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Report of the Chairman of the First Committee

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of the contract, Part XI of the present Convention and the rules and regulations of the Authority . . . ; or

(ii) If a Contractor has failed to comply with a final binding decision of the dispute settlement body applicable to him.

(b) The Authority may impose upon the Contractor monetary penalties proportionate to the seriousness of the violation . . . in any case of violation of terms of contract not covered under subparagraph a above.

(c) Except in cases of emergency orders as provided for in article 163, paragraph 2, xi, the Authority may not execute a decision involving monetary penalties, suspension or termination until the Contractor has been accorded a reasonable opportunity to exhaust his judicial remedies *available to him pursuant to Part XI, section 6, of the present Convention.*

Revision of contract

13. (a) When circumstances have arisen, or are likely to arise, which, in the opinion of either party, would render the contract inequitable or make it impracticable or impossible to achieve the objectives set out in the contract or in Part XI of the present Convention, the parties shall enter into negotiations to adjust it to new circumstances . . . .

(b) Any contract entered into in accordance with article 151, paragraph 3, may be revised only *with the consent of* the parties . . . .

Transfer of rights *and obligations*

14. The rights and obligations arising out of a contract shall be transferred only with the consent of the Authority, and in accordance with the rules and regulations adopted by it. The Authority shall not *unreasonably* withhold consent to the transfer if the proposed transferee is in all respects a qualified applicant, and assumes all of the obligations of the transferor.

Applicable law

15. (*a*) The law applicable to the contract shall be the provisions of Part XI of the present Convention, the rules and regulations of the Authority, . . . the terms and conditions of the contract, *and other rules of international law not incompatible with the present Convention. Any final decision rendered by a court or tribunal having jurisdiction* by virtue of *the present convention relating to* the rights and obligations of the Authority and of the Contractor shall be valid and enforceable in the territory of each State Party.

(*b*) No State Party may impose conditions on a Contractor that are inconsistent with Part XI of the present Convention. However, the application by a State Party of environmental *or other* regulations to sea-bed miners it sponsors or to ships flying its flag, more stringent than those imposed by the Authority pursuant to paragraph 11 b, 6 of this annex, shall not be deemed inconsistent with Part XI of the present Convention.

Liability

16. Any responsibility or liability for wrongful damage arising out of the conduct of operations by the Contractor shall lie with the Contractor, *account being taken of contributory factors by the Authority*. . . . Similarly, any responsibility or liability for wrongful damage arising out of the exercise of the powers and functions of the Authority shall lie with the Authority *account being taken of contributory factors by the Contractor*. Liability in every case shall be for the actual amount of damages.

DOCUMENT A/CONF.62/L.36

Report of the Chairman of the First Committee

[*Original: English*]
[*26 April 1979*]

In accordance with the recommendations included in a report of the General Committee contained in document A/CONF.62/ 69,[32] adopted by the Conference at its 108th plenary meeting on 15 September 1978, the three negotiating groups dealing with matters before the First Committee (negotiating groups 1, 2 and 3) resumed their work at the very outset of the eighth session. They concluded their work at the end of the third week as recommended.

The results of the negotiations up to that point are contained in documents NG1/16/Rev.1 (A/CONF.62/L.35, annex III), NG1/17 (*ibid.*, annex II), NG2/4 (A/CONF.62/ C.1/L.22, annex I), NG2/5,[33] NG2/12 and NG3/6.

In the light of the issue raised in the plenary Conference, I, in consultation with the President, established a group of legal experts to examine legal questions insofar as they related to part XI of the informal composite negotiating text.[34] The result of negotiations in that Group is contained in document GLE/2.

The First Committee held its only meeting, the 45th, on 25 April and it was formal. Our task was pursued in informal fora, created to encourage serious negotiations on the complex issues outstanding in the mandate of the First Committee. Reports were made yesterday to the Committee by all who bear the responsibilities for these subsidiary bodies, notably the Chairmen of the negotiating groups and of the group of legal experts, in order to record those endeavours formally. I also personally gave an account of the activities in the working group of 21 in order to bring them up to date.

As all of these reports were made in formal session, I shall refrain from embarking on a narrative concerning the Committee's programme of work.

A significant development in our labours was the establishment of the working group of 21 — an idea launched by the developing countries who might ordinarily be expected to oppose that approach, given the great diversity of culture, of legal, political and economic systems, of religions and of levels of economic development. For the first time, it was possible to have a limited number of speakers, all accredited representatives of definite interests. The system of appointing alternates allowed changes in representation at the front bench, as it were, and thus selections were made for those most interested in an issue to participate directly.

This, clearly, was an advance in the right direction and away from the unruly system of so-called open-ended meetings. Sub-committees and negotiating groups of the whole (or limited but open-ended) did serve their purpose in providing opportunity for informal exchange of views, without the debauchery of publicity and records. Yet, they had only limited success owing to the tendency to address a large audience and attract a long list of speakers.

The working group of 21 addressed specific subjects and encouraged direct exchange between the opposing sides. It is my view that given a definite agenda early and time to prepare for each subject, the establishment of this group may well prove to be an announcement of the much awaited final stage of our endeavours.

The group of legal experts was another new forum for discussions. The presence of the word "legal" helped eliminate large numbers of participants, who do not have the fortune

[32] *Official Records of the Third United Nations Conference on the Law of the Sea*, vol. X (United Nations publication, Sales No. E.79.V.4).
[33] *Ibid.*, p. 56.
[34] *Ibid.*, vol. VIII (United Nations publication, Sales No. E.78.V.4).

or misfortune of belonging to the legal profession. Even among those who belong to it, some were deterred by the word "expert". Thus the same phenomenon of limited membership induced thereby stimulated progress.

It cannot be news for anyone the fact that the First Committee's mandate contains the most complex and difficult issues at this Conference. Apart from sharing with other Committees many global realities and sentiments of national interests, much stronger than international interests, negotiations in the First Committee must contend with the absence of precedents. They must attempt to work out rules and regulations on the basis of assumptions, many of which may prove to be wrong and on the basic approach to which even experts find little common ground. The limits of human knowledge and experience, advancements in science and technology notwithstanding, spell the scope of humanity's wisdom. Our advance has inevitably been slow, because of those limits. What we often put down to lack of political will may consequently be a wrong diagnosis of many of our problems.

Having said this, I believe that we can therefore look with some satisfaction and hope on our attainments this session. For the first time in a long time, I am able to state with some degree of confidence that we have broken new ground and I can venture to speak of consensus on some issues. Even some of the hard-core issues that have menaced us in the past have taken on new and less disagreeable dimensions. The resolution of some aspects of these have lightened the burden with regard to others.

I do not, however, wish to be interpreted as saying that all hard-core issues have been or are about to be resolved with equal degree of success. We had time to negotiate only a few of these and what I am communicating is my impression that, if the experience of my long involvement with this effort has not led me to a misconception, the results so far demonstrate considerable progress. It is this aspect that I wish to address today.

Perhaps the most complex and difficult task we have had to grapple with relates to the financial arrangements with regard to the Authority and the Enterprise and also the terms of contracts for exploration and exploitation. On this issue, the Conference found itself in a dark tunnel when it met in Caracas. Thereafter we were to wander, almost aimlessly, in darkness. When the revised single negotiating text[35] was worked out, we were still at a loss to truly identify what was involved. With the informal composite negotiating text, we were finally able to see some light beyond the tunnel and commenced focusing on a definite programme as a common basis for discussion.

Thanks to the indefatigable efforts of my friend, Mr. Koh of Singapore, and the devotion of experts and non-experts alike, we now have the clear proposals contained in documents NG2/4, NG2/5/Rev.1 (*ibid.*, annex II) and NG2/12/Rev.1 (*ibid.*, annex III). We are finding our way out of the tunnel. Mr. Koh's report to the First Committee is detailed and I need not insult him by unnecessary duplication.

With regard to NG2/4, which deals with the financial arrangements of the Authority, it is generally felt that a consensus has been reached.

The financial arrangements to be entered into between the Authority and contractors undertaking sea-bed mining activities were discussed in great detail on the basis of NG2/12. Proposals before the negotiators are designed to achieve a balance between the level of revenues accruing to the Authority and the need to devise a system of taxation that would be acceptable to countries with different social and economic systems, and also one that would respond sensitively to the contractor's profitability, thus enhancing its attractiveness to the investor.

Considerable progress was made in clarifying elements in the proposals. It is probably only on the question of the level of revenues accruing to the Authority that agreement has yet to be achieved. Document NG2/12/Rev.1, which gives an account of the latest situation, reveals tremendous progress.

However, two paragraphs will probably require further negotiations:

(*a*) In paragraph 7 *sexies* there appear to be three interrelated questions which must be taken together: the two production charge rates, the attributable net proceeds figure and the two tax rates.

(*b*) In paragraph 7 *ter* the question is whether or not it is possible and desirable to spell out the financial terms of contracts for contractors which will mine the nodules but will not undertake a fully integrated project, e.g., that will engage only in nodule recovery and perhaps transportation.

In spite of this observation, it is widely accepted that the suggestions in NG2/12/Rev.1, compared to the informal composite negotiating text, substantially enhance the prospects for achieving a consensus.

During the negotiations, one particular element evoked wide discussion: the need for the level of the Authority's revenues to be sufficient "to enable the Enterprise to engage in sea-bed mining effectively at the same time as the entities referred to in Article 151, paragraph 2 (ii)" (*ibid.*, paragraph 7 (*e*)).

While it was recognized that the Authority's revenues would not be the sole, or even the principal source of initial financing for the Enterprise, the developing countries sought to ensure that the levels of revenues from mining contracts would make a substantial contribution to that end. Resulting from this discussion, proposals were made regarding the separate but related question of how, in fact, the Enterprise and its initial mining and other related activities might be financed, pursuant to earlier assurances given by responsible spokesmen of the industrialized countries.

Negotiation of the level of the Authority's revenues, including aspects relating to national taxation, still presents difficulties, while serious consideration must continue to be given to the financial structure and the network of commitments by States parties for ensuring the timely execution of the Enterprise's first mining operations.

On the whole, with regard to NG2/5/Rev.1, the one real outstanding issue still to be negotiated, I must emphasize, is how the cash capital of the first project of the Enterprise should be raised. Mr. Koh gave valuable leadership in his statement at the 45th meeting of the Committee. Two basic ideas exist, first, that the cash capital should be raised from all States parties in accordance with the schedule referred to in article 158, paragraph 2 (vi) and secondly, that the cash capital should be divided into two parts: the first to be raised from all States in accordance with the said schedule and the second from one of three ways: (*a*) by States parties referred to in article 159, paragraph 1 (*a*); (*b*) by States parties referred to in article 159, paragraph 1 (*a*) and (*b*); and (*c*) by States parties engaged in activities of exploration and exploitation in the area and by the States parties sponsoring applicants for contracts.

It is perhaps appropriate to say that the industrialized countries bear basic responsibility for ensuring the capabilities of the Enterprise over the preliminary phase of its activities. I say this because, as one representative of the industrialized countries admitted during the negotiations, they have a fundamental interest in seeing this realized because if the Enterprise does not work, especially at the be-

[35] *Ibid.*, vol. V (United Nations publication, Sales No. E.76.V.8), document A/CONF.62/WP.8/Rev.1, and vol. VI (United Nations publication, Sales No. E.77.V.2), document A/CONF.62/WP.9/Rev.2.

ginning, no activities would, in fact, commence. Secondly, some sacrifice in financial terms on the part of industrialized States would ease financial burdens on contractors and the Enterprise, as well as reassure the developing countries that the Enterprise will not turn out to be a mere paper institution.

Here again, I am of the opinion that the ideas reflected in document NG2/5/Rev.1, compared with the informal composite negotiating text, also substantially enhances the prospects for achieving a consensus.

SYSTEM OF EXPLORATION AND EXPLOITATION

I shall now turn to another area in our mandate which is crucial: the system of exploration and exploitation.

Considerable progress was made at this session on the elaboration of the "parallel system" of exploration and exploitation of sea-bed mineral resources — a system which is viewed as the tentative compromise arrangement for initiating mining of the deep sea-bed. The implications of this approach transformed the subject into one of central importance for many delegations.

There was, therefore, concern to ensure that at the end of the interim period, specified as 20 years, there would be a review of the working of the system. This would be done by reference to stated criteria acceptable to all, in accordance with article 153 and a fair opportunity for alteration of the system if it proves unsatisfactory or if a better system can be identified by a future generation more knowledgeable than ours in the light of known data and ongoing truths.

The terms of article 153 relating to the procedures to be followed, as well as the scope and implementation of the decisions to be taken, were discussed. However, agreement still eludes us on this rather difficult issue. I am unable to recommend at this stage any revision of the informal composite negotiating text relating to article 153, paragraph 6, although I feel strongly that the relevant suggestion contained in document NG1/16/Rev.1 (A/CONF.62/L.35, annex III) must be regarded as a helpful alternative. The decision here is for the plenary Conference. The application of a moratorium if the review conference fails to reach agreement in five years is still an issue under serious discussion.

Priority for the Enterprise

The working group of 21 discussed at some length a possible device for ensuring the continuance, on a viable and effective basis, of the activities of the Enterprise, viz., by according a certain priority to activities of the Enterprise. In this way, it was felt, undue concentration on contractual activities and neglect of sites reserved for the Enterprise would be avoided, and a balance maintained in the working of the "parallel system". Central to this discussion were the provisions of paragraph 5 *bis* (*d*) which, in reference to the limit on production imposed by article 150 *bis*, would accord the Enterprise's activities a priority over any applicant for a contract on sites reserved to it, provided only that the Enterprise were ready to engage in mining and its application to carry out activities met the Authority's requirements in all other respects. While it seemed generally agreed that activities in sites reserved pursuant to paragraph 5 *ter* should be accorded due weight in any selection process, there are still substantial divergences of view regarding the nature and scope of any priority to be accorded to the Enterprise. This remains, therefore, one of the most critical of the outstanding issues.

I am of the opinion that it would be undesirable for me to submit any ideas for review of the informal composite negotiating text on this subject at this time. The suggestions contained in document NG1/16/Rev.1 must be studied with a view to some serious negotiations in the working group of 21 at the next session. The plenary Conference has responsibility for a decision on the procedure.

Transfer of technology

This subject is well known and the issues involved are now fairly clear. The Chairman of the negotiating group 1, in his statement yesterday, ventured a definition of what is meant by technology for the specific purposes of sea-bed mining. The general public tends to conclude that our efforts here on the subject are an extension of the North-South dialogue or the endeavours of the United Nations Conference on Trade and Development. The definition advanced should provide a helpful basis for greater understanding.

It was clear from the negotiations in the working group of 21 that this issue is very closely connected with ensuring the attainment and continuance, on a viable and effective basis, of the activities of the Enterprise.

Here there was substantial agreement on the need, not merely to finance the Enterprise, but also to ensure its access to the technology it would require over the whole range of its activities.

As I pointed out at the 45th meeting of the First Committee, in reporting on the work of negotiating group 3, there is now happy agreement that the activities of the Enterprise would comprehend such stages as transportation and processing of sea-bed minerals. This gave rise to a discussion as to whether or not paragraph 4 *bis* on the transfer of technology ought to include specific provisions on the transfer of technologies in those and related fields — i.e. not merely recovery technology or technology connected with sea-bed mining operations, on which there now appears to exist a consensus.

Although some measure of agreement is emerging as to the contractor's obligations in respect of technology transfer, there appears to be, as yet, no agreement on important aspects, such as the nature and scope of the technology to be transferred, transfer of technology to developing country applicants for reserved sites, and the dispute settlement and enforcement procedure.

The working group of 21 touched upon the settlement of disputes in relation to transfer of technology, notably the question whether binding commercial arbitration is a sufficient device where the negotiations on the terms and conditions of transfer of technology fail to reach agreement. The question was whether issues not relating strictly to price could not be referred to the sea-bed tribunal. It would appear that some tentative consensus has emerged that there should be a division of jurisdiction. Extensive but inconclusive discussions took place on the issue of the possibility of providing for the transfer of technology where such technology was owned by a third party.

Production policies

Much important work has been done on the production policies set forth in article 150 *bis*. An informal group consisting of interested delegations, under the chairmanship of Mr. Nandan studied the issue, with a view to attaining greater agreement on an improvement of the provision of the informal composite negotiating text. He gave a detailed report yesterday, as a supplement to the report of Mr. Njenga, Chairman of negotiating group 1.

It would appear that very interesting proposals are emerging which would make the Authority's production policies more flexible in regard to the award of contracts and plans of work while, at the same time, taking fully into account the just concerns of the land-based producers.

Indications reaching me this morning reveal that the interested delegations working with Mr. Nandan have assembled textual ideas as an improved basis for further discus-

sion. I feel duty bound to report their content here because of the belief that the plenary Conference ought to find out if such a text could, in fact, improve the prospects of consensus on this issue:

"(*a*) The nickel production ceiling referred to in article 150 *bis*, paragraph 2, establishes the level of production of other metals that could be extracted from that tonnage of nodules which would allow for the production of the quantity of nickel specified by the ceiling, irrespective of whether the production of nickel takes place.

"(*b*) The review conference shall begin 15 years after the date of first commercial production.

"(*c*) The Authority shall reserve the level of planned production referred to in article 150 *bis*, paragraph 2, only when an operator informs the Authority that a mineral deposit exists, that adequate financial resources are available for its development, and that it is technologically feasible to achieve commercial production from that deposit by a specified date, not later than five years following the approval of that plan of work covering exploitation. In the event that commercial production from that deposit is not achieved by the date specified, the Authority shall review the situation and if no sufficient cause can be shown for the delay, the reservation of that level of planned production shall be cancelled. . . .

"(*d*) Any year during the interim period the Authority may allow any contractor to exceed his planned level of annual production as approved under a plan of work covering exploitation, if in so doing the total production ceiling for that year as calculated in article 150 (*bis*), paragraph 2, is not exceeded.

"or

"An operator may in some years produce up to . . . more than that level of annual production of minerals from nodules as specified in his approved plan of work covering exploitation. Any increase over . . . and up to . . . or a continuous increase for more than two years of any percentage exceeding that specified in his plan of work shall be negotiated with the Authority which will be guided by the principle of not exceeding the total production allowed under calculations in article 150 *bis*, paragraph 2.

"(*e*) The Authority may allow a temporary increase or decrease in the level of production of existing sea-bed operators provided that, and only so long as, a cause of *force majeure* exists among other producers creating a significant imbalance in the relationship between world supply and demand."

Regarding paragraph 3, it is understood that only actual production counts towards the ceiling, irrespective of whether it comes from the operation under the contract or under the plan of work of the Enterprise.

Nationality and sponsorship

Some delegations have pointed out that the legal issues of nationality and sponsorship have yet to be discussed. These are complex matters that are of practical importance and would be of critical significance in the operation of "anti-dominance" (anti-monopoly) provisions such as paragraphs 5 (*c*) and (*d*), and paragraph 5 *bis* (*c*), as well as any corresponding provisions which may be considered for application to activities in the "reserved" sites. The issues arising in this connexion will have to be discussed and resolved before appropriate provision is made in the text.

Reserved sites

Reference was made in the course of the negotiations to the lack of clear provisions relating to activities in reserved sites. The award of contracts by the Authority for activities on reserved sites, the basic contractual conditions (including transfer of technology and financial arrangements) to be incorporated, and the extent of, and conditions for, non-developing country participation in such activities as foreseen in paragraph 5 *ter* (*c*) would all need to be covered in an appropriate manner.

Joint ventures

Finally, I would like to mention a proposal for introduction of more specific provisions on joint ventures, and more particularly joint ventures in which the Enterprise would participate. Many countries, both developing and developed, found this proposal interesting. At the very least, the proposal should have the effect of encouraging the negotiators to pay greater attention to the mechanism of the joint ventures which is referred to frequently in annex II, to ensure clarity and dispel doubts or apprehensions, if any, regarding such arrangements.

Conclusions on the system

It is difficult to make definite recommendations on the prospects of all suggestions made in document NG1/16/Rev.1. It may rightly be said that it shows progress, even though such progress cannot be identified in as concrete a form as that on financial questions. The working group of 21 did not have enough time to negotiate all the issues in the light of the Chairman's suggestions submitted following consultations and open debate in negotiating group 1.

Three matters relating to document NG1/16 were discussed in the working group of 21 and document NG1/16/Rev.1 was submitted by the Chairman of negotiating group 1 following that discussion. They were: transfer of technology; review conference; priority for the Enterprise.

The first of these was considered thoroughly and it is my view that although it is not safe to declare that consensus exists on the content of document NG1/16/Rev.1, I am persuaded that it offers an improved basis for further negotiations and may well be considered in the process of revision.

The other two, as I have explained, were still in the elementary stages of negotiations in the working group of 21. The views of the author of the suggestions are contained in his report presented to the 45th meeting of the First Committee.

However, the value of that document must not be lost. It was produced by the Chairman of negotiating group 1 after strenuous efforts. The suggestions may not all attract agreement on all sides, but it must be remembered that they are currently the ones which lie close to those of the informal composite negotiating text and that the latter is being examined in the light of the former. It would be undesirable to exclude obvious consensus and improvements in a revision on the ground that the working group of 21 had not discussed them fully or not discussed them at all.

ORGANS OF THE AUTHORITY

I gave a full review of the situation with regard to subjects within the mandate of negotiating group 3. There are consensus suggestions, in document NG3/6, that I would recommend should be incorporated in any revision. No one has challenged my declarations on them. Further consultations reveal that a further change in document NG3/6 regarding article 160, paragraph 2, (xxi) and (xxii) offers good prospects for consensus. The text of subparagraph (xxi) should be modified to read as follows: "Issue emergency orders, which may include orders for the suspension or adjustment of operations, to prevent serious harm to the marine environment arising out of any activity in the Area;". In subparagraph (xxii) revise the phrase "irreparable harm to a unique environment" to read "serious harm to the marine environment".

However, article 159 will have to take its turn in the list of outstanding issues in spite of my stated opinion that the issues involved are, indeed, ripe for resolution.

LEGAL ISSUES (GROUP OF LEGAL EXPERTS)

The deliberations of the group of legal experts were fully reported by Mr. Wünsche at the 45th meeting of the First Committee and I do not have much to add because of its clarity on the issues. However, he has informed me of a desirable amendment to his suggestions under article 188, relating to the submission of disputes to *ad hoc* chambers of the Sea-Bed Disputes Chamber and to binding arbitration. I would invite the plenary Conference to amend paragraph 1 by deletion in the last line of the words "any party" and substitute therefor "the parties".

With regard to the suggestions from the group of legal experts, I am satisfied from consultations that there is widespread feeling that they offer excellent prospects for consensus or at least a much better basis for further negotiations than does the informal composite negotiating text.

I wish to draw attention to a document which has been issued as WG21/1. I should like to point out that as such it in no way attempts or relates to a revision of the informal composite negotiating text. As I explained in the working group of 21 and indicated in the First Committee, the idea is merely to give delegations a picture of how the suggestions from the Chairmen of the various negotiating fora dealing with First Committee matters would, if adopted, fit into the scheme of things proposed by the informal composite negotiating text. It assembles all the suggestions in a common document and gets rid of multifarious numbering systems. It is also my view that it will aid the negotiating efforts in the First Committee and will ease the revision of part XI in areas where a revision is considered by the plenary Conference to be necessary.

I sincerely hope that in spite of the length of this report I have managed to give you a full account of the deliberations in the First Committee during this session and in a way that enables the plenary Conference to take the vital decisions incumbent on it. My opinions cannot attract more weight than the consensus of all the distinguished representatives of sovereign States assembled here. What must dominate our thinking is the will to resolve problems and to attain a viable universal treaty in which all of mankind will gain.

I should like, in closing, to express my profound gratitude to the delegations who have worked so hard to achieve progress in the First Committee. As I said at the beginning, I have no doubt that they have demonstrated greater political will at this session than at any other.

I should also like, once again, to express the tremendous satisfaction I have had in observing the continuing cooperation of my good friends, Mr. Njenga, Mr. Koh and Mr. Wünsche. The reports they have submitted testify to their dedication and capacity for hard work. It is not as a matter of mere formality that I express my profound gratitude to the representative of the Secretary-General and his able staff who loyally serve us and whose presence in our official life makes the burden of office far less difficult than it otherwise could have been.

I should also like to thank all the others, the interpreters, the secretaries, the précis writers, etc., who have, as always, made a very valuable contribution to our success.

DOCUMENT A/CONF.62/L.37

Compromise suggestions by the Chairman of negotiating group 6

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[*26 April 1979*]

Article 76. Definition of the continental shelf

1. The continental shelf of a coastal State comprises the sea-bed and subsoil of the submarine areas that extend beyond its territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or to a distance of 200 nautical miles from the baselines from which the breadth of the territorial sea is measured where the outer edge of the continental margin does not extend up to that distance.

1 *bis*. The continental shelf of a coastal State shall not extend beyond the limits provided for in paragraphs 3 and 3 *bis* below.

2. The continental margin comprises the submerged prolongation of the land mass of the coastal State, and consists of the sea-bed and subsoil of the shelf, the slope and the rise. It does not include the deep ocean floor nor the subsoil thereof.[36]

3. For the purpose of the present Convention, the coastal State shall establish the outer edge of the continental margin wherever the margin extends beyond 200 nautical miles from the baselines from which the breadth of the territorial sea is measured, by either:

(*a*) A line delineated in accordance with paragraph 4 by reference to the outermost fixed points at each of which the thickness of sedimentary rocks is at least 1 per cent of the shortest distance from such point to the foot of the continental slope; or,

(*b*) A line delineated in accordance with paragraph 4 by reference to fixed points not more than 60 nautical miles from the foot of the continental slope.[37]

In the absence of evidence to the contrary, the foot of the continental slope shall be determined as the point of maximum change in the gradient at its base.

3 *bis*. The fixed points comprising the line of the outer limits of the continental shelf on the sea-bed, drawn in accordance with paragraph 3(*a*) and (*b*), shall not exceed 350 miles from the baseline from which the breadth of the territorial sea is measured or shall not exceed 100 miles from the 2,500 metre isobath, which is a line, connecting the depth of 2,500 metres.

4. The coastal State shall delineate the seaward boundary of its continental shelf where that shelf extends beyond 200 nautical miles from the baselines from which the breadth of the territorial sea is measured by straight lines not exceeding 60 nautical miles in length, connecting fixed points, such points to be defined by co-ordinates of latitude and longitude.

5. Information on the limits of the continental shelf beyond the 200-mile economic zone shall be submitted by the

[36] General understanding has been reached to the effect that on the question of underwater oceanic ridges there will be additional discussion and that a mutually acceptable formulation to be included in article 76 will be drawn up.

[37] The suggestion of the delegation of Sri Lanka for an additional method of delimitation applicable to its geological and geomorphological conditions received widespread sympathy. However, the matter has been left for negotiation at the forthcoming session of the Conference.