

U.S. Navy steps up fuel deliveries to Gulf forces

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By Stefano Ambrogi

LONDON, Nov 23 (Reuters) - The U.S. military has stepped up chartering of tankers and requests for extra fuel in the U.S. Central Command area, which includes the Gulf, shipping and oil industry sources say.

A Gulf oil industry source said the charters suggested there would be high naval activity, possibly including a demonstration to Iran that the U.S. Navy will protect the Strait of Hormuz oil shipping route during tensions over Tehran's nuclear programme.

The U.S. Navy's Military Sealift Command (MSC) has tendered for four tankers in November to move at least one million barrels of jet and ship fuel between Gulf ports, from Asia to the Gulf and to the Diego Garcia base, tenders seen by Reuters show.

It usually tenders for one or two tankers a month to supply Gulf operations, which include missions in Iraq.

The MSC, asked for comment, confirmed the tenders and said there was nothing abnormal about current requirements in the Gulf, where it has a large military presence and which is home to the U.S. Navy's Fifth Fleet.

A fifth hire request was recently cancelled, it said.

Fuels specified to be moved between Gulf ports include JP5, high flashpoint jet fuel, used to power F18 fighters aboard aircraft carriers.

"They have been very active," said a ship industry source, familiar with the MSC tender process, who asked not to be named.

"Out of the multiple charter requirements they issue, they usually do maybe one or two (tankers) a month in the Gulf. They were quiet over the summer months," he said.

MORE ACTIVITY

The U.S. regularly carries out naval exercises in the region, moving aircraft carrier strike groups in and out of the Gulf to counter what it says are provocative military manoeuvres by Iran in the Strait of Hormuz and to reassure its Gulf allies.

Iran, which denies Western charges that its nuclear power programme aims to produce arms, has threatened to disrupt oil flows through the Strait if attacked.

According to U.S. figures, oil flowing through the Strait, at the entrance to the Gulf along Iran's coastline, accounts for roughly 40 percent of all globally traded oil supplies.

Only last week the navy conducted an exercise to counter potential mine-laying by an unnamed foe in Gulf waters. At the same time the Enterprise aircraft carrier strike group concluded a three-day exercise in anti-submarine warfare skills.

The source in the Gulf, with 50 years of experience in the oil industry, said the charters were indicative of extra U.S. military requirements for fuels.

"Bahrain, for example, has confirmed that there are additional volumes being requested by the U.S. Defense Energy Support Center, including JP5," the Gulf source said, speaking on condition of anonymity.

One of the largest commercial tanker hires is on a time-charter basis, the length of time a ship is sought, stipulating a period of 90 days to carry a range of fuels between locations in the Gulf and the Gulf of Oman.

The time charter, which begins in early December and allows for multiple journeys in Gulf waters, is to carry a minimum

of 310,000 barrels of jet and marine fuel, some of it JP5.

"What's most interesting is the time-charter in the Gulf. It's a big ship and here we have a commitment for a lot of movement of fuels, backwards and forwards down to the Strait of Hormuz and the Gulf of Oman," the Gulf source said.

"This confirms there is going to be a lot of activity, possibly a serious demonstration to Iran that the military means to protect the Hormuz Strait," he said.

He pointed out that Saudi Arabia had already promised U.S. forces long-term fuel supplies this year, known as term tenders.

In February, oil industry sources told Reuters Riyadh had raised the amount of jet fuel earmarked for the military from 1.5 million barrels last year to close to eight million in 2007.

FUEL CHARTERS

Apart from the time charter, MSC has also tendered for commercial tankers to move 235,000 barrels of marine diesel from South Korea to Jebel Ali and Fujairah in the United Arab Emirates and 310,000 barrels of JA1 jet fuel from Bahrain to Mesaieed in Qatar. Both tankers are required in November.

A separate requirement is for a tanker to move 147,000 barrels of ship fuel from Singapore to Diego Garcia in the Indian Ocean, close to the Gulf and Arabian Sea.

MSC has ships stationed there, known as Maritime Prepositioning Squadron Two, used to support combat operations.

In the past the United States has used the British Indian Ocean territory for long-range bombing raids on Iraq and Afghanistan. Fuel movements have provided advance clues of U.S. intentions.

MSC, the defense department's transport arm, supplies U.S. forces with its own large fleet of ships, but significantly increases the use of merchant shipping to carry armour and fuels prior to a major exercise and during a war. (Editing by Anthony Barker)

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