COMMITTEE ON THE PEACEFUL USES OF THE SEA-BED
AND THE OCEAN FLOOR BEYOND THE LIMITS OF
NATIONAL JURISDICTION

SUB-COMMITTEE I

PRELIMINARY DRAFT ARTICLES CONCERNING THE BASIC PRINCIPLES OF
THE RÉGIME OF THE INTERNATIONAL AREA OF THE SEA-BED AND THE SUBSOIL
THEREOF, AND REGULATIONS FOR THE GRANTING AND ADMINISTRATION OF
LICENCES FOR THE EXPLORATION AND EXPLOITATION OF MINERALS

Submitted by Italy

Explanatory Note

The Italian delegation has examined with the greatest interest the various
documents and proposals which have been submitted concerning the establishment of
a régime for the exploration and exploitation of the mineral resources of the sea-bed
and the subsoil thereof beyond the limits of national jurisdiction. Following that
examination, it considered that it would be useful to prepare a proposal drafted in
an "organic" way and dealing more particularly with the system for the granting of
licences. It is the purpose of these preliminary draft articles to contribute to
the study of the international régime and to efforts to find the legal discipline
most appropriate to the system for the granting of licences. The Italian delegation
remains convinced that such a system, either alone or possibly in conjunction with
other systems, constitutes an essential instrument for the implementation of the
international régime.

To attain this objective, the licensing system should function in a way that
will enhance the role of the International Authority. Accordingly, the Italian
proposal is guided by the following criteria:
(a) the need to give all States, irrespective of their level of development,
   access to the mineral resources of the international area;

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THE REGIME OF THE INTERNATIONAL AREA OF THE SEA-BED AND THE SUBSOIL THEREOF

SECTION "A"

INTERNATIONAL AREA OF THE SEA-BED AND THE SUBSOIL THEREOF

Article 1

The international area of the sea-bed and the subsoil thereof comprises the sea-bed and the ocean floor, and the subsoil thereof, beyond the limits of national jurisdiction.

An International Authority shall be established for the international area of the sea-bed and the subsoil thereof, which constitute the common heritage of mankind.

Article 2

PROTECTION OF OTHER ACTIVITIES

Operations carried out in the international area of the sea-bed and the subsoil thereof shall not in any way impair the preservation of the living resources of the sea or cause any unjustifiable interference with the other uses of the high seas such as navigation, overflight, fishing, and the laying and utilization of submarine cables and pipelines.

Scientific research in the international area shall be free; however, before undertaking any research operation, the party in question shall submit its research plan to the competent organ of the International Authority.

"Scientific research" means all operations carried out by qualified persons or institutions for the purpose of obtaining data, which shall be made public and be made available to all.

Article 3

REGULATIONS CONCERNING LICENCES FOR THE EXPLORATION AND EXPLOITATION OF MINERALS

The International Authority shall be the exclusive administrator of the mineral resources of the international area's sea-bed and the subsoil thereof.

The International Authority shall issue instruments authorizing the exploration and exploitation of minerals to High Contracting Parties or to physical or juridical persons sponsored by a High Contracting Party.

A High Contracting Party which acts as patron of a physical or juridical person shall vouch for the technical and financial capabilities of the sponsored person, as well as for the application of the provisions of this Convention and measures adopted by the Authority in conformity with those provisions.
(4) The High Contracting Party may require the sponsored person to pay a presentation fee covering the reimbursement of expenses and excluding any other payment by the sponsored person, for whatever purpose, in connexion with activities of prospecting, exploration and exploitation.

(5) Licences for the exploration and exploitation of minerals shall be divided into three categories:
   (a) non-exclusive prospecting licences;
   (b) exclusive exploration licences;
   (c) exclusive exploitation licences.

(6) Licences shall be issued for the prospecting, exploration and exploitation of one of the following three categories of minerals:
   (a) minerals of the sea-bed's subsoil extracted in a fluid state, such as petroleum, natural gas, sulphur, salts which can be extracted by dissolution, etc. ...;
   (b) minerals situated on the surface of the sea-bed, such as manganese nodules, metal-bearing muds, etc. ...;
   (c) solid minerals of the sea-bed's subsoil, such as coal, metal ores, etc. ... .

(7) Licences issued by the International Authority for the various categories of the minerals referred to in the preceding paragraph may totally or partially superimpose one another and may be issued to different applicants and to applicants of different nationalities. The various licensees for different categories of minerals in the same sector or in overlapping sectors shall carry out their respective activities in such a way as not to hinder unnecessarily the activities of the others.

(8) Minerals extracted in the international area in conformity with the licences issued shall be so divided between the holder of an exclusive licence for exploitation and the International Authority as to ensure the licensee reimbursement of his operating costs and prior exploration costs, as well as compensation for his mining risk. The International Authority may require the licensee to market the output.*/

*/* Reimbursement of the costs borne by the licensee and compensation for his mining risk may be affected on a lump-sum basis.