

# International Seabed Authority

Press Release



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## **ISA COUNCIL BEGINS SUBSTANTIVE WORK ON DRAFT REGULATIONS ON SULPHIDES**

The importance of preserving the resources of the deep seabed as the common heritage of mankind, inadequate knowledge of the size and distribution of sulphide deposits for decision-making, and configuration of areas for exploration, were the main issues covered by the Council of the International Seabed Authority meeting in Kingston this morning.

The 36-member Council elected India and Poland to serve as vice presidents representing the Asian and Eastern European groups, respectively. Members heard a presentation by the Secretariat on the substantive changes introduced in the draft regulations on prospecting and exploration for polymetallic sulphides in the international deep sea Area as the Council began its substantive work on the draft text. A general exchange of views on issues contained in the draft followed.

Secretary-General Satya N. Nandan recalled the Council's decision at its previous session to produce two sets of draft regulations from the original draft regulations on prospecting and exploration for polymetallic sulphides and cobalt-rich ferromanganese crusts in the international seabed Area (ISBA/10/C/WP.1/Rev.1). The revised draft being considered by the Council deals only with polymetallic sulphides. References to cobalt-rich ferromanganese crusts have been deleted.

### **Draft regulations.**

The draft sulphides regulations (ISBA/13/C/WP.1), prepared by the Secretariat, begin with an introduction which includes highlights of the substantive changes, and expert commentary on critical issues related to the deep sea mining of sulphides. It comprises 43 regulations and two Annexes. (Annexes 1 and 2 of the original draft regulations have been omitted).

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Six provisions of the draft regulations are concerned with protection and preservation of the marine environment from activities in the international seabed Area. The main substantive changes introduced into the draft regulations include:

- (a) A new formula for determining the size of the exploration area in regulation 12;
- (b) A progressive fee per block system in regulation 21;
- (c) Revision of the relinquishment schedule in regulation 27;
- (d) Revision of the provisions relating to participation by the Authority in regulations 16 and 19.

Regarding the size of the exploration area, the Secretariat's working group concluded that an appropriate basic unit would be a block 10 kilometers (km) by 10 km for a maximum of 100 contiguous blocks. An optional lower initial application fee, together with an annual fee per block that increases over time has been proposed as an alternative to the single fixed application fee of US\$250,000.

Commentary by former and current members of the Legal and Technical Commission, and other experts, has been included in the background to the draft to assist members of the Council in their deliberations. Expert observations were made on the critical issue concerning configuration of the area to be allocated for exploration and, ultimately, exploitation. The experts felt that while there was inadequate knowledge about the size and distribution of polymetallic sulphide deposits to make definitive decisions, it would be unreasonable to delay contractors' applications for exploration of those resources.

### **General discussion**

Pointing to what it regarded as a number of outstanding issues, China said the Council should proceed with caution as it deliberates on the draft regulations. The representative of China said the critical issues highlighted in the commentary were interrelated and should be resolved in order to preserve the principle of the resources of the deep seabed being the common heritage of mankind. In supporting the views of China, the representative of Brazil proposed a workshop by the Legal and Technical Commission to clarify those points in the draft. India said the issues of the size of the exploration area, the relinquishment schedule, and the fixed application fee needed to be clarified.

Jamaica and South Africa emphasized the importance of making progress on the regulations in view of the possibility that exploration activities might already be taking place in the Area.

Delegations suggested ways to proceed in discussing the draft, and called for consistency in the use of certain terminologies throughout translations.

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Mexico proposed a paragraph by paragraph review as a way to progressively identify and clarify substantive issues. Endorsing the proposal, France further suggested that the Council proceed with debate on other provisions of the draft regulations while it gathered knowledge. Trinidad & Tobago, Viet Nam and New Zealand also supported the proposal, and Argentina called for scientific workshops to review issues related to the size and distribution of sulphides. The Representative of the Dominican Republic called for consistency in detailing the dimensions of the blocks.

### **Secretary-General's comments**

Secretary-General, Satya N. Nandan noted that a number of background documents were available for Council members to achieve a good understanding of the different issues. He emphasized the need for delegations to diligently prepare for Council deliberations by reading the information at their disposal. He reminded members that the consideration of draft regulations on sulphides was not an initiative of the Secretariat, but was duly undertaken at the request of one Council member, as was prescribed by the United Nations Convention on the Law of the Sea.

He noted that the document being considered was not the work of the Secretariat but the product of knowledge emerging from workshops where experts addressed issues raised in the Council. Additionally, he said that the Council had a body of experts at its disposal, namely the Legal and Technical Commission, to which specific questions could be referred for clarification.

The Secretary-General explained that in formulating possible ways to configure clusters of blocks for exploration, the Commission aimed to avoid the possibility of one contractor selecting all the most promising sites. He pointed out that the regulations on sulphides need not follow those adopted for polymetallic nodules since sulphides and crusts were distributed differently in the oceans. A different system for demarcation of exploration areas was necessary, he said.

With regard to the question of variable fees, the Secretary-General noted that it was a common practice on land mining contracts, and that under the Convention the Authority was allowed to raise or vary fees. The fees for the pioneer investors had been established over two decades ago and were no longer in keeping with today's values. As trustees of the common heritage of mankind, the Secretary-General said, the Authority's concern was to ensure that fees established, while being fair to contractors, brought reasonable benefit to mankind.

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