Approval of plans of work

3. All plans of work proposed by qualified applicants during the initial six months period and those proposed during each subsequent four month period, shall be dealt with simultaneously and the Authority shall conduct, as necessary and as expeditiously as possible, an inquiry into their compliance with the terms of the present Convention and the rules, regulations and procedures of the Authority including the operational requirements, the financial contributions, and the undertakings concerning the transfer of technology. As soon as the issues under investigation have been settled, and except for the cases set forth in article 7 paragraph 1, the Authority shall approve all such plans of work provided that they conform to the uniform and non-discriminatory requirements established by the rules, regulations and procedures of the Authority, unless:

a) Part or all of the proposed area is included in a previously approved plan of work, or in a previously submitted proposed plan of work which has not yet been finally acted on by the Authority; or

b) Part or all of the proposed area is disapproved by the Authority pursuant to article 162, paragraph 2 (w) of Part XI of this Convention;

c) No plan of works can be approved because it would be contrary to the production limitation set forth in article 151, paragraph 2, of Part XI of this Convention or to the obligations of the Authority under a commodity agreement or arrangement to which it has become a party, as provided for in article 151, paragraph 1, of Part XI of this Convention;
d) The approval of the proposed plan of work enables a State Party:
- either to have more than two approved plans of work, in reserved and non-reserved sites, of which the whole or a part of the surface lies within any reference area bounded by two meridians 6° apart and by two parallels 6° apart,
- or to have approved plans of works, in non-reserved and reserved sites, the part of the area of which comprised within any reference area as defined in the preceding subparagraph, is larger than 20% of the area of the portion of the Area comprised within that reference area, excluding such areas as the Authority has declared unexploitable in pursuance of article 162, paragraph 2 (w), of Part XI of this Convention.

4. For the purposes of applying the rule set forth in paragraph 3 (d):

a) "State Party" means not only the State Party itself, but also State entities, or persons natural or juridical which possess its nationality or are effectively controlled by it or its nationals.

b) Plans of work of consortia, those of companies and those of the Enterprise when the latter has entered into a joint arrangement with any entity qualified to conduct activities in the Area, are considered to be owned by States Parties on a pro rata basis according to the participation of their nationals in the consortia, companies or joint arrangements with the Enterprise, in so far as both the number and the surface of the work plans are concerned.

When, due to the same reasons set forth in paragraph 1, letters a) and b), a selection must be made among the Enterprise and applicants for contracts, the Enterprise shall have priority when it decides to carry out solely activities in the area reserved to it under article 8
end as far as its financial and technological capability which has to be evidenced according to article 11, is comparable to that of the competing applicant.

5 - The Authority shall make its decisions pursuant to this article as promptly as possible after the close of each period.

6 - An application for a plan of work which it was not possible to approve in the cases set forth in article 5 paragraph 3, letter c) or when a selection have had to be made for the reasons set forth in paragraph 1, letter a) or b), is automatically valid to be dealt with at the end of the next four month period. It has priority then on an application received during that next four month period and which extends partially or totally on the same area. The fact that an application has been presented during a preceding four month period is taken into consideration in the determination of merit when the Authority has to make a selection according to paragraph 2.

Selection of applicants

1 - Where the selection must be made among applicants because of

- the production limitation set forth in article 151, paragraph 2, of Part XI of this Convention

- or the obligations of the Authority under a commodity agreement or arrangement to which it has become a party, as provided for in article 151, paragraph 1, of Part XI of this Convention

- or the total or partial overlapping of the areas of the proposed plans of work.

There shall be consultations among the applicants concerned with a view to reconciling the competing applications. If no agreement is reached within three months
from the beginning of the consultations referred to above, the Authority shall make the selection on this basis of objective and non-discriminatory standards set forth in rules and regulations drawn up in accordance with this article.

2 - The Authority shall consider all qualified applications received within the preceding period of time, as prescribed in the rules, regulations and procedures, and shall make its selection on the basis of an equitable determination of merit, taking into account the resources and effort already invested by the applicants in prospecting and exploration, and on the basis of the need to provide for all States Parties, irrespective of their social and economic systems or geographical locations, opportunities to participate in activities in the Area.

3 - To this end, an application submitted by a national or nationals of one of the State Parties which are not as yet in possession of an approved plan of work shall have priority over an application submitted by a national or nationals of one of the State Parties which already possess two or more approved plans of work. The concept of a plan of work possessed by a State Party is that defined in article 6, paragraph 4.