CONFIDENTIAL

Prime Minister

To note that MISC 19 is now to decide whether the U.K. should sign this understanding.

A.J.C. 30/3.

B.06708

MR COLES

cc Sir Robert Armstrong
PS/Mr Rifkind

Provisional Understanding Regarding Deep Seabed Matters

1. You may recall that, in February 1983, we provided at your request a note on the various issues raised by a Reciprocating States Agreement (RSA) which was sent to you under cover of Sir Robert Armstrong's minute of 23 February 1983. In your letter of 3 March 1983 to Mr Holmes in the Foreign and Commonwealth Office, you said that the Prime Minister had read the Cabinet Office note and noted our approach to the question and the fact that no Ministerial decisions were then necessary.

2. Over the past year, matters have moved forward. As you will see from the attached letter of 26 March from the Minister of State, Foreign and Commonwealth Office (Mr Rifkind) to the Secretary of State for Transport (who is now Chairman of MISC 19), the United Kingdom has negotiated a Provisional Understanding on Deep Seabed Matters (the new name for a Reciprocating States Agreement) with a number of other countries with interests in deep seabed mining. Mr Rifkind has written to Mr Ridley and other members of MISC 19 to seek their agreement to United Kingdom signature of the Understanding, subject to certain conditions discussed in his letter.

Attached

3. An important point to note is that the new Understanding, unlike the earlier RSA, does not provide for the recognition of licences granted by other states but proceeds by way of a negative obligation not to grant licences in an area where, by agreement or earlier application, another participating state has priority. This change of approach should enable states which are UNLOSC signatories to assert (as the United Kingdom also maintains) that they will not be entering into obligations inconsistent with the Convention. Another important point is that Mr Rifkind expects a number of other states to sign the Understanding.

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Moreover, he says that he would not recommend that the United Kingdom should sign with the United States alone without further consideration of where the balance of advantage lies for the United Kingdom. This point, you will recall, was an essential factor identified by the Cabinet Office note (cf. paragraph 17 - "an RSA with only two signatories would be a sign of weakness").

4. In view of the Prime Minister's previous interest, you may wish to inform her that the moment for Ministerial decision has arrived. We will in any case ensure that she is informed of the outcome of MISC 19's consideration of Mr Rifkind's proposal.

David Goodall

A D S Goodall

29 March 1984

CONFIDENTIAL

file SSR

10 DOWNING STREET

From the Private Secretary

Mr Goodall

Provisional Understanding Regarding Deep Seabed Matters

The Prime Minister has seen your minute of 29 March and has noted that MISC 19 is about to decide whether the UK should sign the provisional understanding regarding deep seabed matters.

Mrs Thatcher has noted with approval the statement in Mr Rifkind's letter of 26 March that we wish to sign in company with at least one other country in addition to the United States.

A. J. COLES

2 April 1984

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SSR

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SC APR

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

Malcolm Rifkind Esq
Minister of State
Foreign and Commonwealth Office
Downing Street
LONDON SW1

30 April 1984

N.B.P.R.

A.S.C. 3/5.

Dear Malcolm

PROVISIONAL UNDERSTANDING REGARDING DEEP SEABED MATTERS

You wrote to me on 26 March about UK signature of a provisional understanding regarding deep seabed matters. David Mitchell and David Trefgarne both commented on 12 April.

will request if required

No difficulty has been expressed about the text of the Understanding, but there is anxiety about the number of other signatories; it would be desirable for at least one signatory to be also a signatory of the United Nations convention on the law of the sea. If it seems that no such signatory will join I think we should reconsider within MISC 19. Certainly we shall need to consider again carefully if the USA looks like being the only other signatory.

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I am copying this letter to the Prime Minister, the Attorney General, the Lord Advocate, the Lord Privy Seal, the Chief Secretary to the Treasury, Ministers of State in the Department of Energy, the Ministry of Defence, the Department of Trade and Industry, the Department of the Environment, the Ministry of Agriculture, Fisheries and Food, and to Sir Robert Armstrong.

NICHOLAS RIDLEY

3- MAY 1984

Foreign and Commonwealth Office

London SW1A 2AH

26 March 1984

447 *From The Minister of State*

CABINET OFFICE
A 2342
27 MAR 1984
FILING INSTRUCTIONS
FILE No. ....

Rt Hon Nicholas Ridley MP
Secretary of State for Transport
Department of Transport
2 Marsham Street
LONDON SW1P

Mr Colvin

Dear Nicholas,

PROVISIONAL UNDERSTANDING REGARDING DEEP SEABED MATTERS

I am enclosing with this letter the text of a Provisional Understanding on Deep Seabed Matters (together with an explanatory memorandum) which the UK has negotiated with a number of other countries with interests in deep seabed mining. Despite this title, it is intended to be a legally binding agreement. Earlier texts have been discussed between officials of interested Departments. The present text does not differ in substance from those previously seen by officials. It has been amended to take account of problems which were caused for the FRG and Japan by earlier texts, but the alterations do not affect our interests. Subject to certain conditions which are discussed below, I am writing to request your agreement to UK signature of the Understanding. David Trippier, in the DTI, concurs with the recommendation to sign.

At the meeting of MISC 19 on 9 November 1982 which gave consideration to UK signature of the UN Law of the Sea Convention, Ministers agreed that the UK should negotiate a reciprocating states agreement. Earlier versions of proposed intergovernmental arrangements provided for recognition of licences granted by other states. The current version imposes a negative obligation not to grant licences in an area where, by agreement or earlier application, another participating state has priority. This change of emphasis has been made largely to attract states which are signatories to the UN Law of the Sea Convention in order that they can assert (as the UK also maintains) that they will not be entering into obligations inconsistent with the Convention. The immediate purpose of the Provisional Understanding is to assure the commercial seabed mining consortia and entities, which have now reached agreement amongst themselves to avoid overlapping of exploration and mining sites on the seabed, that their governments will not grant licences under

/national

national laws for seabed operations which would defeat those agreements. The Understanding would also prevent states granting other and later applicants authority under national laws to undertake seabed operations on sites which were the subject of earlier authorisations or applications. It is also seen by the US as part of the necessary basis for the designation of reciprocating states which is needed to allow the UK/US partners to proceed.

The Understanding has been negotiated with Belgium, France, FRG, Italy, Japan, the Netherlands and the USA. It is not as yet clear how many of these will decide to sign. (If not all are prepared to sign we will need to ensure that we do not protect companies from the non-signatory countries merely because they are parties to a commercial agreement on overlapping.) It is generally in the UK's interest to participate in this Understanding. While we remain outside the Convention this Understanding is the only security which we are able to provide to our companies. Our participation will mean that the recipient of a licence under the Deep Sea Mining (Temporary Provisions) Act 1981 - such as the Kennecott Consortium (in which RTZ, Consolidated Goldfields and BP have substantial interests) - will be assured that other licences will not be issued by interests from participating states in the same areas of exploration or mining. (This protection will have effect whether or not other participating countries are also seeking to operate under the Convention regime.)

Even if we should at a later stage sign or accede to the Convention, some form of additional agreement would be necessary with the US, which does not intend to participate in the Convention. The Understanding can do nothing, however, to provide protection for British licencees in respect of operators from countries which are working under the Convention arrangements but do not participate in the Understanding (for example the USSR is likely to operate under the Convention and its site could overlap the Kennecott site; but the USSR is unlikely to be willing to enter into a separate arrangement with the UK to avoid the overlap). Our companies have indicated to us that they do not wish to make applications under the Convention system because of the onerous conditions of registration. They have advised us that they definitely would wish us to enter into the Provisional Understanding, as it endorses their participation in the commercial agreement.

The usefulness of the Understanding will be dependent on the number of countries with deep seabed mining interests which take part in it and will be correspondingly diminished by each state (which intends to issue national licences) which does not in the event participate in the Understanding. I cannot forecast how

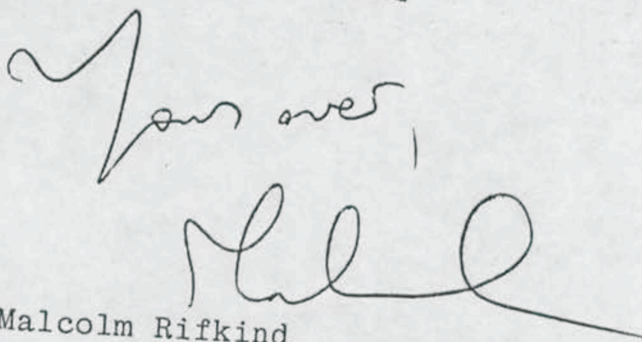
/many

many of the negotiating parties will be prepared to sign the agreement. Furthermore, the signing of the Understanding is likely to attract criticism from the G77 as being a 'Mini-Treaty' outside the Convention. As participants in the Preparatory Commission we are more exposed to criticism than the US, which has turned its back on the Convention process. Therefore, we would wish to sign in company with at least one other country in addition to the US, probably the FRG. I would not recommend that we should sign with the US alone without further consideration of where the balance of advantage lies for the UK.

Yes

There has been concern by some Departments that signing of the Understanding could lead to not only adverse criticism by the G77 but also retaliatory action against the navigational rights of British naval and merchant shipping. We believe that in the present form of negative obligations, the dangers of such difficulties will be minimised, particularly if we sign with sufficient company. This naturally enhanced the importance of at least a third signatory.

I am copying this letter to the Attorney General, the Lord Advocate, the Lord Privy Seal, the Chief Secretary to the Treasury, Ministers of State in the Department of Energy, the Ministry of Defence, the Department of Trade and Industry, the Department of the Environment, the Ministry of Agriculture, Fisheries and Food, and to Sir Robert Armstrong.



Malcolm Rifkind

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1) Mrs Wardegar
a copy for submission
2) Carter

27 February 1984

A PROVISIONAL UNDERSTANDING REGARDING DEEP SEABED MATTERS

1. (1) No Party shall issue an authorization in respect of an application, or seek registration, for an area included:

(a) within an area which is covered in another application filed in conformity with the agreements for voluntary conflict resolution reached on 18 May 1983 and 15 December 1983 and being still under consideration by another Party;

(b) within an area claimed in any other application which has been filed in conformity with national law and this Agreement,

(i) prior to the signature of this Agreement, or

(ii) earlier than the application or request for registration in question,

and which is still under consideration by another Party; or

(c) within an authorization granted by another Party in conformity with this Agreement.

(2) No Party shall itself engage in deep seabed operations in an area for which, in accordance with this paragraph, it shall not issue an authorization or seek registration.

2. The Parties shall, as far as possible, process applications without delay. To this end, each Party shall, with reasonable dispatch, make an initial examination of each application to determine whether it complies with requirements for minimum content of applications under its national law, and thereafter determine the applicant's eligibility for the issuance of an authorization.

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3. Each Party shall immediately notify the other Parties of each application for an authorization which it accepts, including applications already received, and of each amendment to such an application. Each Party shall also immediately notify the other Parties after it has taken action subsequently with respect to an application or any action with respect to an authorization.

4. No Party shall authorize, or itself engage in, exploitation of the hard mineral resources of the deep seabed before 1 January, 1988.

5. (1) The Parties shall consult together:

(a) prior to the issuance of any authorization or before themselves engaging in deep seabed operations or seeking registration for an area;

(b) with regard to any arrangements between one or more Parties and another State or States for the avoidance of overlapping in deep seabed operations;

(c) with regard to relevant legal provisions and any modification thereof; and

(d) generally with a view to coordinating and reviewing the implementation of this Agreement.

(2) The relevant Parties shall consult together in the event that two or more applications are filed simultaneously.

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6. (1) To the extent permissible under national law, a Party shall maintain the confidentiality of the coordinates of application areas and other proprietary or confidential commercial information received in confidence from any other Party in pursuance of cooperation in regard to deep seabed operations. In particular:

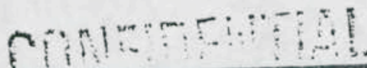
(a) the confidentiality of the coordinates of application areas shall be maintained until any overlap involving such an area is resolved and the relevant authorization is issued; and

(b) the confidentiality of other proprietary or confidential commercial information shall be maintained in accordance with national law as long as such information retains its character as such.

(2) Denunciation or other action by a Party pursuant to paragraph 14 of this Agreement shall not affect the Parties' obligations under this paragraph.

7. (1) The rights and interests of an applicant or of the grantee of an authorization may be transferred, in whole or in part, consistent with national law. Subject to national law, the rights, interests, and obligations of the transferee shall be as set forth in an agreement between the transferor and the transferee.

(2) For the purposes of this Agreement, the transferee is deemed to stand in the same position as that of the transferor for his rights and interests including the right of priority to the extent those rights and interests represent in whole or in part the original rights and interests of the transferor.



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8. The Parties shall seek consistency in their application requirements and operating standards.

9. The Parties shall implement this Agreement in accordance with relevant national laws and regulations.

10. The Parties shall settle any dispute arising from the interpretation or application of this Agreement by appropriate means. The Parties to the dispute shall consider the possibility of recourse to binding arbitration and, if they agree, shall have recourse to it.

11. This Agreement, which includes Appendices I and II, may be amended only by written agreement of all Parties.

12. (1) This Agreement shall enter into force 30 days after signature.

(2) A Party which has not adopted the necessary legal provisions for the issue of authorizations may, by a declaration relating to its signature of this Agreement, limit the application of this Agreement to the parts thereof other than those relating to the issue of authorizations. Where such a Party adopts legal provisions which, in the view of the other Parties, are similar in aims and effects to their own legal provisions, the first mentioned Party shall notify all other Parties that it accepts fully the provisions of this Agreement. Such a Party may also declare, upon signature, that, for constitutional reasons, this Agreement shall become effective for it only after notification to all other Parties.

13. After entry into force of this Agreement, additional States may, with the consent of all Parties, be invited to accede to this Agreement.

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14. (1) A Party may denounce this Agreement by written notice to all other Parties, subject to the provisions of paragraph 6. Such denunciation shall become effective 180 days from the date of the latest receipt of such notice.

(2) A Party may, for good cause related to the implementation of this Agreement, after consultation, serve written notice on another Party that, from a date not less than 90 days thereafter, it will cease to give effect to paragraph 1 of this Agreement in respect of such other Party. The rights and obligations of these two Parties towards the other Parties remain unaffected by such notice.

(3) Subsequent to such notice referred to in subparagraphs (1) and (2), the Parties concerned shall seek, to the extent possible, to mitigate adverse effects resulting therefrom.

15. This Agreement is without prejudice to, nor does it affect, the positions of the Parties, or any obligations assumed by any of the Parties, in respect of the United Nations Convention on the Law of the Sea.

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Done at Geneva on ____________________, 1984, in eight copies in the English, French, German, Italian, Japanese, and Netherlands languages, each of which shall be equally authentic.

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APPENDIX I

Definitions

For the purposes of this Agreement:

"Application filed in conformity with the agreements for voluntary conflict resolution reached on 18 May 1983 and 15 December 1983" as referred to in paragraph 1(1)(a) of this Agreement means the original application as amended as a consequence of, or in order to give effect to, those agreements; where identical applications have been filed with more than one Party, they shall, for the purpose of paragraph 1(1)(a) of this Agreement, be treated as a single application; applicant in relation to applications referred to in paragraph 1(1)(a) of this Agreement means the original applicant or applicants in respect of an application, or in his or their place the transferee or transferees of such applicant or applicants as provided in paragraph 7 of this Agreement, or the nominee or nominees who act on behalf of such applicant or applicants;

"Agreements for voluntary conflict resolution" as referred to in paragraph 1(1)(a) of this Agreement means the agreements between Association Francaise Pour l'Etude et la Recherche des Nodules (AFERNOD), Deep Ocean Resources Development Co., Ltd. (DORD), Kennecott Consortium (KCON), Ocean Mining Associates (OMA), Ocean Minerals Company (OMCO), Ocean Management, Inc. (OMI), or any of them;

"Authorization" means an authorization to engage in deep seabed operations;

"Deep seabed operations" means operations, other than prospecting, in relation to the hard mineral resources of the deep seabed in a specified area or areas;

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"Hard mineral resources" means any deposit or accretion on or just below the surface of the deep seabed consisting of nodules which contain manganese, nickel, cobalt, or copper; and

"Registration" means any registration or other act by an authority which is recognized or accepted by the Party in question as conferring or confirming any right or authorization to engage in deep seabed operations.

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APPENDIX II

NOTIFICATION

A. A notice relating to an application or amendment, as provided by paragraph 3 of this Agreement shall include:

(a) the identity of the applicant;

(b) the coordinates of the area of the application or amendment;

(c) the date and time the application or amendment was filed (expressed in Greenwich Mean Time to the nearest minute);

(d) the type of authorization applied for;

(e) a statement of the duration of activities applied for; and

(f) such other information as the notifying Party considers appropriate.

B. A notice relating to subsequent action or to authorizations shall include all necessary data, a copy of the legal documentation effecting the action and the operative date.

C. Each notice concerning the coordinates of an area of the deep seabed shall define the boundary by the geodetic coordinates of the turning points in accordance with the World Geodetic System 1972 (WGS 72). Any line defining the boundary between turning points must be a geodesic.

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MEMORANDUM ON THE IMPLEMENTATION OF THE PROVISIONAL UNDERSTANDING REGARDING DEEP SEABED MATTERS

With respect to the implementation of the Provisional Understanding Regarding Deep Seabed Matters signed on ______________ 1984, the representatives of the Governments of ______________, ______________ ______________, ______________, ______________, ______________, ______________, ______________, and ______________ have confirmed their intention to give effect to the following:

Eligibility

1\. (1) Each Party will issue or transfer an authorization only to applicants:

(a) which are financially and technologically qualified to conduct the proposed deep seabed operations;

(b) which comply with all requirements of the Party's national law; and

(c) whose deep seabed operations will be carried out in accordance with the standards prescribed below.

(2) The relevant Parties will consult prior to the issuance or transfer of an authorization to an applicant who has previously been denied an authorization or had an authorization revoked for the same area by another Party, or who has relinquished the same area under an authorization of another Party.

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Size of Area

2. (1) Each Party will issue or transfer an authorization only for an area in which the deep seabed operations authorized can be conducted within the initial duration of the authorization in an efficient, economical and orderly manner with due regard for conservation and protection of the environment, taking into consideration, as appropriate, the resource data, other relevant physical and environmental characteristics and the state of the technology of the applicant, as set forth in the plan of operations.

(2) Upon request of any other Party, a Party will provide, within 30 days, a written statement of reasons why that Party has approved an application area of a particular size.

Standards

3. (1) Each Party will take all necessary measures so that deep seabed operations under its control:

(a) are conducted with reasonable regard to the interests of other States in the exercise of the freedom of the high seas;

(b) will include efforts to protect the quality of the environment and will not result in significant adverse effects on the environment;

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(c) have due regard for the prevention of waste and the future opportunity for the commercial recovery of the unrecovered balance of the hard mineral resources in the authorization area;

(d) do not adversely affect the safety of life and property at sea in accordance with generally accepted international standards;

(e) are conducted diligently by maintaining a reasonable level of operation based on the size of area and other relevant factors; and

(f) are monitored for their effects on the environment.

(2) In accordance with its national law each Party will ensure that persons subject to its jurisdiction minimize interference with any activity authorized under an authorization issued by another Party.

(3) Each Party will cooperate in developing measures, consistent with its national law, needed to implement the provisions of the Agreement and of this Memorandum so that, in general function and effect, these measures are compatible with, comparable to, and as effective as those established by the other Parties.

Administrative Requirements

4. To enforce effectively the standards described in paragraph 3 of this Memorandum, each Party will employ, as appropriate, measures such as: imposing reasonable penalties for violation of requirements; placing observers on vessels to monitor compliance; suspending, revoking, or modifying authorizations; and, issuing orders in an emergency to prevent a significant adverse effect on the environment or to preserve the safety of life and property at sea.

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___ ________ 1984, Geneva

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JOINT RECORD

Following the signature of the Provisional Understanding Regarding Deep Seabed Matters, the Parties notified each other of the identities of the applicants and the dates of receipt of the applications already received. Having regard to the assurance of the representatives of the Federal Republic of Germany that the area of the application filed on their own behalf by Metallgesellschaft AG, Preussag AG, and Salzgitter AG, as partners of Arbeitsgemeinschaft Meerestechnisch gewinnbare Rohnstoffe (AMR) is outside the Clarion Clipperton Zone, the Parties to the Provisional Understanding noted that that application falls under paragraph 1(1)(b)(i) of the Provisional Understanding.

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EXPLANATORY COMMENTARY ON THE DRAFT 'PROVISIONAL UNDERSTANDING REGARDING DEEP SEABED MATTERS'

Title

1. This vague and inaccurate title ('Agreement' is used elsewhere throughout the Agreement) has been adopted at the request of some countries on the grounds that it may lessen criticism of the Agreement as a 'mini-treaty' as an alternative to the UN Convention on the Law of the Sea.

Article 1

2. Article 1 (1) is the basic proposition. It is in the form of negative or self-denying undertakings not to grant an authorisation under national law for deep seabed operations (defined in Appendix I) over an area which would overlap (i) an area subject to an application made by one of the pioneer seabed explorers if, in accordance with an agreement between these pioneers it falls to another applicant, (ii) an area included in any prior application, or (iii) an area included in an authorisation already granted by another Party. Since the prospective parties to this Agreement are either presently or contingently entitled to the benefits of the Preparatory Investment Protection (PIP) Resolution of the UN Conference of the Law of the Sea (under which they may apply for registration of a site to the Preparatory Commission for the International Seabed Authority) it is also necessary to exclude application for registation of a site which would overlap such applications to a Party or authorisations by a Party. Registration is defined in Appendix I in a manner which it is hoped will not direct the eye too obviously to the PIP resolution; the definition would also include applications eventually made for a plan of work under the Convention itself.

/3.

3. The pioneer seabed explorers (which are multilateral consortia in which UK, American, German, Italian, Dutch, Belgian, Japanese and Canadian companies have a stake, and a French and Japanese national entity) have already made agreements to avoid overlapping and in connection with their applications for the necessary national authorisation, this Agreement (Provisional Understanding) will complement the industries' agreements.

4. Article 1(2) is a corollary to Article 1(1). The Parties cannot escape the obligation to avoid overlapping in the grant of authorisations by themselves undertaking deep seabed operations in an area which is the subject of a prior application or authorisation.

5. Section 3 of the Deep Sea Mining (Temporary Provisions Act 1981 enables us to give effect to an undertaking not to issue an authorisation granted by another Party. In order to implement the obligation not to grant an authorisation overlapping a site in an earlier application to another Party, it will be necessary to rely on the power of the Secretary of State in Section 2(2) to have regard to any relevant factors in determining whether to grant an application it being a relevant factor that it would not accord with an orderly regime for exploration and exploitation such as is envisaged by Section 3 of the Act to facilitate 'claim jumping'. A safeguard against tying up areas by multiple applications is to be found in the reasonable despatch requirement in Article 2 and in the power to denounce in Article 14.

Article 2

6. This article enjoins Parties to process applications within a reasonable time. It is designed to minimise the ability of one Party to hold up another Party's consideration of a later application which might overlap an earlier application.

Article 3

7. Parties are to notify each other of applications and amendments as they are received. This is essential to a system where priority attaches to the time of receipt of applications. Parties are also required to notify each other regarding the processing of applications. The details are spelled out in Appendix II.

Article 4

8. This article imposes a deep seabed mining (as distinct from exploration) moratorium until 1 January 1988 on States Parties (all domestic seabed mining laws of countries involved in negotiating the Agreement contain the same moratorium). The original aim of this Article was to signal the intention of States Parties to the Agreement not to pre-empt arrangements for seabed mining under the UNLOS Convention. Presently it serves the purpose of providing a locus poenetentiae for a more generally agreed seabed regime. In practice, market forces are likely to preclude exploitation before this date.

Article 5

9. This article indicates various circumstances in which Parties to the Agreement should consult one another. Paragraph (2) also provides for consultation in case new applications are filed simultaneously.

Article 6

10. This article provides for confidentiality. Confidentiality is particularly necessary in respect of the co-ordinates of the areas applied for and in respect of confidential commercial information concerning mining techniques. Parties remain subject to confidentiality requirements even when they have (otherwise) denounced the Agreement.

/Article

Article 7

11. This article deals with the circumstances which may pertain after the break-up of a consortium, ie when the various components of an applicant change subsequent to the application or subsequent to receiving an authorisation. It gives recognition to transfers under domestic law, the transferee standing in the shoes of the transferor.

Article 8

12. This article seeks to ensure that the Parties will apply common standards with regard to qualifications of applicants (eg technical and financial) and the terms on which they shall operate. (The Memorandum to the Agreement - see paragraph 23 below - spells out the details). The obligation is limited to seeking consistency. Japan is unwilling to accept anything more positive.

Article 9

13. Obvious, but intended to demonstrate for various domestic opinions that the Agreement does not go beyond laws already enacted in those countries. It is not intended to, nor does it, modify the obligations assumed by the States Parties.

Article 10

14. Dispute settlement. This is more a nod in the direction of dispute settlement than the provision of machinery.

Article 11

15. Amendments.

Article 12

16. Entry into force will take place 30 days after signature. The

Article also provides for countries which have not enacted seabed mining legislation and therefore cannot enter into the substantive obligations in Articles 1 - 4 with regard to the issue of authorisations. When such a country enacts domestic seabed mining legislation (which the other Parties are satisfied is along the lines of their own legislation) that country may notify the other Parties concerned that it considers itself to be bound generally by the Agreement.

Article 13

17. Accession by other states, provided all Parties agree.

Article 14

18. In addition to a general denunciation (on six months written notice), this Article provides for denunciation vis-a-vis a particular Party. The object of this is to ensure that Party A may denounce against Part B (if for example it takes the view that Party B is granting too many licences) but retain its obligations and benefits vis-a-vis other Parties. Paragraph 3 is intended to give a denouncing Party the possibility of maintaining its obligations and the benefits in respect of authorisations granted before denunciation.

Article 15

19. This article was inserted at the request of countries (France, Japan and the Netherlands) which have already signed the UN Convention and which wish to demonstrate their contention (which the UK shares) that this Agreement is consistent with the UN Convention.

Final Clause

20. Since France insists on a French text, the FRG insists on a German text. If there is a German text, the Japanese Italians and Dutch are unwilling to be left out.

Appendix I (Definitions)

21. This Appendix identifies the industries agreements which are the subject of Article 1 (1)(a) and provides an expanded definition of an 'Applicant'. It also defines four other words or phrases. These are: 'authorisations' (some States' legislation refers to licences, some to permits), 'deep seabed operations','hard mineral resources' and 'registration'.

Appendix II

22. This Appendix sets out the details required for notification of applications etc referred to in Article 4 bis (paragraph above refers).

Memorandum

23. The Memorandum attached to the Agreement confirms the intention of the Parties to the Agreement to abide by common rules on the following: eligibility for licences; the size of the area for which licences are issued; the standards to which deep seabed operations should be subject. These provisions are made because the US legislation requires the US administration to be satisfied that 'reciprocating states' are subject to such provisions (by law or agreement) before the administration can enter into obligations to recognise (ie not to trespass on) sites subject to such other states' authorisation. Japan is unwilling to enter into an obligation to apply common standards. The compromise that has been agreed upon is in the form of a common statement of intention which will be made contemporaneously with the Agreement.