

US politics & policy**Trump weighs easing restrictions on Russian and Iranian 'shadow fleet'**

A White House desperate to lower fuel costs ahead of US midterm elections could allow such vessels back into global trade



Russian shadow fleet oil tanker DF Peak. Analysts said an easing of tanker sanctions would have only a marginal impact on fuel prices © Richard Bouhet/AFP/Getty Images

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The US is considering moves to ease restrictions on “shadow fleet” tankers linked to Russia and Iran as it struggles to bring down soaring diesel prices ahead of November’s midterm elections.

The moves include potentially allowing the sale of blacklisted vessels to legitimate operators and lifting sanctions that would allow them to operate without restriction, people familiar with the matter told the FT.

The controversial move to lift sanctions on the vessels, designed to increase shipping capacity for oil and refined fuels and lower record-high freight rates that are adding to soaring fuel costs, was raised earlier this week by Chris Wright, US energy secretary, at the World Petroleum Conference in Riyadh, Saudi Arabia.

A Treasury department official said the Office of Foreign Assets Control may consider authorising the sale of [shadow fleet](#) vessels to “legitimate buyers” and allowing them to operate in the global market “on a case-by-case basis”.

It marks the latest effort by Donald Trump’s administration to douse fuel prices before the [midterm vote](#), which will decide control of Congress. Polls suggest elevated inflation triggered by the Iran war has turned many voters against Trump’s Republican Party.

It also marks an abrupt turn in US policy more favourable to Moscow as it seeks to [unfreeze sovereign assets](#) and apparently [throttled Ukraine’s access to Starlink satellites](#) crucial to its defence in the war with Russia. Last week, Trump said he would temporarily lift sanctions on Russian diesel fuel, which provoked criticism from European allies and a bipartisan group of US senators who called it a “gift to our adversary and a betrayal of our allies”.

Wright told the forum in Riyadh via video link on Monday that a shortage of tankers is a crucial choke point that is pushing up freight prices on global markets and removing sanctions from vessels could provide some relief, said three people present at the event.

“The administration is looking under every rock it can to try to force down fuel prices ahead of the elections, even if these policies would only have a marginal effect,” said Bob McNally, a former energy adviser to George W Bush and president of Rapidan Energy, who attended the event.

The Treasury department official said: “If legitimate buyers are interested in purchasing shadow fleet vessels, restoring them for legitimate use by the global commercial shipping industry, Ofac may consider authorising those transactions and removing sanctions on those vessels on a case-by-case basis.”

“These removals would not benefit the shadow fleet, but would remove those vessels from the shadow fleet for use in legitimate global commerce,” they added, noting Ofac “undertakes a thorough review process before removing sanctions on any entity”.

Jeremy Paner, partner at Hughes Hubbard, a Washington-based law firm, said by facilitating the purchase of sanctioned tankers in the shadow fleet the administration could potentially remove the “bad look” of issuing new authorisations linked to Russia.

The White House and energy department did not reply to requests for comment.

The move comes as data this week showed US consumer inflation [jumped to 3.7 per cent in September](#) as a rebound in fuel prices washed over the economy.

The White House has raced to counter the surge, leaning on allies to release more diesel on to the market and threatening to impose an export ban. Trump also signed an executive order to allow tax-free red diesel to be used on public roads.

But diesel prices remain stubbornly high, averaging \$6.31 a gallon at the pump on Thursday, just below a record high of \$6.53 in recent weeks. The International Energy Agency this week [warned](#) there will be a global shortage of the fuel until the middle of 2027.

Daniel Yergin, vice-chair of S&P Global, said the focus of policymakers had shifted from crude oil, at least for now, to a shortage of tankers as a major constraint on these supplies.

But analysts said an easing of tanker sanctions would have only a marginal impact on fuel prices.

Between 13 per cent and 19 per cent of the world’s tanker fleet is under US sanctions, according to Energy Aspects, a consultancy. But it said the old age and poor condition of those vessels would limit the benefits from easing sanctions.

“Lifting sanctions on predominantly old and likely under-maintained vessels is therefore unlikely to add meaningful mainstream fleet capacity overnight,” it said. “Moreover, most tankers sanctioned over Russian or Venezuelan links have continued trading over the past three months.”

Research group Kpler said it expected the measure would have virtually no impact on the current tanker crisis because higher fuel prices are driven primarily by heightened war risk in the Middle East rather than a shortage of vessels alone.

But the administration's eagerness to lift sanctions on Russian fuel and the fleet of shadow tankers that it uses to transport crude and other products has alarmed politicians in the US and Europe.

On Wednesday Italy's Prime Minister Giorgia Meloni [criticised](#) Trump's plan to buy diesel from Russia, calling it a "very risky choice" that undermines international pressure on Vladimir Putin to end his war in Ukraine.

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