I am delighted to be present here today to welcome UK Seabed Resources Ltd as the latest exploration contractor with the International Seabed Authority.

I know that Stephen Ball and his team have worked diligently over a period of well over a year to bring us to where we are today and I wish to commend you, as well as your industry partners, experts and consultants, on having put together a plan of work for deep sea mineral exploration that is innovative, exciting and forward looking. I particularly wish to thank you for the very cooperative working relationship that you have already developed with the Authority, which I believe bodes well for the future development of this new industrial opportunity.

As you know, the Authority is one of the institutions created by the 1982 United Nations Convention on the Law of the Sea. The Convention is aptly described as ‘the constitution for the oceans’ and is the document that sets out the principle that the mineral resources of the seabed beyond national jurisdiction are the common heritage of mankind, to be developed for the benefit of mankind as a whole and administered by the international community through the International Seabed Authority.

The detailed regime established by the Convention for the purposes of implementing this principle proved to be unrealistic and impractical, although a number of countries did establish claims to potential mine sites through an interim regime as pioneer investors. A milestone was reached in 1994 with the adoption of an Implementation Agreement that resolved the difficulties with the Convention regime and paved the way for the establishment of the Authority. The United Kingdom played a major role in the development of the 1994 Agreement and, along with most of the other major maritime powers, ratified the Convention shortly thereafter.

Since then, the United Kingdom has been an important and constructive participant in the work of the Authority. The United Kingdom has been a member of the Council since 1996. As one of the largest contributors to the administrative budget of the Authority, the UK has a permanent seat on the Finance Committee, currently Mr Chris Whomersley, and a UK expert has served on the Legal and Technical
Commission since the beginning. Currently the position is held by Dr David Billett, a world recognized expert in deep sea biology. As such, the UK’s contribution to the development of the detailed regime for seabed exploration has been enormous. The Authority, and its member States have also benefitted from UK expertise, especially in the field of environmental studies, in its many workshops, technical studies and scientific research programmes. Some of the world-leading UK institutions we have worked with over the years include the Natural History Museum, the National Oceanography Centre in Southampton, Oxford University, the University of Dundee, the British Antarctic Survey and many other private consultants who have contributed their expertise.

To reach where we are today has been a very long and difficult road, not least for us in the Authority. Although we all know that deep seabed mineral resources can be found in commercially recoverable quantities on the ocean floor, developing these resources has proved elusive. There have been many false starts and unfulfilled promises over the years, dating back to the 1970s. Since the Authority became operational in 1996, our primary task has been a painstaking process of rule-making, designed to ensure that the regulatory regime for exploration is robust, predictable, provides for security of tenure for investors, yet also provides necessary protection for the international community as a whole, especially in terms of responsibility for environmental damage.

Over the past two years, the level of interest in deep seabed mining has increased rapidly and significantly after decades of being ‘on hold’. This is a welcome and positive development. The principal drivers of this new interest are the result of a number of factors including a dramatic increase in metal demand and an equally dramatic rise in metal prices; a decline in the tonnage and grade of land-based nickel, copper and cobalt sulphide deposits; and technological advances in deep seabed mining and processing. In recent years, there have been also been clear signs that the private sector, and the financial institutions that support it, believe that deep seabed mining can be commercially viable. The contract issued to UK Seabed Resources Ltd exemplifies this new level of commercial and industrial interest.

One of the most important elements of the regime that we have developed is the part played by sponsoring States. Each and every plan of work for exploration must be sponsored by a State Party to the Convention. Sponsoring States undertake certain responsibilities and liabilities in this regard, including the responsibility of ensuring that sponsored entities comply with the rules, regulations and procedures of the Authority, as well as the terms of exploration contracts. It is not a responsibility to be taken lightly. I commend Her Majesty’s Government for making the decision to become a sponsoring State, which I know was a decision that was not taken lightly, and I am confident that the participation of the UK in the seabed mining regime at this level will only serve to strengthen the regime and make it more credible and robust.
One of the most important responsibilities the Authority has is to develop rules, regulations and procedures for the protection of the marine environment from adverse impacts of mining. In order to do this, we need first to understand the characteristics of the deep ocean environment and second to understand and evaluate the long-term impacts of mining. We can only do this with the cooperation of exploration contractors, who are required under the terms of their contracts to provide the Authority with extensive environmental baseline data to enable us to build up a better understanding of the environmental characteristics of the ocean floor and its biodiversity. I am particularly pleased that UK Seabed Resources Ltd, in its plan of work, has not only placed an appropriate emphasis on detailed environmental baseline studies, but has indicated a willingness to do so in close collaboration with the Authority and especially its Legal and Technical Commission, which has the primary responsibility for evaluating the environmental work carried out by contractors and for advising on the measures needed to protect the marine environment from adverse impacts. In this regard, I would like to recognize the presence of Dr Russell Howorth, the Chairman of the Legal and Technical Commission.

The other critical task of the Authority is to establish the regulatory framework for future exploitation. This means that we need to have in place the necessary mandates, organizational capabilities, and appropriate policies and regulations to allow exploitation to take place. Perhaps the most important task, from the point of view of this new industry, is to establish an appropriate fiscal framework for mining that is fair to industry, investors and to the member States of the Authority who are intended to be the ultimate beneficiaries of seabed mining. This is an enormous task. It can only be achieved with the cooperation of all stakeholders, which includes those actually involved in seabed exploration and the commercialization of mineral deposits.

In closing, let me say that I believe that the potential for polymetallic nodule exploitation within the international seabed Area is arguably higher now than at any other time in history. UK Seabed Resources Ltd has drawn up an outstanding plan of work and I wish you all success in your exploration campaign. I applaud your pioneering spirit and your commitment and I look forward to receiving the results of your work, especially your initial environmental studies. I also look forward to the day – hopefully in the not too distant future – when you announce that you are ready to begin commercial mining, which is the ultimate objective both of UK Seabed Resources Ltd and the Authority.

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