PROPOSAL BY THE GROUP OF 77
FUNCTIONS OF THE AUTHORITY

Article 22

1. Activities in the Area shall be conducted exclusively by the Authority
   (i) directly through the Enterprise, or
   (ii) as determined by the Authority, through a form of association between the
        Authority and States Parties or State Enterprises, 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.

2. Activities in the Area shall be conducted in accordance with the relevant
   provisions of this Convention, of Annex I thereof, and the Statute of the
   Enterprise.

3. Activities of the Enterprise in the Area shall be conducted in accordance with
   a formal written plan of work drawn up in accordance with Annex I and approved
   by the Council after review by the Technical Commission. Activities in the
   Area in association with the entities specified in paragraph 1, shall be
   conducted pursuant to a contract with the Authority entered into in accordance
   with Annex I and approved by the Council after review by the Technical
   Commission.

4. The Authority shall exercise full and effective control over activities in the
   Area for the purpose of ensuring compliance at all times with the relevant
   provisions of this Convention, Annex I thereof, the rules, regulations and
   procedures of the Authority, and the plans of work and contracts approved in
   accordance with paragraph 3. States Parties shall assist the Authority by
   taking all measures necessary to secure such compliance.

Article 23

1. The Authority shall avoid discrimination in the exercise of its powers and
   functions, including the granting of opportunities for activities in the Area.
   All rights granted under it shall be fully safeguarded in accordance with the
   provisions of this Part of the Convention.

2. Special consideration for developing countries, including the conduct of
   activities by the Authority in certain parts of the Area solely in association
   with them, shall not be deemed to be discrimination.