Deep Seabed Mining Payment Regime  
*Workshop #3: Exploring a Financial Model and Related Topics*

**Wednesday, April 19 – Friday, April 21** 
Paradiso Room, Level 3  
Grand Copthorne Waterfront Hotel  
Singapore

**Meeting Agenda**

**Workshop Objectives:**
- Introduce a working financial model and discuss the variables and how variations in business/operating models across the contractor base (value chain) can impact the model;
- Gain a common understanding of how a financial model can assist in developing a payment regime;
- Identify and explore additional building blocks of a payment regime (e.g., ISA costs, environmental costs, sponsoring states costs);
- Examine how the payment regime could support technology development and innovation;
- Introduce and explore risk and cost allocation themes; and
- Consider what policy approaches will best achieve the desired incentives, allocation of costs, and allocation of risks from an environmental perspective.

**Desired Outputs:**
- Working financial (cost and revenue) model for use moving forward;
- A document encapsulating thinking on other issues related to the payment regime; and
- Plan for how to move the financial model and other issues forward to the LTC and ISA.

**Tuesday, April 18**

14:00 – 17:00  *Keppel Shipyard Tour*  
- Meet in the Grand Copthorne Waterfront Hotel lobby to board the bus

18:00 – 19:30  *Welcome Reception* *(Promenade, Pavilion 2, Grand Copthorne Waterfront Hotel)*

**Wednesday, April 19**

8:30 – 9:00  *Coffee and Light Continental Breakfast*

9:00 – 9:30  *Welcome, Introductions, and Agenda Overview*  
- Welcome remarks – *Ambassador Karen Tan, Ministry of Foreign Affairs, Singapore*  
- Participant introduction  
- Overview of agenda and participation ground rules – *Paul De Morgan, RESOLVE*

9:30 – 10:00  *DSM Payment Regime Developments to Date*  
- Review of DSM Payment Regime Workshops #1 and #2 – *Chris Brown*  
- Update on regulatory development – *Chris Brown*
10:00 – 10:30 **A Working Financial Model: An Introduction and Project Boundaries**
- Overview of Financial Model components (Glossary of Terminology) – *Norm Kaneshiro, USKR*

10:30 – 11:00 **Break**

11:00 – 12:30 **A Working Financial Model: Methods and Case Study Input**
- Detailed review of development methods and inputs to case study – *Kris Van Nijen, GSR*

12:30 – 13:30 **Lunch**

13:30 – 15:30 **A Working Financial Model: Results and Discussion**
- Describe results of model in more detail
- Building on overview of working financial model discuss:
  - Known and unknown variables
  - Variations in business/operating models
  - How a financial model informs development of a payment regime

15:30 – 16:00 **Break**

16:00 – 16:20 **Payment Regime for Deep Seabed Exploitation Versus Land Customary Regime of Different Countries**
- Overview – *LIU Feng, COMRA*
- Questions

16:20 – 16:45 **Commodities Market/Pricing**
- Introductory overview – *Ian Potter, Lion City Capital*
- Questions

16:45 – 17:30 **Royalties: An Introduction**
- Overview of royalty discussions thus far and in particular proposed use of an ad valorem royalty – *Chris Brown*
- Initial discussion of the role of royalties and the type of royalty to utilize
  - How to value a nodule? And how/where to apply?
  - Thoughts on the “light” and “normal” approach
  - Other approaches to consider

17:30 – 17:45 **Reflections on Day One and Looking Forward to Day Two**
- Brief recap of day one highlights and thoughts for day two agenda

17:45 **Adjourn to Dinner**

19:00 – 21:00 **Dinner (Skysuites at Equinox, Swissôtel The Stamford, 2 Stamford Road)**

*Note: Participants are asked to arrive at the restaurant no later than 19:00*
Thursday, April 20

8:00 – 8:30  Coffee and Light Continental Breakfast

8:30 – 8:45  Welcome, Introductions, and Agenda Overview

- Highlights from Day 1
- Objectives Day 2

8:45 – 9:00  Additional Aspects of the Cost Model: Environmental Considerations

- Introduction to anticipated environmental compliance/regulatory requirements – Chris Brown
- Questions and discussion

9:00 – 10:00  Additional Aspects of the Cost Model: Environmental Considerations

- Brief review of possible environmental incentives/fiscal tools – Dale Squires, UCSD
- Participants share perspectives
- Questions and discussion including how to support technology development and innovation

10:00 – 10:30  Break


- Overview of what can go wrong: set the scene for the types of events that might need to be covered – Sam Smith, Blue Globe Solutions
- Questions and discussion with focus on hearing a range of additional perspectives

11:15 – 12:15  Open Discussion – Exact Topics to be Defined by Prior Conversations

12:15 – 13:15  Lunch

13:15 – 13:30  Introduction to Breakout Groups

13:30 – 15:30  Breakout Groups

- Each group begins with one question and then moves on to the next question
- Approach: answer question and discuss implications for the financial model and the payment regime
- Questions under development

15:30 – 16:00  Break

16:00 – 17:15  Breakout Group Reports

- Focus on implications of discussions on the payment regime

17:15 – 17:30  Reflections on Day One and Looking Forward to Day Two

- Brief recap of day one highlights and thoughts for day two agenda

17:30  Adjourn for the Day
**Friday, April 21**

8:00 – 8:30  **Coffee and Light Continental Breakfast**

8:30 – 9:00  **Welcome, Introductions, and Agenda Overview**
- Highlights from Day 2
- Objectives Day 3

9:00 – 10:30  **Enhancing the Financial Model**
- Discussion of implications of potential policy approaches explored earlier
- Identifying “unknowns” for ISA process / further research
- Initial thoughts on next steps for financial model

10:30 – 11:00  **Break**

11:00 – 12:15  **Developing a Payment Regime: Key Questions and Ideas for the ISA**
- Discussion of implications of potential policy approaches explored earlier
- Thoughts and ideas to factor into ISA discussions: how payment regime in widest sense can support policy objectives and contribute to policy-making?

12:15 – 13:15  **Lunch**

13:15 – 15:30  **Other Issues**
- Additional and/or carry-over issues as appropriate

15:30 – 16:00  **Break**

16:00 – 17:15  **Pulling it All Together**
- Review outcomes versus objectives
- Next steps – co-operation and collaboration

17:15 – 17:30  **Closing Remarks and Acknowledgments**

17:30  **Adjourn Meeting**