

WORLD TRADE ORGANIZATION

RESTRICTED

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4 March 2003

(03-1254)

Committee on Government Procurement

Original: English

PROPOSED MODIFICATIONS TO APPENDIX I OF JAPAN

Notification from Japan under Article XXIV:6(a)¹ of the GPA

The following notification from the Permanent Mission of Japan was received on 3 March 2003 with the request that it be circulated to the Parties to the Agreement on Government Procurement.

Pursuant to Article XXIV, paragraph 6(a) of the WTO Agreement on Government Procurement (GPA), the Government of Japan wishes to notify the Committee on Government Procurement of the following rectifications of a purely formal nature with regard to Annexes 3 and 5 and the General Notes of Appendix I of the Agreement (cf. WT/Let/400 and WT/Let/425/Rev.1):

- delete "- Postal Life Insurance Welfare Corporation" in Group A in the "List of Entities" in Annex 3;
- add "- Japan Post" in Group A in the "List of Entities" in Annex 3;
- modify the relevant thresholds for construction services in Annex 3 as follows:

"Construction services:

4,500 thousand SDR for Japan Post in Group A

15,000 thousand SDR for **all other** entities in Group A

4,500 thousand SDR for entities in Group B

Architectural, engineering and other technical services covered by this Agreement:
450 thousand SDR";

- delete "- Postal Life Insurance Welfare Corporation" in Group A in the "List of Entities which procure the services, specified in Annex 4" in Annex 3;

¹ Article XXIV:6(a) reads as follows: "Rectifications, transfers of an entity from one Annex to another or, in exceptional cases, other modifications relating to Appendices I through IV shall be notified to the Committee, along with information as to the likely consequences of the change for the mutually agreed coverage provided in this Agreement. If the rectifications, transfers or other modifications are of a purely formal or minor nature, they shall become effective provided there is no objection within 30 days. In other cases, the Chairman of the Committee shall promptly convene a meeting of the Committee. The Committee shall consider the proposal and any claim for compensatory adjustments, with a view to maintaining a balance of rights and obligations and a comparable level of mutually agreed coverage provided in this Agreement prior to such notification. In the event of agreement not being reached, the matter may be pursued in accordance with the provisions contained in Article XXII."

- add "- Japan Post" in Group A in the " List of Entities which procure the services, specified in Annex 4" in Annex 3;
- modify the relevant thresholds in Annex 5 as follows:

"4,500 thousand SDR for entities set out in ANNEX 1;
15,000 thousand SDR for those in ANNEX 2;
4,500 thousand SDR for Japan Post in Group A in ANNEX 3;
15,000 thousand SDR for **all other entities** in Group A in ANNEX 3; and
4,500 thousand SDR for **entities** in Group B in ANNEX 3";
- modify paragraph 1 of "GENERAL NOTES" as follows:

"1. For goods and services (including construction services) of Canada and suppliers of such goods and services, this Agreement does not apply to procurement by the entities listed in Annexes 2 and 3 (except for **Japan Post in Group A and the entities** in Group B set out in Annex 3)."

The above rectifications are the result of the following organizational changes relating to a central government entity listed in Annex 1 and an entity in Annex 3:

- (1) In the reform process of Japan's central government and public corporations, the following two organs are to be abolished:
 - the Postal Service Agency, an independent organ of the Ministry of Public Management, Home Affairs, Posts and Telecommunications in Annex 1, and
 - the Postal Life Insurance Welfare Corporation in Group A of Annex 3.

The undertakings, which have been in the past carried out by the above-mentioned two organs, are now to be conducted by Japan Post. Under the Law Concerning Japan Post (Law No. 97 of 31 July 2002) and the relevant ordinances, this organization change will be implemented as of 1 April 2003. Japan Post will be established as a public corporation, legally independent from the government, and will perform transferred undertakings efficiently and effectively. (The outline of this entity is contained in Attachment A hereto.)

- (2) Since this new organization does not fall within the central government entities covered by the Accounts Law, and is not provided for in the National Government Organization Law, nor in the Law establishing the Cabinet Office, Japan has decided to add this entity to Annex 3 regarding both supplies and services (under Group A in the "List of Entities" and the "List of Entities which procure the services, specified in Annex 4") with the following thresholds and conditions, in order to maintain a balance of rights and obligations and a comparable level of mutually agreed coverage in this Agreement prior to this notification.

Although the threshold of 15,000 thousand SDR for construction services has been applied to the Postal Life Insurance Welfare Corporation in Group A of Annex 3, the new entity (Japan Post) shall have a threshold of 4,500 thousand SDR for construction services, which is the figure currently applied to the Postal Service Agency of the Ministry of Public Management, Home Affairs, Posts and Telecommunications in Annex 1.

- (3) The new entity will implement accounting rules as of 1 April 2003 to apply the relevant thresholds and procedures under the Agreement. The challenge procedures, as provided for in Article XX of the Agreement, will apply to procurement conducted by this entity, which will fall under the control of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

Attachment B² provides a summary of the modifications proposed by Japan to pages 1 and 3 of Annex 3, Annex 5 and the General Notes of Appendix I. Attachment C² indicates how Annexes 3 and 5 and the General Notes of Appendix I would appear after the proposed modifications have been made.

² Attachments B and C are in English only.

ATTACHMENT A
OUTLINE OF JAPAN POST
(TO BE ESTABLISHED AS OF 1 APRIL 2003)

A. PURPOSE

To comprehensively and efficiently carry out the work related to postal services, postal savings, postal money orders, postal transfers, postal life insurance, etc. as a government-owned public corporation, but which is financially self sufficient.

B. SCOPE OF THE WORK

- (1) Work related to postal services, postal savings, postal money orders, postal transfers and postal life insurance.
- (2) The sale of revenue stamps and the issuance of pensions and other treasury funds through entrustment from the State.
- (3) Other services (e.g. the invitation of subscriptions to government bonds, foreign currency exchange, the treatment of traveller's cheques).

C. ORGANIZATION

Head Office: Tokyo
Other Post Offices: 24,700 offices nationwide

D. RELATIONS WITH THE CENTRAL GOVERNMENT

The competent ministry for this organization is the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

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ATTACHMENT B

JAPAN

(Authentic in the English language only)

ANNEX 3

*All Other Entities which Procure in Accordance
With the Provisions of this Agreement*

Supplies

Threshold:

130 thousand SDR

List of Entities:

1. Group A

- Water Resources Development Public Corporation
- Japan Regional Development Corporation
- Japan Green Resources Corporation
- Japan National Oil Corporation (c)
- Japan Railway Construction Public Corporation (a) (d)
- New Tokyo International Airport Authority
- Japan Highway Public Corporation
- Metropolitan Expressway Public Corporation
- Hanshin Expressway Public Corporation
- Honshu-Shikoku Bridge Authority
- Urban Development Corporation (a)
- Japan Science and Technology Corporation
- Japan Nuclear Cycle Development Institute (b)
- Japan Environment Corporation
- Japan International Cooperation Agency
- Social Welfare and Medical Service Corporation
- Government Pension Investment Fund
- Agriculture and Livestock Industries Corporation
- Metal Mining Agency of Japan (c)
- Japan Small and Medium Enterprise Corporation
- ~~Postal Life Insurance Welfare Corporation~~
- Japan Post
- Labour Welfare Corporation
- Employment and Human Resources Development Organization of Japan
- Okinawa Development Finance Corporation
- National Life Finance Corporation
- Agriculture, Forestry and Fisheries Finance Corporation
- Japan Finance Corporation for Small Business
- Housing Loan Corporation
- Japan Finance Corporation for Municipal Enterprises
- Development Bank of Japan
- Japan Bank for International Cooperation
- Teito Rapid Transit Authority (a)
- Japan Tobacco Inc.
- Hokkaido Railway Company (a)
- East Japan Railway Company (a)
- Central Japan Railway Company (a)
- West Japan Railway Company (a)
- Shikoku Railway Company (a)
- Kyushu Railway Company (a)
- Japan Freight Railway Company (a)
- Nippon Telegraph and Telephone Co. (f)
- Northern Territories Issue Association
- Japan Consumers Information Center
- Japan Atomic Energy Research Institute (b)
- RIKEN (The Institute of Physical and Chemical Research) (b)
- Pollution-Related Health Damage Compensation Association
- Fund for the Promotion and Development of the Amami Islands
- Japan Foundation
- The Japan Scholarship Foundation

~~5 September 2001 (WT/Let/400)~~

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<i>Supplies (cont'd)</i>			
<ul style="list-style-type: none"> - National Traffic Safety and Environment Laboratory - National Maritime Research Institute - Port and Airport Research Institute - Electronic Navigation Research Institute - Civil Engineering Research Institute of Hokkaido - Marine Technical College - National Institute for Sea Training - Schools for Seafarers Training - Civil Aviation College - National Institute for Environmental Studies - Labor Management Organization for USFJ Employees - National Agency for Vehicle Inspection 		<ul style="list-style-type: none"> - New Tokyo International Airport Authority - Japan Highway Public Corporation - Metropolitan Expressway Public Corporation - Hanshin Expressway Public Corporation - Honshu-Shikoku Bridge Authority - Urban Development Corporation (a) - Japan Science and Technology Corporation - Japan Nuclear Cycle Development Institute (b) - Japan Environmental Corporation - Japan International Cooperation Agency - Social Welfare and Medical Service Corporation - Government Pension Investment Fund - Agriculture and Livestock Industries Corporation - Metal Mining Agency of Japan (c) - Japan Small and Medium Enterprise Corporation - Postal Life Insurance Welfare Corporation - Japan Post - Labour Welfare Corporation - Employment and Human Resources Development Organization of Japan - Okinawa Development Finance Corporation - National Life Finance Corporation - Agriculture, Forestry and Fisheries Finance Corporation - Japan Finance Corporation for Small Business - Housing Loan Corporation - Japan Finance Corporation for Municipal Enterprises - Development Bank of Japan - Japan Bank for International Cooperation - Teito Rapid Transit Authority (a) - Japan Tobacco Inc. (g) - Hokkaido Railway Company (a)(g) - East Japan Railway Company (a)(g) - Central Japan Railway Company (a)(g) - West Japan Railway Company (a)(g) - Shikoku Railway Company (a)(g) - Kyushu Railway Company (a)(g) - Japan Freight Railway Company (a)(g) - Nippon Telegraph and Telephone Co. (f)(g) - Northern Territories Issue Association - Japan Consumers Information Center 	
<i>Services</i>			
<i>Threshold:</i>			
<i>Construction services:</i>			
<u>4,500 thousand SDR for Japan Post in Group A</u>			
15,000 thousand SDR for <u>all other</u> entities in Group A			
4,500 thousand SDR for entities in Group B			
Architectural, engineering and other technical services covered by this Agreement:			
450 thousand SDR			
<i>Other services:</i> 130 thousand SDR			
<i>List of Entities which procure the services, specified in Annex 4:</i>			
1. Group A			
<ul style="list-style-type: none"> - Water Resources Development Public Corporation - Japan Regional Development Corporation - Japan Green Resources Corporation - Japan National Oil Corporation (c) - Japan Railway Construction Public Corporation (a) (d) 			

ANNEX 5

Construction Services

Definition:

A construction services contract is a contract which has as its objective the realization by whatever means of civil or building works, in the sense of Division 51 of the Central Product Classification (CPC).

List of Division 51, CPC:

All services listed in Division 51.

Threshold: 4,500 thousand SDR for entities set out in ANNEX 1;
15,000 thousand SDR for those in ANNEX 2;
4,500 thousand SDR for Japan Post in Group A in ANNEX 3;
15,000 thousand SDR for ~~those~~ all other entities in Group A in ANNEX 3; and
4,500 thousand SDR for ~~those~~ entities in Group B in ANNEX 3.

GENERAL NOTES

1. For goods and services (including construction services) of Canada and suppliers of such goods and services, this Agreement does not apply to procurement by the entities listed in Annexes 2 and 3 (except for ~~those listed~~ Japan Post in Group A and the entities in Group B set out in Annex 3).
2. In case Parties do not apply Article XX to suppliers or service providers of Japan in contesting the award of contract by entities, Japan may not apply the Article to suppliers or service providers of the Parties in contesting the award of contracts by the same kind of entities.

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ATTACHMENT C

JAPAN

(Authentic in the English language only)

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With the Provisions of this Agreement*

Supplies

Threshold:

130 thousand SDR

List of Entities:

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- Social Welfare and Medical Service Corporation
- Government Pension Investment Fund
- Agriculture and Livestock Industries Corporation
- Metal Mining Agency of Japan (c)
- Japan Small and Medium Enterprise Corporation
- Japan Post
- Labour Welfare Corporation
- Employment and Human Resources Development Organization of Japan
- Okinawa Development Finance Corporation
- National Life Finance Corporation
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- Japan Finance Corporation for Small Business
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- Japan Finance Corporation for Municipal Enterprises
- Development Bank of Japan
- Japan Bank for International Cooperation
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- Japan Tobacco Inc.
- Hokkaido Railway Company (a)
- East Japan Railway Company (a)
- Central Japan Railway Company (a)
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- Pollution-Related Health Damage Compensation Association
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- Japan Foundation
- The Japan Scholarship Foundation

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Supplies (cont'd)

- National Traffic Safety and Environment Laboratory
- National Maritime Research Institute
- Port and Airport Research Institute
- Electronic Navigation Research Institute
- Civil Engineering Research Institute of Hokkaido
- Marine Technical College
- National Institute for Sea Training
- Schools for Seafarers Training
- Civil Aviation College
- National Institute for Environmental Studies
- Labor Management Organization for USFJ Employees
- National Agency for Vehicle Inspection
- National Printing Bureau

Services

Threshold:

Construction services:

4,500 thousand SDR for Japan Post in Group A
15,000 thousand SDR for all other entities in Group A
4,500 thousand SDR for entities in Group B

Architectural, engineering and other technical services covered by this Agreement:
450 thousand SDR

Other services: 130 thousand SDR

List of Entities which procure the services, specified in Annex 4:

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- Japan Finance Corporation for Small Business
- Housing Loan Corporation
- Japan Finance Corporation for Municipal Enterprises
- Development Bank of Japan
- Japan Bank for International Cooperation
- Teito Rapid Transit Authority (a)
- Japan Tobacco Inc. (g)
- Hokkaido Railway Company (a)(g)
- East Japan Railway Company (a)(g)
- Central Japan Railway Company (a)(g)
- West Japan Railway Company (a)(g)
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