

WORLD TRADE ORGANIZATION

RESTRICTED

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Negotiating Group on Basic Telecommunications

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COMMUNICATION FROM THE REPUBLIC OF KOREA

Draft Offer on Basic Telecommunications

Revision

The following communication is circulated at the request of the Republic of Korea to members of the Negotiating Group on Basic Telecommunications.

This offer is conditional upon the receipt of comparable commitments from other NGBT participants. In addition, Korea reserves the right to modify or withdraw part or all of this offer prior to the conclusion of the ongoing negotiations on basic telecommunications.

In response to requests from the negotiating partners, the Republic of Korea hereby submits the attached revision of its draft offer submitted on December 11, 1995 (S/NGBT/W/12/Add.15).

Main features of the revised draft offer are:

- to bind basic telecommunications services via cross-border supply under a certain condition;
- to allow market access to satellite services;
- to clarify the limitations on foreign investment in facilities-based services; and
- to scrape mandatory technical standards in market access column in order to reflect the opinion of the negotiating partners that they are redundant in the sense that such standards are applicable under the relevant provision of the GATS.

Concerning regulatory issues, Korea is considering to make additional commitments with a view to ensuring market access commitments effective. Nature of such additional commitments will depend upon the outcome of the on-going discussions on "Reference Paper." If the discussions produce a satisfactory conclusion, Korea's additional commitments will be formulated on the basis of the pro-competitive regulatory principles outlined in the "Reference Paper." If not, regulatory principles in the attachment to this revised draft offer will be the possible elements of additional commitments.

This offer is conditional upon the receipt of comparable commitments from other NGBT participants. In addition, Korea reserves the right to modify or withdraw parts of or all of this offer at any time prior to the conclusion of the ongoing negotiations on basic telecommunications, in particular depending on the progress in the negotiations.

THE REPUBLIC OF KOREA - REVISED DRAFT OFFER

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons				
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
2. COMMUNICATION SERVICES				
C. Telecommunications services				
Facilities-based:				
a. Voice telephone services	(1) The provision of all services is subject to commercial arrangements with, or routed on the facilities of, licenced service suppliers.	(1) None		
Local, long distance, and international services over a public telecommunications transport network primarily based on wireline technology (CPC 7521**)	(2) None	(2) None		
b. Packet-switched data transmission services (CPC 7523**)	(3) None as of January 1, 1998, except that:	(3) None as of January 1, 1998, except that:		
	(i) The number of service suppliers may be limited subject to the availability of radio frequency spectrum.	- A radio station licence may not be granted to the following entities:		
	(ii) Each service supplier must be a juridical person.	(a) foreign government or its representative;		
	(iii) A licence may not be granted to the following entities:	(b) foreign natural person;		
	- foreign government;	(c) juridical person or other kinds of entities established under foreign legislation;		
	- foreign juridical person; or	(d) juridical person more than 33 per cent of whose voting shares is owned by any of governments, persons or entities as mentioned in paragraphs (a)-(c) above.		
	- juridical person more than 33 per cent of whose voting shares is owned by, or whose largest shareholder is:			
c. Circuit-switched data transmission services (CPC 7523**)				
d. Telex services (CPC 7523**)				
e. Telegraph services (CPC 7523**)				
f. Facsimile services (CPC 7521**, 7529**)				

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><u>Facilities-based:</u> (cont'd)</p> <p>g. Private leased circuit services (CPC 7522**, 7523**)</p> <p>o. Other</p> <p>Digital cellular services (CPC 75213*)</p> <p>Paging services (CPC 75291*)</p> <p>PCS (personal communications services, CPC 75213*)</p> <p>TRS (trunked radio system) services (CPC 7523**, CPC 75213*)</p> <p>Mobile data services (CPC 7523**)</p> <p>Satellite telecommunications services</p>	<p>(a) foreign government;</p> <p>(b) foreign person; or</p> <p>(c) juridical person 50 per cent¹ or more of whose voting shares owned by foreign governments, or foreign natural persons, or foreign juridical persons².</p> <p>(iv) The foreign shareholding in KT must be no more than 20 per cent³.</p> <p>(4) Unbound except as indicated in horizontal commitments</p>	<p>(4) Unbound except as indicated in horizontal commitments</p>	

¹15 per cent, if the largest shareholder of the juridical person is a foreign government or a foreign person.

²and³. Additional restrictions may apply to foreign capital participation in facilities-based service suppliers, pursuant to Korea's horizontal commitments.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons				
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
<u>Resale-based:</u> a. Voice telephone services Local, long distance, and international services over a public telecommunications transport network primarily based on wireline technology (CPC 7521**)	(1) The provision of all services is subject to commercial arrangements with, or routed on the facilities of, licenced service suppliers. (2) None (3) None as of January 1, 1998, except that:	(1) None (2) None (3) None as of January 1, 1998		
b. Packet-switched data transmission services (CPC 7523**)	(i) Voice transmission services offered over a circuit connected to the public telecommunications transport network will be permitted as of January 1, 2001.			
c. Circuit-switched data transmission services (CPC 7523**)	(ii) Each service supplier must be a juridical person.			
d. Telex services (CPC 7523**)	(4) Unbound except as indicated in horizontal commitments	(4) Unbound except as indicated in horizontal commitments		
e. Telegraph services (CPC 7523**)				
f. Facsimile services (CPC 7521**, 7529**)				
g. Private leased circuit services (CPC 7522**, 7523**)				

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons				
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
<u>Resale-based:</u> (cont'd) o. Other Digital cellular services (CPC 75213*) Paging services (CPC 75291*) PCS (personal communications services, CPC 75213*) TRS (trunked radio system) services (CPC 7523**, CPC 75213*) Mobile data services (CPC 7523**) Satellite telecommunications services				

ATTACHMENT TO THE KOREA'S REVISED DRAFT OFFER

Regulatory Principles

I. Transparency of Regulations

- o Laws and regulations pertaining to the provision of basic telecommunications services shall be published.
- o Advanced public notice and a fair opportunity will be provided for interested parties to comment on proposed measures affecting the provision of basic telecommunications services.

II. Interconnection

- o Service suppliers with bottleneck facilities shall be required to satisfy reasonable requests from other service suppliers for interconnection on a non-discriminatory, reasonable and cost-oriented basis.
- o In the event that a service supplier is unable to reach agreement with such a dominant service supplier regarding interconnection following a reasonable amount of time, either party may refer the dispute to the Korea Communications Commission.
- o Service suppliers with bottleneck facilities shall be required to disclose information concerning technical measures and parameters that will affect use of such facilities by other service suppliers.

III. Competition Safeguards

- o When a facilities-based service supplier with a dominant market position is found to have engaged in unfair or anti-competitive practices, remedial measures will be available.
- o When a facilities-based service supplier with a dominant market position provides a competitive service, the service supplier shall be required to establish a separate accounting procedure for provision of the competitive service.

IV. Telecommunications Regulatory Body

- o In the event that service suppliers are unable to resolve a dispute in an amicable manner, either party may refer the dispute to the Korea Communications Commission.