POLICY DEPARTMENT

RUSSIAN DIESEL, RUSSIAN BLOOD MONEY

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TOPLINE: On October 9, President Trump announced that Russia would ship diesel to the United States, and Treasury issued a license suspending sanctions on it until April 2027. The U.S. already produces 40% more diesel than Americans consume. Allowing Russian diesel to be imported into the United States would help Russia fund its war of aggression against Ukraine and aid Iran, and it would not reduce U.S. diesel prices.

Energy Supply Would Remain Unchanged

- The global oil market operates like a bathtub: pouring fuel from one part of it to another does little to change the overall level or prices globally or locally in the U.S.
- Russia does not need to export directly to the U.S. – and take American dollars – to increase global supply and bring down prices for American consumers.

Russia's Diesel Exports Would Be Minuscule

- The U.S. is a net exporter of diesel, producing 5.0–5.3 million barrels a day of diesel and other distillates over the six weeks ending October 2 while consuming about 3.7 million.
- Trump said Russia would first export about 300,000 metric tons of diesel, equal to about 2.25 million barrels. Even as new supply, this would cover only about 14 hours of U.S. diesel demand. The full 4.8 million metric tons announced, which Moscow has not confirmed, would cover about 10 days.
- Russia is struggling to supply its own energy demands: by late August, its gasoline output covered only about 70% of domestic demand, and Moscow has had to reduce quality standards on its fuel to ease its own shortages. Russia may be using this deal simply to buy time to rebuild from Ukraine's strikes.

The Deal Rewards Russia's War

- The first 1.8 million metric tons Trump announced (300,000 now, 500,000 in November, and 1 million after) equal about 13.4 million barrels. At the October 9 diesel margin of $96.80 a barrel over crude, Russia would profit about $1.3 billion through taxes on fuel-selling companies and its ownership stakes in them.
- Legitimizing Russian energy sales to the West would let Russia charge *higher* prices and use the extra money to fund its war against Ukraine and aid Iran. Defense Secretary Pete Hegseth said in July that Russia and China are "enabling some of the things Iran is doing."
- Rewarding Moscow now could dissuade Putin from future peace talks, since he may take it as a sign that he has an "in" with President Trump and press on with the war.

Federal Law Bars the Imports

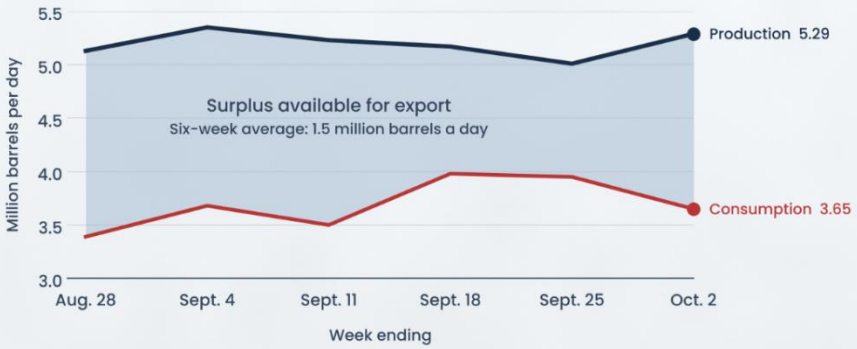
- The Ending Importation of Russian Oil Act bars Russian diesel. A President may lift the ban only after certifying that Russia has agreed, with Ukraine's acceptance, to withdraw its forces and end hostilities, among other conditions. No such agreement exists, rendering this a violation of law.

CONCLUSION: Treasury should revoke the license, and Congress should hold the administration to the law it passed. The way to cheaper diesel is more American drilling and refining. Paying Putin blood money for fuel America already exports is wrong, illegal, and stupid.

Advancing American Freedom Foundation is a nonprofit institution that promotes and defends policies that elevate traditional American val-

U.S. refineries make about 1.5 million more barrels of diesel a day than Americans use

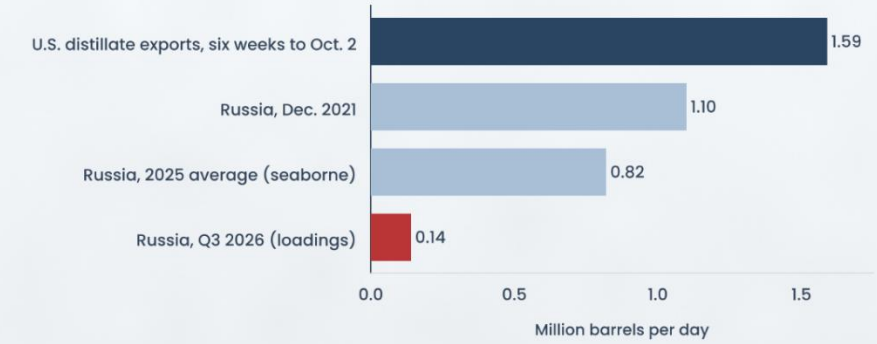
U.S. distillate production and consumption, million barrels per day, week ending



Source: AAF calculations based on data from U.S. Energy Information Administration, "Weekly Supply Estimates," distillate fuel oil: refiner and blender net production and product supplied, weeks ending August 28–October 2, 2026.

Russia's diesel exports have collapsed to less than one-tenth of U.S. exports

Diesel and gasoil exports, million barrels per day



Sources: AAF calculations based on data from U.S. Energy Information Administration, "Weekly U.S. Exports of Distillate Fuel Oil," weeks ending August 28–October 2, 2026; International Energy Agency, "Russian Supplies to Global Energy Markets," 2022; Kpler data as reported by *Forbes*, October 12, 2026; S&P Global Commodity Insights, October 9, 2026.

If fully delivered, Russia's diesel would meet less than 1% of world diesel demand

Million barrels per day; announced Russian diesel averaged over the six-month waiver



Sources: AAF calculations based on data from International Energy Agency, *Oil Market Report*, May 2026; International Energy Agency, "Russian Supplies to Global Energy Markets," 2022; U.S. Energy Information Administration, "Weekly Supply Estimates," distillate fuel oil, weeks ending August 28–October 2, 2026; General License 135 and announced volumes, October 9, 2026; Vortexa data as reported by Bloomberg, August 2026.