

TEMPLATE FOR COMMENTS

<i>Document reviewed</i>	
Title of the draft being reviewed:	Draft standard and guidelines on the form and calculation of an Environmental Performance Guarantee developed by the Legal and Technical Commission
<i>Contact information</i>	
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<i>General Comments</i>	
<p>It is recommended that the Environmental Performance Guarantee (EPG) Standard make it clear that it will not create a doubling up of obligations vis a vis Contractor insurance and the Environmental Compensation Fund</p>	
<p>Given the EPG Standard is legally binding, it must be reasonable and in line with Regulation 26(2) which deals with "<i>likely costs</i>", rather than the "<i>highest</i>" and "<i>greatest</i>" cost estimations on a "<i>worst-case scenario</i>" basis. As such it is requested the following changes to ensure the Standard is commercially viable:</p> <ul style="list-style-type: none"> - replace "<i>greatest reasonably credible costs</i>" with "<i>reasonable costs</i>" in Lines 72, 130, 132, 134 136, 143, and 430 - replace "<i>greatest reasonably credible third-party costs</i>" with "<i>reasonable third-party costs</i>" in Line 115 - delete the word "<i>highest</i>" in Line 96 - delete "<i>on a "worst case scenario" basis</i>" in Line 137 	
<p>In the event that an EPG is required, it is believed that Contractors should be able to stage such a guarantee, with only a small EPG required at the start of operations, and with the ability to strengthen the EPG over time as operations progress and the mining area expanding. For example, at the commencement of operations, a less restrictive EPG should apply, because the area impacted will be small, and consequently the closure obligations will also be smaller (e.g. post closure monitoring will only be required over a relatively small area should the operations cease in the first few years of the Contract, compared to a larger area at the end of 30 years of mining).</p>	

Specific Comments		
Page	Line	Comment
	72	replace “greatest reasonably credible costs” with “reasonable costs”
	96	delete the word “highest”
	115	replace “greatest reasonably credible third-party costs” with “reasonable third-party costs”
	130	replace “greatest reasonably credible costs” with “reasonable costs”
	132	replace “greatest reasonably credible costs” with “reasonable costs”
	134	replace “greatest reasonably credible costs” with “reasonable costs”
	136	replace “greatest reasonably credible costs” with “reasonable costs”
	137	delete “on a “worst case scenario” basis”
	143	replace “greatest reasonably credible costs” with “reasonable costs”
	430	replace “greatest reasonably credible costs” with “reasonable costs”
<i>Additional rows can be added to this table by selecting “Table” followed by “insert” and “rows below”</i>		

Comments should be sent by e-mail to ola@isa.org.jm