

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS
DURING THE 29TH 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 council@isa.org.jm.

1. Name of Working Group:

President's Text

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 Regulation 18 bis (1. quat)

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.

Regulation 18 bis [President's Text]

Obligations of the Contractors

[...]

~~[1. quat Contractors shall throughout the term of their contract, for the purposes of activities in the Area and ancillary activities, only use vessels flagged to registries of States that are States Parties to the Authority, and only use ports located in States that are States Parties to the Authority. In cases where the Contractor seeks to use flags or ports of non-member States of the Authority, the prior approval of the Council is required and is conditional upon receiving a written commitment from such non-member State or States to enforce the rules, regulations and procedures of the Authority against the Contractor and to cooperate with the Authority for the purposes of securing compliance with the rules, regulations and procedures of the Authority, where required.]~~

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

- Consistent with our submission on Draft Regulation 5(3) we oppose the proposed Draft Regulation 18 bis (1. Quat). This paragraph would unnecessarily restrict options for contractors in relation to which vessels and ports they can use to undertake activities.
- Requiring contractors to only use vessels and ports from Member States would be extremely problematic – particularly for contractors in the Clarion-Clipperton Zone, given the geographic proximity of ports of the United States. Prohibiting the use of these ports and vessels would hinder emergency response capabilities and also connectivity with global supply chains. It would also be anti-competitive by artificially limiting operational options for contractors.

- We also note that there is no connection between the Authority's jurisdiction and contractors' use of ports. As recognised by the Seabed Disputes Chamber in its Advisory Opinion, once minerals are removed from the Area and are on route to port on the high seas, the Authority's jurisdiction ends. It is impermissible for the Authority to attempt to extend its reach to contractor operations outside of activities in the Area.