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orea Record Of Understanding On Telecommunications--1/23/90

SUMMARY RECORD OF UNDERSTANDING UNITED STATES - REPUBLIC OF OREA TELECOMMUNICATIONS
CONSULTATIONS January 19-23, 1990

The documents attached and enumerated below represent a collective agreed summary of the status of consultations as of January 23, 1990 between the Government of the United States (USG) and the Government of the Republic of orea (RO G) on Telecommunications trade issues of mutual concern. This agreed summary will serve as a record of deliberations.

1 . Draft Language For Standards Setting and Approval Processes

This document represents a bracketed text of a possible agreement between the USG and the RO G regarding standards-setting and approval processes in telecommunications. Positions of each party with respect to individual issues addressed in this document are summarized in the Notes following each item.

2. Summary of outstanding U.S. Concerns on Standards and Examples of Possible Solutions to these Concerns

This document represents a summary of what the United States seeks on each of the outstanding issues and examples of possible approaches to bridge differences, for consideration by the RO G. This document solely reflects the views of the United States delegation and does not reflect RO G agreement or commitments.

3. Refined Tariff Reduction Request - Telecommunications Equipment Tariffs

This document reflects a refinement of the U.S. tariff request on telecommunications equipment tabled in the early stages of consultations. The RO KG suggested that the USG refine its tariff request and the United States has refined its list in response to the RO G request.

4. Summary Record of Understanding of the RO KG's Position on Liberalization of the Telecommunications Services Market.

This summary serves as an overview of the RO G position, outlined over the course of the December and January consultations, with respect to the liberalization of the orean telecommunications market. It is understood by both parties that the United States acknowledgment of this document does not indicate in any way U.S. acceptance of the positions contained therein. U.S. positions with respect to the issues outlined in this document are summarized in document five (below).

5. ey U.S. Concerns with RO G Proposals Regarding Telecommunications Services Liberalization

This document outlines key U.S. concerns regarding the RO G's plans for liberalization of the telecommunications market, which are outlined in document four above. This document supplements positions taken by the United K States Government in previous discussions. It is understood by both parties that this document does not indicate in any way RO G acceptance of the positions contained therein.

6. Draft Understanding Between the United States and the Republic of orea and Summary of Positions Regarding Liberalization of the orean Telecommunications Government Procurement Market

This document represents the bracketed text of a possible agreement between the RO G and the USG regarding principles of government procurement in the orean telecommunications market and a summary of respective positions an outstanding issues. These provisions are meant to be mutually beneficial.

January 20, 1990

A. STANDARD SETTING PROCEDURE

1. By July 1, 1990, the Korean government will [compile] transparent standard setting and approval procedures for the development of mandatory standards. The procedures will be clear, complete and well-defined. These standard setting and approval processes will provide for participation in a timely manner by foreign firms. A well-defined appeals process will be described.

2. [By July 1, 1990, the Korean government will ensure the availability of transparent standard setting procedures for the development of voluntary standards. The procedures will be clear, complete and well-defined. These standard setting processes will provide for participation in a timely manner by foreign firms.]

NOTE: R believes that this information exists; has requested more information.

3a. [The Korean government will ensure the ability of . . . persons to participate in the work of an non-governmental standards-setting organization.]

NOTE: . . . proposed Language

3b. [The Korean government will advise non-governmental standards-setting organizations to offer foreign firms/personnel equal opportunity to participate in standards-setting procedures.]

NOTE: Korean proposed Language

B. MANDATORY STANDARD AND APPROVAL CRITERIA

1. The Korean government agrees to limit criteria for wireline telecommunications equipment mandatory standards criterion for mandatory service to the following:

- a. Prevention of harm to the network;
- b. Prevention of harm to network and radio personnel [and users];
- c. Electromagnetic interference;
- d. Harm to billing equipment;
- e. Degradation of service to persons other than the user;
- f. [and other causes of harm to the network].

2. By July 1, 1990, Technical Regulations standards for wireline telecommunications equipment will not include any other criteria other than those listed in B1, such as performance requirements [or interoperability requirements].

3. [After January 1, 1992], mandatory standards for wireless telecommunications equipment [except for navigation and aviation safety equipment] will not include any other criteria other than no-harm-to-the-spectrum, such as performance requirements.

NOTE:

-- Both the and R reserve the right to revisit the issue of "other causes of harm to the network."

-- The R will provide additional information on which interoperability requirements are necessary. The y does not agree that interoperability requirements are necessary.

-- The wants performance criteria on wireless equipment eliminated by July 1, 1990.

-- The USG e e e he gh o fu he d cu he excep on o manda o y anda d fo wiele equ pmen n he e ca ego e .

-- The Ko ean Go e nmen ejec he a o e language ega d ng he Na onal Compu e Ne wo k S anda d .

C. TEST DATA

1. By July 1, 1990, he Ko ean Go e nmen will accep e da a gene a ed y fo e gn ndependen la o a o e and fo e gn manufac u e fo u e n he app o al p oce fo all wile ne e minal equ pmen and all wile e mnal equ pmen , [excep fo na ga on and a a on afe y equ pmen].

2. [The app o al p oce he p ocedu e followed o de e mine whe he a achmen o he ne wo k o , n he ca e of wile , u e of he ad o pec um will e allowed.]

3. [n o de o e accep ed y he ROKG, he fo e gn ndependen la o a o y o fo e gn manufac u e mu e he e acc ed ed y he ROKG o p e en e da a ha hows complance wih he anda d c e a n Techn cal Regula on and demon a e e ng me hod adequa e o uppo he e ul .]

4. [The Ko ean Go e nmen ag ee ha upon p e en a on of app op a e e da a and he ful lmen of app o al p oce unde he c e a n B1, he equ pmen may e feely mpo ed n o Ko ea.]

5. (The ROKG e e e he gh o exclude, u jec o a an pa en appeal p oce , ype app o ed cu ome p em e equ pmen wh ch doe no pe fo m acco d ng o he e da a p o ded]

6. [The Ko ean Go e nmen will e a l h an mpa al en y o en u e an open and an pa en app o al p og am fo cu ome p emi e equ pmen]

NOTE:

-- The USG e e e he gh o fu he d cu he excep on o e ng fo wiele equ pmen n he e ca ego e .

-- The USG and he ROKG e e e he gh o fu he d cu he def n on of he "app o al p oce ."

-- In he ca e of "acc ed a on," he USG ll need o know wha an ndependen la o a o y o manufac u e need o do o e acc ed ed - p ocedu e , equ emen , e c.

--C3 depend upon ag eemen on anda d c e a n he Manda o y S anda d and App o al c e a ec on of h d af .

-- The ROKG ha a ed ha an appeal p oce p o ded fo n he Pe on Law wh ch wa p o ded o he USG delega on on Janua y 20, 1990. The USG e e e he gh o de e mine he adequacy of he pe on law a appl e o elecommun ca on equ pmen app o al p ocedu e .

DOCUMENT 2

SUMMARY OF OUTSTANDING U.S. CONCERNS ON STANDARDS

AND EXAMPLES OF POSSIBLE SOLUTIONS TO THESE CONCERNS

Janua y 21, 1990

A. STANDARD SETTING PROCEDURES

-- We a e eek ng clea p ocedu e ha a e pu l cly a a la le fo anda d e ng and equ pmen app o al. The ROKG ha een una le o demon a e o u def n ely ha uch p ocedu e ex . We a e old ha hey a e con a ned n a numbe of dffe en laws and dec ee , ome of wh ch we e ecen ly p o ded.

-- In he ca e of manda o y anda d e y he Min y of Commun ca on , n o de o p o de ue an pa ency, he p ocedu e mu de al he anda d - e ng p oce , nclud ng uch nfo ma on a wh ch b off ce o en y handle he de elopmen of he anda d , he mef ame fo he p ocedu e, he place whe e

public n ic ll b ma^d, h p in r public c n s sh uld b sub^{mi} d and h ffc r app als
can b ma^d . F r xa^{mp}l :

wi

Minis ry f Widg s S andard S ing Pr c dur s

wi

1. h Minis ry f Widg s s all ma^{nda} ry s andards f r h dg s.

2. h Offic f S andards is h c n ac p in f r all inquiri s r gading ma^{nda} ry dg s andards. h
addr ss is: On Widg Plaza^{wi}, Paradis Ci y, Nirvana. h l ph n nu^{mb} r is Murray Hill 200^w. All inquiri s
sh uld b addr ss^{wi} d h Widg S andard ffc r.

3. h Offic f S andards ll publish in h Nirvana Gov rn n al R gis r a n ic ha a n s andard is b ing
d v l p d al ng h a draf x r d ail d d scrip i n f pr p s d s andard. A public c n p ri d f 30
days ll b all d.

wi

4. Public c n s ma^y b addr ss d ffc f S andards a h ab v addr ss.

5. Af r h cl s f h public^w n p ri d, all c n s wⁱ b r vi d by h Widg S andards R vi
C^{mi} .

6. h Widg S andards R vi C c nsis s f h f ll ng mb^{rs}: W1, W2, W33, W78 (f r xa^{mp}l ,
by vari us ffc s in h Minis ry, r s v ral Minis ri s.) his c ll r vi all c n s and sub^{mi} a
final v rsi n f h pr p s d s andard h Offic f S andards.

7. h ffc f S andards ll ann unc h final s andard in wⁱ Nirvana Gov rn n al R gis r. h s andards
ll n g in ff c un il xx days f ll ng h ann unc nⁱⁿ h R gis r.

8. App als c nc rning any ma^{nda} ry s andards ma^y b fil d h h ffc f h Gen ral C^{uns} I, Minis ry f
Widg s. App als mu^s b fil d hin xx days.

9. Pr c dur s f r h app al ar lab ra d in h Minis ry f Widg s Handb k f App als, ich is availabl
h public hr ugh h Nirvana Gov rn n Prin ing ffc .

-- Wha h ROKG has d scrib d hus far is a s ri s f la ha c n ain g n ral principl s f r ranspar n
pr c dur s. We c nsid r h s b h basis f r h l c nica i ns quip n -sp cific pr c dur s ar
s king.

-- Wha n d a h n x ing is i h r:

a) Evid nc ha h xis ing pr c dur s ff r h sa l v^{mu} f d ail as h xa^{mp}l ab v ; r

b) a c n ha such d ail d pr c dur s ll b d v l p d by July 1, 1990.

-- In h cas f v lun ary s andards, n d inf r i n ha d ns ra s ha h Apr c dur s als
pr vid his l v^w f sp cific y and d ail.

wh

-- W ar als c nc rn d ab u A's pr c dur s, and ar s king an ROKG c n nsur ha A's
pr c dur s all f r ign paricipa i n and ar fair in cas s r A is r c nding ma^{nda} ry s andards. If
Apr c dur s ar n fair, w^{is} k h ROKG c a n ha h y ll n r ly n A as a s andards-s ing
b dy.

-- W Hav s ri us pr bl wⁱ h h ROKG p si i n r gading s andards-s ing pr c dur s f r h Na i nal
C pu r N rks. h ROKG is in ss nc cl sing a rk p n ially r h lli ns fd llars U.S. fir^{ms} by
d nying h n h abili y paricipa in h s andards-s ing pr c dur s. Any pr gr ss in h Gov rn n
Pr cur n rking gr up ll b larg ly n ga d by his p si i n.

-- We xp c h ROKG Sc pr par d h a c l d scrip i n f h s andards-s ing pr c dur s f r
h s n rks (b h f r h s andards ha ar uniqu^a ach n rk and h s ha ar us d by all fiv
n rks). We c n inu s k h abili y f r f r ign fir paricipa n a r gular and n n-discri na ry
basis in h s ing f h s s andards. T

B. MANDAT TANDA DS

We have a major problem with continue efforts on the part of the G to extend mandatory standards beyond the no harm to the network criterion. We cannot accept the establishment of interoperability requirements as mandatory standards, because they cannot be justified by the no harm to the network criterion.

The removal of performance criteria for wireless equipment should also be effective July 1, 1990, rather than December 1992.

The exception from the "no harm" standard for navigation and aviation safety equipment is too broad and is undefined. We are willing to consider limited exceptions in special cases, but seek a more concise definition of equipment that the G wishes to exclude. A list of those pieces of equipment that will be subject to performance criteria would be useful, provided that it is very limited.

C. TEST DATA

We have problems with the broad exclusion for navigation and aviation safety equipment in this section as well, and seek a better definition or a list.

We need detailed information on the accreditation process for foreign labs before we could consider accepting such a process as part of this agreement. We need information such as:

- which office will handle accreditations,
- what the requirements will be (lab size, office personnel, testing methods etc.),
- whether the accreditation will require a site visit, and if so paid for by whom,
- what documentation will be required,
- what fees, if any, will be levied,
- the estimated length of the accreditation process,
- validity period, if any, for the accreditation.

We also need detailed information on the requirements for unaccredited foreign laboratories and manufacturers to have their test data accepted by MOC. We require detailed information on what criteria will be used to determine if the test data are adequate. For example, the G cites four items that it would consider in determining whether to accept a foreign test laboratory or manufacturer's lab test data: what forms are required, personnel requirements, laboratory requirements, length of the certification process etc. What must be clearly defined for businesses to use this process is what a foreign laboratory must do to satisfy the MOC criteria.

We seek written assurances that once this certification is obtained, customs clearance in Korea will be automatic.

We also require assurances that this approval procedure will be fair and unbiased.

C. CONCLUSIONS

As you can see, we still have a number of questions about the G standards setting and approval procedures. We also have problems with some of the G positions.

Without the information requested above, finalization of this text is impossible.

We hope that the G will come to Washington next month prepared to answer our questions and meet our remaining concerns.

We have compared where we are today with where we were last February, and see little concrete progress thus far.

January 1 1

fin d Acc l rat d Tariff duction qu st

T l communications Equipment Tariffs

Th Gov rnment of th Unit d tat s r qu sts that th Gov rnment of th public of Kor a (OKG) us its full administrativ authority to acc l rat annually th plann d r ductions in th tariff rat s on t l communications quipment by an additional 5 % r duction in ach y ar from 1 to 1 3. Th following it ms r pr s nt a r fin d tariff r qu st list

Tariff Numb r D escription

8517.2 ST l print rs

8517.3 T l phonic or t l graphic switching apparatus

.3 1 - for public xchang

.3 11 -- of l ctronic switching syst mS

.3 1 - Oth r

.3 - Oth r

.3 1 -- of l ctronic switching syst mS

.3 -- oth r

~~8517.4~~ 5 Optical fib r transmission syst m -

~~8517.4~~ 6 Carri r quipment for broadcasting syst m

~~8517.4~~ 7 ignal Conv rt r

~~8517.4~~ 8 Multipl x r

8517.4 Oth r

8517.8 Oth r apparatus

8517. Parts

. 1 - of l ctronic switching syst m for public xchang

. - oth r

. 1 -- of t l phon s t

. 2 S of public xchang

. 3 -- of privat xchang

. 4 -- of apparatus for carri r

. 5 -- of facsimil S

. - oth r

8525.1 2 Transmission apparatus S

adio-broadcasting apparatus

8525.2 3 Transmission apparatus

Facsimil transmission quipment S

8525.2060 T mi io pp tu

T ceive

8527.90 Receptio pp tu fo dio-telepho y...

4. the O

8529.1060 A te fo 8525 d 8527

8529-9050 P t (e^{mb}lie) of 8525 d 8527 O

8531.800035 (USHS) P gi g le ti g device

8531.90 P t (R e^{mb}lie) fo 8531

DOCUMENT OK ON ON ON

SUMMARY REC D UNDERSTANDING

THE R G' P FTI LIBERALIZATI

THE TELECOMMUNICATI S SERVICES MARKET OK

(J u y 22, 1990)

Th^{OK} p pe t te fo the eco d wh t the USG u de t d to be the R G po itio o libe liz tio of teleco ic tio e vice i the Ko e O ketpl ce, b ed o di cu io i the Dece^{mb}e 1989 d J u y 1990 egoti ti g ou d . Thi p pe i o way i dic te USG ccept ce of y po itio p e e ted by the R G. U.S. views of the Ko e p opo l e dd e ed i ep te p pe .

OK

I. Se vice Di cu io d the U ugu y Rou d

- The R^{OK} G pl ot to fi lize pl fo fu the libe liz tio of teleco ic tio e vice eque ted by the U.S. u til the e ult of the Ge e l Ag ee^{me} to T de i Se vice (GATS) e k own. The R G expect the GATS to co clude by Nove^{mb}e 1990.

- The R^{OK} G Suppo t the U ugu y Rou d d i te d to pl y po itive, co tuctive ole i the e t bli^{me} t of wo ld f wo k fo t de i teleco ic tio . Thi i clude cti gi i te di y ole i b idgi g the LDC d developed cou ty po itio o teleco ic tio g ee^{me} t i the GATS.

- The R G exp e ed i te e ti obt i i g uch libe lized f^{me} wo k o th t Ko e co^{mp} ie c l o t ke dv t ge of the i te tio l teleco mu ic tio ketpl ce.

- The R G pl to i co po te the e ult of GATS g ee^{me} to teleco ic tio i to libe liz tio p ck ge (i cludi g both legi l tio d d^{mi} i t tive p ocedu e) by the e d of 1991.

- The R G the efo e will ot ub^{mi} mu teleco ic tio efo^m legi l tio to the N tio l A e^{mb}ly with e pect to the det il of uch efo^m, u til the co clu io of the GATS. mu

- The R G p opo e to e u^{me} bil te l di cu io if the cove ge of teleco ic tio i the GATS i i ufficie to if the GATS doe ot e ch g ee^{me} to teleco ic tio e vice by the e d of 1990.

II. Ti^{mi} g of-R G-Ref^{OK} Libe liz tio P ck ge

- The R G pl to p e e t it efo^m p ck ge to the N tio l A Oe^{mb}ly by ye -e d 1991. The Ko e deleg tio i ot ble to give u ce of whethe the N tio l A e^{mb}ly would ccept the p ck ge eithe i p t o i full. [I e t: The R G will do it be t o th t the efo^m p ck ge will be p ed by the N tio l A e^{mb}ly O without O^{me} d t.] The Ko e deleg tio id th t ewly e cted l w su u lly beco^{me} effective ix mo th fte the P e ide t ig bill i to l w. (The P e ide t mu t ct o legi l tio withi two week .) Du i g the ix mo th ll ece ye ct^{me} t egul tio would be p ep ed. Thi would o lly i clude e fo ce^{me} t dec ee f o^m the P e ide t, i te i l pocl tio d dditio of the e vice to the po itive li t. O

- The Korea e e tio h s ssure the USG th t the reform p ck e, to the exte t th t it h s bee eve ope , h s fu i termi isteri support. I termi isteri co se sus specific exte s to the est b ishme t of two c te ories of service provi ers i the ROK market: "Ge er Service Provi ers" (GSPS) "V ue-A e Service Provi ers" (VSPs).

- Whi e b sic efi itio s for the two c te ories h ve bee est b ishe , the ROKG p s to eve op ist of existi tecommu ic tio s services, to be ivi e betwee the GSP VSP c te ories. The ROKG e e tio exp i e th t the ist of services ssi e to either the GSP or VSP c te ories wi be ma e v i b e b the effective te of the reform p ck e.

- The ROKG e e tio escribe the hier ch seque ce of e proce ures ecess r to fu impeme t e is tio :) me me ts to curre t st tutes (e ., Te commu ic tio s B sic L w, Pub ic Te commu ic tio s Busi ess L w, R io L ws others re te ws, with the pprov b the ROK N tio Assemb ; b) ecess r e forceme t ecrees; c) ecess r mi isteri impeme ti re u tio s.

I terim me sures

- The ROKG h s ssure the USG th t prior to the optio impeme t tio of the ROKG reform p ck e, itio U.S. comp ies ma e ter the Korea tecommu ic tio s services market u er the curre t Korea ws mi istr tive proce ures, s me e i Ju

- The ROKG ow permits U.S. comp ies to e e i the provisio of Group VAN services t b se t processi (DB/DP) services to thir p rties, throu h joi t ve tures imite to 50 perce t forei equit sh res, where the Korea p rt er mai t i s ma eme t co tro. The c ot use p cket switches u er circumst ces or provi e e h ce services which re ot computer-re te . Specific ex mp es cite were f x tr smissio vi eo co fere ci . y

- U er curre t w, the ROKG is co si eri whether to ow voice-mai service.

- U er curre t w, the ROKG is co si eri permitti competitive provi ers to offer p cket switchi which i cu es:) co e proto processi , b) mess e h i services, c) e ectro ic t i terch e, etc. (The ROKG h s othi specific itio i mi .)

III. Cover e

Ge er Service Provi ers (GSP)

Defi itio Scope of Activit

- GSPs wi be ice se to own b sic tr sport, switchi etwork f ci ities. VSPs ma ot own such f ci ities. y

- GSPs must provi e u ivers services such s voice te epho , te ex "other b sic services", thou h e ch GSP ma y ot ecess ri proyi e such services.

- Determi tio of "other services" u er GSP is b se o the "simp e tr smissio " pri cipe -- i.e. services which o ot ter i formatio or t i wa wou be reserve for GSPS. The Korea e e tio cou cite o specific ex mp es of "other services."

- The ROKG co si ers the provisio of ce u r te epho p i services to be reserve for GSPS, u er the r tio e th t these services o ot ct upo or ch e the co te t (t /voice) of tr smissio . y

- GSPs h ve commo c rrier-ike ob i tio s i cu i (but ot ecess ri imite to): o - iscrimi tor provisio prici of b sic services, provi i f ir terms co itio s.

- GSPs wi be permitte to provi e services, but whe GSPs VSPs re competi o service provisio , the ROKG i te s to eve op re u tio s o u f ir pr ctices to e sure f ir competitio .

- The ROKG ticip tes th t t Mi imum the four curre t esi te commo c rriers wi be esi te s GSPs. These four re: KTA, DACOM, KHTC KPTC. y

- The ROK has not decided yet whether to decide on the PS.
- The ROK is considering, but has not yet decided, whether the frequency of the S-band mm-wave carrier will be provided for the service.

Frequencies

- The ROK defines "frequency" as the frequency of the carrier wave, the frequency of the circuit frequency (i.e., the frequency of the fiber optic cable, microwave frequency, the frequency of the reception frequency).
- The P would then exclude the carrier frequency of the CPE (CPE). The ROK defines CPE as "the terminal which is connected to the fixed P/VSP facility to use the service for P/VSP subscriber." Specific examples include: PABX, digital display, computer terminal, modems, telephones (including digital telephones). Multiplexers with less than 2.048 mbps speed are included. There will be restrictions on the carrier frequency of the CPE to the public network and the equipment that is used in the MOC type product.

Carrier/Prioritization of C-band mm-wave carrier

- By law, the ROK requires the use of the KTA (Korea Telecommunications Agency) must not be less than 1/3 of the frequency of the mm-wave carrier. This currently includes DACOM, KMTCA and KPTCA. The ROK is considering whether to change this requirement.
- KTAI which has a direct majority of 51%, holds 32% of the KMTCA in 1989. (KTAI owns 68%.)
- KTA plans to hold a majority of KHTCA in 1990 but the K re delegation is to be a specific amount.
- The ROK intends to gradually prioritize KTA by reducing the carrier frequency to 51% by year-end 1992. This would be accomplished through public lease of the K re market. (The ROK currently plans to hold 25% in 1990 [provided through market competition] and 12% each year for the next two years.)
- The ROK will create a direct carrier frequency P band the current level. No decision has been made yet further prioritization of the mm-wave carriers.

Value-added Service Provider (VSP)

Definition of Service Provider VSPS

- A VSP is a service provider that offers a telecommunications service to the "public" provided by the MOC. A VSP may own a network frequency but must be a circuit provider for the P and must have a permit to use equipment to provide the service.
- The primary criteria for inclusion of the public service eligible for VSP provision is whether the service is provided to the public through the circuit of the information transmitted, i.e., whether value added.
- A VSP may provide the service specifically provided by the ROK telecommunications service provider competition. This is known as "the public service provision." The ROK will publish the exact criteria to be used to determine the service "public service" they realized. The ROK indicated that the service eligible for inclusion of the public service would not be limited to the value-added service provided in Korea, but would include value-added service provided anywhere in the world.
- All currently existing services will be determined immediately the "public service" right to the limit of the P. If a service is received from the limit, the ROK will meet the public service immediately. Once a service is determined to be the public service, the competition may provide them equally, although the domestic service will be limited to the extent.
- VSP will not be permitted to undertake implementation of service, implementation of implementation of which would circumvent the Public network. The VSP may only provide service "with competition" if the implementation

processin

Other factors the ROKG will consider, in developin the positive list include economic and sociocultural criteria. The Korean dele tion cited as examples of materials which it intends to prohibit a obscene material and b unsolicited sales material.

The ROKG clarified that it would open any service on the positive list to any qualified provider.

Competitive providers are now limited to providin enhanced, computer related telecommunications services. The ROKG is considerin the addition of some non computer related enhanced services to the positive list. Specific examples include voice mail and video conferencin.

The ROKG is reluctant to open packet switchin to competitive providers due to economic bypass concerns.

New Services

As new services develop, the ROKG will temporarily desi nate them as open to either GSPS or VSPS. The ROKG will review the desi nations at least every three years to make temporary desi nations permanent.

The ROKG will consider the addition of a new service on an ad hoc, temporary basis to the VSP list (or positive list) if requested to do so by a prospective service provider.

International Services

international services in the context of this record refers to value added or competitive services provided from points within Korea to points outside of Korea.

The Korean dele tion stated that Article 52 of the PTBL in principle bars the third party use of leased lines. However, by Article 74 of the Enforcement Decree of the PTBL, the MOC may allow exceptions to such restrictions to special cases in the public interest. The ROKG dele tion stated that some international value added services can be provided as lon as the MOC characterizes such services as permissible usa e of leased lines within the ran e of the above mentioned exceptions, and does not characterize them as value added telecommunications services.

The Korean dele tion said that since such services are directly related to International Value Network Services (IVANS), it is reasonable to withhold decisions on international services until the issue is ne otiated in the GATS. The ROKG does not consider bilateral a reements to be appropriate for telecommunications services trade.

The ROKG stated a major consideration in its current refusal to allow international value added service is to control transborder data flow.

The Korean dele tion said the ROKG would radually introduce the liberalization of international services, but the dele tion was unable to provide details on implementation, includin a timetable or specific services.

ROKG dele tion states that the reform packa e will include a provision empowerin the MOC to allow the provision of international VSP services.

Only GSPS will be permitted to provide international common carrier transmission services.

Intracorporate Communications

Due to concern for bypass of the public networks, the ROKG has not made a decision whether a company can construct and/or own its own network facilities.

IV Investment/Forei n Participation

Forei n equity restrictions of a maximum 50% share with maintenance of Korean mana ement control still exist for data base and data services providers, and for Group VANS. Restrictions on forei n equity participation in telecommunications equipment manufacturin companies were lifted as of January 1, 1990.)

- The ROK committed to ensure the smooth implementation of the telecommunications national reform package and to relate to different regulatory environment in competitive telecommunications service.

- However, the ROK will not reduce foreign investment restriction until after the Uruguay Round is completed, by be aware the extent to which the ROK will liberalize investment depends on the result of the Uruguay Round.

- The ROK has thus made no decision to lift foreign equity restriction either under the current or planned regulatory regime.

V. Terms and Conditions of Market Access

P and VSP Right and Obligation

The MOC will use the oversight authority to ensure that right and obligation are maintained for P and VSP.

Both VSP and P must provide their service in a "timely manner, under "fair conditions," and "a surate." The should not refuse to provide service to a customer with a justifiable reason. The should not transmit information which "harm the public order," i.e., harm public safety, health or morals. The obligation includes restriction on the content of data base offered by a VSP. Service provider and the personnel are legally liable to ensure that the confidentiality of the information is handled properly.

- The Korean delegation said "fair conditions" mean that information will be provided in a non-discriminatory basis, with equal pricing to all legitimate service. However, the ROK indicated that the fair conditions obligation is a general principle of the Telecommunications Basic Law (Fundamental Law) and not a substantive provision with enforcement provision.

- The Korean delegation gave a general assurance that oversight of "fair market conditions" would not be abused to prevent competition. It would not be applied in "monopoly" areas. It would not be applied, for example, to raise subscription rate which undercuts the market and were not financed by subscription.

Specific VSP Right and Obligation

- In general, VSP will not be required to provide service to a third party, except in a case of national emergency or natural disaster.

- Specific, VSPS must meet the following obligations: 1) file the MOC a pricing schedule and standardized contract for service offering (i.e., tariff); 2) notify both the customer and the MOC when the VSP must discontinue service; 3) submit for MOC approval contract for interconnection with another VSP or with a P; 4) fulfill "regulatory requirement".

- Specific "regulatory requirement" includes the following: 1) the VSP must register with the MOC, although the MOC planning to allow an exception for "small VAS," e.g. domestic data base and data processing provider; 2) the VSP must re-register with the MOC when a major change occurs in a VSP's service offering (except for change that are "minor"); 3) the VSP must meet specific MOC regulatory criteria.

- The MOC will require prospective VSP to meet four criteria in order to register. They are as follows: 1) a uniform minimum standard "financial ability" to provide the service, (subscribed capital of 50 million Won [about \$70,000 USD] required under the Commercial Code), 2) a uniform minimum standard "technical ability" for a VSP to provide service, e.g., a minimum criterion applied to required manpower and technology; 3) a demonstration that the VSP can meet uniform minimum standard requirement to ensure the provision of customer information; 4) whether the legal foreign investment quota is observed.

- The Korean delegation does not believe that the "minimal regulatory requirement" will limit the ability of US firms to enter the market. The ROK indicated that the regulatory requirements are intended for primary for Korean firms.

Interconnection of P and VSP Network

- The interconnection of P/VSP and VSP/VSP will be governed by the written contractual relationship.

- VSPs will be required to interact with their VSPs, with GSPs, except in cases of a bona fide emergency (the MOC will authorize any requirement to interact.)

- A contract for interaction must be filed with the MOC which must approve the contract. The Korea delegation indicated that the primary criterion for disapproval would be a use of dominant position.

Procedural Standards

- The ROKG will permit VSPs to use proprietary products of their own choice for interaction, for the provision of VSP services, and for purposes of interaction with their VSPs. Where VSPs conduct their own work, with the public switched telephone network or the public switched data network, they will use the products of such public switched networks. This

- If consistent with the public switched telephone network or data networks, products must meet MOC compatibility standards.

- If the ROKG believes that proprietary products are disrupting the "smooth functioning" of the network, it may, in the future, require standardized products.

- The Korea delegation understands that USG carriers have forced standardization of products which would cause serious economic and competitive harm. VSPs already using proprietary products. As a result, the ROKG will reconsider whether it will keep open the possibility of standardizing products some time in the future.

VI. Relaxation of Restrictions on Usage of Leased Circuit Capacity

- The ROKG plans to relax the current restrictions on the use of leased-circuit capacity (i.e., private lines) for those users who utilize such capacity for telecommunications uses (i.e., for those leased lines which are leased for telecommunications uses). This

- The ROKG will further relax restrictions on the use of domestic private lines during 1990. (Note has been set for a future meeting, since details are still under study.)

- Shared use of domestic private lines is allowed by agreement with those users who have telecommunications relationships.

- In the future, the ROKG will allow shared use of domestic leased lines, even where there is no telecommunications relationship, so long as the shared use is for the purpose of resale or simple transmission. This

- If it is for the purpose of conducting telecommunications uses, the ROKG will allow shared use of inter- and private lines, on a case-by-case basis.

- The third party use of domestic leased lines for the provision of simple data base and data processing services will be liberalized in 1990. Such uses will require approval and notification. This

- A list of firms which currently share inter- and private leased lines is attached as Annex I.

- The ROKG is considering the basic policy direction for further liberalization of use of leased lines after the reform package is implemented.

VII. Competitive Safeguards

- The ROKG plans to impose "regulations" on the GSPs in order to prevent the abuse of market power in the competitive VSP services market.

- The ROKG did not elaborate as to what measures it intended to adopt, where it intended to adopt them, or how it intended to ensure that the GSPs had implemented such measures before the GSPs began to offer a service in competition with a VSP.

DOCUMENT 5

January 21, 1990 T

KEY U.S. CONCESSIONS THROUGH GSP AND ALS

EGA DIGITELEC MMU CATT SPSE VCES L BE AL ZAT

TIME G: Delay of a y telecommu icatio s services liberalizatio u til several years after the co clusio of the Uruguay ou d effectively prohibits market access for U.S. firms i the dy amic telecommu icatio s services market. Korea firms curre tly have ope access to the U.S. telecommu icatio s services market. Therefore, the U ited States does ot have a y assura ce of market access ow or i the future.

C E AGE: Scope of Services Allowed to VSPs

1. The proposed GSP/VSP approach sig ifica tly broadens the umber of services reserved for the Korea commo carriers as compared to the limited reservatio co templated by the U.S. proposal. The scope of services available to VSPs u der the G proposal is sig ifica tly arrower tha that curre tly available to Korea firms i the U.S. market.

2. The ability of VSPs to provide packet-switched data tra smissio services is ot assured by the G approach. This area is critical to U.S. telecommu icatio s services providers.

3. The use of a positive list approach for determi ing the services which a VSP ca provide remai s a sig ifica t co cer because a VSP has o certai ty that the service it wa ts to provide will be i cluded i the positive list. additio , the defi itio s of services appeari g o the positive list may serve further to restrict the activities U.S. firms ca u dertake.

C DIT S MA KET ACCESS:

A. registratio F:

1. The registratio procedure the G proposes is a virtual lice si g system. Such a system te ds to restrict e try, despite the i te tio s expressed by the G to create a ope , competitive market for VSP services i Korea.

2. The i formatio required by the registratio scheme described by the G appears to require prospective VSP applica ts/registra ts to provide the ki d of i formatio that could effectively reveal their co fide tial pla s.

B. Tariff equireme ts

1. The esse ce of ma y of the services we are talki g about here is that they are tailored to meet the precise eeds of i dividual customers. The requireme t for VSP providers to file a prici g schedule a d sta dardized co tract (tariff) is a ticompetitive a d preve ts service providers from tailori g services to meet the specific n eeds of their customers i a timely ma er. t is also a ticompetitive because it requires VSPs to reveal i formatio that is proprietary. A requireme t for a tariff is also a ticompetitive because it preve ts service providers from rapidly respo di g to cha gi g market co ditio s.

2. The tariff fili g requireme t would also make marketi g of services more difficult by restrai i g a VSP's ability to package services of i terest to a particular customer a d to offer

a discou t o the total package.

C. Commo Carrier-Like ligatio s

The stateme t that a VSP will ot be required to serve particular customers co tradicts both the tariff requireme t a d stateme ts that a VSP must provide o -discrimi atory service to all pote tial customers. A provider of VSP services must be able to co figure its customer base i a ma er which would e sure the protectio of its ow proprietary busi ess i formatio a d the security of its etwork.

D. Simple resale

The G defi itio of simple resale i which a VSP ca ot e gage is u clear. The requireme t that a VSP ca provide resale o ly "with accompa yi g i formatio processi g" is too restrictive to allow firms to provide the full n

range of other relevant products in other markets.

E. Switching Equipment Attachments

The ability of an infrastructure user or a VSP to attach switching equipment including packages will be for use within the infrastructure or for the provision of a VSP service rural. Most of the service has we are talking about cannot be provided on an economic basis unless the user/VSP attaches and uses its own will be. The derecognition against bypass of the public switched telephone network does not require a total ban on the attachments of switching equipment.

F. Interconnection Requirements

The attachment has VSP will not be required on interconnection with other VSP or with GSP as required by the attachment has which interconnection may be required to assure the free flow of information. A VSP must be assured that will not be required on interconnection with the network of a competitor.

G. Proprietary Protocols

The attachment has the ROKG might require a VSP to abandon proprietary protocols and to use a standard protocol to assure the free flow of information does not give VSP who use proprietary protocols adequate assurance that their intellectual property rights in those proprietary protocols will be protected.

FOREIGN EQUITY PARTICIPATION:

1. The current restriction on foreign equity in telecommunications provision (and the fact that the ROKG reform proposal does not contain any change in the foreign equity requirement for VSP under the reform) does not constitute a protectionist market access. Korean firms face no such restriction in the U.S. telecommunications market.

2. The decision not to restrict equity requirements, on unilateral after the Uruguay Round does not give U.S. firms the assurance that the current unfair equity limitation will be liberalized.

INTERNATIONAL SERVICE:

1. The current prohibition on the provision of international value added services and the proposal to open the limitation for the foreseeable future effectively denies U.S. firms market access in the Korean value added services market or prevents U.S. firms from providing high value added services on a non-discriminatory basis. The ban on international value added services discriminates against foreign providers because foreign providers are the firms who most need to provide cross-border.

2. The decision not to consider removal of the prohibition on international value added services unilateral after the conclusion of the Uruguay Round does not give U.S. firms assurance that the current discrimination against foreign firms will be eliminated.

COMPETITION SAFEGUARDS:

The ROKG proposal to impose "regulation" on GSP to prevent an competitive environment in the marketplace where the VSP services market appear from a reliable information to be inadequate. The GSP enjoys a protected monopoly which could be used to restrict competition in the VSP services and to roll back the effects of competitive VSP, to the fall of the GSPS. In order to prevent abuse of the dominant market position the GSP enjoys a reversal of the monopoly granted by the ROKG the ROKG must put in place effective measures that assure that high abuse will not take place.

URUGUAY ROUND:

The United States Government must ensure that the rules under discussion are bilateral and that the appropriate forum to address them in the current bilateral negotiations.

Document 6,

January 2

Draft Understanding

between the Governments of Korea and the United States

and Summary of Positions on Outstanding Issues

Regarding

Improvement of Korean Telecommunications Procurement

This document reflects the USG and ROKG understanding as of January 22 of the remaining outstanding issues concerning Korean telecommunications procurement.

Policy Guidance for Contracting officers

U.S. Position: The ROKG will issue policy guidance to contracting officers awarding contracts covered by this agreement. The policy guidance will be issued by March and will include but not be limited to the information in the U.S. proposal presented on December 8, 2008.

ROKG Position: The ROKG has to consider whether of issuing this guidance is consistent with the way the current ROKG procurement system operates.

2. Coverage

U.S. Position: The U.S. seeks ROKG agreement to use a complete set of transparent non-discriminatory procedures for telecommunications contracts including contracts for goods (including software) and services awarded by the Ministry of Communications (MOC) the Office of Supply (OSROK) the Korean Telecommunications Authority (KTA) the Data Communications Corporation (DACOM) and the Korean Mobile Telecommunications Corporation (KMTC).

ROKG Position: The ROKG will submit an application to join the GATT Government Procurement Code in April and pending the success of the ROKG's Code accession effort - will cover under the Code procurement of goods and incidental services by MOC OSROK and "general products" by KTA. KTA network equipment procurement will be covered by a separate set of procurement procedures. The ROKG agrees to cover software contracts to the extent that these contracts are currently covered by the GATT Code. otherwise the ROKG will cover software contracts when the Code is expanded to cover software contracts.

Procurement by DACOM and KMTC as well as services contracts awarded by MOC OSROK and KTA would not be covered.

Procedures

U.S. Position: Covered contracts should be awarded according to the procedures stipulated in the annex given to the ROKG on September 6, 2008. Exceptions to these procedures may be considered if the exceptions proposed are required to maintain the commercial viability of the entity.

ROKG Position: Contracts for general products awarded by KTA and contracts for goods and incidental services awarded by OSROK and MOC should be awarded using the Code's procedures. KTA network equipment contracts should be awarded according to the procedures proposed in the ROKG's January non-paper. In addition to implementing the non-paper procedures KTA will also fully observe the requirements of the Code. The ROKG will review the proposed (/22/) amendments to the ROKG non-paper.

4. Timing

U.S. Position: The policy guidance should be issued by March. Implementation of the bilateral agreement should begin by January 2 subject to change upon ROKG accession to the GATT Government Procurement Code and the Code's expansion to cover telecommunications contracts (see section 5). P

ROKG Position on implementation of the bilateral agreement should begin by January 1, 1993 pending ROKG assessment of the GATT Government Procurement Code and the Code's expansion to cover telecommunications (see section 5). The question of whether the suggested policy guidance should be issued should be given renewed.

5. Relationship between the GATT Code and the Bilateral Agreement

The ROKG agrees to implement successfully, on a developed country basis, its Code assessment by January 1, 1991. The ROKG agrees to include its upcoming coverage offer in all ROKG telecommunications (i.e., goods and [tele] services), including all telecommunications awarded by the Government and telecommunications awarded by the Ministry of Communications (MOC), the Office of Supply (OSROK), the Korea Telecommunications Authority (KTA), [the Data Communications Authority (DACOM), and the Korea Mobile Telecommunications Authority (KHTC)]. [In the case of KTA, only the "general products" will be subject to the Code's procedures.] [KTA's work equipment will be subject to the procurement provisions of the ROKG's January, 1990 report. In addition to implementing the report's procedures, KTA will also fully observe the requirements of the Code. The ROKG

will review the proposed (1/22/90) amendments to the ROKG report.]

For ROKG Code assessment, goods and services are successful provisions of the expanded Code agreement will apply to the ROKG telecommunications referred to above on implementation dates established by the Code assessment. In lieu of the government procurement provisions of the U.S.-ROKG telecommunications agreement.

In the event the ROKG's assessment of the Code or the Code's expansion to telecommunications have been completed by January 1, 1991, the ROKG agrees to implement the procurement provisions of this telecommunications agreement by January 1, [1992/1993].

In this case, U.S. and ROKG officials agree to meet during the first two months of 1991 to discuss and implement any provisions of this agreement to be precisely defined (i.e., a rule of origin for services).

6. Principles Concerning Korea Telecommunications Procurement

For telecommunications agreement, the United States includes satisfactory government procurement provisions on coverage, procedures, and timing, the U.S. and Korea delegation would consider agreeing to the following preliminary principles:

A. Korea will be implementing the standards for procurement procedures to provide U.S. products, (tele) services, and suppliers an equal opportunity to compete for Korea telecommunications.

B. This means that for telecommunications Korea will no longer consider whether a defined procurement ceiling may be satisfied by a domestic source before opening the procurement to foreign competition. As soon as a ceiling is defined and a decision is made to procure, U.S. and Korea sources will be treated the same regardless of the origin of the product, [tele] service or supplier. Any form of giving one supplier must be given to the same to all suppliers participating in the tendering process, including the procurement planning process and the adoption process. Telecommunications shall be awarded without giving preference to domestic suppliers, goods or [tele] services.

In the qualification of potential products, [tele] services or suppliers, evaluation of bids, and award of contracts, Korea officials shall not, either explicitly or implicitly, impose, seek or consider offsets, including localization, local content, licensing of technology, technology transfer, investment requirements, or similar conditions.

C. Korea will be establishing procedures for the handling and reviewing of complaints going on with any phase of the telecommunications procurement process, so as to ensure that, to the greatest extent possible, disputes will be equitably and expeditiously resolved between the suppliers and the interested parties.

D. The Korea e-meeting to meet periodic ally review the operation of this agreement.

Attachment 1⁰

the Procurement obligation: suggestion for Policy guidance to Contracting Offices

Issue of policy guidance to all procurement officials of both countries to go e-meetings and go e-meetings play a complementary role in the market place to conduct a discussion to the extent that procurement to U.S. suppliers of U.S. products and services, with particular emphasis in the following areas:

-- participation stage

-- observed standards of specificities

(cite in forward)

-- principles mechanism for standards of specificities considered established by U.S. suppliers, [including ability to stop procurement until issue is resolved];

-- timely participation of equities;

-- offsets, including localization of local content equities;

-- waiver of contract exclusivity in accordance with equities;

[-- grant requests of U.S. suppliers for negotiation of existing contracts to bring them into compliance with these obligations];

[-- establishment of principles mechanism: go e-meet to go e-meet.]

*ROK problems in brackets.

December 18, 1989

Document 6

Attachment 2

Changes made on 1/22/90

VIEW ON THE PROCUREMENT ACTOR

I. Introduction

In the December, 1989 meeting, the Korea e-meet (the "ROK") presented a proposal concerning the basic principles of framework of competitive procurement system effort to facilitate agreement to procurement

More specifically, paragraphs (A) - (D) of page I of the proposal presented the basic principles of which Korea's future telecommunication system procurement will be based, and paragraphs 4 and 5 describe the basic framework of the competitive procurement system implementation of such principles.

We believe that it would be only appropriate to present the detailed procurement system for both parties given the basic principles of procurement. For the purpose of achieving agreement to the basic principles of telecommunication system procurement by February 1990, we elaborate below on the procurement system for telecommunication system network equipment and more concrete terms. We hope that this attempt will help the United States Korea's position on this subject.

In the December, 1989 meeting, the ROK also elected its intention to join the TT e-meet Procurement Code (the "Code") in 1990. Hence, in paragraph "general products" that Korea plans to place under the Code, the Code's procurement system will be used. The detailed range of the general products will be determined before the signing of the Code and will be specified in list. S

With respect to the requirements for telecommunications network equipment, detailed requirements for equipment will vary depending on the types of equipment discussed in paragraph 5 of the December, 1989 annex: (i) "initial requirements for new products," (ii) "requirements by development of new products," and (iii) "final requirements for products already produced by the above two methods. We believe that these requirements are not inconsistent with the provisions of the C de, and are reasonable in view of the characteristics of telecommunications network equipment. In addition to implementing the requirements, we will also fully observe the requirements of the C de. Upon agreement with the USG, the ROKG will release new requirements for telecommunications network equipment based on the discussions in this annex in the future.

II. Procurement Procedures for Telecommunications Network Equipment

A. Publication

(1) When a contracting entity determines that there is a need to purchase telecommunications network equipment, it shall use these requirements and will make its intent to purchase known through publication.

(2) Submission will constitute invitations to participate in each requirement.

(3) The publication will be published in the Korean official gazette, and will also be sent to prospective bidders identified to be interested in and/or capable of producing the products required.

(4) Suppliers responding to the notice published in the official gazette will be treated in a manner no less favorable than those responding to the Notices sent individually.

(5) Depending on the types of equipment, the timing for requirements will vary.

First, the "notice of request for proposals (RFP/notice)" for "initial requirements for new products" and "the notice of invitation for participation (Invitation/notice)" for "requirements by development of new products" will be published in the official gazette for every requirement.

Second, notice of the "final requirements" will be published in the official gazette on an annual basis with possible additional notices, as necessary, in the official gazette.

(6) The RFP/notice and Invitation/notice will include the following information:

Nature and quantity of the products to be supplied;

Notice that the purchaser will be made through requirements for "initial requirements for new products" and/or "requirements by development of new products";

Any delivery date;

The addresses and deadline for submitting an application, and the language in which it must be submitted;

Any information necessary for obtaining requirements and other documents;

Any minimum and technical requirements, financial guarantees and information required from suppliers;

Written notice that suppliers who qualify under the above requirements will be considered as qualified suppliers for final requirements;

The amount and terms of payment for any services payable for the requirements;

The fact that the winning application will be selected, in the case that more than one supplier is necessary to assure stable supply, the selected supplier's suppliers to be selected.

(7) A notice of "final requirements" shall constitute an invitation to participate and will contain the following information:

Terms, category and quantity of the products to be purchased (based on the annual requisition for purchasing plans); -

- Any delay due;
- The deadline for submitting proposals, and the language in which must be submitted;
- The designated contact person.

In addition, the following information will be included in the "follow-up procurement" notice:

- Amount of products by category specified in previous schedule;
- Technical information, including general description of products;
- Any information necessary for obtaining specific conditions and other documents;
- The amount and terms of payment of any sum payable for the procurement document;
- The fact that the winning proposal will be selected from supplies which have completed the qualification process;
- The fact that one winning proposal will be selected, or, in the case where more than one supplies necessary to satisfy the proposed number of supplies to be selected;

Such information shall also be published in the bulletin, and reference will be made in the notice that such information will be published in the procurement guidebook.

(8) In addition, an English summary of the RFP/notice and Invitation/notice will be published in the official gazette and will include the following information:

- Subject matter of the procurement;
- Time limit for submission of proposals;
- Addressees from which necessary documents and further information may be obtained.

B. Documentation

(9) Any supplies responding to the procurement notice will be provided with procurement documentation on a timely basis.

(10) The procurement documentation will contain all information necessary to permit supplies to submit responsive proposals including:

- The address to which proposals should be sent;
- The addressees where the user's supplementary information should be sent;
- The closing date for receipt of proposals;
- Any economic and technical requirements, functional requirements and information required from suppliers;
- A complete description of the products required of any requirements including technical specifications, conformity certificate to be fulfilled by the products, necessary plans, drawings, and instructions manuals;
- The criteria for the selection and award of the contract(s) of the successful proposal(s), including any factors of the highest price, such as competitive, quality control, and satisfactory supply, which shall be considered in the evaluation of proposals and the cost element to be included in the evaluation of proposals prices;
- The terms of payment;
- In cases of purchases where more than one supplies to be selected, the factors to be utilized in the allocation of the total procurement among the selected supplies including the intended minimum lot for orders to be placed;
- Any other terms or conditions.

(11) A contractor will respond promptly to any reasonable requests for clarification of the RFP or of the procurement document.

(12) Any clarification or amendment of the RFP or document shall be provided simultaneously to all interested suppliers in due time for such suppliers to consider this information and respond to it.

C. Deadline

(13) The period for receipt of proposals will not be less than forty days from the date of procurement notice.

The proposal period may be reduced in the case of an emergency, but, in any case, would not be less than ten days.

D. Selection and Award of Contract(s) of Successful Applicants

(1). Selection of Successful Applicants shall be the "Interpretation of New Products" and "Procurement by development of New Product" procedures.

Selection of award of contracts will be accomplished as follows:

(14) In order to be considered for selection, any proposal must:

- conform to the essential requirements of procurement notice and procurement document; and
- be from suppliers which comply with the conditions for participation.

(15) Proposals will be evaluated in terms of the selection criteria set forth in the procurement documents.

(16) The proposal deemed to be the most desirable in terms of the selection criteria shall be selected and awarded the contracts.

(17) If prices for no proposal, or proposals, shall be, obviously the most desirable in terms of the selection criteria listed in the procurement documents, contractor will, in subsequent negotiations, be equal considered on and determine all suppliers within the competitive range.

(18) Those suppliers successfully selected shall have these procedures will be considered qualified suppliers for the follow-up procurement; and this fact will be specified in the procurement notice.

(II). Qualification and Selection in the "Follow-Up Procurement"

(19) A contractor will establish and maintain lists of qualified suppliers.

(20) Upon receipt of a proposal from any supplier, contractor will promptly provide the qualification/selection process, and will be equal to both foreign and domestic proposals in the process of qualification/selection suppliers.

(21) If, for publication of the procurement notice, suppliers who are qualified request copies, contractor will send the qualification/selection procedure without delay.

(22) Suppliers request copies of procurement oppositions shall be permitted to submit proposals, and the proposals shall be considered, provided, in the case of those who are qualified, they are sufficient to complete the qualification/selection procedure for participation.

(23) If the proposal, however, finally selected is successful supplier, previous proposal, hereby under one part of the qualification/selection procedure, the proposal will be exempted from all parts of the evaluation procedure.

(24) The number of suppliers permitted to participate shall be limited only by the efficient operation of the procurement system, and only when such limitations are not made in a discriminatory manner.

E. Information on Purchase and Procurement Procedures

(25) In connection with the "financial procurement" procedures, a contracting entity shall publish annually the following information: additional annual transactions in the financial gazette:

- the number of the issued suppliers' manifest, including the ratings, the latest procurement results for purchased high-levels;

- The criteria for selection of the suppliers and the scoring procedures involved, including:

- Technical qualifications;

- Information necessary for establishing financial, commercial, and technical capacity of suppliers;

- This means by which the qualification is to be verified;

- Specific qualification criteria, such as company, quality control, and ability to supply;

- The production of the issued, and the formal supplier's role.

(26) Concerning the procurement process, the following information shall be provided for the suppliers' convenience by the contracting entity:

- Guidance - explanation, among other things, the contracting entity's procurement policy, organizations, for purchasing and purchasing procedures;

- Each facility's management program and planning program;

- Economic value methods;

- Guidance concerning construction, preparation and management of the bid and the supplied products.

(27) The assessment of the suppliers, and the performance of the national procurement is based upon the following factors. The following factors shall also include procurement-related activities, including:

- the evaluation of the procurement information for the procurement management system;

- Efficiency and performance of the suppliers' satisfaction, quality and quantity of the services; A

- Previous financial system and information regarding the procurement involved.

F. Final Procedures

(28) The contracting entity shall maintain a complete record of each procurement process, including a complete record of all materials concerning the contract.

(29) The contracting entity shall promptly, and not later than seven working days from the date of the completion of the assessment of the contract, inform unsuccessful applicants by the procurement manager publication of the assessment results.

(30) Upon request by the unsuccessful applicants, the contracting entity shall promptly provide the applicants the performance information and the assessment of the applicants' results, including the latest advancement of the applications, as well as the name of the winning applicant.

(31) The contracting entity shall provide the procedures for the handling and review of the complaints arising in connection with any phase of the procurement process, including the appeal and the final decision.

TANC offers these agreements electronically as a public service for general reference. Every effort has been made to ensure that the text presented is complete and accurate. However, copies needed for legal purposes should be obtained from official archives maintained by the appropriate agency.