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27 November 2018

Dear Mary,

**EAC Sustainable Seas Inquiry**

On Monday 5th November I gave evidence at the Environmental Audit Committee inquiry into Sustainable Seas. I promised to provide further information to you on a number of questions raised.

406: On building our economic case for extracting minerals from the sea bed. We are commissioning independent analysis which will report in early 2019.

415 and 416: On how the UK deep sea mining exploration licences came to be allocated and to set out our relationship with Lockheed Martin:

Any UK-controlled entity is entitled to request that the Government sponsor them to apply for an exploration contract with the International Seabed Authority. Lockheed Martin approached the Government in 2012 with an interest in this potential industry. BIS and FCO then negotiated the conditions under which the Government would support an application to the ISA for an exploration licence for polymetallic nodules in the Clarion-Clipperton Zone. These conditions included that Lockheed Martin set up a wholly owned UK subsidiary (UK Seabed Resources Ltd - "UKSRL"); pay UK royalties (levels to be negotiated); invest \$3m in the UK science base; and that UKSRL be bound by a licence agreement which includes standards of operation consistent with international maritime law and high standards of environmental performance and reporting specified by Defra.

Following agreement on conditions, the UK successfully sponsored an exploration licence with the ISA in 2012. A second exploration licence was sponsored by the UK in 2013 and approved in 2014. UKSRL has also entered into a joint venture with a Singaporean company (Ocean Minerals Singapore) for a third licence in the CCZ.

The Government has no direct financial interest in UK Seabed Resources. In sponsoring UKSR's application to the International Seabed Authority, the Government has taken on the role of "sponsoring state", which includes accepting a national-level regulatory role, discharged through the Secretary of State for BEIS.

BEIS is in regular dialogue and discussion with UKSRL and we are seeking to co-fund the further research that I referred to on Monday. However, our developing policy is independent of that working relationship. UKSRL also attend the meetings of the ISA as Observers on the UK delegation.

As Government develops our policy on Deep Sea Mining, we consult with a full range of stakeholders which include Lockheed Martin, with NGOs and the scientific community, and with the Defra led environmental working group. UKSRL also engage with DIT via a broader industry group.

412: On which research ship might conduct further research.

We are still in discussion with NERC to secure the necessary funding for the proposed research cruise in 2019. Should this go ahead it is likely to be the RSS James Cook not the Sir David Attenborough that undertakes this work.

413: On whether Government will allow exploration in the specific sites.

This will depend on the results of further environmental analysis; on having a clear economic case; the necessary metrics, measures and inspection regimes, and an agreed commercial policy. All of these elements are in play at the moment.

408:

During the meeting Philip Dunne said that he thought that the rules for any future licences require Government to grant licences for operators in the UK waters before any further licences are granted elsewhere. This is not the case. The Deep Sea Mining Act 2014 applies to areas beyond national jurisdiction governed by the International Seabed Authority, so the licences granted by HMG to UKSRL as their Sponsoring State only apply to their exploration activities in the Clarion-Clipperton Zone.

I understand that there are no polymetallic nodules in the UK's Exclusive Economic Zone so notwithstanding the legal framework it would not be possible to test mining collectors here. However, should UKSRL wish to conduct a test of mining equipment in the Clarion-Clipperton Zone under their exploration licence, then we would require them to conduct an Environmental Impact Assessment in the same way that other nations are requiring of their contractors.

453: On Climate Change

As I set out to the Committee, we are in the process of bringing forward policies and proposals that we set out in the Clean Growth Strategy and are continuing to develop further detail. In October we published our response to the Committee on Climate Change's annual progress report, which committee members can find here. We are on track to complete the vast majority of our actions and milestones for 2017/18, and full detail is set out from page 76. The Government Response also contains a new milestones table from page 80 which sets out the upcoming milestones we are committing to, in order to further progress the policies and proposals set out in the Clean Growth Strategy. The document sets out in detail the actions since we have taken since publishing the Clean Growth Strategy, including a summary at page 13.

Yours ever,

A handwritten signature in black ink, appearing to be 'CP', written over a light blue circular stamp.

**THE RT HON CLAIRE PERRY MP**  
Minister of State