

What's Behind Iran's Piracy in the Persian Gulf over an Unresolved Cargo Claim?



Source: SeongJoon Cho/Bloomberg News

Tuesday, April 28, 2015, Iran's Revolutionary Guard's Corps (IRGC) naval patrol boats fired warning shots across the bow of the *Maersk Tigris* container vessel, hailed the vessel's master ultimately boarding and diverting it into Iranian waters. The *Tigris* was boarded by IRGC troops while it transited the Strait of Hormuz en route to Jebel Ali in the United Arab Emirates (UAE) from Jeddah in Saudi Arabia. The vessel's master got off a distress call alerting Fifth Fleet command in Bahrain which dispatched the *USS Farragut*, a destroyer, to the vicinity of the boarding by IRGC naval troops. *The Farragut* is presently in international waters in the monitoring possibly movement of the *Maersk Tigris*. The seizure of the *Maersk Tigris* was the second such incident in less than a week. Last Friday, Iranian navy vessels surrounded another Maersk container ship, the *Kensington*, flying a US Flag and then departed, perhaps a trial run for Tuesday's seizure of the *Maersk Tigris*.



M/V Maersk Tigris
M/V Maersk Kensington

The *Maersk Tigris* box ship is a Marshall Islands republic registered 5,470-teu container vessel. The *Maersk Tigris* crew

of 35 is largely composed of Eastern Europeans , south Asians and one Briton. According to the Islamic Republic's Ports and Maritime Organization the *Maersk Tigris* seizure by the IRGC was court ordered because of an alleged old cargo civil claims dispute.

Marie Harf, Department of State press spokesperson, in response to a question at Wednesday's press briefing, [indicated](#) that the Maersk was presently anchored off the northeast coast of Larak Island, Iran. The Marshall Islands Embassy in Washington issued a statement saying that under a treaty with the US, the latter ensures the safety and security of the tiny Pacific island group. Ms. Harf in further clarification [said](#), "Under the U.S.-Republic of Marshall Islands Compact of Free Association, the U.S. has full authority and responsibility for security and defense matters in or relating to the Marshall Islands, including matters relating to vessels flying their flag." The Marshall Islands has apparently requested assistance from the US under the authority of the Compact, which raised the question of possible military assistance. However, Ms. Harf indicated that the Administration would prefer to have the matter "settled peacefully."

The Islamic Regime has used hostage taking for political gain since its inception with the US Embassy takeover in 1979 and later seizure of Royal Marines in the Shat -al Arab waterway in 2007 during the Iraq War. The current *Maersk Tigris* episode looks eerily familiar; recall the Somali Pirate seizure of the *Maersk Alabama* in 2009.

[Watch](#) this Wall Street Journal video report with columnist Bret Stephens discussing "The Pirates of Tehran" seizure of the *Maersk Tigris*:

The *Maersk Tigris* went into service in 2014 and is owned by

New York-based private equity, Oaktree Capital Management, LLC (NYSE-OAK), a major investor in ocean specialized shipping.

The *Maersk Tigris* is managed by Rickmers Shipmanagement, the Singaporean subsidiary of the Rickmers Group of Hamburg. AP Moeller Maersk A/S (Maersk. B CSE), headquartered in Copenhagen, Denmark, the charterer, operates the largest container vessel fleet in the world. Maersk has asked both Rickmers and the Danish Foreign Ministry to undertake suitable inquiries with the Iranian government.

Thursday, Maersk clarified the nature of the Iranian cargo dispute. *The New York Times* [reported](#):

Stopping a cargo ship at gunpoint to resolve a legal claim, however, is highly unusual. Maersk officials said in a statement on Thursday that the ship had been stopped because of a dispute over 10 containers that were shipped from Iran to the [United Arab Emirates](#) in 2005. The 10 containers, which were sent by an Iranian company, were never picked up. After 90 days, “the cargo was disposed of” by local government authorities in line with local law, Maersk said.

The disposal of the crates led to court battles in several Iranian courts since then. Maersk said that on Feb 18, one court ordered Maersk to pay \$163,000, which the company said it was willing to pay. But Maersk said it was told Thursday that a higher court had ordered it to pay \$3.6 million.

“As we do not have the details of the ruling, we are not able to comment hereon, nor at this point speculate on our options,” the company said.

The Iran port agency’s statement identified the Iranian company that sued Maersk as the Pars Talae Oil Production Company. The statement said the agency had been notified

of the verdict in the court case and that it “was implemented by the operational forces.”

The reaction in Washington was muted, perhaps, because, the Obama Administration doesn't want any extraneous disturbances that might jeopardize the intricate negotiations with Iran in the P5+1 negotiations headed for a possible June 30 deadline for reaching a final agreement. These moves by Iran in the Persian Gulf are where 30 percent of the world's oil deliveries exit the Strait of Hormus daily look like piratical behavior. Iran says it respects freedom of navigation in this major world oil chokepoint. The risk of a possible closure of the Straits of Hormuz was partially alleviated by the [completion](#) of the \$3.3 Billion Abu Dubai Oil Pipeline by the UAE in August 2012. The 290 kilometer long pipeline on the Southern littoral of Persian Gulf connects with a terminal at Fujairah on the Arabian Sea. The pipeline has flow capacity of 1.8 million barrels per day.

Last week Iran tried to breach a blockade by US Naval vessels positioned in the Gulf of Aden at the head of another major chokepoint, the entry to the Suez Canal through which major cargo and oil deliveries pass daily. The Iranian flotilla was endeavoring to supply rebel Houthi forces in war torn Yemen.



The Gulf of Aden has also been the previous venue of Somali pirates who have been engaged in seizing foreign commercial vessels for ransom. Maersk had a major seizure of the Maersk Alabama by Somali Pirates in April 2009-the so-called [“Captain Harris affair.”](#) That episode ended when snipers of the US Navy Seal Team Six snipers aboard the *USS Bainbridge* rescued Harris killing three of the young Somali pirates who seized it, arresting the surviving fourth pirate. He was subsequently flown to New York for arraignment and a subsequent trial where he was convicted and sentenced to 33 years for his actions. An international maritime patrol and

private security arrangements of ship operators and crew have greatly reduced those occurrences in the Indian Ocean and the Gulf of Aden until now.

The [game of chicken](#) played out in the Gulf of Aden last week occurred when the USS Theodore Roosevelt, a carrier, accompanied by a guided missile cruiser, the USS Normandy, steamed out from the Fifth Fleet port in Bahrain through the Straits and into the Arabian Sea bolstering the seven other US Navy ships positioned there. That led to a faceoff against the Iranian flotilla composed of seven cargo vessels accompanied by two Iranian navy frigates. The Iranian flotilla was ordered to return to a position off the Straits.

There were threats by Iran to close the Straits in late 2011 during a naval missile exercise in protest to oil sanctions imposed against the Iranian nuclear program. In July 2012 there was the launch of Shahab missiles on the anniversary of the shoot down of Iran Air Flight 655 by a missile fired in error by the USS Vincennes on July 3, 1988. All 290 passengers and crew were killed. The episode occurred at the end of the Tanker War that occurred near the end of the Iran-Iraq war. We [wrote](#) about the December 2011 event:

Does this read like a possible repeat of the tanker wars of 1987-1988 that took place in the final throes of the Iran-Iraq War? In December 1986, the Kuwait government petitioned the Reagan Administration about protection of its tankers against Iranian threats; the vessels were re-flagged and granted American protection. Thus began Operation Earnest Will, the largest convoy operations since WWII. US Navy forces were successful in keeping the oil flowing through the Straits of Hormus. US Navy Seal teams were dispatched to destroy Iranian oil platforms in retribution for attacks on US flagged vessels. During the campaign, the Islamic Republic Navy used small boats to harass US flagged vessels and fired Chinese anti-ship Silk Worm missiles against US flagged tankers, injuring crews.

Could that happen again? Assuming the Obama Administration wanted to avoid a casus belli by the Islamic Republic against the Arab oil producers from Iraq, Kuwait, the Emirates and Saudi Arabia. . . the US Navy could “line the straits’ with combat vessels. Further the US could conduct intensive aerial patrols from the Carrier Task Force positioned there. The Fifth fleet also has missile boats, presumably equipped with both conventional and nuclear missiles. Not unlike the Tanker War of the late 1980’s, there would be Seal and Small Boat Teams and night stalker helicopters available for special operations. However, given the Islamic Republic’s nuclear and missile programs, there could be other types of missions launched.

Iran is using any pretext like the seizure of the *Maersk Tigris* to provoke an international crisis. This raises concerns about its duplicity and aims in the multiple dimension chess games destabilizing the Middle East region and potentially world commerce in both the oil and shipping markets. Unlike the 2009 rescue of the *Maersk Alabama*, the Administration is caught in a predicament of its own making; pursuing the completion of the P5+1 nuclear agreement with Iran while “managing” the roiling proxy war between Iran and ‘ally’ Saudi Arabia in Yemen. Maersk paying off an inflated \$3.4 million for a hoary cargo dispute claim by Iran to release the vessels from the piratical hands of IRGC must appear to be a cheap solution to the Administration. Problem is Iran could arbitrarily raise the stakes triggering a possible war over freedom of navigation and flow of oil to the worlds markets, thereby spiking prices. Perhaps the reason for doing this. Stay tuned for developments.