

International Seabed Authority

Press Release



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ISA COUNCIL BEGINS SUBSTANTIVE WORK OF 14TH SESSION; REVIEWS PROPOSALS ON DRAFT SULPHIDES REGULATIONS

A document featuring outstanding issues with respect to the draft regulations on prospecting and exploration for polymetallic sulphides in the international seabed Area beyond nation jurisdiction was the focus of deliberations in the Council of the International Seabed Authority as it began its substantive work of the Authority's fourteenth session in Kingston today.

Prepared and presented by the Secretariat, the document (ISBA/14/C/4) sets out a background to the progress on negotiations on the regulations to date, including a chronology of the development of the draft. It identifies core outstanding issues that need to be addressed before the draft can be finalized and offered recommendations and possible revisions to relevant provisions in the draft.

The Council began its meeting with the nomination, by Fiji, and election of Japan to represent the Asian group as a vice-president for 2008. The Czech Republic, Honduras and Kenya were elected on Monday.

In other matters, Sandor Mulsow Flores (Chile), Chairman of the Legal and Technical Commission, said it was continuing its examination of applications from two entities for the approval of a plan of work for exploration of polymetallic nodules in the international seabed Area. The Council will later consider the Commission's recommendations on the applications by Nauru Ocean Resources Inc., and Tongan Offshore Mining Limited. Representatives of the sponsoring states, Nauru and Tonga, respectively, emphasized the importance of the applications to their nations' development.

The Secretariat addressed the formula for determining the size of the exploration area, the introduction of a progressive fee system for exploration, and the schedule of relinquishment. The Council had agreed at the thirteenth session that these key issues, and pending draft regulations 1(3), 12, 16, 19(2)(a), 21, 24(2), 27, 28(2), 33(2), 35, 36(2) and (3), and 38, together with a proposal to insert a review clause, would be considered at this session.

On Regulation 12 (total area covered by the application), the Secretariat recommended an amendment to stipulate that the area covered by each application be comprised of not more than 100 polymetallic sulphide blocks, arranged by the applicant in at least five clusters, with each cluster containing at least five contiguous blocks.

Regarding Regulation 21 (fee for applications), the Secretariat offered two options: a fixed fee of 500,000 United States dollars or its equivalent payable when the application is being submitted; or a fixed fee of 50,000 United States dollars payable with the application, plus a progressive annual fee which would be reviewed by the Council from time to time. The advantage of a progressive fee system, the Secretariat said, is to assist contractors with due diligence in their exploration work.

On size of area and relinquishment, covered in Regulation 27, the Secretariat recommended wording that the area need not be contiguous and “shall be defined by the contractor in the form of sub-blocks comprising one or more cells of a grid as provided by the Authority”. It also proposed that contractors be allowed to relinquish part of the area allocated to it in advance of the schedule set out in other parts of the regulation. The Secretariat said with such allowance the contractor would have the opportunity to relinquish an area in advance of a set date in order to save on fees.

The proposed Regulation 44 (review clause) would review the manner in which the regulations had operated in practice five years following their approval by the Assembly. The Council would have the right to revise any provisions of the Regulations, without prejudice to the rights conferred on any contractor with the Authority. The contractors may at any time request the Council to consider revisions to these regulations if new scientific information or technologies render the regulations inadequate to enable the contractor to undertake exploration work.

Liesbeth Lijnzaad (The Netherlands), President of the Council, underscored the importance of continued deliberations on the key issues outlined in the Secretariat’s document. The Secretary-General, Satya N. Nandan had earlier informed members of the Council of one delegation’s expressed concern that it might not yet be ready to adopt the draft regulations.

In the discussions that followed, China said the Council was at a critical crossroad in its deliberations on the draft regulations on polymetallic sulphides. He said there was insufficient information on the minerals which made it difficult for the Council to proceed. China, supported by India, asked the Council to consider some new scientific findings by Chinese researchers before proceeding to adopt regulations. Argentina, Brazil, Canada, Jamaica, Mexico, Spain and Trinidad & Tobago, agreed on the need to proceed with consideration of the draft in light of the

recommendations proposed by the Secretariat. These delegations welcomed the proposed review clause that had been drafted by the Secretariat as a means of ensuring that the most advanced scientific knowledge could be incorporated into the regulations at a later date.

Kenya, Namibia, the Netherlands and South Africa all agreed with this position. They would welcome any new scientific information that could be gained from the Chinese researchers, but reiterated the need to move forward with the consideration of the regulations.

In response to a query from Spain, the Secretary-General noted that it was possible to deal with applications for exploration and exploitation before the regulations were completed. Under Article 162 of the 1982 United Nations Convention on the Law of the Sea, and Section 1, paragraph 15 of the 1994 Agreement relating to the implementation of the Part XI (seabed provisions) of the Convention, the Authority must adopt regulations within three years of an application for exploration and within two year of an application for exploitation.

The Council will meet this afternoon to begin its second detailed reading of the regulations for polymetallic sulphides.

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