

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

Informal Working Group - Environment

Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete.

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

Federal Republic of Germany

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

Draft Regulation 20

3. 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.

Regulation 20

Term of exploitation contracts

1. Subject to the provisions of section 8.3 of the exploitation contract, the maximum initial term of an exploitation contract is 30 years ~~[and 50 years for contractors which are developing States,] [the parties may agree to a minimum initial term of 15 years],~~ taking account of the expected economic life of the Exploitation activities of the Resource category set out in the Mining Workplan and including a reasonable time period for the construction of commercial-scale mining and processing systems.

2. An application to renew an exploitation contract shall be made in writing addressed to the Secretary-General and shall be made no later than ~~[one year]~~ [two years] before the expiration of the initial period or renewal period, as the case may be, of the exploitation contract.

3. The Contractor shall supply ~~[a revised plan of work, including updated Environmental Plans, as well as]~~ such documentation as may be specified in the ~~[Standard and]~~ Guidelines. ~~If the Contractor wishes to make any changes to a Plan of Work [and such changes are Material Changes], the Contractor shall submit a revised Plan of Work including updated Environmental Plans.~~

4. The Commission shall ~~consider~~ assess such application to renew an exploitation contract at its next meeting, provided the documentation required under paragraph 3 has been circulated at least 30 Days prior to the commencement of that meeting of the

Commission. Such assessment is to be conducted in accordance with Part II, Sections 2 and 3 of these Regulations.

5. In making its recommendations to the Council under paragraph 6 below, including any proposed amendments to the Plan of Work or revised Plan of Work, the Commission shall take account of any report on the review of the Contractor's activities and performance under a Plan of Work under regulation 58, as well as any other relevant information from, inter alia, performance assessments, annual reports, environmental reports, legal actions against the contractor.

6. The Commission shall recommend to the Council the approval of an application to renew an exploitation contract, and [an exploitation contract shall be renewed by the Council] [an exploitation contract may be renewed by the Council] [and the Council approves the renewal application], provided that:

(a) The Resource category is recoverable annually in [C]ommercial and [P]rofitable [Q]uantities from the Contract Area;

(b) The Contractor is in compliance with the terms of its exploitation contract and the Rules of the Authority, including the rules, regulations and procedures [and Standards] adopted by the Authority to ensure effective protection for the Marine Environment from harmful effects which may arise from activities in the Area;

(b) (b)–bis. [The cumulative environmental impact does not exceed the thresholds set by the applicable Regional Environmental Management Plan as a result of the renewal, and that such renewal does not hinder the achievement of the strategic and regional environmental goals and objectives];

(c) Predicted Environmental Impacts comply with all applicable Standards and Guidelines;

(d) The exploitation contract has not been terminated earlier; and

(e) The Contractor has paid the applicable fee in the amount specified in appendix II.

(f) [The Commission has reassessed the Contractor consistent with the requirements of regulation 13(1), 13(2) and 13(3) and is satisfied that the Contractor has the ability to continue exploitation; and]

(g) [The Sponsoring State has reconfirmed their sponsorship of the Contractor by reissuing their certificate of sponsorship.]

7. Each renewal period shall be a maximum of 10 years [for a maximum overall duration of the exploitation contract of 60 years]. [A maximum of two renewals may be requested]

8. Any renewal of an exploitation contract shall be effected by the execution of an instrument in writing by the Secretary-General or duly authorized representative, and the designated representative or the authority designated by the Contractor. The terms of a renewed exploitation contract shall be those set out in the standard exploitation contract annexed to these regulations that is in effect on the date that the Council approves the renewal application.

9. Sponsorship is deemed to continue throughout the renewal period unless the ~~S~~sponsoring State or States terminates its sponsorship in accordance with regulation 21.

10. An exploitation contract in respect of which an application for renewal has been made [~~shall~~] [may, for a maximum of three months after its expiry date and only under extraordinary circumstances], despite its expiry date, remain in force until such time as the renewal application has been considered and its renewal has been granted or refused.

2.

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

Regarding the maximum contract duration we suggest to compare with e.g. contract periods in the offshore oil and gas industry and discuss the appropriateness of the suggested 30 yrs period.

Para 2-10 might be more appropriately placed in a separate regulation about the renewal of the contract.

We suggest that after the end of the maximum initial contract term, for a renewal of the contract a full stakeholder consultation is provided for.

We strongly support that with an application for renewal of a contract a revised Plan of Work will need to be submitted and assessed by the LTC.

We strongly support the addition of Para 2 (b)bis on cumulative effects.