

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 29TH SESSION:
COUNCIL - PART II**

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(s) of Delegation(s) making the proposal:

The Pew Charitable Trusts

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

Draft regulation 18ter

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.

1. An Exploitation Contract can only be terminated:

(a) By ~~all parties to the contract by~~ the mutual consent of the parties;

(b) ~~by the~~ By reason of termination of State sponsorship, pursuant to ~~in accordance with~~ Regulation 21 and without the Contractor having secured an alternative sponsorship;

(c) By the Contractor in accordance with the terms of the contract, as covered by section 10 of the Annex X to these Regulations; ~~and~~/or

(d) By the Authority in accordance with the terms of the contract, as covered by section 12 of the Annex X to these Regulations.; or

~~(a) by expiry of the term of the contract, without renewal. By expiry of the term of the contract, without renewal.~~

2. Any [suspension or] termination of a contract by the Authority shall be by written notice to the Contractor, through the Secretary-General, which shall include a statement of the reasons for taking such action. Unless a different time period is indicated in these Regulations, [T]he suspension or]termination shall be effective

60 Days after such written notice, unless the Contractor within such period disputes the Authority’s right to [suspend or]terminate the contract in accordance with Part XI, Section 5, of the Convention, in which case the contract shall only be [suspended or] terminated in accordance with a final binding decision in accordance with Part XI, Section 5, of the Convention.

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

Like Costa Rica and Germany, while possibly obvious we think it is helpful to retain (1)(e). We also welcome the AG proposal noting that termination of a contract does not relieve a contractor of any of its obligation or liability under its exploitation contract and look forward to seeing that language being introduced.

With regard to paragraph (2), we are concerned that the 60-day notice period does not align with some particular circumstances in which suspensions or termination are envisaged under the Regulations. For example. In DR21 there is stipulation that allows the immediate suspension, or the no-notice termination at the end of a set time period, where the Contractor’s State sponsorship is withdrawn. In such circumstances a 60 day notice period , as

I believe DK was suggesting, does not align. We suggest this could be addressed by paragraph (2) including the wording '*Unless a different time period is indicated in these Regulations*' before setting the 60 day notice period.

If reference to suspensions is retained in DR18ter, we would suggest cross-referencing DR29bis, which is the new Regulation dealing with suspensions. Such a cross-reference would help to ensure that appropriate and consistent procedure and decision-making is followed. Though for sake of clarity it is our preference that suspension and termination be dealt with in separation regulations.