

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28<sup>TH</sup> SESSION:  
COUNCIL - PART III**

*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](mailto:council@isa.org.jm).*

**1. Name of Working Group:**

Open Ended Working Group on Financial terms

**2. Name(s) of Delegation(s) making the proposal:**

Chile

**3. Please indicate the relevant provision to which the textual proposal refers.**

Part VII

Section 7

Regulation 82: Review of rates of payments

**4. 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.**

ELIMINATE ARTICLE 2:

2. [The Council, based on the recommendations of the Commission [and in consultation with Contractors], may adjust the rates of payments in the light of such recommendations and consultation, taking into account the economic viability of the project, [save that any adjustment to the rates of payments may only apply to existing exploitation contracts [from the end of the Second Period of Commercial Production reflected in appendix IV to these regulations] after five years of Commercial Production have been completed under that exploitation contract].

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

UNCLOS and the 1994 agreement emphasize that income perceived by the Authority shall allow for its self-financing and for the benefit of all humankind. Nowhere does it say that the Authority shall subsidize, directly or indirectly, an economic activity which is not viable as a result of technical incapacity or for any other reason. The Authority, as mandated by UNCLOS to manage a common heritage of humankind, MUST fulfill that obligation.