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orea Understanding On Telecommunications--2/17/92

ATTACHMENT UNDERSTANDING ON TELECOMMUNICATIONS BETWEEN THE REPUBLIC OF OREA AND THE UNITED STATES OF AMERICA

THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President

Washington, DC 20506

His Excellency Song Eon-Jong

Minister of Communication

Ministry of Communications

100 Sejong Ro Jong Ro-Gu

Seoul, Republic of orea

Dear Minister Song:

I was pleased that our governments were able to conclude our three-year-long telecommunications negotiations last week with an agreement on the liberalization of the orean telecommunications product and value-added-network services market. I am awaiting the opportunity for a formal exchange of letters pending final approval by your government of the ad referendum agreement. For purposes of section 1374 of the Trade and competitiveness Act of 1988, once this exchange of letters is finalized, the United states will no longer consider K orea a "priority foreign country."

Our negotiations addressed many issues. However, one outstanding issue is critical to my government: the liberalization of orea's special service provider (SSP) market on terms and conditions that permit legitimate market competition and fair and equitable access for U.S. firms. The new radio-based technologies, including cellular, paging, trunked mobile radio, and trunked data services represent the very best in American ingenuity and technological advancement. There is broad-based industry and Congressional support for assuring firms are permitted to compete fairly in the orean market to provide these technologies and services.

We have agreed to separate this issue from the section 1374 negotiations at your government's request. However, it is imperative that we continue discussions actively and immediately this issue. To this end, I suggest that our governments use the opportunity of the upcoming U.S.- orea Trade Subgroup meeting to schedule parallel consultations between us on SSP services.

Outstanding issues which must be addressed include: the proposed structure of the market, including the need to separate common-carrier SSP services from private services; the terms and conditions of licensing of these services; use of proprietary protocols; the ability for individual firms to compete to provide multiple SSP services in multiple regions in orea; ability to interconnect with the public switched telephone network; the need to allow for roaming capability and sufficient spectrum allocation; and assurances that the opportunity to provide each of these services will be granted in a manner which does not place some firms at a disadvantage by virtue of different liberalization dates.

If, under any circumstance, we are unable to consult effectively and make substantial progress on this issue before September 1992, my government will consider taking formal action under our unfair trade practices K statute, sect 1.

I s cerely h pe we ca av d the ecess ty f tak g f rmal act . H owever, I bel eve that th s cr t cal ssue must be res lved sat sfact r ly betwee ur tw o c u tr es s that fa r a d equ table c mpet t a d market access s pr v ded.

cerely,

Carla A. H lls

Dear K rea ff c al:

I have the h r t ack wledge rece pt f y ur letter a d ts attachme t dated, c cer g the K rea G over me t's pla t tr duce c mpet t t ts telec mmu cat s market. Y ur letter a d attachme t read as f ll ws:

[sert K rea letter a d attachme t]

I am pleased t c f rm that th s excha ge f letters clud g the Attachme t theret s the mutual u dersta d g betwee ur tw o g ver me ts c cer g the mpleme tat f the K rea G over me t's pla f r l beral zat f the telec mmu cat s market.

B th Part es agree that the terms a d c d t s f th s U dersta d g are t rema u mpa red by d rect r d rect restr ct s.

I l ght f the K rea G over me t's c mmitme t t mpleme t the U dersta d g set f rth the Attachme t the U. . G over me t w ill rev ke ts des g at f K rea as a pr r ty c u try u der ect 1 74 f the Trade a d C mpet t ve ess Act f 1988.

cerely,

U. . ff c al

Dear U. . ff c al:

I have the h r t refer t a ser es f c sultat s h ld betwee represe tat ves f the G over me t f the Republ c f K rea a d the G over me t f the U ted tates f Amer ca regard g the l beral zat f the K rea telec mmu cat s market.

Tak g te f dramat c cha ges that have ccurred the ter at al telec mmu cat s are a, the K rea G over me t u dert k a maj r restructur g f the K rea telec mmu cat s dustry August, 1991. I part cular, the restructur g measure was des g ed t br g full c mpet t t K rea's value added telec mmu cat s serv ces sect r rder t all w t the marketplace the e trepre eur al sp r t a d creat v ty f the pr vate sect r.

As a result f the c sultat s betwee K rea a d the U ted tates, u dersta d g was reached mpleme tat f the K rea G over me t's pla t tr duce c mpet t t key sect rs f the telec mmu cat s g ds a d serv ces market K rea.

The attached U dersta d g, wh ch serves as a tegral part f th s excha ge f letters, de t f es a d descr bes laws, regulat s, p l c es a d the ge eral pr c ples wh ch g ver the K rea telec mmu cat s g ds a d serv ces market, the structure a d ature f the market K rea a d the terms a d c d t s f r part c pat t. Nat al treatme t w ill be acc rded t U. . f rms (a d K rea j t ve tures w ith U. . f rms) wh ch part c pate the K rea telec mmu cat s market pursua t t the pr v s s f th s Attachme t.

Th s letter reflects ur mutual u dersta d g that the K rea G over me t has agreed t mpleme t ts pla s f r l beral zat f the telec mmu cat s market as set f rth the attached U dersta d g. B th Part es agree that the terms a d c d t s f th s U dersta d g are t rema u mpa red by d rect r d rect restr ct s. S

I also wis o o irm a e wo Par ies will mee a e reques o ei er Par y o er i g a y ma er rela i g o is le er a d i s a a ed U ders a di g.

Si erely,

Korea O fi ial
H E H E
ATTACHMENT

UNDERSTANDING ON TELECOMMUNICATIONS

BETWEEN T REPUBLIC OF KOREA AND T UNITED STATES OF AMERICA

VALUE-ADDED SERVICES

I. DEFINITIONS

A. Value-Added Servi e Providers: Value-added servi e providers ("VSPs") are ele ommu i a io s servi e providers duly regis ered wi e Mi is er o Commu i a io s (e "Mi is er") w hi provide "value-added servi es," as de i ed i I.C. usi g ele ommu i a io s ir ui s leased rom Ne work Servi e Providers.

B. Ne work Servi e Providers: Ne work servi e providers ("NSPs") are ele ommu i a io s servi e providers duly desig a ed or li e sed by e Mi is er w hi ow n a d opera e eir ow n ir ui s a d ra smissio a ili ies.

C. Value-Added Servi es: U less e Mi is er au orizes a arrower s ope o value added e work servi es be wee Korea a d a oreig ou ry as a resul o o sul a io s be wee e wo ou ries, e value-added servi es au orized o be provided by VSPs are all servi es o ered over NSPs ra smissio a ili ies, w hi employ o e o e ollowi g ompu er pro essi g appli a io s:

1. Co versio o o e , ode, pro o ol or similar aspe s o a subs riber's ra smi ed i orma io (o versio s per ormed solely or e be e i o e e work are o o be i luded wi i e s ope o is de i i io);

2. Provisio o addi io al, di ere or res ru ured i orma io ; a d

3. Compu er pro essi g i volvi g a subs riber's i era io wi s ored i orma io (a servi e i volvi g e s orage a d au oma i delivery o i orma io o e re ipie will be allowed w he ever e servi e i ludes o e o e pro essi g appli a io s des ribed i subparagrap s 1 or 2 o is Paragrap , or w he ever e s orage a d delivery u io provides a servi e o value o e se der or re ipie).

4. A servi e a ombi es value-added servi e u io s a d basi ele ommu i a io s servi es is o sidered o be value-added w he e servi e provider o ers e value-added u io s as par o a servi e o eri g, eve oug su value-added u io s may o be required o a par i ular all. wever, wi regard o value added voi e servi es a d value-added a simile servi es, a value-added u io will be required o a all-by- all basis.

5. VSPs regis ered wi e Mi is er are allowed o e gage i da a ra smissio servi e ("DTS"). DTS is e ra smissio o da a wi ou a ge i orm or o e o a real- ime basis. O ne example o DTS is pa ke swi ed da a ommu i a io . DTS does o i lude basi voi e elep o y, basi a simile or basi elex.

6. Examples o Value-Added Servi es:

a. Da a ommu i a io s servi es i volvi g e ollowi g u io s:

i. Code a d/or orma o versio (or example, as lis ed o Table 1 o CCITT Re omme da io X.408 or i s equivale);

ii. Pro o ol o versio s, i addi io o a be wee X.25 a d X.75 i pa ke swi i g (wi regard o pa ke swi i g, servi e providers w hi provide pro o ol o versio s may also ra smi messages wi ou su H o versio s as par o eir servi e o users); or

iii. S ore a d orward;

b. Facsimi c nicati ns that inv v st r and f rward r n f th f ncti ns ist d in S bparagraph a.i. r a.ii. f Paragraph I.C.6.; and

c. th r xa s f va -add d s rvic s inc d databas , r t c mp t r s rvic ("RCS")*, Emai , ctr nic data int rchang ("EDI"), ssag hand ing s rvic ("MHS"), va -add d facsi s rvic and v ic i .

D. VSPs ar n t r q ir d t ff r s ch c d and pr t c pr c ssing s rvic s in c nj ncti n with any th r va - p

*RCS is a data pr c ssing s rvic which d s n t inv v int r diati n f a third party's c nicati n. Th r wi b n r q ir nts n pr vid rs f int rnati na databas and RCS that inf r mati n b pr c ss d in K r a xc pt f r th p rp s f pr t cting nati na s c rity r p b ic ra s, wh r th p rp s r ff ct is n t t dist rt trad s bstantia y add d s rvic . VSPs may s pack t switching as a d iv ry th d f r va -add d s rvic s.

II. REGISTRATION

A. R gistrati n R q ir nt

1. A s rvic pr vid r st b r gist r d with th Minist r in rd r t pr vid a va -add d s rvic . H w v r, pr visi n f d stic databas r d stic RCS d s n t r q ir r gistrati n. By D c mb r 31, 1993, th K r an G v rn nt wi r vi w its p icy r q iring r gistrati n f r int rnati na databas and int rnati na RCS.

2. Th p rp s f th r gistrati n r q ir nt is t ns r that app icants hav th t chnica and financia q a ificati ns t r gist r as VSPS. Th r gistrati n pr c d r wi n t b s d t r strict c mp titi n r pr visi n f a partic ar s rvic and wi b ad nist r d p rs ant t th r vant aws and r g ati ns.

3. A s rvic pr vid r which p ans t pr vid a va -add d s rvic and DTS may s bmit a sing app icati n f r b th s rvic s.

4. F r th p rp s f administ ring th r gistrati n f r VSPS, th Minist r wi acc pt app icati ns f r r gistrati n as s bmitt d by th app icants.

5. R gistrati n app icati ns, int rc nn cti n agr nts and int rnati na va -add d s rvic s p rating agr : nts ar a w d t b :r vi w d c nc rr nt y t minimiz th ti span f r c mp ti n f th v ra pr c ss which is r q ir d f r pr visi n f va -add d s rvic s. VSPs may fi s rvic r q sts with NSPs c nc rr nt y with r gistrati n app icati ns.

6. NSPs wi n t mak s rvic s avai ab nti th Minist r has grant d th VSP's r gistrati n c rtificat . H w v r, th NSP wi pr c ss th VSP's s rvic rd r and pr par t d iv r s rvic p rs ant t XII. b w.

7. F r p rp s s f th r gistrati n pr c d r f r VSPS, "maj r t : c nicati ns faci iti s" ar d fin d as maj r n d s and maj r pr c ssing faci iti s t b d t rmin d by th app icant.

B. R gistrati n Crit ria Th r q ir nts f r a VSP t b r gist r d ar as f ws

1. Financia R q ir nt

a. F r a c rp rati n,: mini m capita f 50,000,000 Won, r

b. F r an individ a , mini m ass ts f 100,000,000 Won in apprais d va .

2. T c nicati ns Faci ity R q ir nt

a. P ss ssi n f th maj r t c nicati ns faci iti s d t rmin d by th app icant t b n c ssary f r pr visi n f s rvic s; and

b. Satisfacti n f th saf ty and r iabi ity standards s t f rth in Artic 36 f th Minist ria D cr n T chnica Standards f r T c nicati ns Faci iti s; :

c. In ord r o d r n a fac on of h r qu r n n II.B.2.a. and b. abov , h M in r ma y conduc a f ld n p c on w i h n 30 bu n day of h appl ca on' f l n . Th purpo of h n p c on o n ur ha h jor nod and proc n fac l d cr b d n h appl can ' r ra on for hav b n n all d. In ca wh r h appl can v an op ra onal d mo n ra on of h propo d rv c dur n a f ld n p c on, h appl can w ill b d d o hav a f d h r qu r n n II.B.2.a.

3. T chn cal Capab l y r qu r n :

a. R a n on of a n mum of wo chn c an who hold a Na onal T chn cal Qual f ca on C r f ca n h l co n ca on or da a proc n f ld (on of h wo mu qual fy a a F r -Cla En n r or Prof onal En n r, wh ch d f n d n h Na onal T chn cal Qual f ca on Law.)

b. Th chn cal capab l y r qu r n w ill b d d a f d f an appl can pr n a prov onal con rac for mp loy n of h r qu r d chn c an wh ch would b co ff c v upon r c p of r ra on fro m h M in r.

C. Docu n a on for R ra on

Alon w i h an appl ca on for m, h docu n a on r qu r d of appl can for r ra on l d o h follow in :

1. Appl can ' bu n plan (nfor ma on d d propr ary by h appl can n d no b nclud d);

2. Appl can ' Id n f ca on C r f ca :

a. If h appl can a Kor an na onal, h appl can ' " andard p r onal d n f ca on c r f ca ;"

b. If h appl can a Kor an corpora on, nclud n a jo n v n ur abl h d n Kor a, h " andard p r onal c r f ca " for ach r of h board of d r c or and h aud or of h corpora on (n ca wh r any of h off c r ar for n r , ho off c r ' " andard r d n for n r d n f ca on c r f ca " u d by h Kor an Gov rn n or h docu n c r fy n h na onal y of ho off c r).

3. Cop of h corpora on' ar cl of ncorpora on and corpora r b ra on (appl cabl only o corpora appl can);

4. Aud r por of h valu of h appl can ' a a of h la day of h mo n h d a ly pr c d n h mo n h of h appl ca on da (appl cabl only o nd v dual appl can);

5. A n ral d cr p on of h rv c o b prov d d;

6. A gu mma ry d cr p on and loca on of h ma jor l co n ca on fac l o b u d for rv c prov on and u ry n work ma p d n fy n ma jor nod ;

7. L of na of mp loy hold n Na onal T chn cal Qual f ca on C r f ca and cop of h r c r f ca ; and

8. A pl ma n for pro c on of cu o r nfor ma on fro m unau hor z d lo or d clo ur (a r qu r d by M in mu r al Procla ma on No. 103) o a fy h r qu r n ou l n d n II.B.2.b abov .

D. D n al of R ra on

1. Th M in r w ill approv r ra on and u a Valu -Add d S rv c Bu n R ra on C r f ca (h "R ra on C r f ca ") o an appl can w i h n 30 bu n day af r f l n of h appl ca on, xc p und r h follow in c rcu anc :

a. Wh n h appl can fa l o ub all h docu n r qu r d n II.C. or nclud fraudul n nfor ma on n appl ca on or h a ach d docu n ;

b. Wh n h plann d rv c ( ) do no fall w i h n h cop of h valu -add d rv c a d f n d n I.C;

c. Wh n h appl can fa l o d mo n ra h ha h r ra on cr r a a p c f d n II.B; or

d. When the v nt s determined to be d squ f ed under Art e 24 of the Te e ommun t ons Bus ness L w (the "TBL"). Art e 24 of the TBL ro des the fo ow ng uses for d squ f t on:

. Persons who h e been djudged by ourt to be ment y n ompetent n ny manner or to be b nkru t; v

. Persons who h e re e ed senten e w th n the re ous two-ye r er od from ourt wh h n o es en ty more se ere th n monet ry f ne n onne t on w th o t on of the Te e ommun t ons B s L w, the R d o Frequen y L w or the L w Pert n ng to Ex ns on of N t on Computer Networks nd Promot on of the Use of the Networks; v

. Persons who h e re e ed n order of n e t on of the r reg str t on w th n the re ous two ye r er od; nd

. Jur d ersons, ny of whose exe ut es, h e been d squ f ed ursu nt to II.D.1.d. ., . or . bo e.

2. If the M n ster de des to deny reg str t on, the M n ster w i not fy the nt n wr t ng of the de s on nd the re sons therefor w th n 30 bus ness d ys fter the f ng of n t on.

3. Howe er, when n t on s determined to be n omp ete under the do ument t on requ rements s e f ed n II.C., the M n ster may ow the nt to f e the miss ng nformat on w th n 30 bus ness d y er od. When the nt f es the miss ng nformat on, the M n ster w i make de s on on the t on w th n 30 bus ness d ys fter re e t of the nformat on.

4. In the e ent th t n nt re e es not f t on of den of ro , the nt may request re ons der t on of ts t on from the M n ster nd demonstr te th t t meets the r ter for reg str t on. The M n ster w i re ons der h s den nd w i not fy the v nt of h s re ons der t on de s on to ro e or deny reg str t on n wr t ng w th n 30 bus ness d ys fter f ng of the request. If the M n ster de des to u ho d h s re ous den , the M n ster's not f t on w i n ude wr tten st tement sett ng forth the re sons for the de s on.

E. Reg str t on Amendment

1. When reg stered VSP undergoes h nge on ern ng the major te e ommun t ons f t es or ntends to ro de new ser e wh h requ res h nge n the ex st ng major te e ommun t ons f t es, the VSP must f e n t on for reg str t on mendment ong w th do ument ert fy ng the o urren e of the h nge n the f t es or the ser es wh h ne ess t ted reg str t on mendment.

2. Howe er, n the e ent of h nge on ern ng ts tr demark, n me, ddress, membersh of the bo rd of d re tors, or ts emp oyees ho d ng N t on Te hn Qu f t on Cert f tes, the VSP must f e not f t on* of reg str t on mendment w th the M n ster.

3. In ses where ro s on of new ser e by reg stered VSP does not n o e h nge n the ex st ng major te e ommun t ons f t es, the VSP w i be owed to ro de the new ser e fter f ng of not f t on w th the M n ster. The VSP n

*The not f t on requ rement s fu y s t sf ed by submitt ng do uments ont n ng the requ red nformat on nd does not n o e ny ro ro ess. In ses where do ument ont ns ro r et ry nformat on, the M n ster w i rote t the onf dent ty of su h nformat on.

fu f the not f t on requ rement by su y ng the n me of the new ser e, ong w th: v

. The VSP's bus ness n (nformat on deemed ro r et ry by the VSP need not be n uded); or

b. A gener des r t on of the new ser e to be ro ded.

4. The M n ster w i not fy VSP n wr t ng of ts de s on on whether the new ser e f s w th n the s o e of ue- dded ser es or DTS def ned n I.C. w th n 20 bus ness d ys fter the VSP f es not f t on or n t on for reg str t on mendment. In the e ent th t VSP f s to be not f ed w th n the 20 bus ness d y v er od, the VSP may ro de the new ser e w thout re e t of not f t on from the M n ster.

5. Subje e equi emen in II.E.1 and e equi emen s in V., a egis e ed VSP is all wed add new fea u es i s u en se vi e e pand e se vi e egi n in lude ve seas p in s wi u a n ifi a i n app val.

6. Whe e ne essa y de e mine whe e a new se vi e falls wi in e s pe f value-added se vi es DTS, as defined in I.C. e Minis e may eques addi i nal inf ma i n f m e VSP ega ding e new se vi e wi in 20 business days af e e VSP files a n ifi a i n an appli a i n f egis a i n amendmen .

7. T e VSP mus submi e eques ed inf ma i n (e lusive f inf ma i n deemed p p ie a y by e VSP) e Minis e wi in 30 business days af e e eip f e Minis e 's eques . T e Minis e will n ify e VSP f i s de isi n ega ding whe e e new se vi e is all wed wi in 20 business days af e i e eives e eques ed inf ma i n f m e VSP.

8. W en an appli a i n n ifi a i n f egis a i n amendmen is duly filed, e Minis e will issue a evised Regis a i n Ce ifi a e.

9. If an appli an e eives a n ifi a i n f denial f egis a i n amendmen , e appli an may eques e nside a i n f e de isi n f m e Minis e . T e Minis e will e nside and will n ify e appli an in w i ing f i s de isi n n e e nside a i n eques wi in 10 business days af e filing f e eques .

F. Can ella i n f Regis a i n

T e Minis e is au ized an el e egis a i n f a VSP de an in e up i n f a VSP's pe a i ns f a ma imum f ne yea , if e VSP is f und:

1. T ave b ained egis a i n ug an unlawful me d;

2. T ave failed begin pe a i n f i s business wi in ne yea af e e egis a i n da e ave been u f pe a i n f ne yea mo e;

3. T ave failed implemen a e i n de issued by e Minis e f vi la i n f p visi ns f e Tele mmuni a i ns Basi Law, Tele mmuni a i ns Business Law, e Radi F equen y Law, e Law Pe aining e E pansi n f Na i nal C mpu e Ne w o ks and P mo i n f e Use f e Ne w o ks.

G. Te mina i n/Suspensi n f se vi e

In e even a a VSP in ends be u f pe a i n emp a ily pe manen ly, e VSP mus p vide n ifi a i n f su in en i n i s se vi e use s and e Minis e a leas 30 business days bef e e business l su e.

III. STANDARDIZED CONTRACTS

A. A egis e ed VSP mus n ify e Minis e f e s anda dized n a unde whi i s se vi es a e ffe ed bef e e p visi n f se vi e.

B. A VSP mus in lude inf ma i n n e f ll wing i ems in i s n ifi a i n f e s anda dized n a :

1. Name, ype and des ip i n f e se vi es be p vided;

2. Se vi e egi n;

3. Ra es f e se vi es;

4. Respe ive esp nsibili ies f e VSP and use in p viding and using e se vi es; and

5. O e ma e s ela ed p visi n f e se vi es, whi e VSP de ides a i s dis e i n n ify.

C. VSPs a e n equi ed p vide e Minis e inf ma i n n ei s anda dized n a s a ey deem is p p ie a y. x

D. VSPs a a d t s t f th (us a c nt act th) a diff nt s t f at s, t ms and c nditi ns f m th s in its standa diz d c nt act f us s th sp cia s vic qu sts, th ut fi ing a n tificati n t th Minist .

V. NTERCONNECT ON BETWEEN TELECOMMUN CAT ONS NETWORKS

A. n d t p vid a va u -add d s vic , VSPs may int c nn ct th i n t ks pu suant t a p ivat c nt act. Th t ms and c nditi ns f such a c nt act b n g tiat d by th pa ti s inv v d bas d n th i c mme cia c nsid ati ns. nt c nn cti n c nt acts b t n VSPs n d n t c ntain any sp cific it m f inf mati n. An int c nn cti n b t n n t ks f VSPs qui a n tificati n t th Minist . Th inf mati n c ntain d in such a n tificati n b p t ct d as busin ss c nfid ntia inf mati n and n t b disc s d t any pa ty utsid th Minist y f C mmunicati ns.

B. VSPs may int c nn ct th i n t ks th a pub ic-s tch d n t k f an NSP f dia -up acc ss. nt c nn cti n b t n a VSP's n t k and an NSP's n t k b g v n d by a standa diz d c nt act f th NSP, avai ab xc pt in th cas b

C. Wh n standa diz d c nt act f an NSP is avai ab f th typ f int c nn cti n qu st d by a VSP, a VSP may int c nn ct its n t k th th NSP's n t k pu suant t a sp cia int c nn cti n ag ment* th th NSP. n d t p t ct VSPs f m p ssib unfai p actic s f NSPS, such an ag ment qui app va by th Minist . Any modificati n p a f th ag ment a s b subj ct t app va by th Minist .

D. Up n app va f a sp cia int c nn cti n ag ment, th Minist qui th NSP t pub ish th ag ment in its sp cia gaz tt immediat y aft its app va . n th v nt that any th us sh s t int c nn ct its n t k th th NSP's n t k n th same t ms and c nditi ns (inc uding p ic) as th s f th I sp cia int c nn cti n ag ment, th y may n tify th Minist , th n

*A "sp cia ag ment" is quiva nt t a "n n-standa diz d c nt act" binding up n th pa ti s and subj ct t th p visi ns f this Attachment.

qui th NSP t c nv t th sp cia ag ment int a standa diz d c nt act pu suant t th p c du s d sc ib d in X .C. b

V. OPERAT NG AGREEMENTS FOR THE PROV S ON OF NTERNAT ONAL VALUE-ADDED SERV CES

F pu p s s f this Attachment, an p ating ag ment is a p ivat c nt act b t n a VSP in K a and its v s as busin ss pa tn t stab ish t ms and c nditi ns f th p visi n f int nati na va u -add d s vic s.

VSPs may p vid any s vic s auth iz d by this Attachment b t n K a and a p int utsid f K a th ut a sp cia a ang ment b t n K a and th c unt y in ich th f ign p int is cat d, if th f ign c unt y d s n t qui such an a ang ment f p visi n f th s vic s.

A. p ating ag ments b t n a VSP gist d und th a f K a and s vic p vid s in a f ign c unt y a subj ct t app va by th Minist .

B. Th Minist acc pt app icati ns f p ating ag ment app va as submitt d by th app icants.

C. n d t btain app va f an p ating ag ment modificati n th f, a VSP must submit th f ng d cuments t th Minist , a ng th an app icati n:

1. A c py f th p ating ag ment, c nsist nt th V.D. b

2. A K an t ans ati n f th p ating ag ment (if th ag ment is p pa d in a anguag th than K an); and

3. An xp anat y d cument (cha t) c mpa ing th d and n p ating ag ments (if th app icati n c nc ns modificati ns f th d ag ment).

D. Wh n an app icant submits its p ating ag ment f app va , it may indicat that sp cific inf mati n in th submissi n is p p i ta y. Th Minist p t cts p ating ag ments submitt d f app va as c nfid ntia . I

Applicant ma al decide n t t include pr prietar inf rmati n in their perating agreement .

E. In the event f repeal f an perating agreement, a VSP mu t ubmit t the Mini ter at lea t 3 da bef re the cheduled date f r repeal f the agreement (i) an applicati n f r repeal appr val and (ii) the f ll wing d cument , which certif :

1. Repeal f the perating agreement; and

2. That the VSP ha n tified it u er f the planned interrupti n f the ervice (if ervice would be interrupted due t repeal f the agreement).

F. An applicati n eeking appr val r repeal f an perating agreement will be granted with ut dela if the applicant ati fie the d cumentati n requirement de cribed ab ve.

G. The requirement f r appr val f an perating agreement r dificati n there f are a f ll ws:

1. The ervice t be pr vided thr ugh the perating agree nt mu t fall within the c pe f value-added ervice and DTS, a defined in I.C. In additi n, if a " pecial arrangement" between K rea and a f reign c untr regarding internati nal value-added ervice between the two c untrie auth rize a narr wer c pe f ervice , the ervice t be pr vided mu t fall within the definiti n f ervice c ntained in the " pecial arrangement."

2. F r the purp e f facilitating interc nnecti n a ng netw ork f VSPS, an perating agreement mu t include a tatement in which the partie c t t maintain the technical capabilit f r exchange f the f ll wing inf rmati n regarding perati n f the netw ork

inv lved:

i. V lume f traffic r charging; mi

ii. Addre ing f de tinati n; and

iii. Calling DTE addre identificati n.

The ab ve require nt i n t applicable t databa e ervice r RCS.

H. The gr und f r denial f appr val f an perating agreement are a f ll ws:

1.0When the applicant fail t ubmit all the d cument required in V.C. r include fraudulent inf rmati n in it applicati n r the attached d cumentati n; r

2. When the applicant fail t de n trate that it ha met the requirement in V.G.l. and 2.

I. The Mini ter will n tif a VSP in writing f it deci i n n the VSP' Applicati n f r appr val f an perating agreement (r f dificati n r repeal there f) within 3 da after the date f filing f the applicati n. If the Mini ter denie appr val, the denial n tice will tipulate the rea n f r denial.

J. In the event that a VSP receive a n tificati n f denial f appr val, the VSP will be all wed t reque t rec n iderati n f it applicati n after it de n trate that the c pe f it ervice fall within the definiti n f value-added ervice r DTS a utlined in I.C. ab ve. After review f a rec n iderati n reque t fr an applicant, the Mini ter will n tif the VSP f it deci i n n the rec n iderati n reque t in writing within 15 bu ine da after filing f the reque t.

VI. FOREIGN INVESTMENT

A. In rder t pr vide value-added ervice in K rea, f reign individual and f reign c rp rati n are all wed t e tabli h j int venture with K rean citizen r K rean c rp rati n . F reign wner hip currentl i limited t a 5 % equit intere t in j int venture . There i n f reign inve tment re tricti n f r the pr vi i n f d me tic r internati nal databa e ervice r RCS.

B. The f reign inve tment re tricti n pecified in VI.A. ab ve will be eliminated in Januar f 1994. The K rean G overnment will review it p lic n inve tment in DTS b December 31, 1993. Pr vi i n f the Ma 19, 1989 0

Investment eement et en Ko ea and the United States ll e applied to the Ko ean VSP ma ket.

USE OF CI CUITS e i

VII. SELF USE OF LE SED CI CUITS

. Fo pu poses of this ttachment, self-use communications is the use of p ivate leased ci cuits o facilities, includin inte national o domestic leased-line net ks, fo communications y the same ju idical pe son, as defined y Ko ean la Such ju idical pe sons include, ut a e not limited to, co po ations, p op ieto ships, and pa tne ships. . o

B. Examples of self-use communications include, ut a e not limited to, communications et en o amon headqua te s and anch offices, co po ate depa tments, and headqua te s and facto ies o ehouses th ou h ci cuits leased f om NSPS. e

C. NSP custome s may en a e in self-use communications fo voice o data communications. a

VIII. SH A ED USE OF LE SED CI CUITS

Fo pu poses of this ttachment, sha ed use of leased ci cuits means use of a leased ci cuit (in the case of an inte national leased ci cuit, the te minatin facility of the ci cuit located in Ko ea) jointly y t o mo e use s. w r

. Sha ed Use of NSPS, Domestic Leased Ci cuits o

1. The sha ed use of NSPs' domestic leased ci cuits fo data communications is pe mitted thout any est iction on the elationship amon the use s.

2. The sha ed use of NSPs' domestic leased ci cuits fo voice communications is pe mitted thin the oups of entities ich maintain a "close usiness elationship." In e a d to the sha ed use of domestic leased ci cuits fo voice communications, the oups of entities th a "close usiness elationship" a e defined as: i h

a. Gove nment a encies (cent al o local); i

. Co po ations o ed y the Ko ean Gove nment;

c. esea ch institutes in ich the Ko ean Gove nment has invested; H

d. ove nment a ency (cent al o local) and a co po ation (o othe o anization) su ject to the a ency's ove si ht unde la h

e. n educational o anization and an o anization that suppo ts the accomplishment of the o jectives of the educational o anization; ,

f. pu lic esea ch institute and a p ivate secto esea ch institute that ca ies out o suppo ts esea ch activities of the pu lic esea ch institute;

. athe se vice a ency and an o anization that equi es use of p ivate ci cuits to epo t o othe se make use of the a ency's athe se vices; e i

h. medical institution and an o anization that equi es use of p ivate ci cuits to p ovide eme ency ca e o othe medical t eatment se vices; e

i. Pu lishin companies, duly e iste ed unde ticle 7 of the e ist ation of Pe iodic Pu lications La

j. B oadcastin companies, duly licensed as adio stations unde the F equency Mana ement La ;

k. ffiliated companies as cu ently defined in ticle 2 of the Monopoly e ulation and Fai T ade La ich include a oup of companies maintainin a common o e ship elationship in ich one company o s 30% o mo e of each othe company in the oup; and , , h n h n

1. oup of companies maintainin a continuin usiness elationship in ich one company accounts fo 20% of the total value of t ansactions (includin pu chases and sales) of each othe company in the oup. R h

B. Share e Internati nal Lea e circuit

1. The hare u e internati nal lea e circuit r ata c mmunicati n i permitte within the gr up entitie which maintain a "cl e bu ine relati n hip." In regar t the hare u e internati nal lea e circuit r ata c mmunicati n , the gr up entitie with a "cl e bu ine relati n hip" are e ine a :

a. g vernment agency (central r l cal) an a c rp rati n (r ther rganizati n) ubject t the agency' A ver ight un er law;

b. n e ucati nal rganizati n an an rganizati n that upp rt the acc mpli hment the bjective the e ucati nal rganizati n;

c. public re earch in titute an a private ect r re earch in titute that carrie ut r upp rt re earch activitie the public re earch in titute;

. weather ervice agency an an rganizati n that require u e private circuit t rep rt r therwi e make u e the agency' weather ervice ;

e. me ical in tituti n an an rganizati n that require u e private circuit t pr vi e emergency care r ther me ical treatment ervice ;

. iliate c mpanie a currently e ine in rticle 2 the M on p ly Regulati n an Fair Tra e Law, which inclu e a gr up c mpanie maintaining a c mmon wner hip relati n hip in which ne c mpany wn 30% r more each ther c mpany in the gr up; an

g. gr up c mpanie maintaining a c ntinuing bu ine relati n hip in which ne c mpany acc unt r 20% the t tal value tran acti n (inclu ing purcha e an ale) each ther c mpany in the gr up.

2. The hare u e internati nal lea e circuit r v ice c mmunicati n i permitte within the gr up entitie which maintain a "cl e bu ine relati n hip." In regar t the hare u e internati nal lea e circuit r v ice c mmunicati n , the gr up entitie with a "cl e bu ine relati n hip" are e ine a :

a. G vernment agencie (central r l cal);

b. C rp rati n wne by the K rean G overnment;

c. Re earch in titute in which the K rean G overnment ha inve te ;

. iliate c mpanie a currently e ine in rticle 2 the M on p ly Regulati n an Fair Tra e Law, which inclu e a gr up c mpanie maintaining a c mmon wner hip relati n hip in which ne c mpany wn 30% r more each ther c mpany in the gr up;

e. gr up c mpanie maintaining a c ntinuing bu ine relati n hip in which ne c mpany acc unt r 20% the t tal value tran acti n (inclu ing purcha e an ale) each ther c mpany in the gr up; an

. gr up entitie which all within the e initi n c ntaine in VIII.B.2.a., b., r c. ab ve.

C. Review Share e P licie in K rea

1. The K rean G overnment rec gnize the imp rtance liberalizing it hare u e p licy. With a view t urther liberalizing it hare u e y tem, the K rean G overnment will review it hare u e p licy by December, 1992 an will inclu e in thi review:

a. The c pe eligible entitie ' ba i r equity an tran acti n percentage r hare u er ;

b. e initi n hare u e that all w s hare u e between c mpanie that have a c ntinu u c ntractual relati n hip;

c. Interc nnecti n between lea e circuit an NSP netw ork b th r internati nal r me tic v ice an ata A c mmunicati n ; an

d. The ab f cus mers a ach "exchange" equ pmen , nc ud ng bu n mi ed PAB S, pac e sw i ches and mu p exers, d mes c and n erna na c rcu s n K rea.

2. The K krean G overnmen p ans fur her bera ze subs an a he sc pe f e g b e en es as def ned n VIII.A. and B. ab ve bef re he end f 1992.

3. The K rean G overnmen w i c n nue c nsu w i h he U.S. G overnmen n fur her measures re a ng he subs an a bera za n f shared use f eased c rcu s.

IX. APPLICATION FOR SHARED USE OF A LEASED CIRCUIT

A. In reques ng serv ce fr m an NSP, he requ remen s f r a gr up f c rp ra e en es p ann ng engage n shared use under ne f he ca eg r es n VIII.A. and B. ab ve are mi ed :

1. Se ec n f a represen a ve c rp ra e en ;

2. Submiss n f an app ca n f rm he NSP, pursuan IX.H. be w;

3. Pr v d ng a s f c mpan names and addresses f r a he c rp ra e en es n K rea be ng ng he gr up; and

4. Dec ar ng, n a s mp e wr en s a emen , w i h n wh ch spec f c ca eg r f shared use n VIII.A. and B. ab ve s members fa .

B. If, af er an NSP has begun pr v de serv ce he user, he NSP has cred b e ev dence ha a member f he shared user gr up nc udes an ne g b e en , he NSP sh u d pr v de he represen a ve c rp ra e en w i h sa d ev dence and ma reques ha submi a d cumen sh w ing ha s members eg ma e be ng he dec ared shared user gr up ca eg r , pursuan IX.H. be w. The reques f r nf rma n sh u d be c nf ned d cumen s regard ng he en 's shared use c mmun ca ns n K rea. The represen a ve c rp ra e en ma hen dec de :

1. Pr v de he d cumen reques ed he NSP; r

2. E ec have he NSP submi s ev dence a cer f ed pub c acc un an ("CPA") des gna ed b he M in s er w i h n 30 bus ness da s af er rece p f he NSP's reques . The CPA w i rev ew he va d f he NSP's c mp a n based n he ev dence submi ed h m b he NSP. If he CPA de ermines ha he ev dence s cred b e, ma hen reques he represen a ve c rp ra e en pr v de nf rma n sh w ing ha s members eg ma e be ng he dec ared shared user gr up ca eg r , pursuan IX.H. be w.

C. When he represen a ve c rp ra e en rece ves a reques f r d cumen a n fr m he CPA, sh u d submi he reques ed nf rma n w i h n 30 bus ness da s af er rece p f he reques and n f he NSP f such n en .

D. In he even he CPA de ermines ha he nf rma n submi ed b he represen a ve c rp ra e en fa s dem ns ra e s eg ma e membersh p n he shared user gr up, he represen a ve c rp ra e en ma appea he dec s n he M in s er. Up n rece p f such an appea fr m he represen a ve c rp ra e en , he M in s er w i c nduc an nves ga n and w i n f he en n wr ng f h s dec s n w i h n 20 bus ness da s.

E. NSPs w i be requ red ma e serv ces, nc ud ng n erna na and d mes c eased c rcu s, ava ab e f r shared-use c mmun ca ns w i h n 60 bus ness da s fr m hekda e f he f ng f an app ca n, un ess he NSP and s cus mer neg a e a d fferen mu ua agreeab e due da e f r furn sh ng serv ce.

F. If he NSP fa s pr v de serv ce w i h n h s per d, he NSP w i be requ red pr v de k he cus mer, w i h n 10 bus ness da s af er he exp ra n da f he ab ve per d, b h a wr en exp ana n f he de a and a wr en c mmi men spec f ng ha w i ma e he serv ce ava ab e b he end f a sec nd, sequen a 30 bus ness da per d.

G. If he NSP fa s pr v de serv ce he cus mer w i h n he sec nd 30 bus ness da per d, he M in s er w i accep an appea r c mp a n b he cus mer ha he NSP has fa ed pr v de serv ce r neg a e n g d fa h, and w i h n 10 bus ness da s w i ssue a wr en dec s n n such appea r c mp a n . k

H. Docume o r qu r me s for sh r d-us commu c o s, clud g v s g o s of v l d NSP compl s, do o clud forma yo r l g o l s s of d v du l us rs or l pho umb rs w i h h corpor s. Corpor s r o r qu r d o prov d forma o o NSPs h h d m propr r , or forma o r g rd g corpor s ou s d of Kor .

X. EQUIPMENT ATTACHMENT

A. Us rs (clud g s lf us rs, sh r d us rs, d VSPS) of NSPs' s rv c s d f c l s r fr o purch s or l s from suppl r, d r llowed o ch o NSPs' works, y log or d g l wir l qu pme for wh ch p pprov l h s b ob d w i hou dd o l pprov l b NSP.

B. Such qu pme clud s mul pl x rs w i h c p c of mor h wo meg b s p r s co d, h gh-sp d p ck sw i ch s, d N work Ch l T rmi g Equ pme (NCTE), clud g d g l s rv c u s.

C. Cus omers ma ch " xch g " qu pme , clud g bu o l mi d o PABXs d p ck sw i ch s, o dom s c d r o l c rcu s Kor , for s lf-us commu c o s, so lo g s such qu pme h s r c v d p pprov l.

D. A chme of Equ pme o L s d C rcu for Sh r d Us

1. I c s s wh r group of s g g s sh r d us u d r VIII.A.2. d VIII.B.2. bov , w i h h group ma ch mul pl x r or sw i ch g qu pme o h c rcu ord r o rmed commu c o s of o h r s w i h h s me group.

2. W h r g rd o h sh r d us of domes c l s d c rcu s for d commu c o s, h group of s, whos scop s d c l o h group of s l g bl for h sh r d us of domes c l s d c rcu s for vo c commu c o s, s d f d VIII.A.2., will b llowed o ch mul pl x r or sw i ch g qu pme o h c rcu s, for h purpos of rmed g commu c o s of o h r s w i h h s me group, b h d of March, 1992.

3. W h r g rd o h sh r d us of r o l l s d c rcu s for d commu c o s, h l g bl groups of s u d r VIII.B.1. will b llowed o ch mul pl x r or sw i ch g qu pme o h c rcu s for h purpos of rmed g commu c o s of o h r s w i h h s me group b h d of March, 1992.

XI. INTERCONNECTION BETWEEN A LEASED CIRCUIT AND A PUBLIC NETWORK

A. O l o d of domes c l s d c rcu for d commu c o s s curr l llowed o b rco c d w i h publ c NSP work.

B. No l s d c rcu for vo c commu c o s s curr l llowed o b rco c d w i h publ c NSP work.

C.yTh Kor Gov r me will r v w s pol c r g rd g rco c o of r o l l s d c rcu s for d commu c o s w i h publ c NSP work, w i hy v w o llow i gy h rco c o b Dec mb r 31, 1992.

D. Th Kor Gov r me will r v w s pol c r g rd g rco c o of l s d c rcu s for vo c commu c o s w i h publ c NSP work, w i h v w o llow i g h rco c o of o d of domes c l s d c rcu for vo c commu c o s w i h publ c NSP work b Dec mb r 31, 1992.

XII. COMPETITION SAFEGUARDS

A. Gov r me b f s r sp c of h prov s o of l commu c o s s rv c s will o b warded w i h h purpos or ff c of d scr mi g mo g prov d rs of such s rv c s, l k c rcums c s.

B. NSPs will prov d us rs d VSPs w i h h r s rv c s pursu o s d rd z d co r c s pprov d b h Mi s r.

C. Th Mi s r will prov d publ c o c h Off c l Gaz l s 20 bus ss d s b for k g me sur ff c g h r s s of us rs of NSP s rv c s. NSPs w i h domi mark pos o o b d rmi d b h Mi s r will b r qu r d o prov d publ c o c sp c l g z or h pr ss l s 20 bus ss y days bef e es ab sh ng amend ng a s anda d zed c n ac . Any n e es ed pa es w i be a wed c mmen n he M in s e 's p p sed measu e he NSP's p p sed s anda d zed c n ac bef e he measu e he c n ac s ad p ed.

D. In cases whe e an NSP c mpe es w i h a SP n he p v s n f a va ue-added se v ce, e he d ec y h ugh an aff a e, he NSP s p h b ed f m engag ng n an c mpe ve c nduc such as c ss-subs d za n, p eda y p c ng, unau h zed d sc su e f cus me -p p e a y ne w o k nf ma n w i h u he cus me 's au h za n, undue de ay n ann unc ng echn ca changes s ne w o k ne w o k n e face, d sc mina y access ne w o k se v ces func ns.

E. When NSPs a e f und have engaged n unfa an c mpe ve p ac ces, he M in s e can equ e he NSPs mp emen spec f c measu es af e a ev ew by he Te ec mmun ca ns C mmiss n, such as:

1. S uc u a sepa a n f NSPs;

2. P h b n n c ss-subs d za n;

3. D sc su e f nf ma n ega d ng he e ec mmun ca ns se v ces n d spu e;

4.\Changes n ag eemen s be ween NSPs and be ween NSPs and SPs f n e c nnec n;

5. Changes n s anda d zed c n ac s a c es f nc p a n f NSPS;

6.\P h b n f p ac ces by NSPs wh ch unfa y es c he bus ness pe a ns f new e ec mmun ca ns se v ce p v de s; and

7. P h b n n he p v s n f e ec mmun ca ns se v ce, ns a a n f e ec mmun ca ns fac es any he p ac ces f NSPs wh ch es c c mpe n among e ec mmun ca ns se v ce p v de s ha m use s' n e es s.

F. C mpe n Safegua ds P cy

1. C ns s en w i h XII.E. ab ve, he K ean G ove nmen s n he p cess f deve p ng a p cy n c mpe n safegua ds, nc ud ng he Open Ne w o k Se v ce P v s n (ONSP), c s -acc un ng me h d g es p even c ss-subs d za n, and measu es ensu e he me y and n n-d sc mina y d sc su e f echn ca changes NSP ne w o ks and he n e faces.

2. Du ng 1992, he M in s e w i es ab sh he Te ec mmun ca ns C mmiss n, p mu ga e egu a ns f enf cemen f c mpe n safegua ds and ssue a d ec ve wh ch w i p v de NSPs w i h gu de nes f he p epa a n f ONSP and he c mpe n safegua ds p p sa s.

3. Among he h ngs, he d ec ve n ONSP w i add ess:

a. Measu es gua an ee ha NSPs p v de access he se v ces ha s equ va en n p ce, e ms and qua y he access hey g an hemse ves and he aff a es.

b. Requ emen s ha NSPs unbund e, he g ea es ex en p ss b e, se v ce e emen s used n he p v s n f c mpe ve se v ces, and c nve hem n s anda d zed c n ac s.

c. Cus me au h za n f he d sc su e f s cus me -p p e a y ne w o k nf ma n, nc ud ng d sc su e NSP pe s nne nv ved n he ma ke ng p v s n f c mpe ve se v ces.

d.\The me y and n n-d sc mina y d sc su e f echn ca changes NSP ne w o ks and he n e faces.

4. The d ec ve w i equ e NSPs mp emen he K ean G ove nmen 's c mpe n safegua ds p cy n a g adua bas s. The d ec ve w i p v de a spec f c me ab e f mp emen a n f va us safegua d measu es. The M in s e w i ev ew and seek pub c c mmen n ONSP p p sa s f NSPS, and w i app ve hem bef e hey ake effec .

5. In he c u se f deve p ng and mp emen ng s c mpe n safegua d p cy, he M in s y w i p v de n e es ed pa es, nc ud ng f e gn f ms, w i h pp un es f pub c c mmen . Such pp un es w i nc ude V

attendance at, a t c at n n, bl c hea ngs by nte ested a t es, as well as w rtten c mment n s ec f c meas es.

6. In Jan a y f 1994, the K ean G o e nment and the U.S. G o e nment w ill c ns lt n the mplementat n and effect eness f K ea's c mpet t n safeg a d l cy.

G. NSPs a e eq ed t make the se ces a a lable t se s (ncl d ng VSPS) n a c st- ented, eas nable and n nd sc minat y bas s.

H. In the e ent that an NSP fa ls t de a se w ith a se ce eq ested by the se w ith n a eas nable t me e d, (n mally 60 b s ness days), the se may demand n w rt ng an ex ed ted act n n ts se ce eq est an ex lanat n f delay f m the NSP. If the NSP's es nse t the se demand s n t sat sfact y t the se , the se may eq est a l ng f m the Telec mmun cat ns C mmiss n (A t cle 42 f the Telec mmun cat ns Bas c Law). In the e ent that the se ece es an ad e se dec s n f m the Telec mmun cat ns C mmiss n, t may n t ate an admin st at e ceed ng t challenge the C mmiss n's dec s n.

I. In the case f s n f any new se ce f wh ch a standa d zed c nt act d es n t yet ex st, NSPs must neg t ate the te ms f a c nt act and f le a c es nd ng new standa d zed c nt act w ith the M in ste nde the n mal standa d zed c nt act a al ced es, the eby establ sh ng a new standa d zed c nt act wh ch shall a ly t any the ent ty wh ch w ishes t se that se ce ded by an NSP.

J. As f Ma ch 1992, NSPs a e n t all wed t b ndle the s n f any NSP se ce w ith eq ment.

K. Nat nals and c mpan es f f e gn c nt es and K ean nat nals and c mpan es w ill ha e eas nable and n nd sc minat y access t and se f telec mmun cat ns c c ts and se ces ded by NSPs ffe ed w ith n ac ss K ea's b de , ncl d ng nat nal and nte nat nal ate leased c c ts, f the s n f al e-added se ces and s mple data t ansmiss n se ces, as well as f self- se and sha ed se c mmun cat ns.

L. The c mpet t n safeg a ds ad ted by the M in ste w ill a ly nly t NSPS, and d n t a ly t VSPS.

M. N c mmon-ca e bl gat ns, ncl d ng b t n t l mited t n e sal se ce, a al f standa d zed c nt acts, ate eg lat n, nte c nnect n nte e ab l ty eq ements, may be mp sed n VSPS.

N. VSPs ha e the ght t se eta y c mmun cat ns t c ls and c mp te systems f the s n f VSP se ces, and t make nte c nnect n dec s ns based n the wn c mme c al c ns de at ns, w ith t any bl gat n t se e a a t c la c st me t nte c nnect w ith a a t c la VSP NSP netw o k. F the , VSPs w ill n t be eq ed t se any a t c la c mmun cat ns nte c nnect n standa d, exce t that the M in ste may eq e VSPs t se a standa d techn cal nte face t nte c nnect w ith an NSP netw o k. VSPs w ill ha e n nd sc minat y access t and se f Data Netw o k Ident f cat n C des (DNICS) t ach e e nte nat nal nte c nnect n f VSP netw o ks.

STANDARDS

XIII. STANDARDS SETTING PROCEDURES

A. The K ean G o e nment and the U.S. G o e nment ma nta n t ans a ent and en ced es, ncl d ng c m la nt and a eals ced es, f ad t ng mandat y standa ds ncl d ng eq ment a th zat n c te a f all telec mmun cat ns eq ment. The Un ted States and K ea w ill ens e that standa ds-sett ng ced es f mandat y standa ds w ill e mit f ll and t mely a t c at n by d mest c f ms and f e gn f ms (f e gn f ms a e all wed t a t c ate n th s ced e th gh the l cal e esentat es) n the same te ms and c nd t ns.

B. A s mila ly t ans a ent ced e has als been establ shed f l nta y standa ds nde the a s ces f the K ean Telec mmun cat ns Techn l gy Ass c at n. The K ean G o e nment and the U.S. G o e nment w ill attempt t ens e that the l nta y standa d sett ng ced es n b th c nt es w ill all w f e gn a t es' f ll and t mely a t c at n n a n n-d sc minat y bas s. Th s t ans a ent, en cess als enc mpasses standa ds set f the nte e at n f the K ean G o e nment C mp te Netw o ks and the U.S. G o e nment O pen Systems Inte c nnect n P f le, exce t whe e est cted by nat nal sec ty c nce ns. v

XIV. KOR P PPROV L CRI RI

. Korea's criteria for type approval are limite to:

1.dPrevention of any technical harm to the network;

2.dPrevention of physical hazar s to network operating personnel an users; d

3.dPrevention of the emission of electromagnetic ra iation beyon prescribe levels'*

4.dPrevention of billing equipment malfunction; an

5. Prevention of egra ation of service to persons other than the users of the equipment to be type-approve .

* he current criteria for MI approval, an the equipment subject to such approval, are foun in Ministerial Proclamation o. 825, 1990.

B.dKorea's criteria for type approval odf wireless telecommunications equipment (except for safety evices for navigation an aviation*) are limite to no-harm-to-the spectrum an safety of operating personnel an users.

C. Korea's criteria for type approval of wireline an wireless telecommunications equipment oes not contain performance stan ar s (except as note in footnote 5).

D. he wireline telecommunications equipment currently requiring type approval in Korea is liste in MOC Proclamation o. 88, 1990. he wireless telecommunications equipment currently requiring type approval in Korea is liste in Ministerial Decree o. 826, 1990. he Korean Government will up ate these lists as necessary.

. he Korean Government will review the list of wireline equipment requiring approval on an ongoing basis, an will en eavor to limit such equipment to equipment that attaches irectly to public SP networks or equipment emonstrate not to have met the type approval criteria escribe in XIV. . above. quipment which is not subject to type approval may be use behin type-approve equipment or a type-approve protective evice.

XV. U.S. QUIPM E U HORIZ IO N CRI RI

. he Unite States Government a ministers its telecommunications equipment authorization program through Part 68 an Part 2 of the U.S. Fe eral Communications Commission ("FCC" or "the Commission") Rules. he technical stan ar s for wireline equipment are containe in Part 68 an in Part 15 of the FCC Rules. For wireless equipment, the technical stan ar s are containe in other FCC Rule Parts, base on the ra io service for which such equipment will be use .

* avigation an aviation equipment may dequire special protection against ra io interference. herefore, some a itional criteria, inclu ing performance requirements, may be applie for safety purposes, consistent with international practice. avigation equipment subject to these a itional criteria inclu e: automatic alarm signal receivers; portable ra io equipment for life boats; ra io irection fin ers for ships; emergency position in icating ra io beacons; F3 ra io telephones for ships; ra ar for ships; an SSB transceivers for ships. viation equipment covere by such a itional criteria inclu e: SSB transceivers for aircraft; an DSB transceivers for aircraft.

B. Businesses falling un er the juris iction of the U.S. Department of Labor, Occupational Health an Safety ministration ("OSH A") must use telephone equipment that is certifie to an appropriate safety stan ar such as Un erwriters Laboratories ("UL") stan ar 1459 (" lectrical Safety of elephone quipment") by a testing facility recognize by the Department of Labor as a " ationally Recognize esting Laboratory." Foreign laboratories are eligible for " ationally Recognize esting Laboratory" certification.

XVI. QUIPM E PPROV L PROC SS S

. Korean ype pproval Proce ures

1. he Korean Government a ministers its wireline an wireless telecommunications equipment type approval process through the Ra io Research Laboratory ("RRL"), un er Ministerial Proclamations. d

2. If the e ent of RRL, who cha ge w th the a min t at on of Ko ea' ty e a oval oce e fo both w i el ne an w i ele telecommun cat on equ ment, en e ty e a oval, the e ent w ll not fy an a l cant n w rt ng of the ea on fo h ec on w th n 0 bu ne ay of the f l ng of a ty e a oval a l cat on. An a l cant en e a oval may a eal the ec on to the e ent n w rt ng. The e ent w ll not fy the a l cant n w rt ng of h a eal ec on (an ea on the efo e) w th n 0 bu ne ay afte f l ng of the a eal.

. No e on w th an economic nte e t n the outcome of a ty e a oval oce w ll be allowe to a t c ate n the a oval oce .

4. The Ko ean Gove nment e e ve the ght to eny o evoke ty e a oval fo w i ele o w i el ne telecommun cat on equ ment wh ch oe not e fo m acco ng to the ty e a oval c te a, ubject to a t an a ent a eal oce wh ch nclu e w rtten not f cat on an ubl c comment.

5. De gnat on of Te t Agenc e

a. The Ko ean Gove nment w ll oce a l cat on by ome t c an fo e gn labo ato e an manufactu e fo ce t f cat on a off c ally " e gnate " te t ng agenc e on a ea onable an non- c minato y ba . Ko ea ma nta n e a ate ce t f cat on oce u e fo w i el ne equ ment te t ng, w i ele equ ment te t ng, an EMI te t ng.

b. The equ ement fo e gnat on a a te t ng agency a e that the a l cant o e the nece a y te t ng equ ment an qual f e e onnel, an ubmit an a l cat on accompan e by o e ocumentat on, fo each e gnat on eque te , a cu ently e c be by MOC P oclamat on No. 69, 1991, fo w i el ne equ ment; MOC Dec ee No. 826, 1990, fo w i ele equ ment; an MOC Dec ee No. 825, 1990, fo EMI.

c. The Ko ean Gove nment w ll ue a ec on on a l cat on fo te t ng agency e gnat on w th n 4 month f om the ate of f l ng. A ce t f cate of e gnat on a a te t ng agency w ll ema n cu ent fo a e o of yea f om the ate of a oval. A l cant fo enewal of te t ng agency e gnat on mu t f le the enewal a l cat on at lea t month o to the ex at on of ce t f cat on.

B. U.S. Acce tance of Te t Data

1. The FCC cu ently acce t te t ata fo both w i el ne an w i ele telecommun cat on equ ment f om a numbe of Ko ean labo ato e an te t ng fac l t e . The FCC al o acce t , f om Ko ean equ ment manufactu e , te t ata gene ate th ough n-hou e labo ato e .

2. The FCC w ll cont nue to acce t te t ata f om Ko ean labo ato e , te t ng fac l t e o manufactu e that emon t ate the ca ab l ty to o e ly con uct te t ng oce u e . Inte e te a t e can gene ally emon t ate uch ca ab l ty by mak ng a w rtten a l cat on n e c be fo mat to the FCC, accompan e by a ample te t e o t an a hotog a h of the a l cant' te t ng fac l t e . The a l cat on mu t emon t ate the ca ab l ty to confo m to FCC tan a by g v ng an ex lanat on of the te t ng oce u e followe .

C. Ko ean Ty e A oval of Wi el ne Equ ment

1. In o e to obta n ty e a oval fo w i el ne telecommun cat on equ ment, a manufactu e (o t local agent) equ e to ubmit an a l cat on along w th the follow ng ocument :

a. Te t ata o elf-te t ata;

b. The ece t ce t fy ng ayment of the ty e a oval oce ng fee ;

c. A umma y of a qual ty cont ol og am fo the equ ment to be a ove an a umma y of the lan fo afte - ale e v ce*;

. A umma y of nfo mat on ega ng the a l cant' te t ng an n ect on fac l ty an e onnel taff ng of the fac l ty; 3

e. A func n descr p n f he equ pmen be ppr ved nd schema c d gr m nd spec f c ns; p r ns f he c rcu ry n d rec y nv ved n demons r ng c mp nce w h ype ppr v cr er need n be d sc sed; nd

f. In c ses where he pp c n s mp r ng s mp es f equ pmen be es ed f r he purp se f pp y ng f r ype ppr v , c py f he rec mmend n e er ssued by he pres den f r mp r n f he equ pmen .**

2. W h n 0 bus ness d ys f n pp c n 's f ng f r ype ppr v , he pres den may reques dd n nf rma n fr m he pp c n n c ses where he pres den dec des s needed f r he purp se f demons r ng h he equ pmen c mp es w h he ype ppr v cr er descr bed n XIV.A. b ve.

The pres den w ssue wr en dec s n ppr v ng r deny ng he pp c n w h n 0 bus ness d ys f er he pp c n f es he dd n nf rma n descr bed b ve.

*An pp c n f r ype ppr v may s sfy he requ remen pr v de p n f r f er-s es serv ce by pr v d ng s w rr n y nf rma n nd he n me, ddress nd e eph ne number f s des gn ed c n c p n n K re f r cus mer nqu r es nd res u n f pr duc pr b ems nd c mp n s. The purp se f qu y c n r pr gr m s ma n n he b y c mp y w h he ype ppr v cr er descr bed n XIV.A.

** The pres den w ssue e er f rec mmend n f r mp r n f s mp es be es ed n K re w h n 0 bus ness d ys f wr en reques by n en y pp y ng f r ype ppr v .

. The K re n G overnmen w ssue n EMI ppr v cer f c e w h n 0 bus ness d ys f er f ng f n pp c n h mee s he cr er f r EMI ppr v .

4. Any submi ed nf rma n spec f ed s pr pr e ry by n pp c n w be kep c nf den nd w n be d sc sed ny p r y u s de es ng en y r he K re n G overnmen gency nv ved n dmin s er ng ype ppr v .

5. The pres den f RRL w ssue wr en dec s n w h n 0 bus ness d ys f er he f ng f n pp c n f r ype ppr v f w re ne equ pmen .

The pres den may deny ype ppr v f he pp c n h s n demons r ed h he equ pmen mee s he ype ppr v cr er r d cumen n requ remen s descr bed b ve n XIV.A. nd XVI.C. .

6. The K re n G overnmen w ccep he f w ng U.S. : es d f r use n s ppr v pr cess f r w re ne e ec mmun c ns equ pmen :

. Tes d gener ed by he U.S. b r r es nd manuf c urers des gn ed s es ng genc es by he K re n G overnmen ; r

b. Tes d , gener ed by n n-des gn ed b r r es nd manuf c urers, f hey cer fy h he d h ve resu ed fr m es ppr pr e y c nduc ed pursu n he M n s er Pr c ma n N . 8 9, 1992, nd h he n n-des gn ed en es re n he necess ry es ng f c es nd pers nne .

D. U.S. Equ pmen Au h r z n f r W re ne Equ pmen

1. Equ pmen u h r z n f r w re ne equ pmen s gener y dmin s ered hr ugh P r 68 f he FCC's ru es nd regu ns.

2. P r 68 requ res h equ pmen f r chmen he ne w ork be reg s ered w h he FCC. Equ pmen reg s r n s curren y cc mp shed hr ugh he f ng f FCC f rm 7 0. F rm 7 0 mus be cc mp n ed by dd n nf rma n wh ch nc udes:

. A c py f he pp c n 's echn c d shee descr b ng he equ pmen nd s purp se. Techn c d mus nc ude c mp e e schema c d gr m f he ne w ork n erf ce c rcu f r e ch ype f ne w ork p r used n he sys em. P r ns f he c rcu ry n d rec y nv ved n demons r ng P r 68 requ remen s need n be d sc sed. 3

b. A test d t e whi h demonstr tes ompli n e with P rt 68 test requirements nd the test ro edures nd test ir uitry used in testin .

. Qu lity ssur n e ro r m. The qu lity ssur n e ro r m requires li nts to ive eviden e th t the rodu t omplies with nd will ontinue to omply with P rt 68 requirements.

3. P rt 68 h s the ob e tive of reventin de r d tion of the tele hone networ used by ert in ty es of defined h rms. P rt 68 is intended to:

. Prevent ny te hni l h rm to the networ ;

b. Prevent hysi l h z rds to networ o er tin ersonnel;

. Prevent billin equi ment malfun tion;

d. Prevent de r d tion of servi e to ersons other th n the users of the equi ment to be ty e roved.

4. P rt 68 rohibits the distribution or dire t onne tion to the networ of unre istered equi ment. Unre istered equi ment may be used behind re istered equi ment or re istered rote tive devi e. P rt 68 lso rohibits the manuf ture, distribution or onne tion of ustomer remises equi ment th t does not onform to P rt 68 requirements.

5. Di it l ir uitry o er tin t r tes re ter th n 9KHz may require ertifi tion under P rt 15 of the FCC rules. P rt 15 ener lly requires th t o er tion of the equi ment is sub e t to the onditions th t there is no h rmful emission of ele troma neti r di tion beyond res ribed levels.

6. Devi es usin r dio lin s nd onne tions to the networ may require both FCC uthoriz tion of r dio equi ment nd re istr tion of the termin l equi ment onne tin to the networ .

7. Devi es l in ro ri te P rt 15 nd/or P rt 68 rov ls may not be imported into the United St tes, j ex e t th t maximum of 10 devi es may be entered for testin ur oses if they re "l beled "For test nd ev lu tion. Not for s le."

E. Kore n Ty e A rov l for Wireless Equi ment

1. In order to obt in ty e rov l for wireless tele ommuni tions equi ment, manuf turer (or its lo l ent) is required to submit n li tion lon with the followin do uments nd s mple of the equi ment to be roved:

. M nu l des ribin o er tion instru tions (in the se of import tion, Kore n tr nsl tion of the manu l must be tt hed) for users of the equi ment to be roved;

b. Test d t ener ted by the manuf turer of the equi ment or l bor tory; nd

. In ses where Kore n n tion l lies for ty e rov l on beh lf of forei n manuf turer, n en y do ument ertifyin th t the li nt is duly uthorized by the manuf turer for the matter of ty e rov l li tion.

2. An li nt see in ty e rov l will not be required to submit s mple of the equi ment s e ified in XVI.E.l. or the test d t s e ified in XVI.E.l.b., if the li nt submits one of the followin do uments:

. Test d t ener ted by the l bor tories desi n ted s testin en ies by the Kore n Government; or

b. A o y of the ertifi te issued by the forei n institutions desi n ted s rov l en ies by the Kore n Government, th t will s tisfy the Kore n Government's ty e rov l requirements ursu nt to the ossible future mutu l re o nition of equi ment uthoriz tion between the Kore n Government nd the U.S. Government s des ribed in XVI.G.

3. Any submitted information s e ified s ro riet ry by n li nt will be e t onfidenti l nd will not be dis losed to ny rty outside testin entity or the Kore n Government en y involved in dministerin ty e j rov l.

4. The pre e of RRL w ill ue a wr e ec o w i h 30 bu e ay af er he f l g of a appl ca o for ype approval of w irele equ pme , e cep ha he me frame for ra ar a au oma c alarm rece ver 90 bu e ay .

The pre e may e y ype approval for w irele equ pme f he appl ca ha o emo ra e mee he ype approval cr er a a ocume a o requ reme e cr be above XIV.B. a XVI.E.l.

5. W h 30 bu e ay of a appl ca ' f l g for ype approval, he pre e may reque a o al forma o from he appl ca ca e where he pre e ec e ee e for he purpo e of emo ra g ha he equ pme compl e w i h he ype approval cr er a for w irele elecommu ca o equ pme . The pre e w ill ue a wr e ec o approv g or e y g he appl ca o w i h 30 bu e ay af er he appl ca f le he a o al forma o .

U.S. Equ pme Au hor za o for Wirele Equ pme

The ech cal a ar for w irele equ pme are co a e var ou FCC rule par , ba e o he ra o erv ce for wh ch he equ pme w ill be u e . I a o o he ech cal a ar prov e , he rule gover g he erv ce may requ re ha uch equ pme be ver f e by he ma ufac urer or mpor er, or ha uch equ pme rece ve a equ pme au hor za o from he Commi o by o e of he follow i g proce ure : ype approval, ype accep a ce, cer f ca o , reg ra o or o f ca o .

1. Ver f ca o a proce ure where he ma ufac urer make mea ureme or ake he ece ary ep o ure ha he equ pme compl e w i h he appropr a e ech cal a ar . Submi al of a ample u or repre e a ve a a o he Commi o emo ra g compl a ce o requ re u le pec f cally reque e by he Commi o .

2. Type approval a equ pme au hor za o ue by he Commi o ba e o e ami a o a mea ureme of o e or more ample u by he Commi o a labora ory.

3. No f ca o a equ pme au hor za o ue by he Commi o whereby he appl ca make mea ureme o e ermi e ha he equ pme compl e w i h he appropr a e ech cal a ar a repor ha uch mea ureme have bee ma e a emo ra e he ece ary compl a ce. Submi al of a ample u or repre e a ve a a o he Commi o emo ra g compl a ce o requ re u le pec f cally reque e by he Commi o .

4. Type accep a ce a equ pme au hor za o ue by he Commi o for equ pme o be u e pur ua o a a o au hor za o . Type accep a ce ba e o repre e a o a e a a ubmi e by he appl ca .

5. Cer f ca o a equ pme au hor za o ue by he Commi o for equ pme e g e o be opera e w i hou v ual l ce e u er Par 15 a 18 of rule , ba e o repre e a o a e a a ubmi e by he appl ca .

G. Korea-U e S a e Co ul a o o Mu ual Recog o

1. The Korea Gover me a he U.S. Gover me w ill e gage b la eral co ul a o ur g he la er half of 1992 o cu ma er rela g o he fu ure mu ual recog o of equ pme au hor za o bo h cou r e .

2. Such mu ual recog o woul ge erally volve accep a ce of Korea Gover me ype approval by he U.S. Fe eral Commu ca o Commi o o mee requ reme for equ pme au hor za o , a accep a ce of FCC equ pme au hor za o by he Korea Gover me o mee ype approval cr er a for w irel e a w irele elecommu ca o equ pme .

GOVERNMENT PROCUREMENT

The Korea Gover me a he U e S a e Gover me w ill mpleme he r commi me regar g elecommu ca o procureme he follow i g ma er.

XVII. COVERAGE AND TIMING x

A. Effect e u ry 1, 1992, U.S. products, c de t l ser ces d suppl ers re ccorded o -d scr mi tory ccess to the procureme t co tr cts of the off ce of Suppl es (R)* d Kore Telecom for telecommu c t o s commod ty products. No -d scr mi tory S ccess K for telecommu c t o s etwork equ pme t will be ccorded o u ry 1, 1993.

B. Co s ste t with curre t pr ct ce, the U ted St tes Go er me t will e ther flue ce or requ re pr te U.S. telecommu c t o s ser ces pro ders to d scr mi te g st fore g suppl ers.**

XVIII. DEFINITI N

A. For the purpose of th s Att chme t, telecommu c t o s commod ty products re products rel ted to the pro s o of telecommu c t o s ser ces. Such products clude off ce suppl es d equ pme t, etwork st ll t o d ma te ce equ pme t, rese rch d de elopme t equ pme t, test d me sur g equ pme t, tr g equ pme t, d termi l equ pme t, except publ c pho es.

B. For the purpose of th s Att chme t, telecommu c t o s etwork equ pme t cludes ce tr l off ce switches, tr smiss o equ pme t, r d o equ pme t d c ble.

XIX. K R EA'S ACCESSI N T THE GATT GOVERNMENT PR C UREMENT C DE (THE "C DE") AND THE R L E F THE UNITED STATES

A. Kore submitted ts offer l st for Code ccess o u e of 1990 d h s e g ged co sult t o s with Code s g tor es, clud g the U ted St tes, co cer g the offer l st.

* S R K procures ll telecommu c t o s equ pme t o beh lf of the Mi stry of Commu c t o s, wh ch s co ered e t ty u der the Febru ry 1990 U.S.- Kore Record of U derst d g o Telecommu c t o s.

**Co sult t o pro s o s of th s U derst d g will pply with respect to th s p r gr ph u t l such t me s the GATT Go er me t Procureme t Code egot t o s o th s subject re co cluded d Kore h s cceded to the Code.

B. Kore h s p rt c p ted the Code exp s o egot t o s s ce tober 1991. Kore te ds to f l ze ts re sed offer l st for co s der t o t the Code exp s o egot t o c s by the e d of March 1992.

C. As soo s the Kore Go er me t ccedes to the Code, the U.S. Go er me t will pro de Kore products, c de t l ser ces d suppl ers with o -d scr mi tory ccess to the U.S. Go er me t telecommu c t o s procureme t market.

D. For the purpose of f c l t t g Kore 's ccess o to the Code, the U ted St tes Go er me t will co t ue to pl y pos t e d cooper t e role Kore 's ccess o process d the Code exp s o egot t o s.

XX. EXCEPTI N S

A. Kore Ocurre tly ma t s except o s* to ope d compet t e b dd g, wh ch re ppl ed to telecommu c t o s procureme ts, th t re ma d ted by the Spec l L ws of the Kore Go er me t.

B. These curre t except o s t ke by the Kore Go er me t ts telecommu c t o s procureme t will rema oper t e u t l mpleme t t o of the co clus o of Kore 's ccess o to the Code. The except o s will be subject to mod f c t o d re s o to reflect the outcome of Kore 's Code ccess o egot t o s.

C. Noth g th s pro s o sh ll be deemed to mply U.S. Go er me t ccept ce of the except o s outl ed here , the co text of Kore 's GATT Code ccess o egot t o s.

*Kore 's curre t except o s to ope d compet t e b dd g re spec f ed Art cle 76 of the Go er me t Budget d Accou t g L w d Art cles 104, 105 d 106 of the E forceme t Decree of the Go er me t Budget d Accou t g L w d descr bed ts offer l st for code ccess o u e of 1990. these except o s, the except o s th t re most rele t to telecommu c t o s procureme t clude the co tr cts warded to: ( ) small- d med um-s ze f rms; ( ) d s bled pol ce d mil t ry eter s; ( ) ho ored p tr ots; ( ) the eter s O ssoc t o ; d ( ) the loc l br ch off ce procureme t of Kore Telecom.

TELECOMMUN C T ON E PMENT T R FF

Tariff reductions on key teleco nications equipment i tems have been accelerated to conclude reduction to average OECD tariff levels by January 1, 1992. Effectiv e on that date, the tariff rate on items listed below will be 8 percent, reduced fro 15 percent in 1989.

K orean mu

Tariff Tariff Rate

Nu ber Product Description 1989 1992

8717.20 Teleprinters 15 8

8517.30 Telephonic or telegraphic

switching apparatus 15 8

.301 --for public exchange 15 8

. 3011 --of electronic switching syste 15 8

.3019 --other 15 8

.309 -Other 15 8

.3091 --of electronic switching syste 15 8

.3099 --other 15 8

8517.4050 Optical Fiber Transmission yste 15 8

8517.4060 Carrier equipment for broad casting syste 15 8

8517.4070 ignal Converter 15 8

8517.4080 Multiplexer 15 8

8517.4090 Other 15 8

8517.80 Other pparatus 15 8

851 7.90 Parts 15 8

.9010 --of electronic switchi ng 15 8

syste for public exchange

.909 -Other 15 8

.9091 --of telephone set 15 8

.9092 --of public exchange 15 8

.9093 --of private exchange 15 8

.9094 --of apparatus for carrier 15 8

.9095 --of facsimile 15 8

.9099 -Other 15 8

8525.1010 Transmission apparatus

Radio-broadcasting apparatus 15 8 m

8525.2030 T - mi io pp tu

F c i le T mi io equip t 15 8

8525.2060 T mi io pp tu

T ceive 15 8

8527.i90 Receptio pp tu e fo di o

telepho y 15 8

8529.10.9290 A te fo 8 525 d 8527 15 8

8529.9099 P t (e lie) of 8525 d 8527 15 8

8531.1080.00 P gi g le ti g device 15 8

8531.1090 P t (e lie) fo 8531 15 8

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