purchase is **DE-SC96-11PO97022**.

**VMSC has confirmed that there are not any available US Flag vessels that could perform the (b)(4) mbbbl lifting of crude oil on August 10-12 dates.**

Because of the unavailability of U.S. flag Jones Act qualified vessels for the marine transport of the purchased petroleum cargos, VMSC requests a waiver from provisions of 46 U.S.C. App. 883 ("Jones Act") in order to transport the petroleum cargos between coastwise points in the United States on vessels which are not Jones Act qualified. The specific cargo, cargo size, load port, destination, load window and vessel for which the waiver is requested is listed below:

(b)(4) barrels of (b) (4)  
Loading at (b)(4) Aug 10-12  
Discharging at Valero (b)(4) Aug 14-16  
Performing vessel: (b)(4) (full vessel description attached)

Thank you for your consideration. Please confirm receipt of this request.

(b)(6)  
Chartering and Freight Trading Manager  
Valero Marketing and Supply Company  
(b)(6)  
(Cell) (b)(6) (Fax) (b)(6)  
24 Hour Marine Incident # 1-800-964-2210

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

August 5, 2011

(b)(6)  
Manager Marine Chartering  
Sunoco Inc.  
(b)(6)  
Lester, PA 19029

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 19-21, 2011, to (b)(4), on or about August 26-28, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97015.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

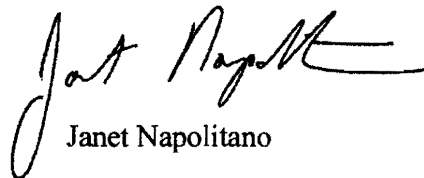
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b) (6)

**From:** (b)(6)

**Sent:** Thursday, August 04, 2011 12:06 PM

**To:** (b)(6)

**Subject:** RE: JONES ACT WAIVER APPLICATION Aug 4, 2011 - attached

Good Afternoon (b)(6)

The Vessel is named the (b)(4) it is a single name vessel.

The Flag (country of register) is Greek - Greece

Thanks,

Kindest Regards,

(b)(6)

Manager Marine Chartering  
Waterborne Operations  
Products and Chemicals

Sunoco Inc.

(b)(6)

Lester, PA 19029

Mobile: (b)(6)

Office: (b)(6)

Home: (b)(6)

E-mail: (b)(6)

EZ link Fax: (b) (6)

**From:** (b)(6)

**Sent:** Thursday, August 04, 2011 11:57 AM

**To:** (b)(6) CBP Jones Act Waiver - SPR; Shipping.Better@dot.gov;

(b)(6)

**Subject:** FW: JONES ACT WAIVER APPLICATION Aug 4, 2011 - attached

Good Afternoon (b)(6),

Please define what the terminology used in your specified vessel means, (b)(4) flag" and confirm that this is a single named vessel.

Customs and Border Protection

9/21/2011

**From:** (b)(6)  
**Sent:** Thursday, August 04, 2011 11:43 AM  
**To:** CBP Jones Act Waiver - SPR  
**Subject:** FW: JONES ACT WAIVER APPLICATION Aug 4, 2011 - attached

**From:** (b)(6)  
**Of:** (b)(6)  
**Sent:** Thursday, August 04, 2011 11:38 AM  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Subject:** FW: JONES ACT WAIVER APPLICATION Aug 4, 2011 - attached

**From:** (b)(6)  
**Sent:** Thursday, August 04, 2011 10:10 AM  
**To:** CpbJonesActWaiver-SPR@dhs.gov; (b)(6)  
**Cc:** #Crude Operations; (b)(6)  
(b)(6)  
**Subject:** JONES ACT WAIVER APPLICATION Aug 4, 2011 - attached

August 4, 2011

Dear Sir / Madam,

We are Sunoco Inc, (R &M). We are the purchaser of SPR petroleum. On the above attachment, you will find our application for a Jones Act Waiver. Contained within the document is the information exactly as specified on the DOE website for the application process. Please review the Waiver Application under the enhanced procedure being used for the Strategic Petroleum Reserve Sale - and advise me directly if you need more information.

If for any reason you have difficulty opening the attachments, please advise me immediately.

We very much appreciate your time and effort in this matter.

Kindest Regards,

(b)(6)  
Manager Marine Chartering  
Waterborne Operations  
Products and Chemicals

Sunoco Inc.  
(b)(6)  
Lester, PA 19029  
Mobile (b)(6)  
Office: (b)(6)  
Home (b)(6)

9/21/2011

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



# Homeland Security

August 5, 2011

(b)(6)  
Valero Marketing and Supply Company  
(b)(6)

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 11-13, 2011, to (b)(4) on or about August 16-18, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97021, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

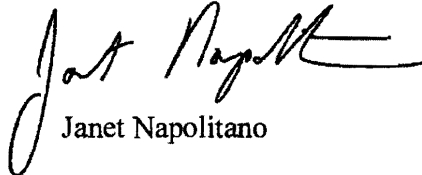
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano



**CANTALUPO, DEAN**

**From:** (b)(6)  
**Sent:** Thursday, August 04, 2011 2:35 PM  
**To:** (b)(6) CBP Jones Act Waiver - SPR;  
 Shipping.Better@dot.gov  
**Cc:** (b)(6)  
 (b)(6)  
**Subject:** JONES ACT WAIVER REQUEST- crude contract DE-SC96-11PO97021- (b) (4)  
**Importance:** High  
**Attachments:** (b)(4) Questionnaire 88.doc

**August 4, 2011**

U. S. Customs and Border Protection Office  
 of Regulations and Rulings Chief, Cargo Security  
 Carriers and Immigration Branch  
 U.S. Department of Homeland Security  
 1300 Pennsylvania Avenue, NW  
 Mint Annex Washington, D.C. 20229

Attn: (b)(6)  
**Re: Request for Jones Act Waiver for Strategic Petroleum Reserve Cargo**

Dear Sirs:

Valero Marketing and Supply Company (VMSC) is the purchaser of certain petroleum cargos from the Strategic Petroleum Reserve pursuant to the Department of Energy Notice of Sale DE-NS96-11PO97000, as supplemented and amended. The contract number for the purchase is **DE-SC96-11PO97021**.

**VMSC has confirmed that there are not any available US Flag vessels that could perform the (b) mbbi lifting of crude oil on August 11-13 dates.**

Because of the unavailability of U.S. flag Jones Act qualified vessels for the marine transport of the purchased petroleum cargos, VMSC requests a waiver from provisions of 46 U.S.C. App. 883 ("Jones Act") in order to transport the petroleum cargos between coastwise points in the United States on vessels which are not Jones Act qualified. The specific cargo, cargo size, load port, destination, load window and vessel for which the waiver is requested is listed below:

(b)(4) barrels of (b) (4)  
**Loading at (b)(4) Aug 11-13**  
**Discharging at (b)(4) Aug 16-18**  
**Performing vessel: (b)(4) (full vessel description attached)**

Thank you for your consideration. Please confirm receipt of this request.

(b)(6)  
 Chartering and Freight Trading Manager  
 Valero Marketing and Supply Company  
 (b)(6)  
 San Antonio, Texas 78249  
 (Office) (b)(6) (Fax) (b)(6)  
 (Cell) (b)(6)  
 24 Hour Marine Incident # 1-800-964-2210

9/21/2011

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

August 5, 2011

(b)(6)  
Hess Energy Trading Company, LLC  
(b)(6)  
(b)(6)  
New York, New York 10036

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 9-11, 2011, to (b)(4), on or about August 12-13, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97004, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated “petroleum availability is crucial to economic security and the national defense” and:

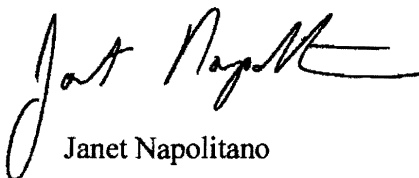
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

A handwritten signature in black ink, appearing to read "Janet Napolitano". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke at the end.

Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Thursday, August 04, 2011 4:42 PM  
**To:** CBP Jones Act Waiver - SPR; shipping.better@dot.gov; (b)(6)  
**Cc:** (b)(6)  
**Subject:** Jones Act waiver request

Previous email amended for contract number and full address.

Re: DOE contract DE SC96-11PO97004  
BD09B700401  
Aug 9-11 (b)(4) ex (b)(4)

Hess Energy Trading Company, LLC, a purchaser of SPR petroleum, requests a Jones Act waiver for the following delivery:

Vessel name: (b)(4)  
Cargo size: (b)(4) bbls  
Loadport: (b)(4)  
Dates of loading: Aug 9-11  
Destination: (b)(4)  
Date of unloading: Aug 12-13

Regards

(b)(6)  
Hess Energy Trading Company, LLC  
(b)(6)  
New York, NY 10036  
Office: (b)(6)  
Cell: (b)(6)  
Fax: (b)(6)  
Email: (b)(6)  
Yahoo: (b)(6)

Secretary

U.S. Department of Homeland Security  
Washington, DC 20523



Homeland  
Security

August 8, 2011

(b)(6)  
JP Morgan Ventures Energy Corp.  
(b)(6)  
Stamford, Connecticut 06902

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 12-14, 2011, to (b)(4), on or about August 14-16, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97005, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

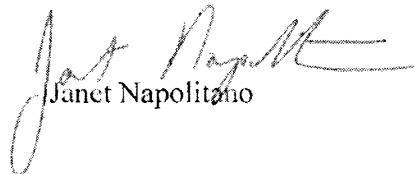
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Friday, August 05, 2011 10:45 AM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6) Shipping.Better@dot.gov'  
**Subject:** (b)(4) JONES ACT WAIVER REQUEST

Good morning,

We are requesting a Jones act waiver for our third and final SPR delivery loading out of (b)(4) 12-14 August.

Details as follows.

DOE CONTRACT NUMBER: DE-SC96-11PO97005

FOREIGN FLAG VESSEL REQUESTED: (b)(4)

QUANTITY: APPROX (b)(4) BBLS

LOAD PORT: (b)(4)

LOAD WINDOW: 12-14 AUGUST

DISPORT: (b)(4)

DISPORT WINDOW: 14-16 AUGUST

tk / brgds,

(b)(6)

JP Morgan Ventures Energy Corp.

(b)(6)

Stamford CT 06902

office tel: (b)(6)

mobile: (b)(6)

e-mail: (b)(6)

This email is confidential and subject to important disclaimers and conditions including on offers for the purchase or sale of securities, accuracy and completeness of information, viruses, confidentiality, legal privilege, and legal entity disclaimers, available at <http://www.jpmorgan.com/pages/disclosures/email>.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 13, 2011

(b)(6)

ConocoPhillips

(b)(6)

Houston TX 77079-1175

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 14-16, 2011, to (b)(4), on or about August 29-31, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97002, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

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In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.



Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

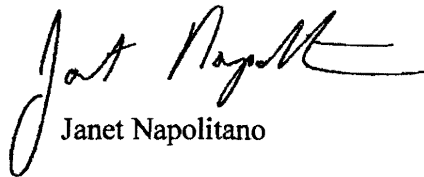
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Friday, August 05, 2011 3:21 PM  
**To:** CBP Jones Act Waiver - SPR; (b)(6)  
(b)(6)  
**Subject:** Jones Act Waiver Application for SPR Sale - DE-SC96-11PO97002- loading August 14-16, 2011  
**Attachments:** SPR JONES ACT WAIVER REQUEST (b)(4) 080511.doc  
**TO:** CbpJonesActWaiver-SPR@dhs.gov

(b)(6)

Please confirm receipt of our attached letter requesting Jones Act Waiver for Sale Contract DE-SC96-11PO97002 on vessel (b)(4) loading August 14-16, 2011 at (b)(4)

Thanks for your soonest reply in this matter.

(b)(6)

Lead, Americas Chartering  
ConocoPhillips Company  
Office: (b)(6)  
Cell: (b)(6)  
Fax: (b)(6)  
yahoo: (b)(6)  
email: (b)(6)

Market info email: chartering@conocophillips.com

The information in this electronic message may be privileged and confidential and is intended only for the use of the individual (s) and/or entity (entities) named above. If you are not the intended recipient, you are on notice that any unauthorized disclosure, copying, distribution, or taking of any action in reliance on the contents of the electronically transmitted materials is prohibited.



(b)(6), Houston TX 77079-1175

DATE: August 5, 2011

TO: CbpJonesActWaiver-SPR@dhs.gov

(b)(6)

From: (b)(6)  
Lead, Americas Chartering  
Office: (b)(6)  
Cell: (b)(6)  
email: (b)(6)

RE: Jones Act Waiver Application for SPR Sale – **DE-SC96-11PO97002**

ConocoPhillips Company is a successful bidder for a cargo from the Strategic Petroleum Reserves Sale – Notice of Sale DOE Contract Number **DE-SC96-11PO97002**. On August 5, 2011 ConocoPhillips Company contacted the above regarding available U.S. flag vessels. On August 5, 2011, ConocoPhillips Company was told that none were available. ConocoPhillips Company hereby requests a Jones Act Waiver for the above SPR Sale DOE Contract Number:

Cargo Size: (b)(4) bbls

Load Port: (b)(4)

Load Window: August 14-16, 2011

Discharge Port: (b)(4) bbls (b)(4) and (b)(4) bbls (b)(4)

Discharge Window: August 23-25, 2011

Intended Vessel: (b)(4)

Intended Vessel Flag: (b)(4)

IMO Number: (b)(4)

If there any questions concerning this request, please do not hesitate to contact the undersigned at the above contact information.

Please notify me at my contact information above with your decision.

Thank you for consideration.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 10, 2011

(b)(6)

Hess Energy Trading Company, LLC

(b)(6)

New York, New York 10036

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 11-13, 2011, to (b)(4), on or about August 17-19, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97004, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

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In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

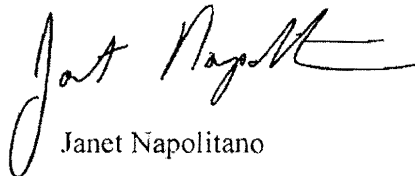
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Friday, August 05, 2011 3:35 PM  
**To:** CBP Jones Act Waiver - SPR; shipping.better@dot.gov; (b)(6)  
**Cc:** (b)(6)  
**Subject:** SPR Jones Act waiver request

Re: DOE contract DE SC96-11PO97004  
BD09B700402  
Aug 11-13 (b)(4) ex (b)(4)

Hess Energy Trading Company, LLC, a purchaser of SPR petroleum, requests a Jones Act waiver for the following delivery:

Vessel name: (b)(4)  
Cargo size: (b)(4) bbls  
Loadport: Sunoco, (b)(4)  
Dates of loading: Aug 11-13  
Destination: (b)(4)  
Date of unloading: Aug 17-19

Regards  
(b)(6)  
Hess Energy Trading Company, LLC  
(b)(6)  
New York, NY 10036  
Office: (b)(6)  
Cell: (b)(6)  
Fax: (b)(6)  
Email: (b)(6)  
Yahoo: (b)(6)

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



# Homeland Security

August 11, 2011

(b)(6)  
Marathon Petroleum Company  
(b)(6)  
Findlay, Ohio 45840

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4) on or about August 17-19, 2011, to (b)(4), on or about August 20-22, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97007, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

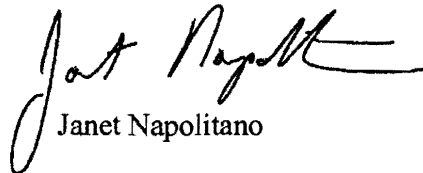
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano



(b)(6)

**From:** (b)(6)  
**Sent:** Wednesday, August 10, 2011 3:10 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6) Shipping.Better@dot.gov  
**Subject:** Jones Act Waiver Application

Gentlemen,

Marathon Petroleum Company would like to request a waiver of the Jones Act requirements to transport crude oil purchased by Marathon in the recent SPR crude sale. I have talked to (b)(6) (b)(6) with L&R Midland, an American Flag ship broker, and he has informed me that there are no American Flag vessels available to move our cargo volume of (b)(4) barrels at this time. Details of our movement are as follows:

DOE Contract No.: DE-SC96-11PO97007

Cargo Volume: (b)(4) barrels

Foreign Flag Vessel: (b)(4)

Load Port: (b)(4)

Load Window: August 17-19, 2011

Discharge Port: (b)(4)

Discharge Window: August 20-22, 2011

If you require additional information, please do not hesitate to contact me.

Best Regards,

(b)(6)

Chartering Representative

Marathon Petroleum Company

(b)(6)

Findlay, OH 45840

Office (b)(6)

Mobile: (b)(6)

Email: (b)(6)

9/21/2011

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 12, 2011

(b)(6)  
Manager Marine Chartering  
Sunoco Inc.  
(b)(6)  
Lester, PA 19029

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 25-27, 2011, to (b)(4), on or about September 1-3, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97016.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

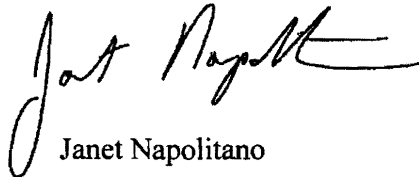
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Thursday, August 11, 2011 11:44 AM  
**To:** Shipping.Better@dot.gov; (b)(6) CBP Jones Act Waiver - SPR  
**Cc:** (b)(6)  
**Subject:** RE-SUBMITTED JONES ACT WAIVER APPLICATION Aug 11, 2011 - attached  
**Attachments:** JONES ACT WAIVER APPLICATION (b)(4) AUG 11 2011.docx

Please see attached (re-submitted to exclude "or suitable..")

ALSO - thank-you for your advise about the email address typo. We very much appreciate your efforts.

Herewith Corrected submission document:

Dear Sir / Madam,

We are Sunoco Inc, (R & M). We are the purchaser of SPR petroleum. On the above attachment, you will find our application for a Jones Act Waiver. Contained within the document is the information exactly as specified on the DOE website for the application process. Please review the Waiver Application under the enhanced procedure being used for the Strategic Petroleum Reserve Sale - and advise me directly if you need more information.

If for any reason you have difficulty opening the attachments, please advise me immediately.

We very much appreciate your time and effort in this matter.

Kindest Regards,

(b)(6)  
Manager Marine Chartering  
Waterborne Operations  
Products and Chemicals

Sunoco Inc.

(b)(6)  
Lester, PA 19029

Mobile: (b)(6)

Office: (b)(6)

Home: (b)(6)

**JONES ACT WAIVER APPLICATION**

DATE: AUGUST 11, 2011

TO: CpbJonesActWaiver-SPR@dhs.gov  
Shipping.Better@dot.gov  
(b)(6) / Attention: (b)(6)

IDENTIFIED PURCHASER: Sunoco Inc, (R &M),

DOE CONTRACT NUMBER: DE-SC96-11PO97016

CARGO: SPR Petroleum. (b)(4)

CARGO SIZE: (b)(4) BBLs (in one lot – lot not to be split) LAYDAYS LOAD WINDOW: AUGUST 25 - 27, 2011.

LOAD PORT (b)(4) –  
Date: August 25 - 27, 2011

DISCHARGE PORT: (b)(4) -  
Date: September 1 - 3, 2011. (based on estimated sailing time).

Dear Sirs,

We are Sunoco Inc, (R &M). We are the purchaser of SPR petroleum as identified above. Please review this Waiver Application under the enhanced procedure being used for the Strategic Petroleum Reserve Sale.

As per the pre-bid telephone conference call on Tuesday June 28 it was advised that if the lot size required is larger than the US Flag Vessel availability a waiver would be granted. We will lift (b)(4) bbls in one lot – lot cannot be split.

We cannot identify a U.S. flag vessel for use that can lift in one parcel our quantity as identified in contract award above of (b)(4) US BBLs. Since a U.S. flag vessel is not available to lift our quantity our intention is to use the following foreign flag vessel: (b)(4) (b)(4) Please confirm we may use this foreign flag vessel to transport the SPR cargo.

Kindest Regards,

(b)(6)  
Manager Marine Chartering  
Waterborne Operations  
Products and Chemicals

Sunoco Inc.

(b)(6)  
Lester, PA 19029  
Mobile: (b)(6)  
Office: (b)(6)  
Home: (b)(6)  
E-mail: (b)(6)  
EZ link Fax: (b)(6)

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 12, 2011

(b)(6)  
Team Lead – International Crude Operations  
Shell Trading (US) Company  
(b)(6)  
Houston, Texas 77010

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 17-19, 2011, to the (b)(4) on or about August 22-24, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97012, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

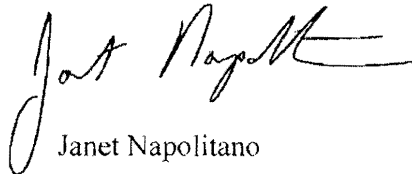
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b) (6)

**From:** (b)(6)  
**Sent:** Thursday, August 11, 2011 12:13 PM  
**To:** (b)(6) CBP Jones Act Waiver - SPR; (b)(6) shipping.better@dot.gov; (b)(6)  
**Subject:** JONES ACT WAIVER REQUEST - SPR CRUDE / (b)(4) (b)(4)

Good day,

Shell Trading is nominating the (b)(4) for our SPR lifting of crude oil from (b)(4) (b)(4) 17-19 AUG...

PURCHASER OF SPR PETROLEUM...SHELL TRADING (US) COMPANY

POINT OF CONTACT.....(b)(6)

FOREIGN VESSELS TO BE USED.....(b)(4)

CARGO QUANTITY.....(b)(4)

LOADPORT.....(b)(4)

EXPECTED DESTINATION.....(b)(4)

LOAD WINDOW SCHEDULED.....17-19 AUG

DOE CONTRACT.....DE-SC96-11PO97012

UNLOADING DATE.....22-24 AUG

The vessel has been approved at (b)(4)

Kind regards,

(b)(6)

(b)(6)

Team Lead - International Crude Operations

Shell Trading US Company

(b)(6) Houston, TX 77010, USA

Tel: +1 (b)(6) Other Tel: Cell: (b)(6)

Email: (b)(6)

Internet: <http://www.shell.com>



Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 15, 2011

(b)(6)  
Team Lead – International Crude Operations  
Shell Trading (US) Company  
(b)(6) – (b)(6)  
Houston, Texas 77010

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4) on or about

August 19-21, 2011 to (b)(4) on or about August 21-23, 2011 aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97012, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

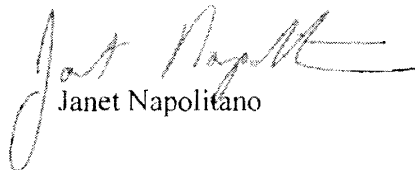
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano

(b)(6)

**From:** (b)(6)

**Sent:** Friday, August 12, 2011 3:54 PM

**To:** (b)(6) CBP Jones Act Waiver - SPR; (b)(6); shipping.better@dot.gov; (b)(6)

**Cc:** (b)(6)

**Subject:** JONES ACT WAIVER REQUEST - SPR CRUDE / (b)(4)

Good day,

Shell Trading is nominating the (b)(4) for our SPR lifting of crude oil from (b)(4) (b)(4) / 19-21 AUG...

PURCHASER OF SPR PETROLEUM...SHELL TRADING (US) COMPANY

POINT OF CONTACT.....(b)(6)

FOREIGN VESSELS TO BE USED.....(b)(4)

CARGO QUANTITY.....(b)(4)

LOADPORT.....(b)(4)

EXPECTED DESTINATION.....(b)(4)

LOAD WINDOW SCHEDULED.....19-21 AUG

DOE CONTRACT.....DE-SC96-11PO97012

UNLOADING DATE.....21-23 AUG

Kind regards,

(b)(6)

(b)(6)

Team Lead - International Crude Operations

Shell Trading US Company

(b)(6) Houston, TX 77010, USA

**Tel:** (b)(6) **Other Tel:** Cell: (b)(6)

**Email:** (b)(6)

**Internet:** <http://www.shell.com>

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 17, 2011

(b)(6)  
Plains Marketing L.P.  
(b)(6)  
Houston, Texas 77002

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4) on or about August 19-21, 2011, to (b)(4) on or about August 25-27, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97010, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

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In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

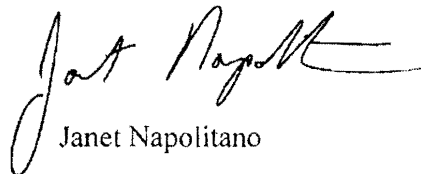
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Tuesday, August 16, 2011 11:09 AM  
**To:** (b)(6) CBP Jones Act Waiver - SPR  
**Cc:** 'Shipping Better; (b)(6)  
(b)(6)  
**Subject:** RE: Jones Act Waiver Request for Plains Marketing, L.P.  
Dear U.S. Customs and Border Protection (CBP) / (b)(6)

Please see revised window of discharge: Aug 25-27, 2011

Kindly confirm all in order.

Best regards,

(b)(6)

Plains Marketing, L.P.

(b)(6)  
Houston, Tx 77002  
W) (b)(6)  
C) (b)(6)

**From:** (b)(6)  
**Sent:** Tuesday, August 16, 2011 9:59 AM  
**To:** (b)(6) CBP Jones Act Waiver - SPR  
**Cc:** 'Shipping Better; (b)(6)  
(b)(6)  
**Subject:** RE: Jones Act Waiver Request for Plains Marketing, L.P.

SPR Jones Act Waiver Inbox

Thank you for your request for a Jones Act Waiver pertaining to the transportation of crude oil from the Strategic Petroleum Reserve. US Customs and Border Protection (CBP) has conducted a review of your request and has determined that you have not provided sufficient information from which your request may be considered.

Accordingly, your request for a Jones Act Waiver is being rejected for the following reason(s):

- **Please provide a window for the dates of discharge that is no more than 3 days.**

You may submit a new request once you have more specific information regarding dates of unloading.

Sincerely,

US Customs and Border Protection

**From:** (b)(6)

9/21/2011

**Sent:** Monday, August 15, 2011 5:01 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** 'Shipping Better; (b)(6)'  
**Subject:** RE: Jones Act Waiver Request for Plains Marketing, L.P.

Dear U.S. Customs and Border Protection (CBP) / (b)(6)

Please see revised window of discharge: Aug 24-27, 2011 \*\*\* see above

Kindly confirm all in order.

Best regards,

(b)(6)

Plains Marketing, L.P.

(b)(6)  
Houston, Tx 77002  
W) (b)(6)  
C) (b)(6)

**From:** (b)(6) **On Behalf Of** CBP Jones Act Waiver - SPR  
**Sent:** Monday, August 15, 2011 3:51 PM  
**To:** (b)(6) CBP Jones Act Waiver - SPR  
**Cc:** 'Shipping Better; (b)(6)'  
**Subject:** RE: Jones Act Waiver Request for Plains Marketing, L.P.

SPR Jones Act Waiver Inbox

Thank you for your request for a Jones Act Waiver pertaining to the transportation of crude oil from the Strategic Petroleum Reserve. US Customs and Border Protection (CBP) has conducted a review of your request and has determined that you have not provided sufficient information from which your request may be considered.

Accordingly, your request for a Jones Act Waiver is being rejected for the following reason(s):

- Please provide a smaller window for the dates of discharge.

You may submit a new request once you have more specific information regarding the port of unloading and dates of unloading.

Sincerely,

US Customs and Border Protection

---

**From:** (b)(6)  
**Sent:** Monday, August 15, 2011 4:42 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** "Shipping Better"; (b)(6)  
**Subject:** Jones Act Waiver Request for Plains Marketing, L.P.

Dear U.S. Customs and Border Protection (CBP),

We are Plains Marketing, L.P. purchasers of SPR petroleum. We wish to obtain a Jones Act Waiver as follows:

Point of contact:

(b)(6)

Plains Marketing, L.P.

(b)(6)

Houston, TX 77002

W) (b)(6)

C) (b)(6)

Email (b)(6)

Foreign vessel to be used for the transportation: (b)(4)

Cargo quantity: (b)(4) bbls

Load port: (b)(4)

Loading Date: Aug 19-21, 2011

Unloading port: (b)(4)

Unloading date: Aug 25-27, 2011 \*\*\* revised

DOE contract number: DE-SC96-11PO97010

We look forward to your reply.

Thanks and best regards,

(b)(6)

Plains Marketing, L.P.



Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

August 18, 2011

(b)(6)  
Vitol Inc.  
(b)(6)  
Suite 5500  
Houston, Texas 77338

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 23-25, 2011, to (b)(4), on or about August 31-September 2, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-1 IPO97025 and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

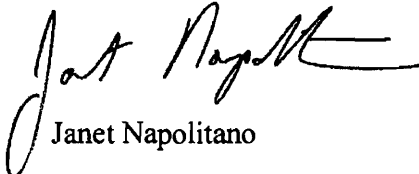
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 9:09 AM  
**To:** (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6) CBP Jones Act Waiver - SPR  
**Subject:** REVISED: SPR-DOE JONES ACT WAIVER REQUEST 8/23-25 (b)(4) / (b)(4)  
(b)(4)  
**Importance:** High

Morning (b)(6)

Please note the additional information requested below:

delivery window @ (b)(4) 8/31-9/02

Please confirm if anything additional is needed.

Thanks again,

(b)(6)  
Vitol Inc.  
Office: (b)(6)  
Cell: (b)(6)  
Email: (b)(6)

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 7:54 AM  
**To:** (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6) (b)(6) CBP Jones Act Waiver - SPR  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/23-25 (b)(4) / (b)(4)

Thank you for your request for a Jones Act Waiver pertaining to the transportation of crude oil from the Strategic Petroleum Reserve. US Customs and Border Protection (CBP) has conducted a review of your request and has determined that you have not provided sufficient information from which your request may be considered.

Accordingly, your request for a Jones Act Waiver is being rejected for the following reason(s):

- **Failure to provide date of unloading with a window of three days or less.**

You may submit a new request once you have the requisite information.

Sincerely,

US Customs and Border Protection

**From:** (b)(6)

**Sent:** Tuesday, August 16, 2011 11:27 PM

**To:** CBP Jones Act Waiver - SPR

**Cc:** Shipping.Better@dot.gov; (b)(6)

(b)(6)

**Subject:** SPR-DOE JONES ACT WAIVER REQUEST 8/23-25 (b)(4) / (b)(4)

**Importance:** High



**Date:** 8/16/2011

**To:** CbpJonesActWaiver-SPR@dhs.gov

**cc:** The Maritime Administration at (Shipping.Better@dot.gov)  
 The Maritime Administration: (b)(6)  
 The Office of Petroleum Reserves, Department of Energy: (b)(6)

**From:** Vitol Inc.  
 (b)(6)  
 Houston, TX 77002  
 USA

**Re:** Jones Act Waiver Request

;;

Reference Vitol Inc.'s purchase award of SPR Petroleum for August 2011 loadings, Vitol Inc. is apply Jones Act Waiver for the following vessel and associated details:

**DOE Contract #:** DE-SC96-11PO97025 / BD01B702503  
**Company:** Vitol Inc.  
**Attn:** (b)(6)  
**Office:** (b)(6)  
**Cell:** (b)(6)  
**email:** (b)(6)

**Vessel:** (b)(4) (Q-88 attached)  
**Flag:** (b)(4)  
**Quantity:** approx (b)(4) bbls  
**Load Port:** (b)(4) (b)(4)  
**Load Dates:** 8/23-25/2011  
**Destination:** (b)(4)  
**Receivers:** CONOCOPHILLIPS

We have attached copy of the updated Q88 along with the US Flag position list on CPP and DPP for: As always, please confirm your receipt by return email and your prompt review and advise is greatly a

Best regards,  
 (b)(6)  
 Crude Oil Operations  
 Vitol Inc.  
**Office:** (b)(6)  
**Cell:** (b)(6)  
**Email:** (b)(6)

<<(b)(4) Questionnaire 88.doc>> <<SHIPTRACKrevised2.xls>> <<US FLAG DPP POSITIONS 8-16-11.xls>>

**IMPORTANT:** This email (including all attachments) is confidential and may be privileged. It may be read, copied and used only by the intended recipients, and must not be re-transmitted in any form without our consent. If you have received it in error, please contact us immediately by return email. Please then delete it and do not disclose its contents to any other person.

Security and reliability of email is not guaranteed, Communications should be verified from a mailed or faxed copy. All emails to anyone @vitol.com are communications to the firm and are not private or confidential to any named individual.



# Homeland Security

August 18, 2011

(b)(6)  
Vitol Inc.  
(b)(6)  
(b)(6)  
Houston, Texas 77002

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 22-23, 2011, to (b)(4), on or about September 20-22, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97025 and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

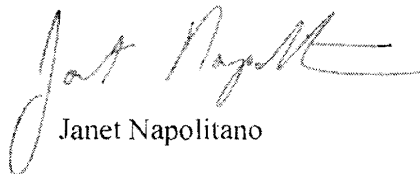
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano



---

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 9:11 AM  
**To:** (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6) CBP Jones Act Waiver - SPR  
**Subject:** REVISED: SPR-DOE JONES ACT WAIVER REQUEST 8/22-23 Big Stone / (b)(4)  
**Importance:** High

Morning (b)(6)

Please note the additional information requested below:

delivery window @ (b)(4) of 9/20-22

Please confirm if anything additional is needed.

Thanks again,

(b)(6)  
Vitol Inc.  
Office: (b)(6)  
Cell: (b)(6)  
Email: (b)(6)

---

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 7:53 AM  
**To:** (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6) CBP Jones Act Waiver - SPR  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/22-23 (b)(4) / (b)(4)

SPR Jones Act Waiver Inbox

Thank you for your request for a Jones Act Waiver pertaining to the transportation of crude oil from the Strategic Petroleum Reserve. US Customs and Border Protection (CBP) has conducted a review of your request and has determined that you have not provided sufficient information from which your request may be considered.

Accordingly, your request for a Jones Act Waiver is being rejected for the following reason(s):

- **Failure to provide date of unloading with a window of three days or less.**

You may submit a new request once you have the requisite information.

Sincerely,

US Customs and Border Protection

**From:** (b)(6)  
**Sent:** Tuesday, August 16, 2011 11:20 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** Shipping.Better@dot.gov (b)(6)  
(b)(6) (b)(6)  
**Subject:** SPR-DOE JONES ACT WAIVER REQUEST 8/22-23 (b)(4) (b)(4)  
**Importance:** High



**Date:** 8/16/2011

**To:** CbpJonesActWaiver-SPR@dhs.gov

**cc:** The Maritime Administration at (Shipping.Better@dot.gov)  
 The Maritime Administration: (b)(6)  
 The Office of Petroleum Reserves, Department of Energy: (b)(6)

**From:** Vitol Inc.  
 (b)(6)  
 Houston, TX 77002  
 USA

**Re:** Jones Act Waiver Request

;;

Reference Vitol Inc.'s purchase award of SPR Petroleum for August 2011 loadings, Vitol Inc. is apply Jones Act Waiver for the following vessel and associated details:

DOE Contract #: DE-SC96-11PO97025 / BD09B702502  
 Company: Vitol Inc.  
 Attn: (b)(6)  
 Office: (b)(6)  
 Cell: (b)(6)  
 email: (b)(6)

Vessel: (b)(4) (Q-88 attached)  
 Flag: (b)(4)  
 Quantity: approx (b)(4) bbls  
 Load Port: (b)(4) - Sunoco  
 Load Dates: 8/22-23/2011  
 Destination: (b)(4)  
 Receivers: Statoil

We have attached copy of the updated Q88 along with the US Flag position list on CPP and DPP for ;  
 As always, please confirm your receipt by return email and your prompt review and advise is greatly a

Best regards,  
 (b)(6)  
 Crude Oil Operations  
 Vitol Inc.  
 Office: (b)(6)  
 Cell: (b)(6)  
 Email: (b)(6)

<(b)(4)\_Questionnaire 88.pdf>> (b)(4)\_Questionnaire 88.pdf>> <<US FLAG DPP  
 POSITIONS 8-16-11.xls>> <<SHIPTRACKrevised2.xls>>

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Security and reliability of email is not guaranteed, Communications should be verified from a mailed or faxed copy. All emails to anyone @vitol.com are communications to the firm and are not private or confidential to any named individual.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 19, 2011

(b)(6)  
Tesoro Maritime Corporation  
(b)(6)  
San Antonio, TX 78259

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the following transportation of crude oil. The crude oil was loaded from the Strategic Petroleum Reserve (SPR) at (b)(4) on August 6, 2011, destined to a location offshore (b)(4), aboard the non-coastwise qualified vessel (b)(4). Upon arrival offshore (b)(4), (b)(4) barrels of the crude oil would be lightered aboard the non-coastwise qualified vessel (b)(4) on or about August 21-23, 2011; and, 300,000 barrels of the crude oil would be lightered aboard the non-coastwise qualified vessel (b)(4) on or about August 24-25, 2011. Upon completion of lightering operations, the non-coastwise qualified vessels (b)(4) and (b)(4) would transit the (b)(4). The crude oil from both vessels would be lightered offshore (b)(4), (b)(4) aboard the non-coastwise qualified (b)(4) on or about August 26-August 30, 2011. Subsequently, the same crude oil would then be transported from offshore (b)(4) to (b)(4), arriving on or about September 11-13, 2011. You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97017 and the transportation described above is for (b)(4) barrels. Your request supersedes your request which was granted on August 8, 2011.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified

U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated “petroleum availability is crucial to economic security and the national defense” and:

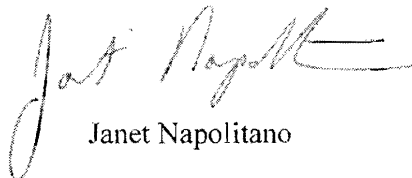
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

**CANTALUPO, DEAN**

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 11:06 AM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** (b)(6); (b)(6)  
**Subject:** RE: TESORO JONES ACT WAIVER REQUEST - REVISED

GOLD STAR MARITIME, ON BEHALF OF TESORO REFINING & MARKETING COMPANY, HEREBY REQUESTS AN AMENDED JONES ACT WAIVER TO TRANSPORT THE SPR BARRELS PREVIOUSLY PURCHASED DUE TO APPARENT QUALITY DEGRADATION PRECLUDING US FROM DISCHARGING AT OUR PREVIOUSLY STATED (b)(4).

**REFERENCE: DOE CONTRACT #DE-SC96-11PO97017**

**POINT OF CONTACT:** (b)(6)  
 GOLD STAR MARITIME / TESORO MARITIME COMPANY  
 (b)(6)  
 SAN ANTONIO, TX 78259  
 (b)(6) OFFICE  
 (b)(6) CELL

**ORIGINAL FOREIGN VESSEL:** (b)(4)  
**NEW FOREIGN VESSEL:** (b)(4)  
**LAYCAN:** 22-24 AUGUST, 2011  
**LOAD PORT:** SHIP TO SHIP (b)(4) FROM THE (b)(4)  
 TO THE (b)(4)  
**DISPORT:** SHIP TO SHIP (b)(4) FROM THE (b)(4)  
 (b)(4)  
**CARGO:** (b)(4) (b)(4)

**ORIGINAL FOREIGN VESSEL:** (b)(4)  
**NEW FOREIGN VESSEL:** (b)(4)  
**LAYCAN:** 20-21 AUGUST, 2011  
**LOAD PORT:** SHIP TO SHIP LIGHTERING FROM THE (b)(4)  
 TO THE (b)(4)  
**DISPORT:** SHIP TO SHIP (b)(4) FROM THE (b)(4) TO THE  
 (b)(4)  
**CARGO:** (b)(4), (b)(4)MB

**FOREIGN VESSEL:** (b)(4)  
**LAYCAN:** 30 AUGUST - 1 SEPTEMBER, 2011  
**LOAD PORT:** OFFSHORE (b)(4)  
**DISPORT:** (b)(4) ((PROJECTED ARRIVAL 15-17 SEPTEMBER))  
**CARGO:** (b)(4) (b)(4)MB

Best Regards,

(b)(6)  
 Chartering  
 Tesoro Maritime Corp.

(b)(6)

**From:** (b)(6)  
**Sent:** Friday, July 22, 2011 5:40 PM  
**To:** (b)(6)  
**Cc:** ESEC SPR Jones Act; OIOC-SIT Jones Act Waiver - SPR; CBP Jones Act Waiver - SPR  
**Subject:** SPR Drawdown: Tesoro Maritime Corporation Jones Act Waiver Request

(b)(6)

Attached, please find a letter from the Department of Homeland Security approving Tesoro Maritime Corporation's request for a Jones Act Waiver. Please confirm receipt.

(b)(6)  
Senior Liaison Officer, Team 1  
Office of the Executive Secretary  
Department of Homeland Security  
Office: (b)(6)  
Cell: (b)(6)





# Homeland Security

August 22, 2011

(b)(6)  
Vitol Inc.  
(b)(6)  
(b)(6)  
Houston, TX 77002

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 23-25, 2011, (b)(4) on or about September 10-12, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) 0 barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97025 and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states "a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port" unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is "coastwise-qualified." The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is "necessary in the interest of national defense." 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department's usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

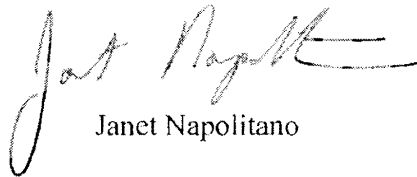
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b) (6)

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 3:39 PM  
**To:** (b)(6)  
**Cc:** (b)(6)  
**Subject:** FW: SPR-DOE JONES ACT WAIVER REQUEST 8/23-25 (b)(4) (b)(4) - (b)(4)  
**Importance:** High  
**Attachments:** (b)(4) - Q88 Aug 16, 2011.doc; SHIPTRACKrevised2.xls; US FLAG DPP POSITIONS 8-16-11.xls

This provides verification that DOE Contract #DE-SC96-11PO97025 for (b)(4) barrels of SPR crude was awarded to Vitol Inc. on July 11, 2011. This request is for the fourth marine cargo under this contract.

Vitol Inc.'s desire to move (b)(4) barrels of crude oil from (b)(4) to (b)(4) in the time period of August 23 - 25 in one shipment is consistent with the expedited objectives of the drawdown from the Strategic Petroleum Reserve ordered in connection with the International Energy Agency action on June 23, 2011.

(b)(6)  
 Deputy Assistant Secretary  
 Office of Petroleum Reserves  
 U.S. Department of Energy

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 3:06 PM  
**To:** (b)(6)  
**Subject:** FW: SPR-DOE JONES ACT WAIVER REQUEST 8/23-25 (b) (4)  
**Importance:** High

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 2:42 PM  
**To:** (b)(6)  
**Subject:** SPR-DOE JONES ACT WAIVER REQUEST 8/23-25 (b) (4)  
**Importance:** High

<(b) (4) - Q88 Aug 16, 2011.doc>> <<SHIPTRACKrevised2.xls>> <<US FLAG DPP POSITIONS 8-16-11.xls>>

+++++

Date: 8/17/2011

To: CbpJonesActWaiver-SPR@dhs.gov

cc: The Maritime Administration at (Shipping.Better@dot.gov)  
The Maritime Administration: (b)(6)  
(b)(6) The Office of Petroleum  
Reserves, Department of Energy:

(b)(6)

From: Vitol Inc.  
(b)(6)  
Houston, TX 77002  
USA

Re: Jones Act Waiver Request

Reference Vitol Inc.'s purchase award of SPR Petroleum for August 2011 loadings, Vitol Inc. is applying for a Jones Act Waiver for the following vessel and associated details:

DOE Contract #: DE-SC96-11PO97025 / BD04B702501

Company: Vitol Inc.  
Attn: (b)(6)  
Office: (b)(6)  
Cell: (b)(6)  
email: (b)(6)

Vessel: (b)(4) (Q-88 attached)  
Flag: (b)(4)  
Quantity: approx (b)(4) bbls  
Load Port: (b)(4)  
Load Dates: 8/23-25/2011  
Destination: (b)(4)  
Receivers: Murphy Oil  
Delivery Dates: 9/10-12/2011

We have attached copy of the updated Q88 along with the US Flag position list on CPP and DPP for your reference.

As always, please confirm your receipt by return email and your prompt review and advise is greatly appreciated.

Best regards,

(b)(6)  
Crude Oil Operations  
Vitol Inc.

9/21/2011

Office: (b)(6)  
Cell: (b)(6)  
Email: (b)(6)

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Security and reliability of email is not guaranteed, Communications should be verified from a mailed or faxed copy. All emails to anyone @vitol.com are communications to the firm and are not private or confidential to any named individual.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20525



Homeland  
Security

August 22, 2011

(b)(6)

Trafigura AG

(b)(6)

(b)(6)

Houston, TX 77010

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 25-27, 2011, to a point other than the point of lading at (b)(4), on or about August 30-September 1, 2011, aboard the non-coastwise qualified vessel (b)(4). In your letter, you state you have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97019.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated “petroleum availability is crucial to economic security and the national defense” and:

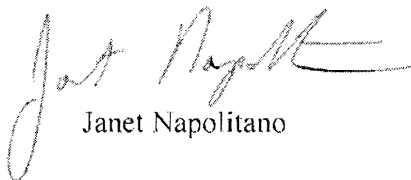
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 6:07 PM  
**To:** CBP Jones Act Waiver - SPR (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
**Subject:** RE: Jones Act Waiver Request- SPR - (b)(4)

Please see clarification below. The ports of loading and unloading are the same.

Thanks,  
(b)(6)

**From:** (b)(6) **On Behalf Of** CBP Jones Act Waiver - SPR  
**Sent:** Wednesday, August 17, 2011 4:59 PM  
**To:** (b)(6); CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
**Subject:** RE: Jones Act Waiver Request- SPR - (b)(4)

SPR Jones Act Waiver Inbox

Thank you for your request for a Jones Act Waiver pertaining to the transportation of crude oil from the Strategic Petroleum Reserve. US Customs and Border Protection (CBP) has conducted a review of your request and has determined that you have not provided sufficient information from which your request may be considered.

Accordingly, your request for a Jones Act Waiver is being rejected for the following reason(s):

- Failure to provide cities and states for the ports of lading and unlading. It appears that the ports of lading and unlading are the same. Please clarify.

You may submit a new request once you have the requisite information.

Sincerely,

US Customs and Border Protection

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 5:38 PM  
**To:** CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
**Subject:** Jones Act Waiver Request- SPR - (b)(4)

Good afternoon,

Please see below request for Jones Act Waiver.

Foreign vessel: (b)(4)



Cargo Quantity: (b)(4) bbls

Load port: (b)(4)

Destination: (b)(4)

Dates of Loading: Aug 25-27

Dates of Unloading: Aug 30-Sept 1

DOE contract number: DE- SC96-11PO97019

Thanks,

(b)(6)  
Trafigura AG Crude Oil Operator

(b)(6) Office  
(b)(6) Mobile  
(b)(6)  
(b)(6)

Houston, TX 77010

Yahoo: (b)(6)

---

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Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 18, 2011

(b)(6)

Vitol Inc.

(b)(6)

(b)(6)

Houston, Texas 77002

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 21-23, 2011, to (b)(4), on or about September 20-22, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97025 and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

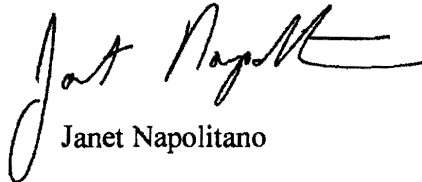
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Wednesday, August 17, 2011 2:13 PM  
**To:** CBP Jones Act Waiver - SPR; (b)(6)  
**Subject:** Fw: SPR-DOE JONES ACT WAIVER REQUEST 8/22-23 (b)(4)  
**Attachments:** US FLAG DPP POSITIONS 8-16-11.xls; SHIPTRACKrevised2.xls; (b)(4)  
88.doc

**From:** (b)(6) >  
**To:** (b)(6)  
**Sent:** Wed Aug 17 14:08:01 2011  
**Subject:** SPR-DOE JONES ACT WAIVER REQUEST 8/22-23 (b)(4)

Date: 8/16/2011

To: CbpJonesActWaiver-SPR@dhs.gov

cc: The Maritime Administration at (Shipping.Better@dot.gov)

The Maritime Administration: (b)(6)

The Office of Petroleum Reserves, Department of Energy: (b)(6)  
(b)(6) )

From: Vitol Inc.  
(b)(6)  
Houston, TX 77002  
USA

Re: Jones Act Waiver Request

Reference Vitol Inc.'s purchase award of SPR Petroleum for August 2011 loadings, Vitol Inc. is applying for a Jones Act Waiver for the following vessel and associated details:

DOE Contract #: DE-SC96-11PO97025 / BD09B702501  
Company: Vitol Inc.  
Attn: (b)(6)  
Office: (b)(6)  
Cell: (b)(6)  
email: (b)(6)

Vessel: (b)(4)  
Flag: (b)(4)  
Quantity: approx (b)(4) bbls

Load Port: (b) (6) - Sunoco  
Load Dates: 8/21-23/2011  
Destination: (b)(4)  
Receivers: (b)(4)

We have attached copy of the updated Q88 along with the US Flag position list on CPP and DPP for your reference.

As always, please confirm your receipt by return email and your prompt review and advise is greatly appreciated.

Best regards,

(b)(6)  
Crude Oil Operations  
Vitol Inc.  
Office: (b)(6)  
Cell: (b)(6)  
Email: (b)(6)

<<US FLAG DPP POSITIONS 8-16-11.xls>> <<SHIPTRACKrevised2.xls>> <(b)(4)\_Questionnaire 88.doc>>

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Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 19, 2011

(b)(6)  
Valero Marketing and Supply Company

(b)(6)

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4) on or about August 25-27, 2011, to (b)(4), on or about August 30-31, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97021, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

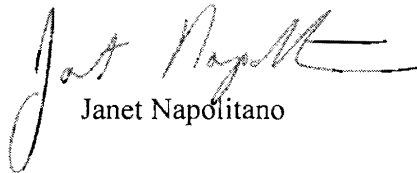
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

  
Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Friday, August 19, 2011 11:19 AM  
**To:** (b)(6) CBP Jones Act Waiver - SPR;  
 Shipping.Better@dot.gov  
**Cc:** (b)(6)  
**Subject:** JONES ACT WAIVER REQUEST- Aug 25-27 (b)(4) crude contract DE-SC96-11PO97021-(b)(4)  
**Importance:** High  
**Attachments:** (b)(4) - Q88 Aug 16 2011.doc

**August 19, 2011**

U. S. Customs and Border Protection Office  
 of Regulations and Rulings Chief, Cargo Security  
 Carriers and Immigration Branch  
 U.S. Department of Homeland Security  
 1300 Pennsylvania Avenue, NW  
 Mint Annex Washington, D.C. 20229

Attn: (b)(6)  
**Re: Request for Jones Act Waiver for Strategic Petroleum Reserve Cargo**

Dear Sirs:

Valero Marketing and Supply Company (VMSC) is the purchaser of certain petroleum cargos from the Strategic Petroleum Reserve pursuant to the Department of Energy Notice of Sale DE-NS96-11PO97000, as supplemented and amended. The contract number for the purchase is **DE-SC96-11PO97021**.

**VMSC has confirmed that there are not any available US Flag vessels that could perform the (b)(4) mbbl lifting of crude oil on August 25-27 dates.**

Because of the unavailability of U.S. flag Jones Act qualified vessels for the marine transport of the purchased petroleum cargos, VMSC requests a waiver from provisions of 46 U.S.C. App. 883 ("Jones Act") in order to transport the petroleum cargos between coastwise points in the United States on vessels which are not Jones Act qualified. The specific cargo, cargo size, load port, destination, load window and vessel for which the waiver is requested is listed below:

(b)(4) barrels of (b)(4)  
**Loading at (b)(4) Aug 25-27**  
**Discharging at (b)(4) Aug 30-31**  
**Performing vessel: (b)(4) (full vessel description attached)**

Thank you for your consideration. Please confirm receipt of this request.

(b)(6)  
 Chartering and Freight Trading Manager



Valero Marketing and Supply Company

(b) (6)

San Antonio, Texas 78249

(Office) (b) (6) (Fax) (b) (6)

(Cell) (b) (6)

24 Hour Marine Incident # 1-800-964-2210

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 26, 2011

(b)(6)

Vitol Inc.

(b)(6)

(b)(6)

Houston, Texas 77338

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 27-29, 2011, to (b)(4) on or about September 5-7, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97025 and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

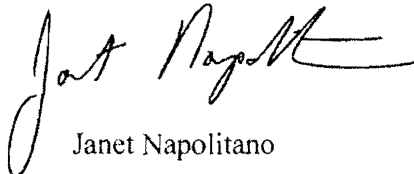
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Tuesday, August 23, 2011 2:20 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
**Subject:** SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b)(4) - OS  
 EVERGLADES  
**Importance:** High  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged  
**Attachments:** (b)(4) - Q88 Aug 22, 2011.doc  
 <(b)(4) - Q88 Aug 22, 2011.doc>

+++++

Date: 8/23/2011

To: CbpJonesActWaiver-SPR@dhs.gov

cc: The Maritime Administration at (Shipping.Better@dot.gov)

The Maritime Administration: (b)(6)

(b)(6) The Office of Petroleum Reserves,  
Department of Energy:

(b)(6) (b)(6)

From: Vitol Inc.  
 (b)(6) 0  
 Houston, TX 77002  
 USA

Re: Jones Act Waiver Request

Reference Vitol Inc.'s purchase award of SPR Petroleum for August 2011 loadings, Vitol Inc. is applying for a Jones Act Waiver for the following vessel and associated details:

DOE Contract #: DE-SC96-11PO97025 / BD04B702502

Company: Vitol Inc.  
 Attn: (b)(6)  
 Office: (b)(6)  
 Cell: (b)(6)  
 email: (b)(6)

Vessel: (b)(4) (Q-88 attached)  
Flag: (b)(4)  
Cargo: (b)(4)  
Quantity: approx (b)(4) bbls  
Load Port: (b)(4) - (b)(4)  
Load Dates: 8/27-29/2011  
Destination: (b)(4)  
Receivers: (b)(4)  
Delivery Dates: 9/05-07/2011

We have attached copy of the updated Q88 along with the US Flag position list on CPP and DPP for your reference.

As always, please confirm your receipt by return email and your prompt review and advise is greatly appreciated.

Best regards,

(b)(6)  
Crude Oil Operations  
Vitol Inc.  
Office: (b)(6)  
Cell: (b)(6)  
Email: (b)(6)

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Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 26, 2011

(b)(6)  
Vitol Inc.  
(b)(6)  
Houston, TX 77338

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 29-31, 2011, to (b)(4), on or about September 1-2, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97026 and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

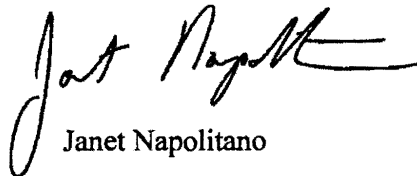
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Wednesday, August 24, 2011 9:16 AM  
**To:** (b)(6) CBP Jones Act Waiver - SPR  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/29-31 (b) (4)

Good morning

vessel scheduled to disch on arrival (b)(4) so if no delays loading, etb 9/01-02

balance remains unchanged.

Brgs,

(b)(6)  
Vitol Inc.  
Office: (b)(6)  
Cell: (b)(6)  
Email: (b)(6)

**From:** (b)(6)  
**Sent:** Wednesday, August 24, 2011 8:00 AM  
**To:** (b)(6); CBP Jones Act Waiver - SPR  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/29-31 (b) (4)

SPR Jones Act Waiver Inbox

SPR Jones Act Waiver Inbox

Thank you for your request for a Jones Act Waiver pertaining to the transportation of crude oil from the Strategic Petroleum Reserve. US Customs and Border Protection (CBP) has conducted a review of your request and has determined that you have not provided sufficient information from which your request may be considered.

Accordingly, your request for a Jones Act Waiver is being rejected for the following reason(s):

- Dates of unloading greater than three days.

**Please provide a window for the dates of unloading that is no more than 3 days.**

You may submit a new request once you have more specific information regarding dates of



unlading.

Sincerely,

US Customs and Border Protection

**From:** (b)(6)  
**Sent:** Tuesday, August 23, 2011 2:55 PM  
**To:** CBP Jones Act Waiver - SPR  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
(b)(6)  
**Subject:** SPR-DOE JONES ACT WAIVER REQUEST 8/29-31 (b) (4) / (b)(4)  
**Importance:** High

<(b)(4)\_Questionnaire 88.doc>>

+++++

Date: 8/23/2011

To: CbpJonesActWaiver-SPR@dhs.gov

cc: The Maritime Administration at (Shipping.Better@dot.gov)  
The Maritime Administration: (b)(6)  
The Office of Petroleum Reserves, Department of Energy:

(b)(6)

From: Vitol Inc.  
(b) (6)  
Houston, TX 77002  
USA

Re: Jones Act Waiver Request

Reference Vitol Inc.'s purchase award of SPR Petroleum for August 2011 loadings, Vitol Inc. is applying for a Jones Act Waiver for the following vessel and associated details:

DOE Contract #: DE-SC96-11PO97026 / BD01B702602

Company: Vitol Inc.  
Attn: (b)(6)  
Office: (b)(6)

Cell: (b)(6)  
email: (b)(6)

Vessel: (b)(4) (Q-88 attached)  
Flag: (b)(4)  
Cargo: (b)(4)  
Quantity: approx (b)(4) bbls  
Load Port: (b)(4)  
Load Dates: 8/29-31/2011  
Discharge Port: (b)(4)  
Discharge Dates: 9/02-05/2011  
Receivers: (b)(4)

We have attached copy of the updated Q88 for your reference.

As always, please confirm your receipt by return email and your prompt review and advise is greatly appreciated.

Best regards,

(b)(6)  
Crude Oil Operations  
Vitol Inc.  
Office: (b)(6)  
Cell: (b)(6)  
Email: (b)(6)

**IMPORTANT:** This email (including all attachments) is confidential and may be privileged. It may be read, copied and used only by the intended recipients, and must not be re-transmitted in any form without our consent. If you have received it in error, please contact us immediately by return email. Please then delete it and do not disclose its contents to any other person.

Security and reliability of email is not guaranteed, Communications should be verified from a mailed or faxed copy. All emails to anyone @vitol.com are communications to the firm and are not private or confidential to any named individual.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 29, 2011

(b)(6)

Vitol Inc.

(b)(6)

(b)(6)

Houston, Texas 77338

Dear (b)(6):

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow crude oil loaded on August 29, 2011, at the Strategic Petroleum Reserve (SPR) in (b)(4), to be transported to (b)(4), on or about September 5-7, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97026 and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

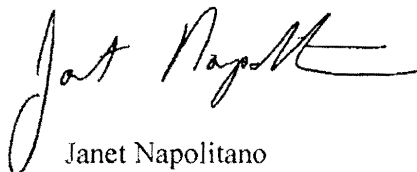
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,

A handwritten signature in black ink, appearing to read "Janet Napolitano". The signature is fluid and cursive, with a long horizontal stroke at the end.

Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Monday, August 29, 2011 11:53 AM  
**To:** (b)(6) CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
(b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) (b)(4)  
(b)(4)

Thanks (b) (6). We'll proceed accordingly.

(b)(6)

Director, Border Security & Trade Compliance Division  
Regulations and Rulings  
Office of International Trade  
U.S. Customs and Border Protection  
Department of Homeland Security  
Mint Annex  
799 9th Street, N.W.  
Washington, D.C. 20229-1179

(b)(6) (phone)  
(b)(6) (fax)  
(b)(6)

\*\*\*\*\*  
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\*\*\*\*\*

**From:** (b)(6)  
**Sent:** Monday, August 29, 2011 11:51 AM  
**To:** (b)(6) CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
(b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) / (b)(4)  
(b)(4)

(b)(6)

Thanks for the prompt reply.

The requirement that the vessel be "coastwise qualified" is understood. With regard to the ultimate plan for the discharge of all the oil, we still don't have clear direction from Conoco who are assessing the situation at their facilities in the aftermath of Hurricane Irene. So at this time, the plan remains that all of the oil, even any oil that might be lightered to a coastwise qualified barge/vessel, would discharge at (b)(4)

Thanks,  
(b)(6)

**From:** (b)(6)  
**Sent:** Monday, August 29, 2011 10:44 AM  
**To:** (b)(6); CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
(b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) / (b)(4)

(b)(6)

They may lighter the (b)(4) using an American flag barge with the following caveat: if they lighter within the 3-mile territorial waters, the barge must not only be U.S.-flagged, it must also be coastwise-qualified (i.e., U.S.-built, owned and documented). Also, I am assuming all of the oil in question is still to be discharged in (b)(4). If not, the terms of your waiver request have changed and our review process will have to halt until these terms are reflected in your amended request.

(b)(6)

(b)(6)  
Director, Border Security & Trade Compliance Division  
Regulations and Rulings  
Office of International Trade  
U.S. Customs and Border Protection  
Department of Homeland Security  
Mint Annex  
799 9th Street, N.W.  
Washington, D.C. 20229-1179

(b)(6) (phone)  
(b)(6) (fax)  
(b)(6)

\*\*\*\*\*  
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\*\*\*\*\*

**From:** (b)(6)  
**Sent:** Monday, August 29, 2011 11:32 AM  
**To:** (b)(6); CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
(b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) / (b)(4)

(b)(6)

Can you confirm that if our receivers Conoco wish to lighter the (b)(4) using an American flag barge, that they are free to do so.

(b)(6)

**From:** (b)(6)  
**Sent:** Monday, August 29, 2011 7:25 AM  
**To:** (b)(6); CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
(b)(6)

**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) (b)(4)

(b)(6)-

Can you confirm which day you loaded (Saturday (8/27) or Sunday (8/28))?

Thanks,

(b)(6)

Director, Border Security & Trade Compliance Division  
Regulations and Rulings  
Office of International Trade  
U.S. Customs and Border Protection  
Department of Homeland Security  
Mint Annex  
799 9th Street, N.W.  
Washington, D.C. 20229-1179

(b)(6) (phone)  
(b)(6) (fax)  
(b)(6)

\*\*\*\*\*  
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\*\*\*\*\*

**From:** (b)(6)  
**Sent:** Friday, August 26, 2011 10:11 PM  
**To:** (b)(6) CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
(b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) / (b)(4)

(b)(6)

Thank you for your time today in discussing this situation with myself and (b)(6) of MARAD.

As promised I am emailing you now to inform you of our plan to proceed with the loading of the (b)(4) at (b)(4) for onward delivery to our receivers Conoco in the (b)(4). The loading is expected to occur tomorrow or Sunday.

Basis our revised plan to discharge this vessel at only one port, we kindly ask for your prompt granting of the requested waiver.

Best of luck over this weekend with Hurricane Irene and I look forward to hearing from you regarding the waiver as soon as possible.

Regards,  
(b)(6)

**From:** (b)(6)  
**Sent:** Friday, August 26, 2011 11:36 AM  
**To:** (b)(6); CBP Jones Act Waiver - SPR; (b)(6)  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b)(4) / (b)(4)

(b)(6):

CBP cannot confirm that your waiver will be issued under either scenario. What we can confirm is that if you can settle on a specific discharge location, be that (b)(4) OR (b)(4) the waiver can commence to be processed. Absent one specific discharge location, your waiver request will not be processed.

Best regards,

(b)(6)  
Director, Border Security & Trade Compliance Division  
Regulations and Rulings  
Office of International Trade  
U.S. Customs and Border Protection  
Department of Homeland Security  
Mint Annex  
799 9th Street, N.W.  
Washington, D.C. 20229-1179  
(b)(6) (phone)  
(b)(6) (fax)  
(b)(6)

\*\*\*\*\*  
This document may contain confidential data, attorney work-product, and/or information intended for U.S. Government use only. The information contained in this document is not for release, review, retransmission, dissemination or use by anyone other than the intended recipient(s) absent expressed consent of the originator. Further, this document is not intended to serve as legal precedent unless specifically stated. If you are not the intended recipient of this transmission, please notify the sender immediately.  
\*\*\*\*\*

**From:** (b)(6)  
**Sent:** Friday, August 26, 2011 12:27 PM  
**To:** CBP Jones Act Waiver - SPR; Craig Hooper  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b)(4) / (b)(4)

(b)(6) -

Can you please confirm the following points :

- 1) If I can get my receiver to settle on a specific discharge location, be that (b)(4) or (b)(4) - the waiver can be issued.
- 2) If my receiver commits to discharge a set number of barrels at their (b)(4) and a set number of barrels at their (b)(4) - the waiver can be issued.

Basis this, I will know exactly what I need to get from my receivers in order to assist you in your process.



Thanks,

(b)(6)

**From:** (b)(6) **On Behalf Of** CBP Jones Act Waiver - SPR

**Sent:** Friday, August 26, 2011 11:19 AM

**To:** (b)(6); CBP Jones Act Waiver - SPR; (b)(6)

**Cc:** Shipping.Better@dot.gov; (b)(6)

**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b)(4) / (b)(4)

(b)(6),

Thank you for your request for a Jones Act Waiver pertaining to the transportation of crude oil from the Strategic Petroleum Reserve. US Customs and Border Protection (CBP) has conducted a review of your request and has determined that you have not provided sufficient information from which your request may be considered.

Accordingly, your request for a Jones Act Waiver is being rejected for the following reason(s):

- **Failure to provide a specific port of unloading.**

Jones Act waivers are granted pursuant to 46 U.S.C. 501 “in the interest of national defense.” Such waivers are not premised, or amended, on possible weather scenarios. In the event that the cargo is unloaded at a port other than the port designated in your waiver due to Hurricane Irene, you would be given an opportunity to present your case to local CBP Fines, Penalties and Forfeiture Officer (FP&F) to consider as possible mitigation factors in the assessment of a penalty.

You may submit a new request once you have a specific port of unloading.

Sincerely,

US Customs and Border Protection

**From:** (b)(6)

**Sent:** Friday, August 26, 2011 11:05 AM

**To:** CBP Jones Act Waiver - SPR; Craig Hooper

**Cc:** Shipping.Better@dot.gov; (b)(6)

(b)(6)

**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b)(4) / (b)(4)

(b)(6)

Thank you for that and regarding this request on the (b)(4), please allow me to clarify.

Vitol have sold this cargo to Conoco and the “base sale” is for a delivery into the (b)(4) (note that

(b)(4) but they have the contractual right to order the discharge at additional ports / berths at their cost. Given that contractual element and the situation with the hurricane bearing down on the (b)(4), the exact discharge plan is not as firm as we'd like it to be so we would like to request that this waiver be extended to allow us the flexibility to deliver to the (b)(4) and/or (b)(4)

At the point in time when we know exactly where the oil would deliver, we would immediately advise you. Please confirm that this is acceptable to you.

Regards,

(b)(6)

**From:** (b)(6) **On Behalf Of** CBP Jones Act Waiver - SPR

**Sent:** Friday, August 26, 2011 9:51 AM

**To:** (b)(6) CBP Jones Act Waiver - SPR

**Cc:** Shipping.Better@dot.gov; (b)(6)

**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) / (b)(4)

SPR Jones Act Waiver Request Received

Thank you for submitting your request for a waiver of the Jones Act with respect to the transportation of crude oil from the Strategic Petroleum Reserve. This email message serves as a confirmation that your request has been received and will be routed for processing. Please do not submit more than one email request for the same transaction as doing so will significantly hinder our ability to provide a timely response.

**The change to one port of unloading – (b)(4) – supersedes your previous request to split the cargo between (b)(4).**

Sincerely,

US Customs and Border Protection

**From:** (b)(6)

**Sent:** Thursday, August 25, 2011 7:00 PM

**To:** (b)(6); CBP Jones Act Waiver - SPR

**Cc:** Shipping.Better@dot.gov; (b)(6)

(b)(6)

(b)(6)

**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) / (b)(4)

**Importance:** High

Evening (b)(6)

Please be advised that our contract requires us to deliver the full cargo of (b)(4) mb (b) (4) to one safe port intention (b)(4)

As such, look forward to your confirmation of the Jones Act Waiver requested acceptance for the (b)(4) which is currently slotted to load Aug 27th at (b)(4)

Brgs,

(b)(6)  
Vitol Inc.  
Office: (b)(6)  
Cell: (b)(6)  
Email: (b)(6)

**From:** Craig Hooper  
**Sent:** Thursday, August 25, 2011 9:28 AM  
**To:** (b)(6) 'CBP Jones Act Waiver - SPR'  
**Cc:** 'Shipping.Better@dot.gov'; (b)(6) E;  
(b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) / (b)(4)  
**Importance:** High

Morning

Understand there maybe some complications on the issuance of the Jones Act Waiver for the (b)(4) which surround a 2-port discharge to ConocoPhillips basis USAC.

Just for clarification, Vitol Inc. Purch cargo of (b)(4) (b) (4) and sold same volume to ConocoPhillips basis "1" safe disport USAC intention (b)(4) with delivery dates Sep 05-07, 2011.

Per the Contract, receivers have the option to deliver to a different and/or additional port provided falls within the constraints of the CP and reimburse for all additional costs.

After Vitol had put the (b)(4) on subjects, ConocoPhillips had advised that they were clearing with both their (b) (4) and shortly there after advised their current intention was to deliver 1/2 cargo to (b) (4) and balance to (b) (4)

I have added the insert from Vitol Inc.'s sales contract for your reference:

+++++

**VITOL CONTRACT NO.:** 1269609

**VITOL TRADER:** (b) (6)

**SELLER:** VITOL INC.

**BUYER:** CONOCOPHILLIPS COMPANY

9/21/2011

**PRODUCT:** (b) (4)

**QUANTITY:** (b)(4) BARRELS AT (b) (4)

QUANTITY DETERMINATION AS PER MEASUREMENT TERMS HEREIN. IN THE EVENT OF BOOK / STOCK / IN-TANK TRANSFER, QUANTITY AND EFFECTIVE DATE SHALL BE SET FORTH IN THE EMAILED/FAXED CONFIRMATION.

**QUALITY:** CRUDE OIL OF NORMAL EXPORT QUALITY.

**DELIVERY:** VIA SELLER'S NOMINATED VESSEL "TBN" OR SUITABLE SUB, INTO ONE SAFE PORT.

**INCOTERMS:** (b)(4)

**LOCATION:** (b)(4)

**DELIVERY DATES:** 05 September 2011 - 07 September 2011

SELLER'S VESSEL SHALL BE SUBJECT TO BUYER'S APPROVAL, WHICH SHALL NOT BE UNREASONABLY WITHHELD. IF REQUIRED, LIGHTERING SHALL BE ARRANGED BY SELLER AND ALL ASSOCIATED COSTS SHALL BE FOR THE SELLER'S ACCOUNT. FREIGHT DIFFERENTIAL BETWEEN PORT OF INTENTION AND ACTUAL DISCHARGE PORT SHALL BE THE COST DIFFERENCE SPECIFIED IN THE LIGHTERING AGREEMENT PLUS ANY OVERTIME INCURRED.

FOR VOYAGES LONGER THAN 96 HOURS, USCG REQUIRES A 96 HOUR PRE-ARRIVAL NOTICE FOR EACH VESSEL. FOR VOYAGES LESS THAN 96 HOURS, USCG REQUIRES NOTIFICATION PRIOR TO OR UPON THE VESSEL SAILING THE PRIOR PORT. THE PRE-ARRIVAL NOTICE TO USCG IS NOT OPTIONAL AND AS SUCH, BUYER IS REQUIRED TO GIVE SELLER A MINIMUM OF 96 HOURS NOTICE OF THE DISCHARGE PORT FOR THE VOLUMES RELATED TO THIS CONTRACT. ALL COSTS ASSOCIATED WITH DELAYS DUE TO BUYER'S FAILURE TO PROVIDE ADEQUATE NOTICE OF DISCHARGE PORT AS REQUIRED BY USCG, SHALL BE FOR BUYER'S ACCOUNT.

+++++

As always, we appreciate your consideration and advise concerning the Waiver request at your earliest convenience.

Thanks again,

Brgs,

(b)(6)

Vitol Inc.

Office: (b)(6)

Cell: (b)(6)

Email: (b)(6)

**From:** (b)(6)

**Sent:** Wednesday, August 24, 2011 11:27 AM

**To:** (b)(6); CBP Jones Act Waiver - SPR

**Cc:** Shipping.Better@dot.gov; (b)(6)

(b)(6)

**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) / (b)(4)

SPR Jones Act Waiver Request Received

Thank you for submitting your request for a waiver of the Jones Act with respect to the transportation of crude oil from the Strategic Petroleum Reserve. This email message serves as a confirmation that your request has been received and will be routed for processing. Please do not submit more than one email request for the same transaction as doing so will significantly hinder our ability to provide a timely response.

Sincerely,

US Customs and Border Protection

---

**From:** (b)(6)  
**Sent:** Wednesday, August 24, 2011 12:24 PM  
**To:** (b)(6) CBP Jones Act Waiver - SPR  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
(b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) / (b)(4)

COP currently planning to disch even split of (b) (4) at each location (b) (4) followed by (b) (4)

---

**From:** (b)(6)  
**Sent:** Wednesday, August 24, 2011 10:24 AM  
**To:** Craig Hooper; CBP Jones Act Waiver - SPR  
**Cc:** Shipping.Better@dot.gov; (b)(6)  
(b)(6)  
**Subject:** RE: SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4)

(b)(6)

In regards to your request stating "Discharge Port (b)(4)", please specify the quantity to be discharged at each port.

Thank you.

Sincerely,

US Customs and Border Protection

---

**From:** (b)(6)  
**Sent:** Wednesday, August 24, 2011 10:25 AM  
**To:** CBP Jones Act Waiver - SPR

**Cc:** Shipping.Better@dot.gov; (b)(6)  
(b)(6)  
**Subject:** SPR-DOE JONES ACT WAIVER REQUEST 8/27-29 (b) (4) / (b)(4)  
**Importance:** High

(b)(4) Questionnaire 88.pdf>>

+++++

Date: 8/24/2011

To: CbpJonesActWaiver-SPR@dhs.gov

cc: The Maritime Administration at (Shipping.Better@dot.gov)  
The Maritime Administration: (b)(6)  
The Office of Petroleum Reserves, Department of Energy:

(b)(6)

From: Vitol Inc.  
(b)(6)  
Houston, TX 77002  
USA

Re: Jones Act Waiver Request

Reference Vitol Inc.'s purchase award of SPR Petroleum for August 2011 loadings, Vitol Inc. is applying for a Jones Act Waiver for the following vessel and associated details:

DOE Contract #: DE-SC96-11PO97026 / BD01B702601

Company: (b)(6) c.  
Att (b)(6)  
Office: (b)(6)  
(b)(6)  
email: (b)(6)

Vessel: (b)(4) (Q-88 attached)  
Flag: (b)(4)  
Cargo: (b)(4)  
Quantity: approx (b)(4) bbls  
Load Port: (b)(4)  
Load Dates: 8/27-29/2011  
Discharge Port: (b)(4)  
Discharge Dates: 9/05-07/2011  
Receivers: CONOCOPHILLIPS

We have attached copy of the updated Q88 for your reference.

9/21/2011

As always, please confirm your receipt by return email and your prompt review and advise is greatly appreciated.

Best regards,

(b)(6)

Crude Oil Operations

Vitol Inc.

Office: (b)(6)

Cell: (b)(6)

Email: (b)(6)

**IMPORTANT:** This email (including all attachments) is confidential and may be privileged. It may be read, copied and used only by the intended recipients, and must not be re-transmitted in any form without our consent. If you have received it in error, please contact us immediately by return email. Please then delete it and do not disclose its contents to any other person.

Security and reliability of email is not guaranteed, Communications should be verified from a mailed or faxed copy. All emails to anyone @vitol.com are communications to the firm and are not private or confidential to any named individual.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

August 29, 2011

(b)(6)

ConocoPhillips

(b)(6)

Houston Texas 77079-1175

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 31-September 2, 2011, to the (b)(4) on or about September 10-12, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97002, and this portion represents (b)(4) barrels.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states “a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port” unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is “coastwise-qualified.” The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is “necessary in the interest of national defense.” 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department’s usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.



Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

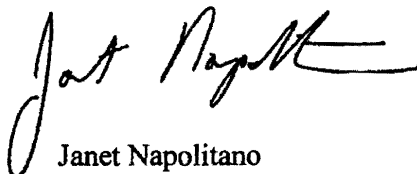
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before September 2, 2011.

Yours very truly,

A handwritten signature in black ink, appearing to read "Janet Napolitano". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Janet Napolitano

(b)(6)

**From:** (b)(6)  
**Sent:** Friday, August 26, 2011 1:41 PM  
**To:** CBP Jones Act Waiver - SPR; 'Shipping.Better@dot.gov'; (b)(6)  
**Subject:** REVISED Jones Act Waiver Application for SPR Sale - DE-SC96-11PO97002- loading August 31-September 02, 2011  
**Attachments:** SPR JONES ACT WAIVER REVISED REQUEST (b)(4) 082611.doc

TO: CbpJonesActWaiver-SPR@dhs.gov  
Shipping.Better@dot.gov  
(b)(6)  
(b)(6)  
(b)(6)

Please confirm receipt of our **REVISED** attached letter requesting Jones Act Waiver for Sale Contract DE-SC96-11PO97002 on vessel (b)(4) loading August 31 - September 02, 2011 at (b)(4)

Thanks for your soonest reply in this matter.

(b)(6)  
Lead, Americas Chartering  
ConocoPhillips Company  
Office: (b)(6)  
Cell: (b)(6)  
Fax: (b)(6)  
yahoo: (b)(6)  
email: (b)(6)

Market info email: chartering@conocophillips.com

The information in this electronic message may be privileged and confidential and is intended only for the use of the individual (s) and/or entity (entities) named above. If you are not the intended recipient, you are on notice that any unauthorized disclosure, copying, distribution, or taking of any action in reliance on the contents of the electronically transmitted materials is prohibited.



(b) (6), Houston TX 77079-1175

DATE: August 26, 2011

TO: [CbpJonesActWaiver-SPR@dhs.gov](mailto:CbpJonesActWaiver-SPR@dhs.gov)  
[Shipping.Better@dot.gov](mailto:Shipping.Better@dot.gov)

(b) (6)  
(b) (6)  
(b) (6)

From: (b) (6)  
Lead, Americas Chartering

Office: (b) (6)

Cell: (b) (6)

email: (b) (6)

RE: Jones Act Waiver Application for SPR Sale – **DE-SC96-11PO97002**

ConocoPhillips Company is a successful bidder for a cargo from the Strategic Petroleum Reserves Sale – Notice of Sale DOE Contract Number **DE-SC96-11PO97002**. On August 26, 2011 ConocoPhillips Company contacted the above regarding available U.S. flag vessels. On August 26, 2011, ConocoPhillips Company was told that none were available. ConocoPhillips Company hereby requests a Jones Act Waiver for the above SPR Sale DOE Contract Number:

Cargo Size: (b) (4) bbls

Load Port: (b) (4)

Load Window: August 31-September 02, 2011

Discharge Port: (b) (4) bbls at (b) (4)

Discharge Window: September 10-12

Intended Vessel: (b) (4)

Intended Vessel Flag: (b) (4)

IMO Number: (b) (4)

If there any questions concerning this request, please do not hesitate to contact the undersigned at the above contact information.

Please notify me at my contact information above with your decision.

Thank you for consideration.

Secretary

U.S. Department of Homeland Security  
Washington, DC 20528



Homeland  
Security

September 6, 2011

(b)(6)

Vitol Inc.

(b)(6)

(b)(6)

Houston, Texas 77002

Dear (b)(6)

Thank you for your letter and supporting documentation requesting a *Merchant Marine Act of 1920* (Jones Act) waiver. You requested this waiver to allow the transportation of crude oil from the Strategic Petroleum Reserve (SPR) at (b)(4), on or about August 23-25, 2011, to (b)(4), on or about September 5-7, 2011, aboard the non-coastwise qualified vessel (b)(4). You have purchased (b)(4) barrels of crude oil from the SPR pursuant to contract number DE-SC96-11PO97025 and this portion represents (b)(4) barrels. Your request supersedes your previous request which was granted on August 18, 2011.

The Jones Act, 46 United States Code (U.S.C.) § 55102, states "a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port" unless the vessel was built in and documented under the laws of the United States and is wholly owned by persons who are citizens of the United States. Such a vessel, after obtaining a coastwise endorsement from the U.S. Coast Guard, is "coastwise-qualified." The coastwise laws generally apply to points in the territorial sea, which is defined as the belt, three nautical miles wide, seaward of the territorial sea baseline, and to points located in internal waters, landward of the territorial sea baseline.

The navigation laws, including the coastwise laws, can only be waived under the authority provided by 46 U.S.C. § 501. That statute provides in relevant part that the Secretary of Homeland Security can grant a waiver of the Jones Act requirements only if (1) the Maritime Administration (MARAD) at the Department of Transportation determines there is no qualified U.S.-flagged vessel available and (2) the waiver is "necessary in the interest of national defense." 46 U.S.C. § 501 (b).

In accordance with the provisions of 46 U.S.C. § 501(b) and the Department's usual practice, U.S. Customs and Border Protection (CBP) sought advice regarding your request from MARAD, the Department of Energy and the Department of Defense. MARAD has made a non-availability determination regarding the subject request.

Both the Departments of Energy and Defense concur in the issuance of a waiver in the circumstances presented here. The Department of Energy stated "petroleum availability is crucial to economic security and the national defense" and:

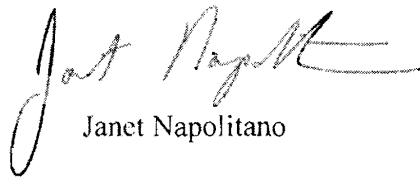
. . . to the extent qualified U.S.-flagged vessels are not available to transport the volume of petroleum the President has ordered to be released, the Department of Energy supports a decision by the Department of Homeland Security to waive the Jones Act for petroleum released from the SPR from now through August 31, 2011.

The Department of Defense stated:

The Department of Defense recognizes that the Department of Homeland Security under 46 U.S.C. § 501(b) may grant waivers based on national defense interests and the non-availability of qualified U.S. flag vessels. If the Maritime Administrator, while acting in his capacity as Director, National Shipping Authority, determines that qualified U.S. flag capacity is unavailable, the Department of Defense has no objection to the waiving of the Jones Act (46 U.S.C. § 55102) pursuant to 46 U.S.C. § 501(b) for petroleum released from the SPR from now through August 31, 2011 and concurs with the issuance of waivers in these circumstances.

We have carefully considered your request for a waiver of the Jones Act and the input of other Government entities. Based in part on the views of the Departments of Energy and Defense and on the other information we received, we find that such a waiver is in the interest of national defense. Accordingly, your request for a waiver of the Jones Act is granted. This waiver is in effect for SPR crude oil loaded on the subject vessel on or before August 31, 2011.

Yours very truly,



Janet Napolitano