INFORMAL COMPOSITE NEGOTIATING TEXT/REVISION 2

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Explanatory memorandum by the President of the Conference

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authorization to cover additional production. The Authority shall not authorise the production under any plan of work, a quantity in excess of 46,500 tons of nickel per year. Applications for such supplementary production shall be taken up by the Authority only after all pending applications by operators who have not yet received production authorisations have been acted upon and due account has been taken of other likely applicants. The Authority shall be guided by the principle of not exceeding the total production allowed under the production limitation in any year of the interim period;

(f) The Authority shall ensure by means of rules and regulations issued pursuant to annex III, article 17, that the levels of production of other metals such as copper, cobalt and manganese extracted from the nodules that are recovered pursuant to a plan of work is no higher than those which would have been produced had the operator produced the maximum level of nickel from those nodules pursuant to this paragraph.

3. The Authority shall regulate production of minerals from the Area, other than minerals from nodules, under such conditions and applying such methods as may be appropriate. Regulations adopted by the Authority pursuant to this provision will be subject to the procedure set forth in article .... (entry into force of amendments to this Convention).

4. Following recommendations from the Council on the basis of advice from the Economic Planning Commission, the Assembly shall establish a system of compensation for developing countries which suffer adverse effects on their export earnings or economies resulting from a reduction in the price of an affected mineral or the volume of that mineral exported, to the extent that such reduction is caused by activities in the Area.

**Article 152**

**Exercise of Power by the Authority**

1. The Authority shall avoid discrimination in the exercise of its powers and functions, including the granting of opportunities for activities in the Area.

2. Nevertheless, special consideration for developing States, including particular consideration for the land-locked and geographically disadvantaged among them, specifically provided for in this Part shall be permitted.

**Article 153**

**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 and the relevant annexes, and the rules, regulations and procedures of the Authority.

2. Activities in the Area shall be carried out as prescribed in paragraph 3:

(a) by the Enterprise, and

(b) in association with the Authority by States Parties or State Entities, or natural or juridical persons 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 meets the requirements provided in this Part including annex III.
3. Activities in the Area shall be carried out in accordance with a formal written plan of work drawn up in accordance with annex III and approved by the Council after review by the Legal and Technical Commission. In the case of activities in the Area carried out as authorized by the Authority by the entities specified in paragraph 2(b), such a plan of work shall be in accordance with article 3 of annex III be in the form of a contract. Such contracts may provide for joint arrangements in accordance with article 11 of annex III.

4. The Authority shall exercise such control over activities in the Area as is necessary for the purpose of ensuring compliance with the relevant provisions of this Part and the relevant annexes, and the rules, regulations and procedures of the Authority, and the plans of work approved in accordance with paragraph 3. States Parties shall assist the Authority by taking all measures necessary to ensure such compliance, in accordance with article 139.

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

6. A contract under paragraph 3 shall provide for security of tenure. Accordingly, it shall not be revised, suspended or terminated except in accordance with articles 19 and 19 of annex III.

Article 154
Periodic review

Every five years from the entry into force of this Convention, the Assembly shall undertake a general and systematic review of the manner in which the international régime of the Area established in this Convention has operated in practice. In the light of the said review the Assembly may adopt, or recommend that other organs adopt, measures in accordance with the provisions and procedures of this Part and the relevant annexes which will lead to the improvement of the operation of the régime.

Article 155
The Review Conference

1. Fifteen years from the 1st of January of the year in which the earliest commercial production commences under an approved plan of work, the Assembly shall convene a conference for the review of these provisions of this Part and the relevant annexes which govern the system of exploration and exploitation of the resources of the Area. The Conference shall consider in detail, in the light of the experience acquired during that period, whether the provisions of this Part governing the system of exploration and exploitation of the resources of the Area have achieved their aims in all respects, including whether they have benefited mankind as a whole; whether, during the 15-year period, reserved areas have been exploited in an effective and balanced way in comparison with non-reserved areas; whether the development and use of the Area and its resources have been undertaken in such a manner as to foster healthy growth of international trade; whether monopolization of activities in the Area has been prevented; whether the policies set forth in articles 150 and 151 have been fulfilled; and whether the system has resulted in the equitable sharing of benefits to be derived from activities in the Area, taking into particular consideration the interests and needs of the developing States.