TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28TH SESSION: COUNCIL - PART I

Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to <u>council@isa.org.jm</u>.

1. Name of Working Group:

IWG of the Whole.

2. Name(s) of Delegation(s) making the proposal:

Submitted by Nauru Ocean Resources Inc., Tonga Offshore Mining Ltd and Blue Minerals Jamaica Ltd.

3. Please indicate the relevant provision to which the textual proposal refers.

Draft Reg 27(1).

4. Kindly provide the proposed amendments to the regulation or standard or guideline in the text box below, using the "track changes" function in Microsoft Word. Please only reproduce the parts of the text that are being amended or deleted.

1. Where the requirements of regulation 25 are satisfied and the Contractor has lodged an Environmental Performance Guarantee in accordance with regulation 26, the Contractor, [consistent with Good Industry Practice], shall make [commercially reasonable] [all] efforts to bring the Mining Area into Commercial Production in accordance with the Plan of Work [and Rules of the Authority, consistent with Good industry Practice].

5. Please indicate the rationale for the proposal. [150-word limit]

- We support the proposed amendments to Draft Regulation 27(1) on the condition that "*commercially reasonable efforts*" is reinserted into the regulation.
- We consider that it is not best practice nor viable to obligate a contractor to bring the Mining Area into commercial production in circumstances where it is not commercial reasonable to do so.
- To mandate the commencement of commercial production when it is not commercially reasonable to do so risks viability of the project in its entirety as well as the ability for the contractor to ensure compliance with all other rules, regulations and procedures of the Authority.

• We consider that the proposed amendments clarify that Contractors are obligated to make commercially reasonable efforts to bring the Mining Area into Commercial Production and should be adopted.