

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 30TH SESSION:
COUNCIL - PARTS 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(s) of Delegation(s) making the proposal:

Republic of Nauru

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

Regulation 18 bis

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. quat Contractors shall throughout the term of their Exploitation Ccontract, 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.]~~ ~~[Contractors shall remain current in their implementation of Best Environmental Practices and Good Industry Practices, and shall continually identify and implement solutions that reflect the most up-to-date Best Available Scientific Evidence and Best Available Techniques.]~~

~~2. [In accordance with the Exploitation Contract or the Parent Company Liability Statement, as the case may be,] tThe Ccontractor [and its Managing Company], [its holding, subsidiaries, affiliated and Ultimate Parent companies, agencies and partnerships] shall have responsibility or liability for any damage arising out of [wrongful acts in the conduct of its] [(a) the Contractor's] operations [or (b), the operations of its subsidiaries or sub-contractors in the performance of the Plan of Work,] [account being taken of contributory acts or omissions by the Authority,] and shall be held liable for the actual amount of damage.~~

~~3. In the event that Contractors fail to comply with their payment obligations under these Regulations, [holdings and Ultimate Parent Companies] [their Managing Company] shall be held responsible to effect such payments to the Authority on behalf of Contractors.~~

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

Paragraph 1.Alt: (1.quat.): the Authority has no jurisdiction to place restrictions on vessels and ports that contractors can use. This requirement would be highly problematic – particularly given the geographic proximity of the Clarion-Clipperton Zone to US ports. Prohibiting the use of US ports or vessels would hinder emergency responses and also be anti-competitive. The Seabed Disputes Chamber has recognised that once minerals are removed from the Area and are on route to a port the Authority’s jurisdiction ends. Thus, it would not be permissible for

the Authority to attempt to exercise authority over what is essentially a matter of shipping law not activities in the Area.

Paragraphs 2 and 3: we recognise that matters of liability and of effective control are the subject of further discussions, including the use of appropriate financial instruments.

However, there is no legal basis for the approach proposed in paragraphs 2 and 3 which attempts to put third party companies into direct legal relationships with the Authority through a set of regulations. It is the Contractor that is responsible and liable for its performance under the ISA Contract.

These provisions are contrary to fundamental rules of contracts in the legal systems of most member States. Third parties cannot be bound to legal obligations by other contracts between other entities.
