Suggested compromise formula

Article 9

1. Activities in the Area shall be undertaken in such a manner as to foster the
   healthy development of the world economy and a balanced growth in international
   trade, to promote international co-operation for the over-all development of all
   countries, especially of developing countries, and with a view to:

   (a) Orderly and safe development of the resources in the Area, as well as the
       efficient conduct of activity in accordance with sound principles of conservation,
       including the avoidance of unnecessary waste;

   (b) Ensuring equitable sharing of financial and other economic benefits
       derived from activity in the Area, taking into particular consideration the
       interests and needs of the developing countries in accordance with article 26,
       paragraph 2 (x), and consistent with articles 18 and 23;

   (c) Ensuring the transfer of revenues as provided for in annex I,
       paragraph 9 (d), and facilitating the transfer of technology as provided for in
       article 11;

   (d) Securing adequate supplies to consumers of raw materials originating in
       the Area which are also produced outside the Area;

   (e) Providing for just, stable and remunerative prices for raw materials
       originating in the Area which are also produced outside the Area and promoting
       equilibrium between supply and demand;

   (f) Enhancing opportunities for all States Parties, irrespective of their
       geographical location, to participate in the development of the resources in the
       Area on the basis of an equitable allocation of possibilities for activities in the
       Area, as provided for in this Part of the Convention.

2. Activities in the Area shall be undertaken so as to protect developing countries
   from adverse effects on their export earnings or economies resulting from a
   reduction in the price of an affected mineral or in the volume of that mineral
   exported, to the extent that such reduction would be caused by activities in the
   Area, by

   (i) Facilitating, through existing forums or such new arrangements or
       agreements as may be appropriate and in which the interested parties
       participate, measures necessary to achieve the growth, efficiency and
       stability of markets for those classes of commodities produced from the
       Area, at prices remunerative to producers and fair to consumers. All
       Parties shall co-operate to this end. The Authority shall have the right
       to participate in any commodity conference dealing with the categories
       of minerals produced in the Area. The Authority shall have the right
       to become a party to any such arrangement or agreement resulting from such
       conferences. The participation by the Authority in any organs established
       under the arrangements or agreements referred to above shall be in respect
       of production in the Area and in accordance with the rules of
       procedure established for such organs.
(ii) The Authority limiting in an interim period specified below, total production of minerals from nodules in the Area so as not to exceed for the first five years of that period the projected cumulative growth segment of the nickel market. After the first five years of the interim period total production of minerals from nodules in the Area shall on a yearly basis not exceed three quarters of the cumulative growth segment of the nickel market, as Projected from the beginning of the interim period, provided however that this shall not affect such production under contracts already awarded, as is permitted under the production limit referred to above for the first five years of the interim period. The cumulative growth segment for the purpose of this Part of the Convention shall be computed in accordance with litra (iv) below. The interim period referred to above shall begin on 1 January 1980 and shall terminate on the day when such new arrangements or agreements as referred to in litra (i) above, in which all affected parties participate, enter into force.

(iii) The Authority carrying out the decisions taken by such organs as referred to in litra (i) above, and applying the interim production limit provided for in litra (ii) above, in a manner which assures a uniform and non-discriminatory implementation in respect of all production in the Area of the minerals concerned. In doing so, the Authority shall act in a manner consistent with the terms of existing contracts and approved plans of work of the Enterprise.

(iv) The rate of increase in world nickel demand projected for the interim period referred to in litra (ii) above shall be the average annual rate of increase in world demand during the 20-year period prior to the entry into force of this Part of the Convention. The cumulative growth segment of the world nickel market referred to in litra (ii) above shall be computed on the basis of this annual rate of increase from a base amount, which shall be the average annual world demand during the three-year period immediately preceding the year in which the interim period commences.

3. 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 who suffer significant 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.

Suggested compromise formula

**Article 22**

1. Activities in the Area shall be conducted, organized and controlled by the Authority in accordance with the provisions of this article and annex I as well as other relevant provisions of this Part of the Convention, and the rules, regulations and procedures of the Authority adopted under article 28 (2) (xii).

2. Activities in the Area shall be conducted:
(i) directly through the Enterprise, and,

(ii) in association with the Authority and on its behalf by 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.

3. Activities in the Area shall be conducted in accordance with a formal written plan of work drawn in accordance with annex I and approved by the Council after review by the Technical Commission. In the case of activities in the Area conducted in association with the Authority by the entities specified in paragraph 2 (ii) such a plan of work shall in accordance with annex I, paragraph 5 be in the form of a contract of exploration and exploitation. Such contracts may provide for joint arrangements in accordance with annex I, paragraph 3 bis (i) and (j) (iii).

4. In approving such contracts as referred to in paragraph 3 above the Council shall ensure an equitable distribution of contracts as between States Parties, including entities sponsored by States Parties, irrespective of their geographical location.

5. 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 Convention, including its annexes, and the rules, regulations and procedures of the Authority adopted under article 28 (2) (xii) 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.

Suggested compromise formula

Article 21

1. The Authority shall not discriminate in the exercise of its powers and functions, including the granting of opportunities for activities in the Area. All rights granted shall be fully safeguarded in accordance with the provisions of this Part of the Convention.

2. Special consideration for developing countries, including special consideration for the land-locked and geographically disadvantaged among them, specifically provided for in this Part of the Convention, shall not be deemed to be discrimination.