

White House at dead end

Trump's diesel deal won't work



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OPINION EXCLUSIVE

The Trump administration's agreement with Russia to resume diesel supplies to American and global markets is being presented as a pragmatic response to soaring fuel prices. Yet the deal exposes a deeper contradiction in Washington's policy: the administration is seeking emergency relief from a crisis that its own military decisions have helped intensify.

The US-Israeli war against Iran has shaken energy markets, heightened uncertainty over maritime transport, and increased the economic risks associated with the Persian Gulf. The consequences have reached American consumers, businesses, farmers, and truckers. Rather than resolving the war and reducing the risks driving fuel prices upward, President Donald Trump has turned to Vladimir Putin for additional supplies.

The irony is unmistakable. An administration that has repeatedly promised energy security and economic strength now finds itself negotiating with Moscow to mitigate the domestic consequences of a major military confrontation. The agreement may generate favorable headlines for the White House, but it does not resolve the strategic problem behind the price shock.

The central question is not whether Russian diesel can reach American ports. It is whether the promised deliveries can meaningfully reduce prices while the geopolitical conditions contributing to the crisis remain unresolved. Available evidence suggests that they cannot.

Too little, too late

On October 9, Trump announced that Russia would immediately supply more than 300,000 metric tons of diesel to American and global markets, followed by another 500,000 tons in November and an additional million tons thereafter. His administration subsequently eased certain sanctions to facilitate the transactions. Reuters reported on October 23 that the first shipment destined for the United States, carrying approximately 40,000 metric tons, had departed Russia's Baltic port of Primorsk and was expected to reach New York on November 7.

The shipment is real, but its economic significance should not be confused with its political presentation. The initial 300,000-ton commitment amounts to approximately 2.25 million barrels of diesel. That is a substantial quantity in commercial terms, but relatively small against the scale of American fuel consumption and the disruption affecting international markets. Reuters reported on October 21 that analysts expected diesel prices to remain elevated because the promised volumes were insufficient to ease the global supply squeeze materially.

The distinction between additional supply and meaningful price relief is crucial. Energy prices depend not only on how much



The illustration shows Russian President Vladimir Putin (L), US President Donald Trump (R) and Ukrainian President Volodymyr Zelensky.
● SARAH GRILLO/AXIOS

fuel is available, but also on transportation costs, refinery capacity, inventories, regional demand, and expectations about future supply. A new shipment cannot automatically compensate for wider market disruptions. Nor does the agreement guarantee that every promised delivery will arrive on schedule or that the benefits will be passed on to American consumers. Russia's own refining difficulties and domestic fuel requirements complicate its ability to expand exports consistently. Trump can announce millions of tons, but announcements do not determine prices. Market conditions do.

Iran war remains the problem

The agreement's fundamental weakness is that it does not address the geopolitical risks driving the energy crisis. The Strait of Hormuz is one of the world's most important energy transit routes. Any threat to shipping through the strait can affect oil supplies, freight costs, insurance premiums, and expectations across international markets. These effects

can extend well beyond the immediate area of the war.

The war against Iran has therefore created a problem that cannot be solved simply by redirecting a limited quantity of diesel from one supplier to another. Even if Russian deliveries increase the volume of fuel available to certain buyers, they cannot independently restore confidence in maritime security or eliminate the risks associated with continued military escalation.

The White House is treating an international security crisis as though it were primarily a supply-chain problem. That approach mistakes a partial commercial remedy for a strategic solution. There are, of course, several factors behind rising fuel prices. Disruptions to Russian refining capacity, including Ukrainian attacks on Russian energy infrastructure, have also constrained diesel availability. The relative contribution of these factors varies over time. But this complexity strengthens the case for a comprehensive response rather than a narrow deal whose success depends on shifting fuel between markets. If the administration wants lasting price relief, it must address the instability affecting energy markets rather than rely on emergency purchases to compensate for it.

Putin gains leverage

The diplomatic consequences are equally troubling for Washington. For years, the United States and its European allies have used sanctions to restrict Russian energy revenues and increase the economic costs of Ukraine War for Moscow. Trump's decision to relax restrictions on Russian diesel reverses part of that policy at a moment when the promised economic benefits remain uncertain. Moscow, meanwhile, has every reason to present the arrangement as evidence that energy cooperation can produce concessions from Washington. Kremlin representatives have described the deal as an opportunity for broader economic cooperation between the two countries. This creates an unfavorable strategic calculation for the United States. If Russian fuel does little to lower American prices, Washington will have weakened its sanctions policy without securing a proportionate benefit for consumers.

The arrangement also risks damaging confidence among European allies and Ukraine. Ukrainian officials have criticized the deal,



Each bar is the 2026 figure as a share of the 2022 peak (100% = 2022 level). 2026 figures run to September/October and the shock is ongoing.

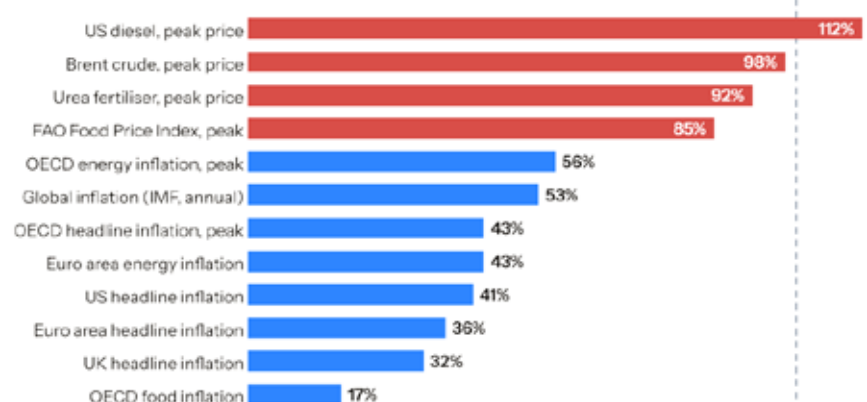
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Fuel is back at 2022 levels. Inflation is not.

The 2026 Iran war shock so far, as a share of the 2022 Ukraine war shock.

Prices at or near 2022 levels

Inflation well below 2022 levels



Sources: EIA, World Bank, FAO, OECD, IMF, Eurostat, BLS, ONS. 2026 figures to Sep/Oct 2026.

arguing that easing restrictions provides Moscow with additional commercial opportunities while Russia is at war with Ukraine. The concern is not simply that Russia may earn more money. It is that Washington is demonstrating a willingness to relax economic pressure without securing a clearly defined concession from the Kremlin.

The Trump administration may argue that practical cooperation with Moscow is justified by the need to lower fuel costs. But practical diplomacy should be measured by results. If prices remain high while Russia gains greater access to international markets, the agreement will have delivered a strategic benefit to Russia without resolving Trump's immediate problem.

Energy security is not a presidential announcement

The diesel deal also exposes the limitations of Trump's broader approach to energy security. The United States is a major energy producer, but domestic production does not insulate American consumers from international price shocks. Petroleum products move through interconnected markets, and disruptions in one region can affect prices elsewhere. Refining capacity, transportation infrastructure, inventories, and the composition of available supplies all influence what consumers ultimately pay.

Diesel is particularly important because it powers much of the freight, agricultural, and industrial economy. Higher prices increase operating costs for truckers, farmers, construction companies, and manufacturers. Those costs can eventually be passed on to consumers through higher prices for food and other goods. The administration's agreement addresses only one part of this chain: the availability of additional fuel.

It does not guarantee that refineries and distributors will be able to deliver it efficiently, that transport costs will fall, or that retailers will reduce prices substantially. The White House could pursue a broader strategy that combines diplomatic efforts to reduce regional tensions, contingency planning for supply disruptions, and measures to strengthen domestic refining and distribution. Instead, it has placed considerable political emphasis on a deal whose impact depends on market forces beyond the president's direct control.

This is the difference between managing a temporary shortage and building durable energy security. The former may buy time. The latter requires planning, investment, and a foreign policy that accounts for the economic consequences of military action.

A political fix for an economic crisis

Timing matters. The agreement was announced less than a month before the November 3 congressional midterm elections, when rising living costs have become a political concern for Trump and his Republican allies. Reuters reported that the administration was seeking to bring down diesel prices ahead of the vote. That context helps explain the appeal of a highly



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