

English translation

Feedback on Enaction of the seabed mineral exploitation regulations

LI Yuwei (Ministry of Land and Resources, China)

I used to be the member of the Legal and Technical Commission of the International Seabed Authority from 1996 to 2006. Since then, I have been the consulting expert for COMRA, China Geological Survey and some Chinese mining companies involving in or intending to launch deep ocean mineral exploration and exploitation. In this position, I must frequently use administrative regulations and technical standards issued by the Authority for the purpose of professional consulting concerning seabed mineral exploration and exploitation. So I have a stakeholder identity.

My opinion on the present framework of the regulations of seabed mineral exploitation is as follows.

1. Lack of content of mining rights

A survey of the mining law of all countries in the World shows that the object of application is the mining right rather than a plan of work. Unfortunately, so far I have not seen any substantial provisions concerning application, approval and grant of mining right in the present draft of the regulations.

In consideration of the law regime of the United Convention on the Law of the Sea, I have the following points that combine application and approval of a plan of work , mining right approval

and contract award in the unified legal proceedings.

- **The first step: application, consideration and approval of a plan of work of seabed mineral exploitation. This is in accordance with the legal procedure of the Convention .**

- **The second step: simultaneously the mining right (or tenure) related to the plan of work shall be approved and included in the Regulations.**

- **Based on both the approved plan of work and mining right, a contract shall be awarded. The contract is the form of mining right that is equivalent to mining lease which is widely used in United States, Canada and Australia.**

After completing all the three procedures, the applicant shall become the holder of the contract as well as the holder of mining right.

2. Rights and obligations of the mining right holder should be included in a provision of the Regulations. The Contract could, in a more specified, concretized and differentiated way, quote this provision.

for the mining right.

The holder of mining right has rights of:

- **exploration**
- **construction**
- **ore excavation**
- **ore removal and transportation**
- **ore product marketing**
- **-----**

and has obligations of:

- **mining expenditure**
- **implement exploitation work plan with the contract**
- **environment protection**
- **safety and health**
- **preservation of cultural and historical relics**
- **data submitting**
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3. Making a distinction of content between regulations and contract

The content in regulations is for all contractors, while the content in a contract is just for one specific contractor. The content of the present standard contract clause looks very cumbersome and repeats with the content of regulations. The contract seems to be the second regulations.

I suggest that the general issues included in contract should be moved to regulations, only those relating to a specific contractor shall be remained. The contract should be greatly reduced. The main points including in a contract would be:

- **information of the contractor**
- **information of the contract area**
- **rights and obligations**
- **annual rent and royalty**
- **compensation**
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At last, the contract should claim that all provisions of the

regulations are included in this contract.