Reports of the Committees and Negotiating Groups on negotiations at the seventh session contained in a single document both for the purposes of record and for the convenience of delegations 1/

1/ Circulated in accordance with the decision taken by the Conference at its 105th meeting on 19 May 1978.
Explanatory memorandum by the Chairman
concerning document NGL1/10/Rev.1

Document NGL1/10/Rev.1 of 16 May 1973 contains the text of a set of articles dealing with the principal aspects of a system of exploration and exploitation of the Area and its resources. The text of these articles was essentially taken from the Informal Composite Negotiating Text, to which various amendments were made with the object of formulating solutions to the problem of the system of exploitation of the Area which would be more acceptable to the Conference.

The changes made have been indicated by underlining the amended passages, except in the case of an entirely new provision, when the fact that the provision is new is expressly indicated.

As is indicated in the title of the document, it is a compromise formula put forward by the Chairman of Negotiating Group I and does not reflect the position of any country in particular or of any group of countries. It therefore does not prejudge the position of any delegation which participated in the negotiations. The amendments were made only after extensive negotiations and many consultations and are therefore an attempt to incorporate in the text formulas which, I feel, may bring the Conference closer to solutions more acceptable than those previously proposed for dealing with the complex problem of the system of exploitation of the Area and of its resources.

The question of the exploitation of the Area and its resources involves, as is well known, difficult legal, philosophic and economic problems. On each of these problems there may be said to exist among the various interest groups of the Conference a minimum of agreement which has so far made it possible to view with some optimism the progress of the negotiations, despite the enormous difficulties which had to be faced. There cannot be said to be any radical differences on certain basic points such as the question of the entities which are to be responsible for the exploitation of the Area during the interim period, the question of the manner in which the activities are to be carried out, the predominant role to be performed by the Authority in the organization, conduct and control of the activities, or on the question of certain specific obligations of the contracting parties, such as the obligation to transmit technology to the Enterprise. It is more a question of finding a balance between the various interests than of reconciling radically opposed philosophies. It is precisely with the object of finding the point of equilibrium between the partisans of guaranteed access by States and other entities to the Area and the partisans of absolute discretion of the Authority that changes have been made in the text of article 151 which, while ensuring the participation of the States Parties and other entities in the activities to be carried out in the Area, also give the Authority a predominant role in the organization, conduct and control of those activities. This was the intention behind the amendments made to article 151, which constitutes the heart of the system of exploration. Other functions of the
ANNEX A

Revised Suggested Compromise Formula
by the Chairman of Negotiating Group I

Article 140 - Benefit of mankind

1. Activities in the Area shall be carried out for the benefit of mankind as a whole, irrespective of the geographical location of States, whether coastal or land-locked, and taking into particular consideration the interests and needs of the developing countries and peoples who have not attained full independence or other self-governing status as specifically provided for in this Part of the present Convention.

2. To this end, the Authority shall provide for the equitable sharing of benefits derived from the Area through any appropriate mechanism in accordance with sub-paragraph (xi) of paragraph 2 of Article 150.

Article 145 - Marine scientific research

1. Marine scientific research in the Area shall be carried out exclusively for peaceful purposes and for the benefit of mankind as a whole, in accordance with Part XIII of the present Convention.

New paragraph 2

2. The Authority shall carry out marine scientific research concerning the Area and its resources, and may enter into contracts for that purpose. The Authority shall promote and encourage the conduct of marine scientific research in the Area, and shall co-ordinate and disseminate the results of such research and analysis when available.

3. States Parties shall carry out marine scientific research and promote international co-operation in marine scientific research in the Area exclusively for peaceful purposes by:

(a) Participation in international programmes and encouraging co-operation in marine scientific research by personnel of different countries and of the Authority;

(b) Ensuring that programmes are developed through the Authority or other international bodies as appropriate for the benefit of developing countries and technologically less developed countries with a view to

(i) Strengthening their research capabilities;

(ii) Training their personnel and the personnel of the Authority in the techniques and applications of research;

(iii) Fostering the employment of their qualified personnel in activities of research in the Area;

(c) Effective dissemination of the results of research and analysis when available, through the Authority or other international channels when appropriate.
Article 151 - System of exploration and exploitation

1. Activities in the Area shall be organized, carried out and controlled by the Authority on behalf of mankind as a whole in accordance with the provisions of this article as well as other relevant provisions of this Part of the present Convention and its annexes, and the rules, regulations and procedures of the Authority adopted under subparagraph (xvi) of paragraph 2 of article 153 and subparagraph (xiv) of article 160.

2. Activities in the Area shall be carried out as prescribed in paragraph 5 below:

(i) by the Enterprise, and

(ii) in association with the Authority by States Parties or State Entities, or persons natural or juridical which possess the nationality of States Parties or are effectively controlled by them or their nationals, when sponsored by such States, or any group of the foregoing which meet the requirements provided in this part of the present Convention including annex II.

3. Activities in the Area shall be carried out in accordance with a formal written plan of work drawn up in accordance with annex II to the present Convention and approved by the Council after review by the Technical Commission. In the case of activities in the Area carried out as authorized by the Authority by the entities specified in subparagraph (ii) of paragraph 2 of this article, such a plan of work shall in accordance with paragraph 5 of annex II be in the form of a contract. Such contracts may provide for joint arrangements in accordance with paragraph 5 of annex II.

4. The Authority shall exercise such control over activities in the Area as is necessary for the purpose of securing compliance with the relevant provisions of this Part of the present Convention, including its annexes, and the rules, regulations and procedures of the Authority adopted under subparagraph (xvi) of paragraph 2 of article 153 and subparagraph (xiv) of paragraph 2 of article 160 and the plans of work approved in accordance with paragraph 3 of this article. State Parties shall assist the Authority by taking all measures necessary to ensure such compliance, in accordance with article 12.

5. The Authority shall have the right to take at any time any measures provided for under this Part of the present Convention to ensure compliance with its terms, and the performance of the control and regulatory functions assigned to it thereunder or under any contract. The Authority shall have the right to inspect all facilities in the Area used in connexion with activities in the Area.

6. A contract under paragraph 3 of this article shall provide for security of tenure. Accordingly, it shall not be revised, suspended or terminated except in accordance with paragraphs 12 and 13 of annex II.