U.S. and Iran vie for control of Strait of Hormuz

The U.S. is reinstating its naval blockade of Iranian ports and intends to impose a 20% "safety and security" toll for all other cargo passing through the Strait of Hormuz – a practical, legal and diplomatic minefield

PROPOSED SERVICE/SECURITY CHARGES

Iran
Initial proposal

$1-2 million

Reduced to:

$100,000-200,000

Both proposals contravene international maritime law according to IMO

U.S.
Blockade of all ships using ports in Iran, others transiting to pay toll

Per ship

20% toll
Fully-laden oil tanker could pay
$16-32 million

TRAFFIC SEPARATION SCHEME (TSS)

1 **1968 TSS**

2 **Iranian-asserted TSS**
Iranian-controlled route through Strait

3 **Southern Traffic Separation Scheme**
U.S.-backed, not recognised by Iran

Bandar Abbas

Hormuz

Larak

Qeshm

IRAN

PERSIAN GULF

UAE

OMAN

Abu Musa

Disputed waters between Iran and UAE, occupied by Iran

Territorial waters – 12 nautical miles

IRGC naval bases

IRAN
OMAN

Claimed maritime borders

Memorandum of Understanding calls for toll-free transit, with Iran ensuring safe passage

Sources: Reuters, Bloomberg, ISW

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