

FUNDING BOTH SIDES

The United States is simultaneously bombing Iran and lifting sanctions on Iranian oil. Treasury Secretary Bessent calls it “using their barrels against them.” Critics call it funding a war against yourself. The 140-million-barrel waiver buys 10–14 days of price relief and hands Tehran \$14 billion. Here’s what it means.

”The U.S. is funding a war against itself.”

--- Danny Citrinowicz, Institute for National Security Studies, March 2026

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EXECUTIVE SUMMARY

On March 20, 2026, the Treasury Department issued a 30-day sanctions waiver allowing the purchase of 140 million barrels of Iranian crude oil sitting on tankers at sea. This was the third time in two weeks the administration waived sanctions on adversary oil. The context: the United States is in its fourth week of active military operations against Iran. Brent crude is at \$112. American families are paying \$300 million more per day in gas costs. The administration's own maximum-pressure sanctions doctrine—the centerpiece of Trump's Iran strategy since 2017—is now the thing being dismantled to manage the economic fallout of its own war.

The paradox is not subtle. Treasury Secretary Bessent frames it as “using the Iranian barrels against Tehran.” Sen. Blumenthal calls it “sickeningly, shamefully stupid.” The Atlantic Council's Victoria Taylor says it is “unfathomable.” At current prices, the waiver hands Tehran roughly \$14 billion in revenue—while US and Israeli bombs fall on Iranian infrastructure.

- **140M barrels** of Iranian oil unsanctioned (30-day window through April 19)
- **\$14 billion** approximate revenue to Tehran at current prices
- **1.5 days** of global consumption—that's all 140M barrels covers
- **3rd waiver in 2 weeks:** Russia (130M bbl), Venezuela, now Iran
- Brent crude: **\$112/bbl**; US gas avg: **\$3.91**; up **93 cents** in 3 weeks
- Bessent projects **10–14 days** of price relief from the waiver
- GasBuddy analyst: price impact will be “**pennies or tenths of a penny**”
- Saudi officials project crude could hit **\$180/bbl** if disruptions last through April



TRUMP 2016: ``OBAMA SENT PALLETS OF CASH TO IRAN''
TRUMP 2026: UNSANCTIONS \$14B IN IRANIAN
OIL

Maximum pressure has left the chat

THE PARADOX

The contradiction operates on three levels.

Level 1: You Can't Bomb and Buy From the Same Country

The simplest version. Operation Epic Fury has struck Iranian military sites, assassinated Supreme Leader Khamenei, and targeted critical infrastructure including Kharg Island (Iran's primary oil export terminal). Simultaneously, the Treasury Department is encouraging global buyers to purchase Iranian oil. The administration argues this oil "was going to be sold to China anyway"—but the waiver explicitly opens it to US allies, broadening Iran's customer base.

Danny Citrinowicz of the Institute for National Security Studies distills it: "The US is funding a war against itself." Every barrel sold generates revenue for a regime the US is actively trying to destroy.



Level 2: Maximum Pressure Eating Itself

Trump built his Iran brand on maximum pressure—sanctions so severe they would force regime collapse or capitulation. He tore up the JCPOA in 2018 specifically because it provided sanctions relief. He mocked Obama’s “pallets of cash.” Eight years later, Trump is providing sanctions relief to the same regime, at a scale that dwarfs the \$1.7 billion Obama unfroze.

The Atlantic Council’s Victoria Taylor: “Across multiple Republican and Democratic administrations, our policy has been to find additional ways to prevent the sale of Iranian oil. This is unfathomable to me—to be simultaneously at war with Iran and waiving sanctions on Iran.”

MAXIMUM PRESSURE
MAXIMUM CONFUSED

When your own sanctions become the thing you need to undo

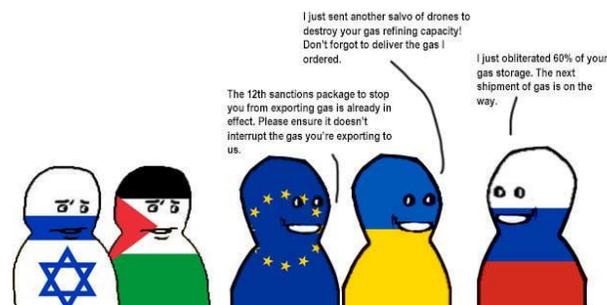
Level 3: The Hormuz Trap

Iran’s real weapon was never nuclear—it was geographic. By closing the Strait of Hormuz, Iran imposed costs on the US that are unsustainable. The sanctions waiver is a tacit admission that Iran’s economic leverage over the US is real, persistent, and cannot be bombed away.

The waiver also reveals the limits of the administration’s energy toolkit. In three weeks, they have:

1. Released 172M barrels from the Strategic Petroleum Reserve
2. Waived sanctions on Russian oil (130M barrels)
3. Waived sanctions on Venezuelan oil
4. Waived sanctions on Iranian oil (140M barrels)
5. Invoked the Jones Act waiver for domestic shipping

And oil is still above \$110. Patrick De Haan of GasBuddy: “It’s kind of like trying to replace a water main with a straw.”



WHO BENEFITS, WHO PAYS

Iran Gets Paid

At current Brent prices (\$112/bbl), 140 million barrels = roughly \$14 billion. Even at a discount, it’s billions. Bessent claims Iran “will have difficulty accessing any revenue” due to financial system restrictions. Analysts are skeptical—Iran has a decade of experience in sanctions evasion via shadow banking, cryptocurrency, and intermediaries. The IRGC-linked entities that dominate Iran’s informal economy were, paradoxically, *strengthened* by previous rounds of sanctions.

China Wins Either Way

China was already buying most of this oil through sanctions-evading channels. The waiver lets US allies buy it too—but China simply gets a cleaner purchase path and potentially better pricing. Energy Secretary Chris Wright confirmed: supplies could reach Asia within three or four days.

US Consumers Get Almost Nothing

GasBuddy's De Haan: "The release won't have much impact at all." Oil analyst Bob McNally: "We're talking slowing the ascent of pump prices by pennies or tenths of a penny." The 140M barrels represent 1.5 days of global consumption. In a market short 20 million barrels per day from Hormuz alone, it's noise.

American families are still paying \$300 million more per day in gas costs than they were a month ago. The waiver doesn't fix that.



140 MILLION BARRELS SOUNDS LIKE A LOT
IT'S 1.5 DAYS OF GLOBAL CONSUMPTION

``Replacing a water main with a straw'' --- GasBuddy

THE CREDIBILITY PROBLEM

The geopolitical damage may outlast the war.

For allies: The US sanctions regime has been the primary tool of economic statecraft for decades. Allies comply with sanctions at real cost to their own economies. When the sanctioning power itself waives its own sanctions under pressure, it signals that sanctions are *negotiable under duress*. Every future sanctions regime—against Russia, China, North Korea—now carries an asterisk.

For adversaries: The waiver teaches a clear lesson. If you can impose enough economic pain on the US, it will lift its own restrictions. Iran’s Hormuz strategy—which many Western analysts dismissed as “mutually assured economic destruction”—just produced a \$14 billion payday *during an active war*. On March 21, Iran fired intermediate-range ballistic missiles at Diego Garcia, a US-UK base 2,500 miles from Tehran—revealing capability far beyond what Western intelligence had assessed. The country being paid \$14 billion just demonstrated it can strike the Indian Ocean. That’s a playbook other adversaries will study.

For nuclear proliferation: The war itself sends the message that non-nuclear states are vulnerable to regime change. The sanctions waiver adds a second message: even maximum economic pressure has an expiration date. The same week the waiver was issued, Israel struck South Pars—the world’s largest natural gas field—while the US unsanctioned the oil it produces. Countries considering nuclear programs now see the stick (you get bombed), the limit of the stick (but you also get paid), and the absurdity (both at the same time).

Sen. Andy Kim (D-NJ): “Trump is actively putting more money into the pockets of Putin and the Iranian regime, but taking away money from American families with higher gas and grocery prices.”



**SANCTIONS ARE THE CORNERSTONE OF US ECONOMIC POWER
UNLESS GAS HITS \$4**

The price of American credibility, apparently, is about a dollar a gallon

SCENARIOS

These scenarios focus on the sanctions waiver’s trajectory and its downstream effects. For broader war scenarios, see GP-RPT-2026-011.

Scenario	Prob.	What Happens
Waiver Expires, Not Renewed (April 19 hard stop)	20%	Oil spikes again. Administration forced to either renew (more hypocrisy) or find other supply. Gas rises toward \$5+.
Waiver Extended and Expanded (becomes de facto permanent)	35%	Maximum pressure doctrine formally dead. Iranian oil flows freely. Allies lose confidence in future US sanctions regimes. Oil drops \$5–8 but structural Hormuz shortage persists.
Waiver as Negotiating Lever (tied to ceasefire talks)	20%	Bessent structured this as a 30-day window deliberately. Oil access becomes a carrot in negotiations. If ceasefire holds, sanctions reimpose cleanly. Best case for credibility. Weakened by Trump’s March 21 statement: “not interested in a ceasefire.”
Iran Refuses to Sell (denies surplus)	10%	Iran already stated March 21: “no oil surplus to offer.” If Iran blocks sales, the waiver is meaningless theater. Oil stays above \$110.
Escalation Renders It Moot (wider conflict)	15%	South Pars struck, Ras Laffan destroyed, Diego Garcia targeted. Iran firing IRBMs at 2,500-mile range. \$150+ crude. The waiver becomes a footnote.

Oil headed to the moon Meme



Photographer: James MacDonald/Bloomberg

Markets

Biden Orders Release of U.S. Oil Reserves in Challenge to OPEC+



WHAT YOU CAN DO

1. **Don't count on the waiver for relief:** 10–14 days, pennies per gallon. Budget for \$4–5 gas through summer.
2. **Watch April 19:** The waiver expiration date. If it's not renewed, expect another price spike. Fill up before that date.
3. **Track the USDA report (March 31):** Prospective Plantings locks in crop acreage. If the corn-to-soy shift is as bad as projected, food prices follow in 3–6 months.
4. **Call your reps on war authorization:** Eight congressional votes to require authorization have failed. Durbin (312-353-4952), Duckworth (312-886-3506). The war has no congressional authorization.
5. **Follow the money:** The waiver hands Iran \$14B while US families pay \$300M/day more for gas. Ask your representatives who this policy serves.
6. **Diversify energy exposure:** If you can, lock in heating/utility rates. Explore transit alternatives. CTA 30-day pass (\$75) beats two fill-ups.
7. **Read the fine print:** The waiver covers oil “loaded onto vessels” by March 20. New Iranian production is still sanctioned. The distinction matters for market expectations.

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