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Proposal from the Russian Federation**Russian delegation proposals regarding the draft regulations**

In the process of preparing documents for participation in the discussion of the draft regulations, all the International Seabed Authority documents on the issue in question were analysed. Based on that analysis of the material available, basic observations on the draft regulations on prospecting and exploration for polymetallic sulphides and cobalt-rich ferromanganese crusts (document ISBA/10/C/WP/1) were developed and formulated.

The observations focus on the following:

1. A number of provisions of the document which relate to regulations on prospecting and exploration for polymetallic sulphides and cobalt-rich ferromanganese crusts are causing concern, as they involve possible development — along lines unfavourable to Russia — of the process of preparing, submitting and registering the appropriate applications with the International Seabed Authority.

At the root of this concern is the fact that all Russian studies of potentially promising portions of crust on the seabed have been, and continue to be, conducted on the basis of firmly established coincidence of crusts with particular guyot seamounts tens or hundreds of kilometres apart.

The basic premise of the draft regulations, meanwhile, is that the declared area must consist of contiguous blocks measuring approximately 10 kilometres by 10 kilometres, with borders determined in advance by the Authority. That concept not only limits the freedom of potential applicants in choosing areas for application, it also fails to take account of the geological peculiarities of locations or of the distances over which crusts are dispersed. Such an approach would undoubtedly make it essential for the area which is the subject of the application to include blocks which were clearly devoid of deposits. That cannot be considered acceptable.

2. In contrast to the precedent provided by the procedure for relinquishment during the period of contract activity in the case of applications relating to ferromanganese nodules, which — in sum — provides for the relinquishment of 50 per cent of the area, the draft regulations under consideration raise that figure to 75



per cent of the area. The effect of this would be a need to virtually double the size of the original area, with a corresponding increase in the cost of prospecting there.

3. With the aim of amending the draft regulations to make them more suitable for Russia, we believe that document ISBA/10/C/WP/1 would require the changes illustrated in table 1. The proposals are directed at introducing into the regulations the concept of enabling the area indicated in the application to consist of several areas (groups of blocks) some distance apart, located within the boundaries of the appropriate number of guyots (points 1-6 of table 1).

Table 1

Proposed amendments to the draft regulations (document ISBA/10/C/WP/1)

<i>Point</i>	<i>ISBA wording</i>	<i>Russian proposal</i>
Regulation 1, paragraph 3		
1	(a) “block” means a cell of a grid as provided by the Authority, which shall be approximately 10 kilometres by 10 kilometres and no greater than 100 square kilometres;	(a) “block” means a rectangular portion of a grid, which shall be no greater than 100 square kilometres;
2	(b) “cobalt crusts” means hydroxide/oxide deposits of cobalt-rich iron/manganese (ferromanganese) crust formed from direct precipitation of minerals from seawater onto hard substrates containing minor but significant concentrations of cobalt, titanium, nickel, platinum, molybdenum, tellurium, cerium, other metallic and rare earth elements;	(b) “cobalt-rich ferromanganese crusts” means hydroxide/oxide deposits of cobalt-rich iron and manganese in the hard substrate of the seabed, within the bounds of individual structures verified for ore content — seamounts (guyots) and rises;
3	(f) “polymetallic sulphides” means hydrothermally formed deposits of sulphide minerals which contain concentrations of metals including, inter alia, copper, lead, zinc, gold and silver;	(f) “polymetallic sulphides” means concentrations of sulphide minerals rich in non-ferrous and precious metals in the hard substrate of the seabed, within the bounds of individual structures verified for ore content — portions of rift valleys and seamounts (guyots);
4	-	(e) “group of blocks” means a combination of contiguous blocks located within individual structures verified for ore content;
Regulation 12		
5	2. For polymetallic sulphides or cobalt crusts the exploration area shall consist of contiguous blocks. For the purposes of this regulation two blocks that touch at any point shall be considered to be contiguous.	2. For polymetallic sulphides or cobalt-rich ferromanganese crusts the exploration area shall consist of groups of blocks located within particular structures verified for ore content. For the purposes of this regulation, within a group of blocks, two blocks that touch at any point shall be considered to be contiguous.

Point ISBA wording

Russian proposal

Regulation 17

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| 6 | <p>1. Where the applicant elects to contribute a reserved area, the area covered by the application shall be sufficiently large and of sufficient estimated commercial value to allow two mining operations. The applicant shall divide the blocks comprising the application into two groups of equal estimated commercial value and composed of contiguous blocks. The area to be allocated to the applicant shall be subject to the provisions of regulation 27.³</p> | <p>1. Where the applicant elects to contribute a reserved area, the area covered by the application, which need not be a single, continuous area,* shall be sufficiently large and of sufficient estimated commercial value to allow two mining operations. The applicant shall indicate the coordinates dividing the area into two parts of equal estimated commercial value and composed of groups of contiguous blocks. The area to be allocated to the applicant shall be subject to the provisions of regulation 27.³</p> |
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Remark: * — see Annex III to the United Nations Convention on the Law of the Sea, article 8.

Article 8: Reservation of areas

Each application, other than those submitted by the Enterprise or by any other entities for reserved areas, shall cover a total area, which need not be a single continuous area, sufficiently large and of sufficient estimated commercial value to allow two mining operations. The applicant shall indicate the coordinates dividing the area into two parts of equal estimated commercial value and submit all the data obtained by him with respect to both parts.