

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 29TH SESSION:
COUNCIL - PART II**

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:

The Pew Charitable Trusts

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

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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.

[4. If the Contractor is in ~~gross and persistent breach~~ **serious, persistent and willful violation** of any payment obligations in accordance with this Part, the Council ~~shall~~ **may** suspend or ~~terminate~~ the ~~Exploitation~~ Contract pursuant to Regulation 103 of these Regulations and the Contactor's company principals shall be barred from direct or indirect involvement with any Contractor or subcontractor operating in the Area for a period of ~~10~~ years].

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

We prefer (2)alt.

Regarding paragraph 4, the language of ‘gross and persistent’ breach comes from Article 185 UNCLOS and relates to a State Party and their rights and privileges as a member of the Assembly. We consider more appropriate language to use here would be ‘serious, persistent and wilful violation’ in accordance with Article 18 of Annex III, which relates to Contractor compliance with their contract and the rules of the ISA.

In relation to the proposal to bar individual company principals, we think this is a good idea. But we would prefer to see it broadened into wider situations of any serious, willful and persistent non-compliance, rather than only relating to royalty payments. So we agree with previous proposals that this may be better placed in DR 103. We also consider this point should be included in the Regulations that relate to an application for Exploitation and the applicant's qualification criteria (namely DR 5 on qualified applicants, as well as DR 12 and Annex I on content of applications - which should require relevant track record information to be disclosed). This will also mean the track record of the principals can be considered in other situations, for example transfer of contract rights, covered by DR23.