



EXPORTING COSTS DECREASED

**APEC reduces costs
for
Telecommunications
Manufacturers**



**APEC Telecommunications &
Information Working Group**

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Exporting Costs Decreased:

A Guide to the APEC Telecommunications and Information Working Group's Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (APEC TEL MRA) for the Telecommunications Industry.


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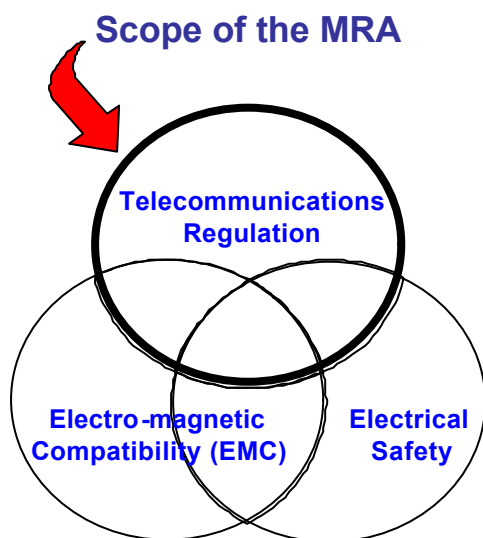
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1. What is the MRA?

Testing and certification are expensive procedures for exporters, importers and regulators that increase the cost to users and delays the availability of products in a large number of markets.

All stakeholders benefit from simplified procedures that can reduce these costs. At the same time, regulators need to have confidence in the quality of testing that provides the basis for certification of equipment.

In June 1998, the APEC¹ Telecommunications and Information Ministers agreed to streamline APEC-wide processes for the testing and type-approval of telecommunications equipment.



This landmark arrangement, the Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (APEC TEL MRA²), was the first multilateral agreement of its type in the world.

It will remove a significant barrier to what is projected to be a US\$60 billion industry by 2010.

Its scope includes all equipment subject to telecommunication regulations, including wireline and wireless, terrestrial and satellite equipment. For such equipment, the MRA covers electromagnetic compatibility (EMC) and electrical safety aspects as well as purely telecommunications aspects of the conformity assessment requirements.³

¹ **APEC - Asia Pacific Economic Cooperation.** Since its formation in 1989, APEC has expanded to become the primary vehicle for promoting trade liberalization and economic cooperation in the Asia Pacific Region. APEC is committed to "open regionalism", striving for regional trade and investment liberalization as a building block to strengthen the multilateral trading system and expand the global economy.

² A copy is available at <http://www.apectel.org> or <http://mrams.com>.

³ Equipment, which is intended to be connected behind devices providing adequate network protection for a Public Telecommunications Network, will be excluded by the Parties from the scope of equipment certification as it applies to network terminal attachment.

2. So, how do I reduce export costs?

The MRA provides the ability to use a Conformity Assessment Body, or test facility, in the economy¹ of export to perform type testing or approval of equipment.

These tests or approvals were previously performed in the economy of import.

The savings come from:

- ❑ A reduction in duplicate testing costs;
- ❑ Reduced time-to-market, maximising export opportunities and allowing for rapid reinvestment in research and development for next-generation technologies; and
- ❑ Access to an economy's available information on the regulations, technical standards, legislation and interpretations via the Internet.

Press Release Quotes

"This agreement will eliminate time-to-market delays caused by lengthy or unnecessary re-testing and reviews. Decreasing time to market benefits industry and consumers alike by providing new technology to end-users faster and at lower cost. This MRA is important for the telecommunications industry in particular, and will be an important building block toward facilitating other areas of trade in information technology products," said Dick Warmington, Vice President and Managing Director for Hewlett-Packard in Asia-Pacific.²

"Finalizing this agreement will be another important step in the ongoing trend of international market liberalization," said Martina Bradford, corporate vice president, public affairs, Lucent Technologies. "As with the MRA reached in June between the United States and the European Union, an APEC agreement would benefit consumers by speeding new products to market, while helping manufacturers eliminate unnecessary and burdensome red tape."³

¹ The members are called **economies** in APEC. They include Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong-China, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Republic of the Philippines, Peru, Russian Federation, Singapore, Chinese Taipei, Thailand, United States and Viet Nam.

² HP Applauds APEC Agreement on Telecoms Equipment Certification - <http://www.asiapac.hp.com/news/1998-06-05.html>

³ Lucent Technologies supports proposed APEC trade agreement to further open international markets <http://www.lucent.com/press/1197/971125.coa.html>

“It is estimated that the MRA will save five percent of the cost of new product placement, cut six months off the placement of new products in markets and reduce marketing costs for new products by up to thirty percent.”¹

"I am aware that manufacturers of telecommunications equipment are now demanding shorter lead times for conformity assessment and lower testing and certification costs.

They have already emphasised the global nature of their business, the importance of free movement of their goods, and the need for relatively open access to markets.

Their ultimate desire is to have an international arrangement which would allow their products to be ‘tested once and accepted anywhere’.

One essential precondition for that desire to be fulfilled is the confidence in the competence of conformity assessment bodies in a foreign territory. The MRA is a means to build up that confidence.”²

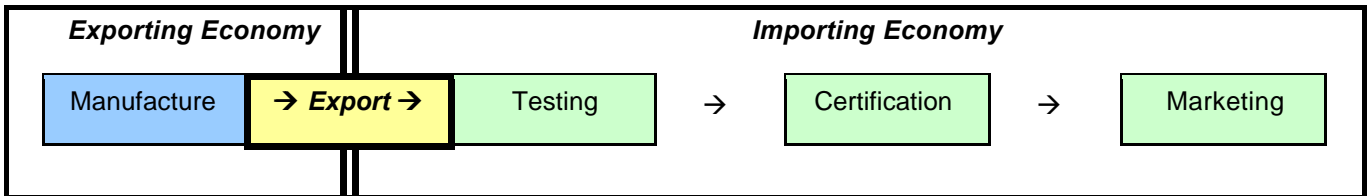
¹ What is APEC and what can it do for business? APEC Business Advisory Council - ABAC is the official voice of the private sector within APEC. ABAC was established by APEC Leaders at the APEC Summit in Osaka in November 1995 to formalize private sector participation in APEC - http://www.abaonline.org/news/apec_eason.htm

² Speech by Mr. KWONG Ki-chi, Hong Kong Secretary for Information Technology and Broadcasting, 3 June 1998 - 3rd APEC Ministerial Meeting on the Telecommunications and Information Industry - <http://www.info.gov.hk/itbb/english/speech/pr030698.htm>

3. How does the MRA work?

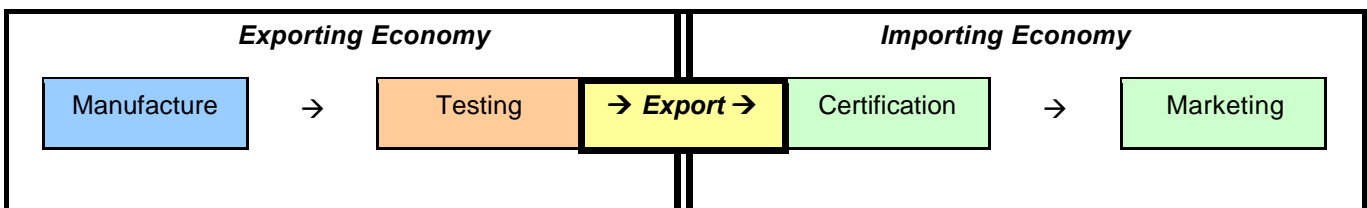
Current patterns

Most trading relationships involve testing and certification of equipment in the importing economy.



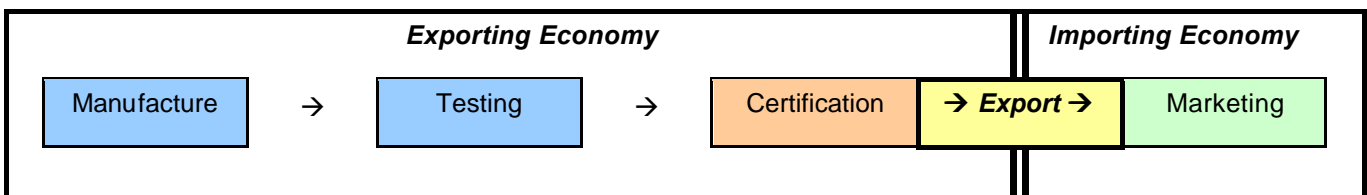
Phase One of the MRA

Phase One of the APEC TEL MRA provides for the mutual recognition of test results, which allows **technical testing** to be done in the exporting economy and recognised in the importing economy.



Phase Two of the MRA

Phase Two provides for the mutual recognition of certification, allowing **certification** to be undertaken in the exporting economy and recognised in the importing economy.



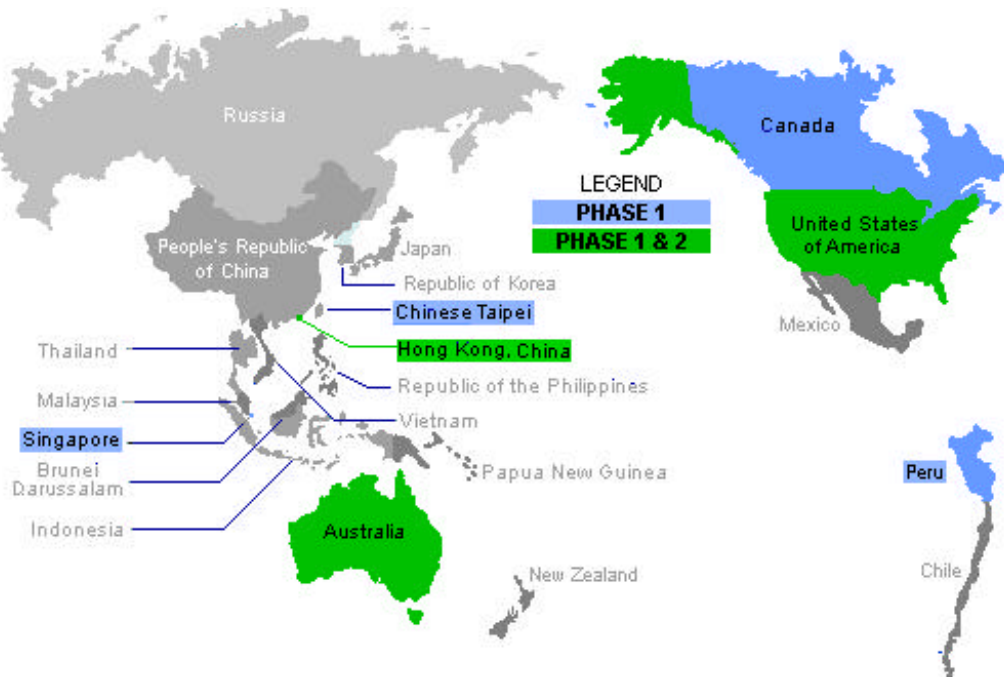
Supplier's Declaration of Conformity

In September 2001, discussions will begin in relation to Supplier's Declaration of Conformity (the principal of one standard, one test) and its inclusion in the MRA. The APEC TEL provides a great opportunity for industry participants to voice their opinions. It meets twice a year, typically in March and September. If you are interested in participating in these discussions, contact one of the points of contact listed at the end of this guide to find out how your voice can be heard.

4. Where does it work?

Participating Economies as at July 2001¹

The APEC Leaders have declared² that APEC economies will develop and begin to implement, on an elective basis, a model mutual recognition arrangement on conformity assessment of telecommunications equipment. The economies listed below are currently participating in Phase One or Phase Two of the APEC TEL MRA.



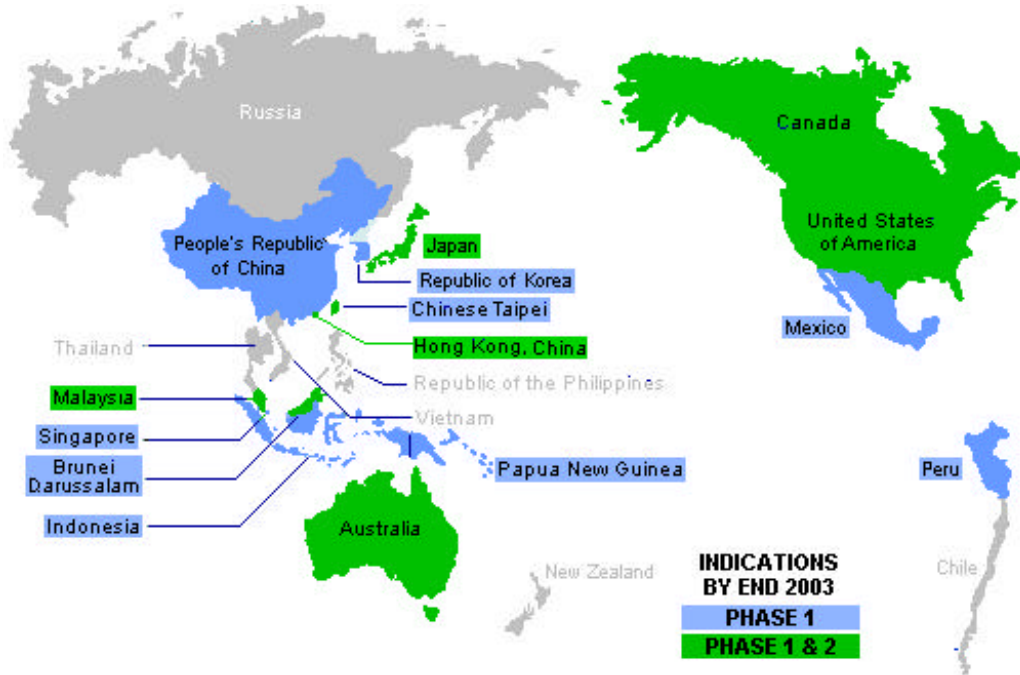
<p style="text-align: center;">Phase One The mutual recognition of test reports:</p>	<p style="text-align: center;">Phase Two Recognition of certification of telecommunications products:</p>
<p>Australia Canada Hong Kong, China Peru Singapore Chinese Taipei United States</p>	<p>Australia³ Hong Kong, China United States</p>

¹ The responsibility for setting the standards for attachment to the telecommunications networks in New Zealand rests with network operators, not the Government – except in as far as electrical safety and electromagnetic compatibility are concerned. Recognizing its potential to contribute towards removal of Non-Tariff Measures in the APEC region, New Zealand endorsed the MRA.

² Osaka Action Agenda in November 1995

³ A Suppliers' Declaration of Conformity is accepted now. Australia does not require certification.

Projected Participating Economies by end 2003 ¹



<p style="text-align: center;">Phase One The mutual recognition of test reports:</p>	<p style="text-align: center;">Phase Two Recognition of certification of telecommunications products:</p>
<p>Australia Brunei Darussalam Canada China² Hong Kong, China Indonesia Japan Korea Malaysia Mexico Papua New Guinea Peru Singapore Chinese Taipei United States</p>	<p>Australia³ Brunei Darussalam Canada Hong Kong, China Japan Malaysia Chinese Taipei United States</p>

¹ As per the "Annex to the Telecommunications Ministerial Declaration Indicative Schedule for Early Voluntary Sectoral Liberalization in the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment" and information supplied to the APEC MRA Task Force

² Terminal Equipment Only

³ A Suppliers' Declaration of Conformity is accepted now. Australia does not require certification.

5. Where do I get information on the MRA?

Implementation of the MRA will generate a large amount of data and information, which will be very important to manufacturers, regulators, service providers, conformity assessment bodies and users.

This vital information includes:

- All available information on regulations, standards, legislation and interpretations relating to Telecommunications for the APEC economies.
- Conformity Assessment Bodies accredited and designated by exporting parties and recognized by importing parties; and
- Management and manipulation of the enormous amount of regulatory data associated with the MRA.

This information will soon be available on the internet from the MRA Management System at mrams.com.

If you do not have access to an internet connection, contact the regulator or point of contact listed at the end of this document to find out where you can obtain the information you need.

6. What is MRAMS?

MRAMS – the MRA Management System ¹ - is the official, APEC endorsed, internet-based, communications tool for managing the APEC TEL MRA. It can be accessed on the internet at mrams.com.



MRAMS is recognised as a key tool required for the rapid and orderly implementation of the MRA and is the first system of its kind employed to manage a multilateral arrangement of this type.

MRAMS contains copies of the documents, links to where they may be obtained or how they may be purchased noted above. It provides management and manipulation of the enormous amount of regulatory data associated with the MRA.

MRAMS provides a system to store the information outlined above and much more. It acts as a data warehouse or pointer site for information and also provides real time updates, threaded discussion systems to aid in communications between member economies and users and multiple searching capabilities. ²

MRAMS is a neutrally-hosted, not-for-profit, system that relies on sponsorship to fund its ongoing development and deployment. If you are an organisation that supports a reduction in non-tariff barriers to trade and are interested in supporting the APEC TEL in its work, please review the section “What Can I Do To Help” in this document.

If you would like to discuss sponsorship opportunities, please send an email to the developer of this system, The Colony Park Group; mail@colonypark.com.

¹ MRAMS is a neutrally hosted, not-for-profit, system developed and deployed by [The Colony Park Group](http://www.colonypark.com) (www.colonypark.com) and supplied under contract to the APEC Secretariat.

² MRAMS is purely the ‘transportation’ method for the data, each economy and User is responsible for, and owns, the data that they have provided on this site.

7. How do I register for MRAMS?

If you are a manufacturer, supplier or agent and have Internet access, you may register online by going to mrams.com and selecting [Register Now](#), which takes you to the online registration form.

Select the economy or country where you are located.

In the “Group to add the user to:” selection box, select:
[Manufacturer Supplier or Agent](#).

Before you complete the form, make sure to make a note of your password.

You will then be able to create a [Certificate Holder Parent](#) profile detailing your organization and its contact details.

You will then be able to create [Certificate Holder Subsidiary](#) documents with the contact details of your organization’s representatives in each of the APEC member economies.

After doing this, you will be able to list the products that have been tested under the MRA and provide links to any existing website that may have details of the product’s features and benefits and the contact points where it can be purchased.

Information on how to use MRA Management System is available from the MRAMS website.

8. Some frequently asked questions.

Note: Points relating to sections in the MRA are indicated by [Square Brackets].

1) Why do I need to list my Products and Subsidiaries?

There are a number of reasons why this information is listed on the MRA Management System.

One is that the MRA requires that “A Conformity Assessment Body will publish and maintain a list of equipment certifications, and upon a request by a Party, will identify all equipment certified by that Conformity Assessment Body to the Party's Technical Regulations.” [6.5] Although this requirement is on the Conformity Assessment Body, by having the manufacturer or supplier provide this product information, it allows the manufacturers and suppliers to include additional information such as links to web sites where consumers can find product and sales contact information.

Another reason for providing this information is that MRAMS seeks to assist governments in learning about, and moving towards, less non-tariff-barrier forms of regulations. One way of doing this is to provide a system that builds confidence in the information provided by manufacturers.

For example, if a Suppliers Declaration of Conformity system were introduced by a regulator, and the manufacturer lists their product and test reports on the MRAMS system, then the Designated Conformity Assessment Body that performed these tests can electronically sign these reports to confirm that the tests have been performed by them. Also, by having the subsidiaries listed, the regulator has the information they require to contact a resident and authorized representative should an issue arise. This adds to the confidence of a regulator in accepting that the tests that they require have been performed to their satisfaction and that there is a point of contact with a legal standing within their economy.

Governments that are looking at moving towards better regulatory practices to assist importers and reduce non-tariff barriers will be provided with working processes and examples of this ‘best practice’ to aid them in their decision making processes by seeing how other governments handle their processes.

2) My company has internal test labs already accredited to test in a number of countries. Do I have to get more accreditations?

No. If you hold current accreditation, register them on MRAMS and the importing economy's body handling accreditation will confirm them.

3) How do these changes affect standards?

The APEC TEL MRA is not intended to displace private sector arrangements among Conformity Assessment Bodies, or to displace regulatory regimes allowing for manufacturers' self-assessments and declarations of conformity. It is an expression of intent by the participating economies to work together, in their mutual interests, to accept test reports and/or equipment certifications. It is not an arrangement to harmonize standards.

4) How do I keep up to date with changes in requirements for economies?

The MRA requires the variations to information supplied under section 4.1 to be notified to the APEC Tel MRA Chair and to all Economies Party to the Arrangement within 60 days.

These notifications will be done via MRAMS. The variations to be notified are:

- Variations to the notified Technical Regulations. [10.1]
- New technical regulations within the scope of the MRA. [10.3]

Any changes to lists of:

- Designating Authorities [10.4]
- Accreditation bodies [10.4]
- Designated Conformity Assessment Bodies [10.4]
- Recognised Mutual Recognition Arrangements among accreditation bodies [10.4]
- Recognised Conformity Assessment Bodies [10.4]

5) Do I have any say in the development of the standards and regulations I have to work with?

A Party must ensure that arrangements are established within its Economy:

- To consult as necessary to ensure the maintenance of confidence in Conformity Assessment Procedures and to ensure that all Technical Regulations are identified and are satisfactorily addressed. [10.2]

- To provide any interested person, including manufacturers within other Parties, an opportunity to comment, unless expressly prohibited under a Party's law, on the relevant part of the new or amended Technical Regulations in advance of their adoption. [10.3]

6) What is the relationship between governments and Conformity Assessment Bodies of participating Economies?

A member economy's government shall ensure that the Conformity Assessment Bodies within its jurisdiction:

- Ensure that their designated Conformity Assessment Bodies maintain the necessary technical competence to undertake the Conformity Assessment Procedures for which they have been designated. [5.2]
- Ensure the CABs designated under their authority are available for verification of competence and compliance with Appendix A of the APEC TEL MRA in the event of a contest of their competence being made by another Party. [8.4]

7) Where can I get a copy of the APEC TEL MRA?

A copy of the [APEC TEL MRA](#) can be obtained from:

The APEC Telecommunications & Information Working Group website:

<http://www.apectel.org>; or

The MRA Management System site: <http://mrams.com>

9. MRA Contacts

1) The [MRA Management System](http://mrams.com) - mrams.com

2) The member economy:

Economy	Contact	Website	Telephone	Fax
Australia	Australian Communications Authority	www.aca.gov.au	+61 2 6256 1111	+61 2 6256 5200
Brunei Darussalam	Ministry of Communications	www.mincom.gov.bn	+673 2 38 2838	+673 2 38 0389
Canada	Industry Canada	www.info.ic.gc.ca	+1 613 990 4225	+1 613 952 1231
Chile	Telecommunications Sub-secretariat (SUBTEL)	www.subtle.cl	+56 2 672 6503	+56 2 679 5138
China	Ministry of Information Industry (MII)	www.mii.gov.cn	+86 10 6602 1330	+86 10 6601 1370
Hong Kong, China	Office of the Telecommunications Authority (OFTA)	www.ofta.gov.hk	+852 2961 6333	+852 2803 5110
Indonesia	Directorate General of Posts and Telecommunications (DGPT)	www.postel.go.id	+62 21 383 8501	+62 21 386 0754
Japan	Ministry of Public Management, Home Affairs, Posts and Telecommunications	www.soumu.go.jp/English/Index.htm	+81 3 3504 4792	+81 3 3504 0884
Korea	Ministry of Information and Communications (MIC)	www.mic.go.kr	+82 2 750 2002	+ 82 750 2009
Malaysia	Malaysian Communications and Multimedia Commission (MCMC)	www.cmc.gov.my	+60 3 294 2121	+60 3 4042 3337
Mexico	Comision Federal de Telecomunicaciones (COFETEL)	www.cft.gob.mx	+52 5261 4203	+52 5261 4055
New Zealand	Commerce Commission	www.comcom.govt.nz	+64 4 471 0180	+64 4 471 0771
Papua New Guinea	Papua New Guinea Telecommunications Authority (PANGTEL)	www.pangtel.gov.pg	+675 325 8633	+675 300 4829
Peru	Organismo Supervisor De Inversion Privada En TeleComunicaciones (OSPITEL)	www.ospitel.gob.pe	+51 1 215 1313	+51 1 475 1816
Philippines	National Telecommunications Commission	www.ntc.gov.ph	+63 2 924 4048	+63 2 921 7128
Russian Federation	Ministry of Communications	---	---	---
Singapore	Infocomm Development Authority (IDA)	www.ida.gov.sg	+65 211 0888	+65 211 2222
Chinese Taipei	Directorate General of Telecommunications (DGT)	www.dgt.gov.tw	+886 2 2343 3969	+886 2 2371 3984
Thailand	Post and Telegraph Department	www.ptd.go.th	+66 2 272 6888	+66 2 271 3512
United States	Federal Communications Commission (FCC)	www.fcc.gov	+1 202 418 0200	+1 202 418 0232
Vietnam	Department General of Posts and Telecommunications	---	+84 4 822 9267	+84 4 822 6590

10. What can I do to help?

The MRA Management System is provided to the telecommunications community free of charge at this time. The APEC TEL is looking for sponsors to support its deployment. Please go to the MRAMS website and review the sponsorship opportunities document available there and give it your serious consideration. Your assistance is vital.

A letter from the Chair of the APEC TEL



ASIA-PACIFIC ECONOMIC COOPERATION Telecommunications and Information Working Group

To whom it may concern

APEC Telecommunications and Information Ministers have endorsed a Mutual Recognition Arrangement (MRA) to streamline APEC-wide procedures for testing and type approval of telecommunications equipment.

Ministerial endorsement and regulatory changes are now being followed up with outreach to industry, especially manufacturers and test houses, to alert them to the opportunities for cost savings and a simplified path through technical regulatory requirements in participating economies. The MRA Management System is an 'information age' tool for providing online information and assistance to experts, test houses and regulators, helping them to apply the MRA, find relevant standards, regulations and technical rulings by regulators, and initiate action to support mutual recognition of test results and (in future) certification. The Colony Park Group has been commissioned by APEC to operate and maintain the MRA Management System on a non-profit basis with industry sponsorship.

Guides now available will assist industry and test houses to better understand and use the MRA to reduce their costs and time to market.

APEC's Telecommunications and Information Working Group welcomed industry involvement and support in developing this world-first multilateral MRA for telecommunications equipment. That support continues to be needed as APEC members implement the arrangement. Your sponsorship and support for the information and management system will help to ensure that the benefits of the MRA are fully achieved.



Richard Thwaites
Chair, APEC Telecommunications and Information Working Group

Richard Thwaites, Chair
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Office of the APEC TEL Chair
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CANBERRA ACT 2601
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11. Glossary

Term	Definition
APEC	Asia Pacific Economic Cooperation
Accreditation	The official endorsement by a designating authority or an accreditation body of a CAB as having met the standards required to perform tests against a standard or set of standards.
Administrative Arrangements	Any publicly available procedures or legal or contractual arrangements within a Party's jurisdiction which impact on the Conformity Assessment Procedures for the telecommunications equipment within the scope of this Arrangement, as described in paragraph 4 of this Arrangement.
APEC TEL	Asia Pacific Economic Cooperation Telecommunications and Information Working Group
APEC TEL MRA	Asia Pacific Economic Cooperation Telecommunications and Information Working Group's Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment
CAB	Conformity Assessment Body
Certification	The official endorsement by a CAB of a product as having met the standards required.
Certification Body	A Conformity Assessment Body that has been designated and accredited to approve products against an importing economies technical regulations and requirements.
Conformity Assessment Body	A body, which may include a third party or a supplier's testing laboratory, or a certification body, that performs conformity assessment, or testing, to an importing Party's Technical Regulations.
DCB	A designated Certification Body.
Designating authorities	Typically, the Regulator (see below) who has the authority and competence to designate, list, verify the compliance of, limit the Designation of, and withdraw the Designation of Conformity Assessment Bodies within their jurisdictions. They should have the authority and competence to recognize Conformity Assessment Bodies outside their jurisdictions.
Economies	APEC members are called economies in APEC. They include Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong-China, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Republic of the Philippines, Peru, Russian Federation, Singapore, Chinese Taipei, Thailand, United States and Viet Nam.
EMC	Electromagnetic compatibility
Exporting economy	The economy from which goods have been exported by a manufacturer or supplier.

Term	Definition
Importing economy	The economy accepting goods that have been exported by a manufacturer or supplier.
MRAMS	The MRA Management System - mrams.com – is the official, APEC endorsed, internet-based, communications tool for managing the APEC TEL MRA.
Party	An APEC member economy that chooses to join this Arrangement.
Phase 1	The mutual recognition of testing laboratories as Conformity Assessment Bodies and mutual acceptance of test reports relating to the conformity of equipment with the Parties' respective Technical Regulations.
Phase 2	The mutual recognition of certification bodies as Conformity Assessment Bodies and mutual acceptance of equipment certifications relating to the conformity of equipment with the Parties' respective Technical Regulations.
Regulator	Typically, a government body charged with the specific duty to govern the standards and regulations as they apply, in this case, to telecommunications equipment.
Suppliers' Declaration of Conformity	A declaration in writing made by a manufacturer or supplier of a product, that it meets the technical regulations and requirements of an economy's regulator.
Technical Regulations	Those technical requirements, legislative and regulatory provisions, and Administrative Arrangements that a Party has specified under Annex I of the Phase I or Phase II Procedures pertaining to the registration, testing or certification of equipment with respect to which compliance is mandatory.