

# WORLD TRADE ORGANIZATION

RESTRICTED

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**Group on Basic Telecommunications**

Original: English

## COMMUNICATION FROM THE REPUBLIC OF KOREA

### Draft Schedule on Basic Telecommunications

#### Revision

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

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The Republic of Korea hereby submits the attached revised Schedule to the Group on Basic Telecommunications (GBT).

This Schedule is conditional upon the receipt of comparable commitments from other negotiating partners in the GBT, in accordance with their level of development in telecommunications and the whole economy as well. In particular, Korea reserves the right to modify or withdraw part of or all of this offer at any time, until there is a successful agreement, covering a comprehensive package of services, on an MFN basis, from major trading partners.

In the light of the Chairman's note of 16 January 1997 (S/GBT/W/2/Rev.1) on Scheduling Basic Telecom Services Commitments and 3 February 1997 (S/GBT/W/3) on Market Access Limitations on Spectrum Availability, the Republic of Korea has permitted a technology-neutral way of service provision and removed the wording for its market access limitation on spectrum availability that "the number of service suppliers may be limited subject to the availability of radio frequency spectrum." The Republic of Korea reserves the right to re-insert this limitation, depending on the legal status of the Chairman's note to be determined, and whether other negotiating partners also eliminate this limitation from their offers.

The Republic of Korea reserves the right to make technical amendments to this Schedule at any time to correct any errors, omissions or inaccuracies.

# THE REPUBLIC OF KOREA - REVISED DRAFT SCHEDULE

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>2. COMMUNICATION SERVICES</p> <p>C. Telecommunications services</p> <p><u>Facilities-based:</u></p> <p>a. Voice telephone services (CPC 7521**)</p> <p>b. Packet-switched data transmission services (CPC 7523**)</p> <p>c. Circuit-switched data transmission services (CPC 7523**)</p> <p>d. Telex services (CPC 7523**)</p> <p>e. Telegraph services (CPC 7523**)</p> <p>f. Facsimile services (CPC 7521**, 7529**)</p>	<p>(1) None except that the provision of all services is subject to commercial arrangements with licensed Korean service suppliers</p> <p>(2) None</p> <p>(3) None except that:</p> <p>(i) Each service supplier must be a licensed Korean juridical person.</p> <p>(ii) Until 31 December 1998, a licence, including radio station licence, may not be granted to a juridical person whose largest shareholder is:</p> <p>(a) Foreign government</p> <p>(b) Foreign person, or</p> <p>(c) Juridical person 50 per cent (15 per cent, if the largest shareholder of the juridical person is a foreign government or a foreign person) or more of whose voting shares owned by foreign governments or foreign persons.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	<p>As contained in the attachment</p>

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>(iii) Until 31 December 2000, a license, including radio station licence, may be granted to a juridical person in whom no more than 33 % of the aggregate voting shares are owned by entities identified in (a) through (c).</p> <p>From 1 January 2001, a license, including radio station licence, may be granted to a juridical person in whom no more than 49 % of the aggregate voting shares are owned by entities identified in (a) through (c).</p> <p>(iv) A licence, including radio station licence, may not be granted to a juridical person more than 33 per cent (10 per cent, in the case of wireline-based voice telephone services) of whose voting share is owned by a person<sup>1</sup></p> <p>(v) The largest shareholder of KT must be Korean government or a Korean person. While KT's share owned by a person<sup>2</sup> must be no more than 3 per cent, the aggregate foreign shareholding in KT must be no more than 20 per cent until 31 December 2000, and no more than 33 per cent from 1 January 2001.</p> <p>(4) Unbound except as indicated in horizontal commitments</p>	<p>(4) Unbound except as indicated in horizontal commitments</p>	

<sup>1</sup>The definition of "a person" is in accordance with the relevant provision of the Presidential Decree of the Korea's Telecommunications Business Law.

<sup>2</sup>The definition of "a person" is in accordance with the relevant provision of the Presidential Decree of the Korea's Telecommunications Business Law.

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><b>Resale-based:</b></p> <p>a. Voice telephone services (CPC 7521**)</p> <p>b. Packet-switched data transmission services (CPC 7523**)</p> <p>c. Circuit-switched data transmission services (CPC 7523**)</p> <p>d. Telex services (CPC 7523**)</p> <p>e. Telegraph services (CPC 7523**)</p> <p>f. Facsimile services (CPC 7521**, 7529**)</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>(1) None except that:</p> <p>(i) the provision of all services is subject to commercial arrangements with licensed Korean service suppliers</p> <p>(ii) Until 31 December 2000 resale of voice telephone services interconnected to the public telecommunications network can only be supplied by companies established in Korea</p> <p>(2) None</p> <p>(3) None except that:</p> <p>(i) Each service supplier must be a licensed Korean juridical person.</p> <p>(ii) Foreign shareholding in suppliers of resale voice telephone services, interconnected to the public telecommunications network, will be permitted only after 1 January 1999. From 1 January 1999, foreign shareholding will be permitted up to 49 per cent. As of 1 January 2001, 100 percent foreign shareholding will be permitted.</p> <p>(4) Unbound except as indicated in horizontal commitments</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal commitments</p>	

## REFERENCE PAPER

### Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

### 1. Competitive safeguards

#### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

#### 1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

### 2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

### 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

### 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

### 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.