Part XI of the IOCST and relevant Annexes including suggested compromise formulae presented by the Chairman entrusted with negotiations on First Committee matters falling within their respective mandates

PART XII. THE AREA

Section 1. General

Article 133. Use of terms

For the purpose of this Part

(a) "Activities in the Area" means all activities of exploration for, and exploitation of, the resources of the Area.

(b) "Resources" means mineral resources in situ. When recovered from the Area, such resources shall, for the purposes of this Part be regarded as minerals.

(c) Minerals shall include the following categories:

(i) Liquid or gaseous substances such as petroleum, gas, condensate, helium, nitrogen, carbon dioxide, water, steam, hot water, and also sulphur and salts extracted in liquid form in solution;

(ii) Useful minerals occurring on the surface of the sea-bed or at depths of less than three metres beneath the surface and also concretions of phosphorites and other minerals;

(iii) Solid minerals in the ocean floor at depths of more than three metres from the surface;

(iv) Ore-bearing silt and brine.

Article 134. Scope of this Part

1. This Part shall apply to the "Area".

2. States Parties shall notify the Authority established pursuant to article 156 of the limits referred to in article 1, paragraph 1(i) determined by co-ordinates of latitude and longitude and shall indicate the same on appropriate large-scale charts officially recognized by that State.

3. The Authority shall register and publish such notification in accordance with rules adopted by it for the purpose.

4. Nothing in this article shall affect the validity of any agreement between States with respect to the establishment of limits between opposite or adjacent States.
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 procedures 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 countries, including particular consideration for the land-locked and geographically disadvantaged among them, specifically provided for in this Part shall be permitted.

Article 153. Stages 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 its 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 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 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 and approved by the Council after review by the Technical Commission. In the case of activities in the Area carried out by the Authority by the entities specified in paragraph 2 (b), such a plan of work shall in accordance with article 3 of annex II be in the form of a contract. Such contracts may provide for joint arrangements in accordance with article 10 of annex II.

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 including its annexes, and the rules, regulations and procedures of the Authority, and the plans of work approved in
accordance with paragraph 3. State Parties shall assist the Authority by taking all measures necessary to ensure such compliance, in accordance with Article 155.

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 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 shall provide for security of tenure. Accordingly, it shall not be revised, suspended or terminated except in accordance with Articles 18 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 other organs to adopt, measures in accordance with the provisions and procedures of this Part and its annexes which will lead to the improvement of the operation of the régime.

Article 155. The Review Conference

1. Twenty years from the approval of the first contract or plan of work under this Convention the Assembly shall convene a conference for the review of those provisions of this Part and the annexes thereto 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, in particular whether they have benefited mankind as a whole, whether they have not resulted in an excessive concentration of the exploitation of these resources in the hands of a small number of States, whether the economic policies set forth in Articles 150 and 151 have been complied with and whether the régime has resulted in a just distribution of the benefits from activities in the Area, in the light of the general economic situation of developing countries.

2. In particular, the Conference shall consider whether, during the 20 year period, reserved areas have been exploited in an effective and balanced way in comparison with non-reserved areas.

3. The Conference shall ensure that the principles of the common heritage of mankind, the international régime designed to ensure its equitable exploitation for the benefit of all countries, especially the developing countries, and an Authority to conduct, organise and control activities in the Area are maintained. It shall also ensure the maintenance of the principles laid down in this Part with regard to the exclusion of claims or exercise of sovereignty over any part of the Area, the rights of States and their general conduct in relation to the Area, the prevention of monopolization of activities in the Area, the use of the Area exclusively for peaceful purposes, economic aspects of activities in the Area, scientific research, transfer of technology, protection of the marine environment, and of human life, rights of coastal States, the legal status of the superjacent waters and air space and accommodation as between the various forms of activities in the Area and in the marine environment.