International Seabed Authority

Press Release

SEABED COUNCIL HEARS REPORT ON PERIODIC REVIEW OF EXPLORATION PLANS OF CONTRACTORS;
RESUMES REVIEW OF DRAFT REGULATIONS ON SULPHIDES

The Council of the International Seabed Authority made progress over the reading of the draft regulations on prospecting and exploration for polymetallic sulphides in the international deep seabed Area at its meeting in Kingston this morning.

Except for regulation 7, all the provisions dealing with prospecting in Part II of the draft have been adopted. Six of the 24 regulations covering applications for approval of plans of work for exploration in the form of contracts, in Part III of the draft, have also been adopted without discussion.

Before resuming deliberations on the sulphide draft, Secretary-General, Satya N. Nandan presented a review of the implementation of plans of work for exploration by contractors. He said that none of the eight contractors appear to be moving towards the stage of identifying a first generation mine site.

There were also no proposals to ascertain the cost of mining nodules from the seabed and processing them into metals of commercial interest, so that improvements in the metal markets could provide an indication of the imminence of future mining. He said that for most contractors, the emphasis remained on the analysis of existing data and the opportunistic collection of environmental baseline data through scientific research cruises.

The Council will continue its examination of the regulations on polymetallic sulphides this afternoon.

Secretary-General’s oral report

The Secretary-General in his statement said that in general, it was apparent that for all contractors that the pace of exploration work remained very slow. Although all eight contractors

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had adhered to the programme of work as originally indicated, the focus had been on preparatory work and evaluation of data already collected during the pioneer phase.

There was very little evidence of progress in the development of mining and processing technology, although some contractors had carried out preliminary tests of collecting systems and had indicated that they intended to work on technology development in the future.

Notwithstanding the progress made by the contractors in terms of compliance with the reporting format, he expressed concern about the very large disparities in the amounts they were spending on exploration. Furthermore, in some cases the expenditure reported was greatly in excess of that proposed in the original programme of activities. The Secretary-General said he would take steps to clarify any discrepancies with individual contractors.

The emphasis being placed by most contractors on analysis of data, he said, might be reasonable, given the technological and economic condition that had prevailed to date as far as seabed mining was concerned. Nonetheless, he recalled that the resources of the deep seabed were the common heritage of mankind. The fundamental objective of the regime established by the 1982 United Nations Convention on the Law of the Sea and the 1994 Agreement was to encourage the development of those resources for the benefit of mankind as a whole.

He noted that in recent years, the situation in the metals markets had begun to change and that there had been a rapid and significant growth in demand and prices for the metals of commercial interest in polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts. He said that between 2000 and 2007, the price of copper rose over 400 per cent; cobalt by over 230 per cent; nickel by over 570 per cent; zinc by over 300 per cent and lead over 200 per cent.

He observed that unfortunately, without possible production costs models, none of the increases provided the Authority with information on the future recovery of seabed minerals. In the meantime, he added that private sector interest in seabed resources had also started to develop.

Review of draft regulations

The Council then reverted to its examination of the draft regulations on sulphides. Council President Raymond Wolfe said that discussion of regulations 1 and 3 had not been completed.

Regulation 7

The Council began discussion of Regulation 7 which deals with “confidentiality of data and information from prospecting contained in the annual report” of the prospector. Paragraph 2 covers the release of information by the Secretary-General.

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Kenya’s representative suggested the insertion of a time-line by which such information could be released by the Secretary-General after he had determined that the prospector no longer existed or could not be located.

The Secretary-General said the question of confidentiality differed both at the stage of prospecting and exploration. It was a very sensitive issue and premature disclosure would be detrimental. The Authority encouraged prospectors to submit data and reassured them that it would not be disclosed without their consent. If however they later applied for a license they would be made aware that the information had to be disclosed. “We are cajoling them at this stage” he stated. In the case of a company which did not respond to enquiries because it had become defunct, the Secretary-General would have to be careful in disclosing any information, he said.

The representative of Fiji proposed the following wording for Regulation 7 (2): “If at the expiration of the fifth year, the Secretary-General determines that the prospector no longer exists or cannot be located, the Secretary-General may release such data and information”.

The Secretary-General said the language in the provision had been very carefully negotiated in the Legal and Technical Commission and again considered in the Council. If delegations felt compelled to change anything – as was their right to do so as he had previously stated – they should bear in mind the circumstance in the relationship between a prospector and the Authority at this stage.

The representative of Guyana proposed an amendment that read as follows: “After the expiration of five (5) years, and after due notification to a prospector, the Secretary-General may determine that a prospector no longer exist or cannot be located, then the Secretary-General may release such data and information.”

The Trinidad and Tobago representative said there had to be a set of criteria for the Secretary-General to make a determination. There should be some objective basis for that, particularly as the issue concerned confidentiality.

Argentina and Jamaica supported the amendment in principle but said the time limit was excessive. Noting that the Authority had no previous experience with a contractor abandoning prospecting, the Secretary-General said the provision would entrust his office to use good judgment in the matter. Trinidad & Tobago and Uganda said a matter concerning important data and information should not be left to subjective judgment.

The Secretary-General proposed an addition to the sentence to read: If “at the expiration of the fifth year of submission of the information and data” the Secretary-General may release such data and information.

The Council president suggested that a small working group including Fiji, Guyana, Kenya, Trinidad & Tobago, Uganda and others meet to iron out the wording of the paragraph.

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Supporting the president’s suggestion, The Netherlands urged that the Council proceed to other important provisions of the draft.

**Regulation 8**

Regulation 8 is a one-paragraph provision for the protection of objects of an archaeological or historical nature. Mexico urged that the regulation be worded to comply with Articles 11 and 12 the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage.

The Netherlands objected to the inclusion of any reference to the UNESCO World Heritage Convention, to which her country was not a party and which, she added, had not yet entered into force. Greece and Japan supported this view.

Spain proposed a change in the title of the regulation and the addition of a second paragraph to extend the safeguards outlined in the regulation to cover unidentified objects which might have some archeological or historical value in the future. Some delegations opposed the addition of another paragraph.

To incorporate Spain’s concerns, Germany suggested the following new wording: “A prospector shall immediately notify the Secretary-General in writing of any finding in the Area of an object of actual or potential archeological or historical nature and its location…..”

One delegation raised an objection to the change. However, after a strong appeal from the Council President for members to display a spirit of cooperation and flexibility, the amendment drew support from Argentina, Brazil, Cuba, Jamaica, Nigeria and Uganda, and was adopted without further debate.

Part III of the draft contains provisions on applications for approval of plans of work for exploration. Regulations 9, 11, 13, 14, and 15 were all adopted without discussion. Regulation 11 relates to the certificate of sponsorship which must accompany each application; regulation 13 requires applicants to provide information on their financial and technical capabilities; regulation 14 deals with applicants who had had previous contracts with the Authority; and under regulation 15, the applicant provides a written undertaking to comply with the provisions of the 1982 United Nations Convention on the Law of the Sea.

Regulation 10 sets out the procedures to be followed in submitting an application. This regulation was also adopted. However, one delegation noted that the contract form referred to as Annex 2 had been omitted from the document. The Secretary-General agreed to investigate the matter.

The total area that shall be covered by each application is set out in regulation 12. A polymetallic sulphide block is defined as a cell approximately 10 kilometres by 10 kilometres, and the area covered by each application shall consist of “a single group of not more than 100 contiguous blocks.”

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China referred to the issue of exploration areas as the crux of the regulations. Owing to the lack of understanding of the geological features and characteristics of sulphides, he said, it was difficult to voice specific views on size and configuration of areas. The Russian Federation also voiced some doubts about the reference to blocks of polymetallic sulphides. He suggested the term elementary block or application block. Both members were requested to put their suggested amendments in writing; the Russian Federation asked that the proposal on this regulation submitted by his delegation at last year’s session be re-circulated to all members.

Regulation 16 states that an applicant may elect to contribute a reserved area to carry out activities pursuant to Annex III, article 9 of the Convention, or opt for joint venture participation. Japan and China sought clarification on the omission of a third option, production sharing. Discussion on this regulation was deferred to allow delegations time to study it more closely.

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