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orea Commitments On Trade In Telecommunications Goods And Services

MINISTRY OF INFORMATION AND COMMUNICATION

REPUBLIC OF OREA

116 Sinmun-ro, 1 ga Jongro-gu Seoul 110-700, orea

Tel 822-750-1400

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July 14.1997

Mr. Sean Murphy

Office of the United States K

Trade Representative

Executive Office of the President

Washington, DC 20509

Dear Mr. Murphy:

In view of the advance Information Age that has emerged since the establishment of the WTO multilateral trading system, the orean Government issued a Policy Statement in the official gazette of the Ministry of Information and Communication, ("MIC") regarding it telecommunication policy on 14 July 1997. For your reference, I attach herewith a copy of the Policy Statement. Copies the Policy Statement have also been distributed to facilities-based telecommunications service providers and major telecommunications equipment manufacturers in orea, as well as the relevant government agencies, including the Ministry of Finance and Economy, the Ministry of Foreign Affairs, the Ministry of Trade, Industry and Energy, the Fair Trade Commission, the orean Customs Service, the orean Industrial Property Office and the orean communications Commission. In addition, the Policy Statement has been made available to the public through MIC's Internet home page.

I believe that the maintenance of a close cooperative relationship in the telecommunications sector will prove to benefit to the two countries. In this regard, I would like to inform you that the orean Government is willing to discuss, as necessary, telecommunications matters of mutual interest with the U.S. Government.

Sincerely,

{signature}

yo-Yong Lee

Director General

(English Version)

The MIC OFFICIAL GAZETTE K

Information and Communication Policy Statement

for the Realization of an Information Society K

1. In the e the est blishments the World Tr de Org niz ti n (WTO) multil ter l tr ding system, the gl b l mar et is n embr cing the trends liber liz ti n nd deregul ti n. In the re telec mmunic ti ns, many the WTO sign t ries rtici ted in the Gr u n B sis Telec mmunic ti ns ("WTO/GBT") neg ti ti ns t see maj r liber liz ti n the b sic telec mmunic ti ns service mar ets in their c untries nd ursued success ul c nclusi n the In rmati n Techn l gy Agreement ("ITA"). As sign t ry t the Agreement Est blishing the WTO, K re ls ctively t p rt in these mar et- ening tr de neg ti ti ns. Additi n lly, s result K re 's ccessi n t the Org niz ti n r Ec n mic C er ti n nd Devel ment ("OECD), K re 's r le nd res nsibilities in the intern ti n l mar et h ve incre sed subst nti lly.

2. In vie these ne devel ments, the Ministry In rmati n nd C mmunic ti n (the "Ministry") h s recently revised its telec mmunic ti n l , including the Telec mmunic ti ns Business Act nd the R di Waves Act, in rder t re lect the devel ments in the intern ti n l telec mmunic ti ns mar ets nd t ster telec mmunic ti ns mar et envir nment th t cilit tes the re liz ti n n dv nced in rmati n s ciety in K re . In this c nnecti n, the Ministry uld li e t ex l in t r viders telec mmunic ti ns equi ment nd services its telec mmunic ti ns licy emb died in the ll ng licy st tement, nd t request th t such r viders ctively c er te t success ully im lement the licy.

A. The Ministry ll c ntinue t : (1) ggressively intr duce mar et rinci les int the mar et l ce nd incre se the c m etitiveness the telec mmunic ti ns industry; (2) ex nd the mar et in res nse t the demand r ne dv nced telec mmunic ti ns equi ment nd service; nd (3) est blish nd im r ve the c m etiti n rules ensuring ir c m etiti n mong v ri us r viders telec mmunic ti ns equi ment nd services nd enc ur ging the entre reneurshi the riv te sect r.

A.1. Within the sc e its c mmitments nd in cc rd nce th its blig ti ns under the WTO, K re is c mmitted t r viding n n-discrimin t ry tre tment t reign- ed r reign- rigin su liers telec mmunic ti ns equi ment nd services nd tre tment n less v r ble th n th t r vided t d mestic- ed r d mestic- rigin su liers li e equi ment nd services.

A.2. In cc rd nce th Article XVII:1 (c) GATT 1994, riv te sect r c m nies re ree t ma e r curement decisi ns inde endently, b sed s lely n their c mmerci l c nsider ti ns, such s rice, qu lity, v il bility, mar et bility nd tr ns rt ti n nd ther c nditi ns urch se r s le, irres ective the rigin the equi ment r the n ti n lity the su lier. Ministry licies nd regul ti ns sh uld n t be inter reted s requiring the use telec mmunic ti ns equi ment r services ny rticul r n ti n l rigin.

A.3. In d ting technic l s eci ic ti ns, the Ministry ll d t n n-discrimin t ry s eci ic ti ns nd describe such s eci ic ti ns, ere r ri te, (i) in terms er rmance r ther th n design r descri tive ch r cteristics; nd (ii) b sed n intern ti n l st nd rds, ere such exist, r ther th n n ti n l technic l regul ti ns r st nd rds in cc rd nce th Article VI the WTO Agreement n G vernment Pr curement ("WTO/GPA"). In the c se riv te sect r c m nies, it is dvis ble th t they d t technic l s eci ic ti ns th t re lect trends in techn l gic l devel ments in the intern ti n l telec mmunic ti ns mar et.

A.4. Within the sc e its c mmitments under the WTO, the K re n G vernment licenses telec mmunic ti ns service r viders, b th r d mestic nd reign ilm irms, thr ugh tr ns rent r cess.

A.5. The revi us licensing r cedure r cilities-b sed service r viders, ich ll d lic nts r license t ile their lic ti ns nly ter n tice inviting lic ti ns h d been ublished, h s been revised. F r the ur se the enness nd tr ns rency the licensing r cedures, the ne licensing regul ti ns r vide in rmati n reg rding mong ther things, the re r ti n lic ti ns, the time r mes r rding licenses nd det iled licensing criteri . Licensing l ns, including ssigned s ectrum b nd dth nd licensing criteri , s ll s ny subsequent revisi ns r modi ic ti ns, ll be ublished in O ici l G zette su iciently in dv nce the cl se the licensing lic ti n eri d.

A.6. The licensing r cedures h ve been stre mlined in rder t enc ur ge br d rtici ti n nd r mote e sy entry int the telec mmunic ti ns mar et. The s urce equi ment described in license lic ti n is n t ct r in ev lu ting n lic ti n. Tr de secret nd r riet ry in rmati n c nt ined in lic ti ns r licenses ll be r tected in cc rd nce th relev nt l .

i i s

A.7. From r 1, 1998 til December 31, 2000, Kore will llow oreig ow ner hi i cilitie -b e telecommu ic tio ervice provider , other th Kore Telecom ("KT") p to maximum of 33%, from r 1, 2001, the Kore Gover me t will llow foreig ow ner hip i ch ervice provider p to maximum of 49%. However, o i gle per o will be llowed to ow n more th 10% of wireli e ervice provider or 33% of wirele ervice provider.

A.8. I order to promote f ir competitio i the marketpl ce, the role d f ctio of the Kore Commu ic tio Commi io ("KCC") will be tre gthe ed. Amo g other thi g , KCC will be empowered to ddre bro d r ge of i e ffecti g the pre erv tio of f ir competitio i the telecommu ic tio ector. I dditio , KCC' di p te re ol tio proced re will be improved d the cope of i e bject to the proced re will be exp ded. Specific ll :

(i) The Mi i tr ' reg l tio req ire th t whe req e ted b other ervice provider, domi t f cilitie -b ed ervice provider ho ld co cl de i terco ectio rr geme t withi 90 d of the req e t t tech ic ll fe ible poi t i the etwork. If ch i terco ectio rr geme t i ot re ched withi the 90-d period, either of the p rtie i volved ma directl req e t KCC to re olve ch di p te, i cl di g di p te co cer i g the tech ic l fe ibilit of the req e ted i terco ectio d the h ri g of the extr co t i volved KCC will be req ired to make deci io o ch di p te withi 90 d fter receipt of req e t from p rt , thereb e ri g f ir competitio i the marketpl ce.

(ii) P r t to Mi i tr of I formatio d ommu ic tio Ordi ce No. 24 d Mi i tr of I formatio d Commu ic tio Notice No. 1996-47, f cilitie -b ed ervice provider re req ired to e t bli h d mai t i ep r te cco ti g tem for e ch of their ervice oper tio .

A.9 The Kore Gover me t permit f cilitie -b ed ervice provider to e tellite tem other th INTELSAT d Kore t for either voice or d t commu ic tio i g their ow n f cilitie . The Mi i tr will thorize ch e thro gh ppropri te tr p re t proced re , thereb providi g dditio l choice of tr mi io f cilitie to Kore ervice provider d promoti g the dv ceme t of tellite ervice i Kore . Begi i g r 1, 1998, ch e will be thorized b ed o commerci l rr geme t with foreig tellite ervice provider thro gh tre mli ed proced re. I thi reg rd, i ccord ce with Kore ' commitme t der the WTO/GBT greeme t, begi i g r 1, 1998, foreig er will be llowed to ow n p to 33% of f cilitie -b ed ervice provider ow ni g r dio t tio (i c e of KT, 20%), d begi i g r 1, 2001, p to 49% (i the c e of KT, 33%).

F cilitie -b ed ervice provider will be llowed to e t bli h ow n d oper te o premi e receive o l tr mit or tr mit/receive tellite e rth t tio for provi io of dome tic or i ter tio l voice d d t commu ic tio ervice thro gh commerci l tellite other th INTELSAT or Kore t.

The e t bli hme t of r dio t tio , i cl di g tr mit/receive e rth t tio , i bject to pprov l b the Mi i tr . However, i the eve t th t the t tio ' tr mi io power i limited or the t tio i for receive o l , the t tio c be e t bli hed o l with otific tio to the Mi i tr (p r t to Article 56 of the R dio Reg l tio) or witho t otific tio (p r t to Article 56.2 of the me Reg l tio).

P r gr ph 3 of Article 6 of the R dio Wave Act et forth the criteri for thorizi g the e t bli hme t of r dio t tio , which i cl de the followi g:

(i) The co tr ctio pl mu t be comp tible with the relev t tech ic l t d rd ;

(ii) A ppropri te b dwidth of r dio pectr m mu t be v il ble to oper te the r dio t tio ;

(iii) The pplic t mu t po e the ece r fi ci l re o rce ; d

(iv) The pplic t mu t meet the req ireme t for the co trictio d oper tio of r dio t tio

O nce pplic t h co tr cted r dio st tio i ma er ti f i g the bove req ireme t t the req e t of the pplic t, the Mi i tr will i pect the t tio d otif the pplic t i writi g of it deci io o whether to s pprove the t tio .

B. As a membe   nt y f the WTO and the OECD, the K ean G ove nment wi ens e that K ea   mp ies with the   es f these mu ti ate a instit ti ns. In this   nne ti n, the Minist y wi   ntin e its eff ts t   evise and pdate its aws and eg ati ns in a   dan e with the e evant inte nati na ag eements.

B.1. K ea pa ti ipated a tive y in the WTO/GBT neg tiati ns and the ITA neg tiati ns in an eff t t   nt i   te t the additi na i e a izati n and g wth f the inte nati na te e mmuni ati n ma ket and t enhan e K ea's eade ship in the g   a te e mmuni ati ns ma ket.

B.2. As es t f K ea's a essi n t the WTO/GPA, whi h t k effe t n Jan a y 1, 1997 f eign s pp ie s a e pe mitted t pa ti ipate in va i s g ve nment p   ement   nt a ts inv ving g ds and se vi es in a   dan e with K ea's s hed e t the WTO/GPA. In et n f   this ma ket pening, K ea's s pp ie s a e a wed t pa ti ipate in the g ve nment p   ement ma kets f the the signat ies t the WTO/GPA. In this   nne ti n, it is the Minist y's e ief that the K ean s pp ie s wi need t make p epa ati ns t effe tive y exp it new ma ket pp t nities, and, p n eq est, the Minist y wi   e avai a e t p vide the ne essa y inf mati n f s h p epa ati ns.

B.3. The Minist y wi   evise its aws and eg ati ns g ve ning f eign pa ti ipati n in the K ean asi te e mmuni ati n se vi e ma ket in a   dan e with the es t f the WTO/GBT neg tiati ns (whi h we e   n   ded n Fe   a y 15, 1997).

B.4. P   eeds f m the "Resea h and Deve pment F nds f   the Inf mati n S iety" wi   e sed in manne   nsistent with the p visi ns f the e evant WTO ag eements, in   ding the Ag eement n S sidies and C nte vai ing Meas es. F   t anspa en y, te ms f   nt i   ti n t   esea h and deve pment f nds as   nditi n f a i ense a e spe ified in the new i ensing eg ati ns. F nds d nated in ex ess f the maximum eve spe ified in the i ensing eg ati ns wi n t e   nside ed in eva ating an app i ati n.

B.5. Ta iffs app i a e t inf mati n te hn   gy p d ts wi   e amended in a   dan e with the es t f the ITA neg tiati ns.

B.6. In   de t fa i itate the enefits f the Inf mati n S iety, the K ean G ove nment wi ens e that the e a e n   nne essa y de ays in the imp tati n f te e mmuni ati ns p d ts.

B.7. F   the   nvenien e f se s and the   ntin ing g wth f t ade in te mina eq ipment, the Minist y wi st eam ine its type app va system and wi g ant app va s f   the se f eq ipment s   je t t type app va ased n y n the eq ipment itse f, and n t n the se vi e p vide that intends t   se the eq ipment. The s pe f wi e ine te e mmuni ati ns eq ipment s   je t t type app va in   des any eq ipment di e t y atta hed t the p   i swit hed netw o k and e tain f the eq ipment n t di e t y atta hed t the p   i netw o k. The atte type f eq ipment in   des: (i) a ess ies and   mp nents f an integ ated system whi h is s   je t t type app va ; (ii) te mina eq ipment sed f   ISDN; and (iii) digita t ansmissi n devises di e t y atta hed t a hanne se vi e nit ("CSU"). Additi na y, the Minist y wi   ntin e t p s e mut a e gniti n a angements with f eign   nt ies s that K ean s pp ie s may n t need sepa ate type app va s f m these f eign   nt ies in exp ting thei eq ipment.

C. As the demand f   advan ed inf mati n/ te e mmuni ati ns eq ipment intensifies, the Minist y wi st engthen the p te ti n f inte e t a p pe ty ights in   de t en   age the deve pment and sa es f advan ed inf mati n te hn   gies.

C.1. In p   ing te e mmuni ati ns eq ipment, g ve nment agen ies and p ivate se t   mpanies a e p hi ited f m p   hasing p d ts that have een f nd t inf inge a thi d's pa ty's inte e t a p pe ty ights.

C.2. It is imp tant that inte e t a p pe ty ights a e adeq ate y p te ted in   de t maximize the   eativity and ent ep ene ship f the p ivate se t . In this ega d, it is advisa e that a p   hase ef ain f m eq esting a s pp ie t p vide nne essa y p p iety inf mati n, and that if the p   hase eq ests ne essa y p p ieta y inf mati n, the s pp ie make eff ts t   mp y with s h eq est. It is f the e mmended that if a p   hase e eives p p ieta y inf mati n, it take the ne essa y meas es t maintain the   nfidentia ity f the l inf mati n.

C.3 Priv or omp ni will ind p nd n ly n go i r n f r of hnology wi h for ign uppli r b d on h ir ommer i l on id r ion in onn ion wi h h ir pur h or l of l ommuni ion produ or rvi from h uppli r .

C.4. A f ili i -b d rvi provid r h h r iv d propri ry informa ion r g rding no h r rvi provid r' n work for in r onn ion of h n work will no b p rmi d o di lo h informa ion wi hou h on n of h p r y upplying h informa ion or o u h informa ion dir ly or indir ly for i ommer i l b n fi .

C. . If nyon infring on hird p r y' r d r or o h r in ll u l prop r y righ , u h infring men i ion bl und r h r l v n l ws, in luding h Unf ir Comp i ion Pr v n ion A nd h Compu r Progr ms Pro ion A .

D. For h purpo of f ili ing b r und r nding of h Kor n Gov rnmen ' poli y d bov nd for h purpo of ob ining ommen nd inpu form indu ry in ord r o impl men h poli y mor ff iv ly, h Mini ry h 5 bli h d d k o work lo ly wi h ll h p r i in r d in h poli y, r g rdl of h ir n ion li y. Th Mini ry xp nd n our g ll provid r of good nd rvi o u iliz h d k mu h po ibl . If you h v ny inquiry, ommen or ugg ion on our poli y, pl on h following offi of h Mini ry:

N m of h Offi :

In rn ion l Poli y Divi ion

In rn ion l Coop r ion Bur u

T l phon Numb r: (02) 7 0-1410

F x Numb r: (02) 7 0-1439

EXECUTIVE OFFICE OF THE PRESIDENT

THE UNITED STATES TRADE REPRESENTATIVE

WASHINGTON. D.C, 20 08

July 29, 1997

Hi Ex ll n y Kun Woo P rk

Amb dor

Emb y of h R publi of Kor

24 0 M a hu Av ., NW

Wa hing on, DC 20008

D e r Amb dor P rk:

I wri o inform you h on July 23 I nnoun d h r olu ion of U.S. on rn r g rding o h Kor n l ommuni ion good nd rvi or whi h h v b n h ubj of ongoing bil r l on ul ion .

A h d pl find opi of USTR' pr men nd h F d r l R gi r no i nnoun ing my in n ion o r vok Kor ' id n ifi ion "Priori y For ign Coun ry" (PFC) und r ion 1374 of h Omnibu Tr d nd Comp i iv n A of 1988. Al o, n lo d r l r o Mini r K ng nd Lim whi h I would kindly k h you onv y o S oul.

A indi d in h ma ri l , my d i ion o r vok h PFC id n ifi ion i b d no on ny on ion on h p r of h Kor n Gov rnmen , bu on numb r of mark -op ning p und r k n ov r h p y r. Th in lud h p Kor h k n pur u n o h Informa ion T hnology Agr men nd h WTO b i 5 telecommun c t on e v ce negot t on, nd the efo ms outl ned n the July 14, 1997 pol cy t tement publ hed n the M in t y of Info mat on nd Commun c t on (MIC G azette g eed by ou off c l .

A U.S. off c l h ve con tently t ted du ng b l te l d cu on e ult ng n the MIC Pol cy St tement, the Un ted St te v ew s the u nce unde t ken by Ko e fund ment l to the evoc t on of the PFC)
dent f c t on. A uch, they w ill be clo ely mon to ed by the U.S., Gove nment. In th eg d, the Un ted St te welcome Ko e ' w ill ngne to con ult n the futu e on b l te l telecommun c t on ue .

I would l o l ke to th nk you fo you pe on l ole n cont but ng to the mic ble e olut on of the e d cu on . I look fo w a d to wo k ng w ith you n the futu e to t engthen b l te l t de n the telecommun c t on ecto .

S nce ely,

/ gn tu e/

Ch lene B hef ky

EXECUTIVE OFFICE OF THE PRESIDENT

THE UNITED STATES TRADE REPRESENTATIVE

WASHINGTON. DC 20508

July 29, 1997

The Hono ble K ng Bong-Kyun

M in te of Info mat on nd Commun c t on

Seoul, Republ c of Ko e

De M in te K ng:

I w r te to nfo m you th t on July 23 I nnounced the e olut on of U.S. conce n eg d ng cce to the Ko e n telecommun c t on good nd e v ce ecto wh ch h ve been the ubject of ongo ng b l te l con ult t on .

Att ched ple e f nd cop e of USTR' p e t tement nd the Fede l Reg te not ce nnounc ng my ntent on to evoke Ko e ' dent f c t on "P o ty Fo e gn Count y" (PFC unde ect on 1374 of the Omn bu T de nd Compet t vene Act of 1988.

A nd c ted n the e mate l , my dec on to evoke the PFC dent f c t on b ed not on ny one ct on on the p t of the Ko e n Gove nment, but on numbe of ma ket-open ng tep unde t ken ove the p t ye . The e nclude the tep Ko e h t ken pu u nt to the Info mat on Technology Ag eement nd the WTO b c telecommun c t on e v ce negot t on, nd the efo ms outl ned n the July 14, 1997 pol cy t tement publ hed n the M in t y of Info mat on nd Commun c t on (MIC G azette g eed by ou off c l .

A U.S. off c l h ve con tently t ted du ng b l te l d cu on e ult ng n the MIC Pol cy St tement, the Un ted St te v ew s the u nce unde t ken by Ko e fund ment l to the evoc t on of the PFC
dent f c t on. A uch, they w ill be clo ely mon to ed by the U,S. Gove nment. In th eg d, the Un ted St te welcome Ko e ' w ill ngne to con ult n the futu e on b l te l telecommun c t on ue .

I would l o l ke to th nk you fo you ole n cont but ng to the mic ble e olut on of the e d cu on . I look fo w d to wo k ng w ith you n the futu e to t engthen b l te l t de n the telecommun c t on ecto .

S nce ely,

/ gn tu e/

Ch lene B hef ky

EXECUTIVE OFFICE OF THE PRESIDENT)

THE UNITED T TE T   DE E   E ENT TI E

WA HINGTON DC 20508

July 29, 1997

The H n rable Lim Chang

Minister f Trade, Industry and Energy

e ul, epublic f K rea

Dear Minister Lim

I write t inf rm y u that n July 23 I ann unced the res luti n f U c ncerns regarding access t the K rean telec mmunicati ns g ds and services sect r which have been the subject f ng ing bilateral c nsultati ns.

ttached please find c pies f U T 's press statement and the Federal egister n tice ann uncing my intenti n t rev ke K rea's identificati n as a " ri rity F reign C untry" (FC) under secti n 1374 f the Omnibus Trade and C mpetitiveness ct f 1988.

s indicated in these materials, my decisi n t rev ke the FC identificati n is based n t n any ne acti n n the part f the K rean G vernment, but n a number f market- pening steps undertaken ver the past year. These include the steps K rea has taken pursuant t the Inf rmati n Techn l gy greement and the WTO basic telec mmunicati n services neg tiati n, and the ref rms utlined in the July 14, 1997 p licy statement published in the Ministry f Inf rmati n and C mmunicati n (MIC) Gazette as agreed by ur fficials.

s U. . fficials have c nsistently stated during bilateral discussi ns resulting in the MIC   licy tatement, the United tates views the assurances undertaken by K rea as fundamental t the rev cati n f the FC identificati n. s such, they will be cl sely monit red by the U G vernment. In this regard, the United tates welc mes K rea's willingness t c nsult in the future n bilateral telec mmunicati ns issues.

lth ugh telec mmunicati ns p licy is n t directly within the purview f y ur Ministry, I w uld als like t thank y u f r y ur r le in c ntributing t the amicable res luti n f these discussi ns, I l k f rward t w rking with o y u in the future t strengthen bilateral trade in the telec mmunicati ns sect r.

incerely,

/signature/

Charlene Barshefsky

OFFICE OF THE UNITED T TE T   DE E   E ENT TI E

EXECUTI E OFFICE OF THE   E IDENT

WA HINGTON, DC 20508

U T   ress elease are available n the U T h me page at WWW.U T .G0 .

They are als available thr ugh the U T Fax etrieval ystem at 202 395-4809

FO R IMMEDI TE ELE   E

Wednesday, July 23, 1997

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C ntact: Jay Ziegler

Kirsten   wers

Christine Wilkas o

(202) 395 3230

ED S A ES A D KOREA S CCESSF LLY CONCL DE

EGO A ONS ON RADE

ELECOMMU CA ONS GOODS A D SERV CES

S rade Re resentative Charlene Barshefsky announced today that the nited States and Korea have concluded p year long negotiations which will ex and o ortunities in the growing Korean telecommunications market for S equi ment and services su liers.

" he nited States has worked aggressively to o en the Korean telecommunications market for . S. equi ment and services su liers, " said Ambassador Barshefsky. " he commitments undertaken by Korea through multilateral and bilateral negotiations will hel ensure that .S. telecommunications com anies the most com etitive roviders in the world are in a osition to com ete in Korea's telecommunications market, which is estimated to grow to $100 billion between 1996 and 2000."

"Korea has made im ortant commitments, including the elimination of tariffs on information technology roducts, and a decrease in limitations on foreign ownershi of domestic telecommunications services com anies, and taken other ste s which will romote com etition and enhance trans arency," said Ambassador Barshefsky, " aken as whole, the Korean Government's actions over the last year should eliminate objectionable ractices which led to Korea's identification in July 1996 as a 'Priority Foreign Country under section 1374 of the 1988 Omnibus rade and Com etitiveness Act."

Korea has undertaken a number of commitments which satisfy .S. negotiating objectives:

he Korean Ministry of nformation and Communication has agreed to em loy olicies that ensure Korea will address a wide range of .S. telecommunications concerns. hese olicies are embodied in a July 14, 1997 olicy statement which resulted from negotiations between the nited States and Korea. he statement clarifies recent revisions of Korea telecom olicies and ractices, enhances trans arency, and corrects mis erce tions regarding the treatment of foreign telecom goods and services su liers. S ecific olicies detailed in the M IC olicy statement include: national treatment and non discrimination for foreign com anies; government non intervention in rivate sector rocurement; trans arent criteria and rocedures relating to services licensing; equi ment certification and ty e a roval; increased foreign ownershi in domestic service roviders; enhanced p rotection of intellectual ro erty and ro rietary information; clear guidelines for technology transfer; trans arent rocedures for satellite services authorization; ro com etitive regulatory measures; and an enhanced inde endent regulatory role for the Korean Communications Commission. hese commitments ensure that .S. telecom com anies will enjoy im roved market access in Korea.

nder the nformation echnology Agreement, Korea will eliminate in stages tariffs on an agreed ackage of information technology roducts (including telecommunications) equi ment by the year 2000; tariffs on a few additional items will be eliminated by 2004.

nder the WTO basic telecommunications agreement, Korea will allow increased foreign ownershi of domestic telecommunications services com anies and ado t a series of enforceable and ro com etitive regulatory rinci les.

Collectively, these undertakings will further o en the Korean telecommunications market on com etitive terms, and rovide im ortant o ortunities for .S. service and equi ment roviders.

Based on the ositive ste s taken by Korea over the last year, Ambassador Barshefsky has announced her intention to revoke Korea's identification as a Priority Foreign Country (PFC). According to Barshefsky, " he nited States will continue to monitor closely Korean adherence to its commitments and will make use of .S. p trade laws and WTO rocedures, if a ro riate, to ensure effective im lementation."

he formal revocation of Korea's identification as a PFC will be effective August 11, 1997

Federal Re er Vol. 62, No. 141

Wedne day, July 23, 1997

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Propo ed Revoca on of Korea' Iden f ca on a a Pr or y Fore n Coun ry n Telecommun ca on Trade

AGENCY: Off ce of he Un ed S a e Trade Repre en a ve

ACTION: No ce of propo ed ac on and reque for publ c commen

SUMMARY: On July 26, 1996, he Un ed S a e Trade Repre en a ve (USTR) den f ed he Republ c of Korea a a "pr or y fore n coun ry" (PFC) under ec on 1374 of he Omn bu Trade and Compe vene Ac of 1988 (he Ac) becau e cer a n ac , pol c e , and prac ce den ed mu ually advan a eou marke oppor un e o U.S. uppl er of elecommun ca on ood and erv ce . A a re ul of ne o a on follow n h den f ca on, Korea ha made mea urable pro re oward he el mina on of he objec onable ac , pol c e , or prac ce wh ch were he ubjec of he pec f c ne o a n objec ve de ermined by he USTR under ec on 137 of he Ac . The off ce of he USTR eek commen on propo al o revoke Korea' PFC den f ca on on Au u 11, 1997.

DATE: Commen are due by Au u 8, 1997

ADDRESS: Commen may be ubmi ed o Ms. Syb a Harr on, off ce of he General Coun el, Room 223, Off ce of he U.S. Trade Repre en a ve, 600 17 h S ree , NW, Wa h n on, DC 20 08.

FOR FURTHER INFORMATION CONTACT: Sean Murphy (202 39 -6813) Off ce of A a and he Pac f c, or Joanna McIn o h (202 39 - 7203), Off ce of he General Coun el, Off ce of he US Trade Repre en a ve, 600 17 h S ree , NW, Wa h n on, DC 20 08

SUPPLEMENTARY INFORMATION: Sec on 1374 of he Omn bu Trade and Compe vene Ac of 1988 (19 U.S.C. 3103) prov de ha he USTR may den fy a a "pr or y fore n coun ry" ho e coun r e wh ch ma n a n barr er ha deny U.S. elecommun ca on produc and erv ce mu ually advan a eou marke oppor un e .

On July 26, 1996, he USTR den f ed Korea a a PFC a a re ul of Korea' fa lure o el mina e barr er ha deny mu ually advan a eou marke oppor un e for U.S. prov der of elecommun ca on ood and erv ce and ha are no covered by he ex n a reemen w i h Korea 61 Fed. Re . 40279 (Au . 1, 1996). The barr er ncluded, bu were no l mi ed o he Korean Governmen ' n erven on n procuremen by pr va e Korean compan e , mproper promo on of dome c manufac ur n of h h- echnolo y elecommun ca on produc , and l mi a on on fore n owner h p of elecommun ca on erv ce . A de cr bed below, over he la welve mon h , Korea ha conduc ed mul la eral and b la eral ne o a on w i h he Un ed S a e and made mea urable pro re n el mina n he objec onable ac , pol c e , and prac ce wh ch were he ubjec of he pec f c ne o a n objec ve de ermined by USTR:

1) Korea par c pa ed n he ucce ful conclu on of he Informa on Technolo y A reemen (ITA), ne o a ed under he au p ce of he World Trade Or an za on (WTO), wh ch wa concluded n December 1996. Under he ITA, Korea w ll el mina e n a e ar ff and cu oms du e on an a reed packa e of nforma on echnolo y produc , nclud n elecommun ca on equ pmen . Korea w ll reduce ar ff 5o zero by he year 2000 for all covered produc , excep for h r een ems for wh ch ar ff w ll be reduced o zero by 2004. The e ar ff el m na on w ll ncrea e marke acce n Korea for U.S uppl er of elecommun ca on ood .

2) Korea al o par c pa ed n he ucce ful conclu on n February 1997 of he WTO ba c elecommun ca on erv ce ne o a on . Be nn n n January 1998, Korea w ll allow ncrea ed fore n owner h p of dome c elecommun ca on erv ce compan e and adop a number of ran paren and pro-compe ve re ula ory pr nc ple . The e commi men w ll enhance compe on n he Korean elecommun ca on erv ce ec or and 5 prov de new oppor un e for U.S. nve or and erv ce opera or , a well a equ pmen uppl er .

3) The Ko e st y of I fo mat o d Commu c t o (C) ssued pol cy st teme t o July 14 199 cl fy g ece t ev s o s of gove me t p ct ces, p ocedu es d object ves the telecommu c t o s secto . The pol cy st teme t p ov des gu d ce to domest c d fo e g telecommu c t o s goods d se v ces suppl e s Ko e d e h ces t sp e cy by co ect g mispe cept o s eg d g the t e tme t of fo e g suppl e s. The spec f c pol c es embod ed the C pol cy st teme t clude: t o l t e tme t d o -d sc mi t o fo fo e g comp es; gove me t o - te ve t o 7 p v te secto p ocu eme t; t sp e t p ocedu es o se v ces l ce s g, equ pme t ce t f c t o d type pp ov l; fo e g ow e sh p l mit t o s; the p otect o of tellectu l p ope ty d p op et y fo mat o ; tech ology t sfe ; s tell te se v ces utho z t o ; p o-compet t ve egul to y me su es; d the evolv g ole of the Ko e Commu c t o s Commiss o to fu the p omote d p otect f compet t o the Ko e ma ket.

The U ted St tes w ll co t uously mo to Ko e ' s dhe e ce to the bove commitme ts d w ll e fo ce them, s pp op te, u de U.S. t de l ws d ppl c ble WTO p ocedu es to e su e effect ve mpleme t t o .

Publ c Comme t: Requ eme ts fo Submiss o s

Pu su t to the Act, th s ot ce v tes w rtte comme ts f om te ested p t es o the p oposed ct o . Submiss o s e to be ece ved w rt g by ot l te th 5:00pm o August 8, 199 d must be E gl sh d p ov ded f ve (5) cop es. A pe so equest g th t fo mat o co t ed comme t submitted by th t pe so be t e ted s co f de t l bus ess fo mat o must ce t fy th t such fo mat o s bus ess co f de t l d would ot customa ly be ele sed to the publ c by the comme te . Co f de t l bus ess fo mat o must be cle ly ma ked "BUSINESS CONFIDENTIAL" co t st g colo k t the top of e ch p ge of e ch copy. A pe so equest g th t fo mat o o dv ce co t ed comme t submitted by th t pe so , othe th bus ess co f de t l fo mat o , be t e ted s co f de t l cco d ce w th sect o 135(g) (2) of the T de Act of, 19 4 (19 U.S.C. 2155)

(1) st so des g te th t fo mat o o dv ce;

(2) st cle ly ma k the mate l s "SUB TTED IN CONFIDENCE" co t st g colo k t the top of e ch p ge of e ch copy; d

(3) s e cou ged to p ov de o -co f de t l summa y of the fo mat o o dv ce.

The Off ce of the USTR w ll ma t f le o th s ssue, ccess ble to the publ c the USTR Re d g Room: Room 101, Off ce of the U ted St tes T de Rep ese t t ve, 600 1 th St eet, N.W., Wash gto , D.C. 20508. The publ c f le w ll clude l st g of y comme ts ece ved by the off ce of the USTR f om the publ c w th espect to th s p opos l. A ppo tme t to ev ew the publ c f le may be made by c ll g B e d Webb, (202) 395-6186. The USTR Re d g Room s ope to the publ c f om 9:30 m. to 12 oo d 1:00 p.m. to 4:00 p.m., d y th ough F d y.

I v g Will mso o

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