

International Seabed Authority

Press Release



**Eighteenth Session
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16 - 27 July 2012**

Council (PM)

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COUNCIL APPROVES FIVE NEW APPLICATIONS FOR EXPLORATION

The workload of the International Seabed Authority is set to increase dramatically with the approval, by its Council in Kingston this afternoon, of five new plans of work for exploration of marine minerals in the deep oceans.

Approval of the plans brings the number of active exploration contracts issued by the Authority to 17, compared to only eight in 2010. The action of the 36-member Council followed the recommendations of the Legal and Technical Commission, the Authority's expert body, in a report presented this morning.

In a debate on the applications, the Council indicated that its decision would contain wording to indicate to contractors that they would be liable to assume costs related to the on-going management of contracts, pursuant to Regulation 30 - Periodic review of the implementation of the plan of work for exploration.

The applicants

The applicants are listed below in the order they were received by the Legal and Technical Commission):

- a. Government of the Republic of Korea (submitted 21 May 2012)
- b. Institut français de recherche pour l'exploitation de la mer (IFREMER) (submitted 23 May 2012)
- c. UK Seabed Resources Ltd. (submitted 23 May 2012)
- d. Marawa Research and Exploration Ltd (submitted 30 May 2012)
- e. G-TEC Minerals Resources NV (submitted 31 May 2012)

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The report and recommendations of the Commission to the Council relating to each of the applications for plans of work for exploitation are contained in documents ISBA/18/C/15-19.

The Republic of Korea and IFREMER submitted applications to explore for polymetallic sulphides while UK Seabed Resources Ltd, Marawa Research and Exploration Ltd and G-TEC Sea Minerals Resources NV from Belgium, applied for approval for the exploration of polymetallic nodules.

Discussions on the applicants

The Netherlands had some queries with regard to the application of the Republic of Korea. Since this applicant had a previous contract with the Authority to explore for nodules, the representative wanted to know whether all obligations under that contract had been satisfied. Canada and Cameroon echoed this concern. In response, the representative of the Republic of Korea affirmed that it had been fulfilling all its obligations very assiduously. He added that his country was in the process of developing deep sea mining legislation and that it would be working with the Authority to formulate a suitable training programme in accordance with regulation 27 and section 8 of annex 4 to the Regulations.

Action on the applications was delayed by a lengthy debate on the issue of ongoing costs incurred by the Authority to review the work of contractors and whether the decision to approve the plans of work should contain an indication to contractors that they may be required to make contributions to cover these costs.

Brazil maintained that, while new rules could not be applied retroactively, new contractors should be given a “heads-up.” Nigeria agreed that there was a need to be proactive and to put applicants on notice that there would be changes to meet anticipated costs of reviews in the future. Mexico supported this position.

Japan, however, supported by China, the Russian Federation and the United Kingdom, said that the current applications must be dealt with in according with the sulphides regulations which were in effect at the time of application. After approving these applications, the issue of cost-covering could be addressed in a systematic way. Jamaica suggested that the Council proceed to consider and approve the applications but noted that the issue of costs should be addressed with urgency.

In response to requests from several members, the Legal Counsel took the floor to address the issue of the applicability of new rules to contractors which were about to be approved. He referred to Section 24 of the standard clauses of contracts for exploration, which he suggested would facilitate the application of rules and regulations adopted in the future.

The text reads as follows:

Section 24
Revision

24.1 When circumstances have arisen or are likely to arise which, in the opinion of the Authority or the Contractor would render this contract inequitable or make it impracticable or impossible to achieve the objectives set out in this contract or in Part XI of the Convention or the Agreement, the parties shall enter into negotiations to revise it accordingly.

24.2 This contract may also be revised by agreement between the Contractor and the Authority to facilitate the application of any rules, regulations and procedures adopted by the Authority subsequent to the entry into force of this contract.

The Council then approved the application of the Republic of Korea and continued to consider the remaining applications.

In response to queries about the application of IFREMER from several members, including The Netherlands and Brazil, the representative of France pointed out that IFREMER had met all its obligations under its previous contract with the Authority. He said that his country was in the process of drafting new legislation to be applied in the area beyond national jurisdiction as domestic legislation was already in place. He further noted that IFREMER had shown its commitment to training and that scientists had already benefitted.

With regard to the application of UK Seabed Resources Ltd, Australia commended the applicant on the strong environmental focus of its application. Brazil noted UK's experience in seabed mining, while Mexico said it found the report well-structured but wanted to hear more about the planned training programme.

In a statement to the Council, the Hon. Tinian Reiher, Minister of Fisheries and Marine Resources Development in the Republic of Kiribati, declared that Marawa Research and Exploration Ltd. was a State-owned enterprise created for the specific purpose of carrying out deep sea polymetallic nodules exploration. Polymetallic nodules were first discovered in the waters of Kiribati during the 1960s and the country's interest in the resource had been reflected in its national development plans since the 1980s.

The Minister pointed out that parts of the reserved area were situated only 80 nautical miles from Kiribati's exclusive economic zone boundary, and that the polymetallic nodule belt in its national waters was an extension of the deposit found in the Clarion-Clipperton Zone. Kiribati has had regulatory frameworks for the protection of the marine environment since 1999. He pointed to the country's commitment to the sustainability of marine resources evidenced by the creation of one of the world's largest marine protected areas, encompassing over 400,000 square kilometres, despite the anticipated loss of revenue which would have been received from licensing fees for tuna fishing.

Australia said it fully supported the application of Marawa Research and Exploration Ltd and noted that Kiribati would become the third Pacific Island state to apply for an exploration licence.

With regard to G-TEC Minerals Resources NV, Argentina expressed concern about paragraph 27 of the Commission's report, in which reference was made to "ambiguity in the information provided by the applicant, general misunderstanding and the applicant not providing clear answers to the Commission's questions" in regard to making available certain data.

Responding, the observer from Belgium explained that the lack of information had been due to a simple error. He added that Belgian contractors had fine-tuned their expertise by working with established companies in the North Seas and that his country was committed to developing proper training programmes.

In response to Brazil's call for more detailed reports to be given by the Legal and Technical Commission on the applications for plans of work, the Commission Chairman explained that the reports adhered to the format set out by the secretariat in ISBA/18/C/5. He assured members that each paragraph had been signed off by consensus in the Commission.

The Council will meet again on Thursday, 26 July to hear the report from the Finance Committee, among other matters.

Tomorrow, the Assembly of the Authority will meet in a special session to observe the thirtieth anniversary of the opening for signature of the 1982 Convention on the Law of the Sea.

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