

ANNEX 17-A
GOVERNMENT PROCUREMENT

Section A: Central Level Government Entities

This Chapter applies to the entities of the central level of government listed in each Party's Schedule to this Section where the value of the procurement is estimated, in accordance with Article II of the GPA and Article 17.4.2, to equal or exceed:

- (a) for procurement of goods and services: 100,000 U.S. dollars with respect to the United States and 100 million Korean won with respect to Korea, to be adjusted, as necessary, based on consultations between the Parties; and
- (b) for procurement of construction services: 5,000,000 Special Drawing Rights (SDRs) (7.4 billion Korean won or 7,407,000 U.S. dollars), to be converted into each Party's national currency in accordance with the *Modalities for Notifying Threshold Figures in National Currencies*, Annex 3 to the *Decisions on Procedural Matters under the Agreement on Government Procurement (1994)* (GPA/1).

Schedule of Korea

- 1. Board of Audit and Inspection
- 2. Office of the Prime Minister
- 3. Office for Government Policy Coordination
- 4. Ministry of Gender Equality and Family
- 5. Ministry of Finance and Economy
- 6. Ministry of Planning and Budget
- 7. Financial Supervisory Commission
- 8. Ministry of Unification
- 9. Ministry of Government Administration and Home Affairs
- 10. Civil Service Commission
- 11. Ministry of Science and Technology
- 12. Government Information Agency
- 13. Ministry of Government Legislation
- 14. Ministry of Patriots and Veterans Affairs
- 15. Ministry of Foreign Affairs and Trade
- 16. Ministry of Justice
- 17. Ministry of National Defense (Note 2)
- 18. Ministry of Education and Human Resources Development
- 19. Ministry of Culture and Tourism
- 20. Cultural Heritage Administration
- 21. Ministry of Agriculture and Forestry
- 22. Ministry of Commerce, Industry and Energy
- 23. Ministry of Health and Welfare
- 24. Korea Food and Drug Administration
- 25. Ministry of Labor
- 26. Ministry of Construction and Transportation
- 27. Ministry of Maritime Affairs and Fisheries
- 28. Ministry of Information and Communications

29. Ministry of Environment
30. Public Procurement Service (Note 3)
31. National Tax Service
32. Customs Service
33. National Statistical Office
34. Korea Meteorological Administration
35. National Police Agency (Note 4)
36. Supreme Prosecutors' Office
37. Military Manpower Administration
38. Rural Development Administration
39. Forest Service
40. Korean Intellectual Property Office
41. Small and Medium Business Administration
42. Korea Coast Guard (Note 4)
43. National Emergency Management Agency
44. Defense Acquisition Program Administration (Note 2)
45. National Youth Commission
46. National Human Rights Commission of Korea
47. Korean Broadcasting Commission
48. Korea Independent Commission Against Corruption
49. Presidential Commission on Small and Medium Enterprises
50. Fair Trade Commission
51. The Ombudsman of Korea

Notes to Korean Schedule

1. The above central government entities include their subordinate linear organizations, special local administrative organs, and attached organs as prescribed in Korea's *Government Organization Act*.

2. Ministry of National Defense and Defense Acquisition Program Administration: Subject to the decision of the Korean Government under the provisions of Article XXIII:1 of the GPA, for the purchases of the Ministry of National Defense and the Defense Acquisition Program Administration, this Chapter will generally apply to the following FSC categories only, and for services and construction services listed in Section C and Section D, it will apply only to those areas which are not related to national security and defense.

FSC 2510	Vehicular cab, body, and frame structural components
FSC 2520	Vehicular power transmission components
FSC 2540	Vehicular furniture and accessories
FSC 2590	Miscellaneous vehicular components
FSC 2610	Tires and tubes, pneumatic, nonaircraft
FSC 2910	Engine fuel system components, nonaircraft
FSC 2920	Engine electrical system components, nonaircraft
FSC 2930	Engine cooling system components, nonaircraft
FSC 2940	Engine air and oil filters, strainers and cleaners, nonaircraft
FSC 2990	Miscellaneous engine accessories, nonaircraft
FSC 3020	Gears, pulleys, sprockets and transmission chain
FSC 3416	Lathes
FSC 3417	Milling machines

FSC 3510	Laundry and dry cleaning equipment
FSC 4110	Refrigeration equipment
FSC 4230	Decontaminating and impregnating equipment
FSC 4520	Space heating equipment and domestic water heaters
FSC 4940	Miscellaneous maintenance and repair shop specialized equipment
FSC 5120	Hand tools, nonedged, nonpowered
FSC 5410	Prefabricated and portable buildings
FSC 5530	Plywood and veneer
FSC 5660	Fencing, fences and gates
FSC 5945	Relays and solenoids
FSC 5965	Headsets, handsets, microphones and speakers
FSC 5985	Antennae, waveguide, and related equipment
FSC 5995	Cable, cord, and wire assemblies: communication equipment
FSC 6220	Electric vehicular lights and fixtures
FSC 6505	Drugs and biologicals
FSC 6840	Pest control agents disinfectants
FSC 6850	Miscellaneous chemical, specialties
FSC 7310	Food cooking, baking, and serving equipment
FSC 7320	Kitchen equipment and appliances
FSC 7330	Kitchen hand tools and utensils
FSC 7350	Table ware
FSC 7360	Sets, kits, outfits, and modules food preparation and serving
FSC 7530	Stationery and record forms
FSC 7920	Brooms, brushes, mops, and sponges
FSC 7930	Cleaning and polishing compounds and preparations
FSC 8110	Drums and cans
FSC 9150	Oils and greases: cutting, lubricating, and hydraulic
FSC 9310	Paper and paperboard

3. Public Procurement Service: This Chapter covers only those procurements carried out by the Public Procurement Service for the entities listed in this Section.

4. National Police Agency and Korea Coast Guard: This Chapter does not cover procurements for the purpose of maintaining public order, as provided in Article XXIII of the GPA.

5. This Chapter does not cover the procurement of agricultural, fishery and livestock products in accordance with the *Foodgrain Management Law*, the *Law Concerning Marketing and Price Stabilization of Agricultural and Fishery Products*, and the *Livestock Law*.

Schedule of the United States

1. Advisory Commission on Intergovernmental Relations
2. Africa Development Foundation
3. Alaska Natural Gas Transportation System
4. American Battle Monuments Commission
5. Appalachian Regional Commission
6. Broadcasting Board of Governors
7. Commission of Fine Arts
8. Commission on Civil Rights

9. Commodity Futures Trading Commission
10. Consumer Product Safety Commission
11. Corporation for National and Community Service
12. Delaware River Basin Commission
13. Department of Agriculture (Note 2)
14. Department of Commerce (Note 3)
15. Department of Defense (Note 4)
16. Department of Education
17. Department of Energy (Note 5)
18. Department of Health and Human Services
19. Department of Homeland Security (Note 6)
20. Department of Housing and Urban Development
21. Department of the Interior, including the Bureau of Reclamation
22. Department of Justice
23. Department of Labor
24. Department of State
25. Department of Transportation (Note 7)
26. Department of the Treasury
27. Department of Veterans Affairs
28. Environmental Protection Agency
29. Equal Employment Opportunity Commission
30. Executive Office of the President
31. Export-Import Bank of the United States
32. Farm Credit Administration
33. Federal Communications Commission
34. Federal Crop Insurance Corporation
35. Federal Deposit Insurance Corporation
36. Federal Election Commission
37. Federal Home Loan Mortgage Corporation
38. Federal Housing Finance Board
39. Federal Maritime Commission
40. Federal Mediation and Conciliation Service
41. Federal Mine Safety and Health Review Commission
42. Federal Prison Industries, Inc.
43. Federal Reserve System
44. Federal Retirement Thrift Investment Board
45. Federal Trade Commission
46. General Services Administration (Note 8)
47. Government National Mortgage Association
48. Holocaust Memorial Council
49. Inter-American Foundation
50. Merit Systems Protection Board
51. National Aeronautics and Space Administration (NASA)
52. National Archives and Records Administration
53. National Capital Planning Commission
54. National Commission on Libraries and Information Science
55. National Council on Disability
56. National Credit Union Administration
57. National Foundation on the Arts and the Humanities
58. National Labor Relations Board
59. National Mediation Board

60. National Science Foundation
61. National Transportation Safety Board
62. Nuclear Regulatory Commission
63. Occupational Safety and Health Review Commission
64. Office of Government Ethics
65. Office of the Nuclear Waste Negotiator
66. Office of Personnel Management
67. Office of Special Counsel
68. Office of Thrift Supervision
69. Overseas Private Investment Corporation
70. Peace Corps
71. Railroad Retirement Board
72. Securities and Exchange Commission
73. Selective Service System
74. Small Business Administration
75. Smithsonian Institution
76. Social Security Administration
77. Susquehanna River Basin Commission
78. United States Agency for International Development
79. United States International Trade Commission

Notes to United States Schedule

1. Unless otherwise specified herein, this Chapter applies to all agencies subordinate to the entities listed in this Section.
2. Department of Agriculture: This Chapter does not cover the procurement of any agricultural good made in furtherance of an agricultural support program or a human feeding program.
3. Department of Commerce: This Chapter does not cover the procurement of any good or service related to the shipbuilding activities of the National Oceanic and Atmospheric Administration (NOAA).
4. Department of Defense:
 - (a) This Chapter does not cover the procurement of any good described in any Federal Supply Code classification listed below (for complete listing of U.S. Federal Supply Classification, see <http://www.fedbizopps.gov/classCodes1.html>):

FSC 19	Ships, Small Craft, Pontoons, and Floating Docks (the part of this classification defined as naval vessels or major components of the hull or superstructure thereof)
FSC 20	Ship and Marine Equipment (the part of this classification defined as naval vessels or major components of the hull or superstructure thereof)
FSC 2310	Passenger Motor Vehicles (only buses)
FSC 51	Hand Tools
FSC 52	Measuring Tools

FSC 83	Textiles, Leather, Furs, Apparel, Shoes, Tents, and Flags (all elements other than pins, needles, sewing kits, flagstuffs, flagpoles, and flagstaff trucks)
FSC 84	Clothing, Individual Equipment, and Insignia (all elements other than sub-class 8460 - luggage)
FSC 89	Subsistence (all elements other than sub-class 8975 - tobacco products)

(b) This Chapter does not cover the procurement of any specialty metal or any good containing one or more specialty metals. **Specialty metal** means:

- (i) steel for which the maximum alloy content exceeds one or more of the following levels: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent;
- (ii) steel that contains more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium;
- (iii) a metal alloy consisting of a nickel, iron-nickel, or cobalt base alloy that contains a total of other alloying metals (except iron) in excess of 10 percent;
- (iv) titanium or a titanium alloy; or
- (v) zirconium or a zirconium base alloy.

(c) The Chapter generally does not cover the procurement of any good described in any of the following FSC classifications, due to the application of Article XXIII:1 of the GPA:

FSC 10	Weapons
FSC 11	Nuclear Ordnance
FSC 12	Fire Control Equipment
FSC 13	Ammunitions and Explosives
FSC 14	Guided Missiles
FSC 15	Aircraft and Airframe Structural Components
FSC 16	Aircraft Components and Accessories
FSC 17	Aircraft Launching, Landing, and Ground Handling Equipment
FSC 18	Space Vehicles
FSC 19	Ships, Small Craft, Pontoon, and Floating Docks
FSC 20	Ship and Marine Equipment
FSC 2350	Combat, Assault & Tactical Vehicles, Tracked
FSC 28	Engines, Turbines, and Components
FSC 31	Bearings
FSC 58	Communications, Detection, and Coherent Radiation
FSC 59	Electrical and Electronic Equipment Components
FSC 60	Fiber Optics Materials, Components, Assemblies, and Accessories

FSC 8140	Ammunition & Nuclear Ordnance Boxes, Packages & Special Containers
FSC 95	Metal Bars, Sheets, and Shapes

5. Department of Energy: Due to the application of Article XXIII:1 of the GPA, this Chapter does not cover the procurement of:

- (a) any good or service made to support the safeguarding of nuclear materials or technology, where the Department of Energy conducts the procurement under the authority of the *Atomic Energy Act*; or
- (b) any oil purchase related to the Strategic Petroleum Reserve.

6. Department of Homeland Security:

- (a) This Chapter does not cover procurement by the Transportation Security Administration.
- (b) The essential security considerations applicable to the Department of Defense are equally applicable to the U.S. Coast Guard.

7. Department of Transportation: This Chapter does not cover procurement by the Federal Aviation Administration.

8. General Services Administration: This Chapter does not cover the procurement of any good described in any of the following FSC classifications:

FSC 51	Hand Tools
FSC 52	Measuring Tools
FSC 7340	Cutlery and Flatware

Section B: Goods

This Chapter applies to the procurement of any good by the entities listed in Section A, unless otherwise specified in this Chapter.

Section C: Services

This Chapter applies to the procurement of all services covered under each Party's Annex 4 of Appendix I of the GPA.

Section D: Construction Services

This Chapter applies to the procurement of all construction services under CPC 51 procured by the entities listed in Section A, unless otherwise specified in this Chapter.

Section E: General Notes

Unless otherwise specified herein, the following General Notes in each Party's Schedule apply without exception to this Chapter, including to all sections of this Annex.

Schedule of Korea

1. This Chapter does not apply to procurement in furtherance of human feeding programs.
2. This Chapter does not apply to:
 - (a) the single tendering procurement and set-asides for small- and medium-sized businesses according to the *Act Relating to Contracts to which the State is a Party* and its Presidential Decree; or
 - (b) set asides for small-and medium-sized businesses according to the *Act on Private Participation in Infrastructure*.

Schedule of the United States

1. This Chapter does not apply to any set-aside on behalf of small or minority-owned businesses. A set-aside may include any form of preference, such as the exclusive right to provide a good or service, or any price preference.
2. This Chapter does not apply to the governmental provision of goods and services to persons or governmental authorities not specifically covered under this Annex.
3. Where a contract to be awarded by an entity is not covered by this Chapter, this Chapter shall not be construed to cover any good or service component of that contract.