Article III

Interconnection

1. This Article shall apply 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 supplied by another supplier, where specific commitments are undertaken in each Party's Schedule under the GATS.

2. Each Party shall ensure that a major supplier provides interconnection at any technically feasible point in the network. Such interconnection shall be 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 services to be supplied; 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.

Note: In respect of Japan, paragraphs 2, 3 and 6 shall apply only to a major supplier which has control over essential facilities.

3. Each Party shall ensure that a major supplier is required to allow other service suppliers who interconnect with that major supplier:

(a) to locate their equipment which is necessary for interconnection in the major supplier's buildings; or

(b) to install their cables and lines which are necessary for interconnection in the major supplier's buildings, conduits or cable tunnels;

where physically feasible and where no practical or viable alternatives exist, in order to interconnect smoothly with the essential facilities of the major supplier.

4. Each Party shall ensure that the procedures applicable for interconnection to a major supplier are made publicly available.

5. Each Party shall ensure that a major supplier makes publicly available either its interconnection agreements or a reference interconnection offer.

6. Each Party shall ensure that the reference interconnection offer referred to in paragraph 5 is consistent with the principles of Article II of this Annex and contains written statements of the charges and conditions on which a major supplier interconnects with other service suppliers.