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Newsroom

Guttoff on Kurd-Iraq Oil Dispute

Bloomberg News spoke to Professor Jonathan Guttoff about a Kurdish oil tanker stuck in legal limbo off the Texas coast, during a protracted fight with Iraq over profits.

From Bloomberg News: "[Tanker of Kurdish Oil in Legal Fight Remains Off Texas](#)," by Harry R. Weber and Laurel Brubaker Calkins



Aug 29, 2014: A tanker carrying 1 million barrels of disputed Kurdish oil remains off Texas, according to the vessel's operator.

The United Kalavryta, which left Ceyhan, Turkey, on June 23 and arrived off the coast of Galveston July 26, couldn't be detected earlier this week, with no updates from the tanker's Automated Identification System's transponder from early Aug. 26 until today.

The tanker is caught up in a protracted legal fight in Iraq over rights to Kurdish oil production and billions of dollars in overdue payments claimed by the Kurds. [...]

Jonathan Guttoff, who teaches maritime and piracy law at Roger Williams University School of Law in Rhode Island, said the Iraqis still have several legal options to try to block the Kurds from selling oil in the U.S.



While other federal judges will likely respect the Houston judge's decision and refuse to issue seizure orders on Kurdish crude in tankers approaching any U.S. port, the Iraqis can still take their case to state courts, **he said**.

Once Kurdish crude enters state waters or comes ashore, **Guttoff said**, the Iraqi Oil Ministry can ask a state judge to seize it and determine ownership under state laws governing stolen property. If the parties request it, that judge can even use Iraqi constitutional law to decide the dispute.

"Houston judges are more than capable of doing that," **Guttoff said**, given the enormous volume of international trade that ships through Houston, the largest U.S. port by foreign tonnage. "They do it using Mexican law all the time," and any judge who finds the oil is stolen property "has the power to award it to the rightful owners," he said.

As a result, any crude buyer or company that contracts to offload the tanker will require a KRG indemnity reimbursing all legal defense costs if they get sued. Without that protection, **Guttoff said**, "who would want to take that risk?"

For full story, click [here](http://www.bloomberg.com/news/2014-08-29/tanker-of-kurdish-oil-in-legal-fight-remains-off-texas.html). [http://www.bloomberg.com/news/2014-08-29/tanker-of-kurdish-oil-in-legal-fight-remains-off-texas.html]