



2007 National Environmental Management Awards

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Convergence of Electric Power Systems and IT

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Playground Equipment Safety Management Decrees

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○ Korea Became a Signatory of the PAC-MLA on Product

Korea Accreditation System (KAS) became a member of PAC-MLA (Pacific Accreditation Cooperation-Multilateral Recognition Arrangement) after getting the unanimous approval from 21 signatories at the Pacific Accreditation Cooperation (PAC) MLA meeting on July 12 in Singapore. The meeting gathered representatives of certification bodies on management systems, products, services, personnel and other programs in the Asia Pacific region.

KAS, a subsidiary organization of KATS, has been taking charge of a secretariat since 1991, and it was assessed by peer evaluation team leading Ms. Joan Brough-Kerrebyn who was the team leader, May 8-11, 2006.

With KAS' joining of PAC-MLA membership, product certificates issued by KAS-accredited bodies will have the same effect (type approval, safety certification and quality certification) as having been certified by PAC signatories without the need for any additional certification.

The membership provides a momentum for domestic export firms to reduce certification time and related expenses, enhances their international cooperation and also raises consumer confidence in domestic products. The PAC MLA for Product has three signatories at present including JAS-ANZ (Australia and New Zealand), SCC (Canada) and ema (Mexico) and KAS becomes the 4th one.

The MLA entry, at the point when the conclusion of multilateral recognition arrangements for successful FTA or WTO/TBT negotiations has emerged as an important policy for countries, is also expected to promote the global trade expansion as its own product quality is internationally recognized with the Korean certification mark.

KATS plans to be more active in the product certification area, increasing the present 9 accredited bodies, including Korea Testing Laboratory (KTL) and Korea Testing & Research Institute (KTRI), to 20 within the next three years and expand its accreditation scope from 150 fields to about 300, as well.

Status of KAS-Accredited Bodies in Korea

Name of Body	Date Accredited	Accredited Items
Korea Electric Testing Institute	June 19, '01	11 including lighting equipment
Korea Testing Laboratory	June 19, '01	11 including lighting equipment
EMC Research Institute	June 19, '01	8 including lighting equipment
Korea Gas Safety Corp.	Dec. 24, '04	3 including gas equipment
Korea Testing & Research Institute	Dec. 24, '04	4 including paints
Korea Electrotechnology Research Institute (Changwon, Uiwang)	Apr. 20, '05	8 including transformers
Korea Electrical Safety Corp.	Dec. 29, '05	3 including rubber & PVC
Korea Energy Management Corp.	July 19, '06	7 including solar heat collector

○ 2007 National Environmental Management Awards

On June 28, the presentation ceremony for '2007 National Environmental Management Awards' was held at the International Conference Room of Korea Chamber of Commerce & Industry (KCCI) with about 400 government and private officials from enterprises and public organizations participating, including Vice Minister, Ministry of Commerce, Industry and Energy.

The government established the awards to recognize enterprises, groups and individuals that have contributed to national development through environmental management and also to spread a proactive environmental management attitude among industries.

At the ceremony, which was co-organized by the Ministry of Commerce, Industry and Energy (MOCIE) and Ministry of Environment (MOE) for 'Win-Win of Economic Development and Environment,' a total of 21 prizes, including 3 President's prizes in enterprise, group and product categories, and 20



commendations, including one each order and medal of industrial service merit in the meritorious contributor category, were presented.

Of particular note, to the existing awards the government

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Disaster Management Standardization Plan

To prevent and prepare for disasters and for systematic response and recovery, KATS has established and is promoting a medium and long-term disaster management standardization plan.

The KATS' plan is a countermeasure prepared in response to the draft English-language specifications of the 'Disaster Management Guidelines' announced at the third meeting of ISO's Disaster Management Committee held in May in Orlando, U.S.A.

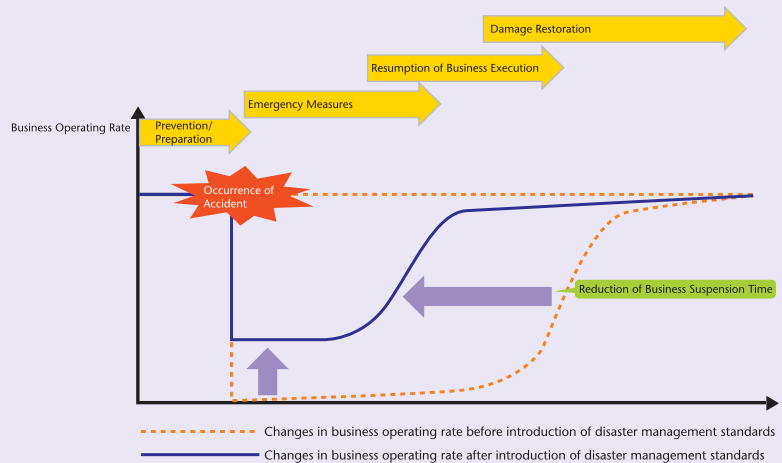
The guidelines are the world's first international standards, which are being developed by the committee amid brisk international discussions underway to establish a standardized disaster management system designed to facilitate information sharing between nations on the occurrence of large-scale disasters, earthquakes, tsunami, international terror, etc. and to enhance the efficiency of international rescue activities.

The gist of the KATS' medium and long-term plan includes establishment of national standards, preparation of certification systems, cultivation of experts and standardization of daily living criteria for establishment of an advanced safety culture.

Once the disaster management system is introduced, it will enable specialists to discern the patterns of disasters, develop and maintain response systems and bring such effects as

minimizing the reduction in business operating rates and shortening the time for restoration of normal conditions through emergency response.

Concept Diagram of Disaster Management Standards



KATS disclosed that disaster management standards are applicable to both public sector and private enterprises. According to the Agency, about 150,000 organizations and facilities in Korea come under the standards: 304 public organizations, about 70,000 major facilities requiring management and 85,000 private enterprises with over 50 employees each.

KS Searchable on Nate and Cyworld

Under the MoU for the access to KS signed between KATS and SK Communications on June 15, 2007, perusal of KS data became possible on the two popular Internet sites of the communications firm, Nate (www.nate.com) and Cyworld (www.cyworld.com).

It is now available for the general public to search and read 22,053 types of KS (as of the end of May 2007) on Nate and Cyworld, in addition to Naver (www.naver.com) and Empas (www.empas.com), which launched the service in January and in August 2006 since KS Internet service has been started through Korean Standards Information Center (KSIC) (www.standard.go.kr) from June 2003.

Rising steadily the perusal of KS data via the Internet, searches in the second half of 2003, when the free-reading service first began, have grown to 260,000, 580,000 in 2004, 1,040,000 in 2005 and 1,990,000 in 2006. KATS forecasts that it will exceed 2,300,000 searches in 2007.

KS Data Reading Results by Year

(Unit: No. of Searches, Year-on-Year Change:%)

June-Dec. '03	'04	'05	'06	Jan.-May '07	Total
258,739	578,387 (49.5)	1,038,930 (79.6)	1,988,603 (91.4)	1,122,123 (66.9)	4,986,782

The easy access to KS data with examination criteria, via the Internet is expected to contribute significantly to the development of domestic industries by facilitating the spread of the national standards and by enhancing public interest in the standards, as well.

To stimulate supply and application of the national standards in the future, KATS intends to expand the KS standard free-reading service to organizations that desire to provide the service, including portal sites of private enterprises, standardization-related institutions and science & technology-specialized web sites.



International EMS Conference Held in Seoul

With invited overseas energy management experts, KATS hosted an 'EMS (Energy Management System) International Conference' jointly with Korea Energy Management Corp. (KEMCO) on June 15 at Seoul Kyoyuk Munhwa Hoekwan to introduce the international-level EMS national standards and certification system.

At the conference, TF Convenor Mario de Renzio of CEN (European Committee for Standardization) introduced Europe's EMS standardization promotion status and future plan and Robert Williams of UNIDO (United Nations Industrial Development Organization) addressed the need for the U.N.'s diverse energy efficiency programs and EMS.

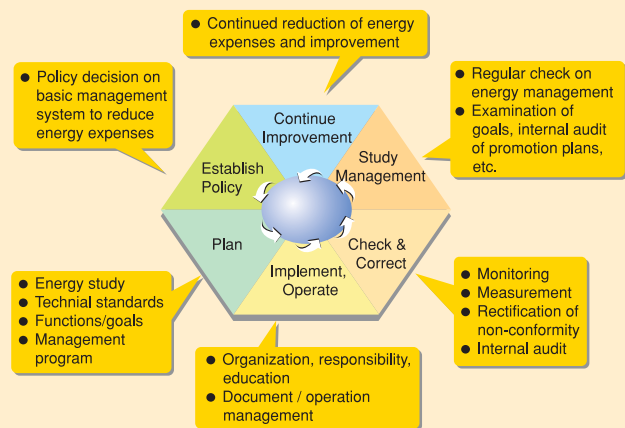
Also, Aimee McKane of Lawrence Berkeley National Laboratory, William Meffert of Georgia Tech's Enterprise Innovation Institute, and Erik Gudbjerg from Denmark explained U.S. and European energy efficiency policy promotion and EMS implementation status and introduction plans.

As for Korea, introduction of EMS is urgently required for efficient use of energies and reduction of greenhouse gas emissions. With linkage to existing energy policies (voluntary energy conservation agreement system, U.N.

Framework Convention on Climate Change, etc.), the government is building related infrastructures, including establishment of national standards, so that EMS can be firmly established as an efficient energy conservation tool for enhancement of enterprise competitiveness and profitability.

If 990 high energy-consuming domestic firms are able to introduce EMS and reduce energy consumption by 10%, it will have an annual energy saving effect of 7,315,000 TOE, equivalent to 1.8 trillion won in expense reduction.

Energy Management System



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added the 'Large Enterprise-SME Green Partnership Award,' aiming to accelerate transfer of environmental management know-how and clean production technology through environmental cooperation between large enterprises and SMEs, as well as the 'Environmental Industry Export Promotion Award' to stimulate overseas advance of environmental firms.

President's prizes in the comprehensive enterprise category went to Hyundai Motor, which developed and supplied next-generation environment-friendly cars and actively transferred environmental management know-how and clean production technology to SMEs, and to Livart Co., Ltd. in recognition of the company's contribution to the prevention of new house syndrome with thorough management of environmentally hazardous substances and acceleration of recycled use of furniture through a collection service for furniture disposal.

The winner of the President's prize in the product category

was 'Whisen' air-conditioning equipment of LG Electronics, which reflected environmental aspects in all processes of product development, production, operation and disposal and enhanced energy conservation, excluding hazardous substances and increasing the recycled-use rate through environment-friendly design.

In the contributor category, Executive Director Hong Chang-Wan of Samsung Electronics won the Copper Tower Order of Industrial Service Merit for his introduction of environment-friendly systems to the development of TVs and monitors with the world's largest market shares and expansion and application of green purchase to affiliated companies. Meanwhile, Managing Director Park Kyoung-Ho of Hyundai E&C also received an industrial medal for his development of environment-friendly engineering methods and technology improvement in the construction field.

Convergence of Electric Power Systems and IT

At a workshop, held on July 5 to celebrate the first anniversary of the founding of 'Electric Power IT Standardization Forum,' Korea harvested remarkable achievements, including establishment of an advancement roadmap for electric power IT standards, reinforcement of international standards cooperation with advanced countries like France and host of the next IEC/TC57 plenary meeting to Korea, according to KATS.

About 150 experts participating in the workshop focused on discussions about ways to practical action plans in the fields of international standards, conformity assessment and certification, centering on the research results of working group (WG)'s for remote control, communication, applied software, energy market communication framework, communication security, etc.

To realize synergy effects through convergence between electric power technology and IT at an early date through the Electric Power IT Standardization Forum, KATS plans to build and develop an R&SD (Research & Standardization Development) system, which is intended to promote R&D and standardization concurrently.

For this, KATS plans to innovate national software infrastructures for the electric power field through standardization by systemizing feedback systems, developing electric power IT technology patents & standards, strengthening activities for international standardization work, identifying key medium and long-term follow-up tasks, etc.

The electric power IT R&D results, if adopted as national standards and international standards, will help establish convergence of the electric power industry at an early date and contribute significantly to the competitiveness enhancement of the nation's electric power industry in the global market and to the preparation of the foundation to create new-demand industries.

In the future, KATS plans to upgrade the quality level of the domestic electric power industry and spur related standardization work to enable stable supply systems.

Korea's Status in Promoting International Electric Power IT Cooperation System

- Strengthen cooperation with advanced countries, which lead electric power IT standardization, and host international meetings to Korea
- Korea-France Joint Electric IT Standardization Workshop (Paris/organized by UTE) (September 2006)
- ※ December 2004: KATS-UTE MoU signed



- IEC/TC57/WG10 meeting in Seoul (April 2007)
- IEC/TC57 Plenary Meeting to be held in Seoul (October 2008)

- Support international standardization activities of domestic experts
- Actively supporting domestic experts' IEC WG activities through the forum to create a foundation to assume chair/secretariat roles
- Supporting de-facto standardization activities, IEEE, CIGRE, etc.

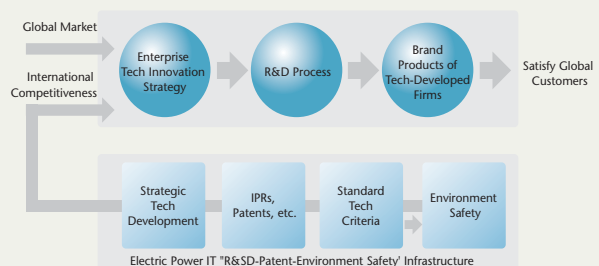
- Promote cooperation with other countries into which Korean companies plan to expand their markets
- Creating a foundation to make inroads into China, India, Vietnam, Egypt, etc. for overseas expansions of domestic technologies

- As the 1st-phase project, to discuss electric power IT standardization cooperation with Vietnam's Directorate for Standards and Quality (STAMEQ)

※ In September 2006, KATS and STAMEQ concluded an MoU for mutual cooperation in the standardization field and KEPCO also signed an MoU with Vietnam in 2006 for a joint power distribution automation research project.

Partner Countries	1st Phase ('06-'07)	2nd Phase ('08-'09)	3rd Phase ('10-'11)
Advance countries	France	USA, Japan, etc.	Germany, Switzerland, etc.
developing countries	Vietnam	China, Egypt, etc.	India, Philippines, etc.

Electric Power IT R&SD System Diagram





KATS Signs LABCON MoU with 9 Organizations

On June 12, KATS signed MoUs with nine organizations, including Korea Industrial Complex Corp. (KICOX) and Korea Institute of Industrial Technology Evaluation and Planning (ITEP), for the 'Private Sector-Government LABCON Plan Cooperation and Support Project.' The project is intended to identify new technology products in the research stage and to conduct technology assessment and mentoring.

Private Sector-Gov't LABCON Plan Cooperation and Support Project

- ◆ Identification Cooperation Organizations: Korea Industrial Technology Evaluation and Planning (ITEP), Korea Materials & Components Industry Agency (KMAC), Korea Industrial Complex Corp. (KICOX) and Bucheon Industrial Promotion Foundation (BIPF)
- ◆ Assessment Cooperation Organizations: Korean Society of Mechanical Engineers (KSME), Korean Institute of Electrical Engineers (KIEE), Institute of Electronics Engineers of Korea (IEEK) and Korean Society of Industrial & Engineering Chemistry (KSIEC)
- ◆ Mentoring Cooperation Organizations: Korea Industrial Technology Foundation (KOTEF) (one-company-one-mentoring system)
- ◆ Identify SME-developed new technology products → Assess technological potential of identified products → Support for technological mentoring and link to new technology certification
 - Identify with linkage to government R&D
 - Identify with linkage to regional clusters
 - Cooperate in assessment of technological potential
 - Four academic societies (mechanical, electrical, electronics and chemical fields)

- Support with linkage to mentoring business
 - With linkage to KOTEF's one-company-one-mentoring system
- Link to NEP (New Excellent Product) certification

The LABCON cooperation and support project was established under the judgment that SMEs can hardly survive in the world without development of new technology products due to gradually intensifying the corporate bipolarization phenomenon and acceleration of free trade systems, FTAs, etc.

Establishment and operation of the full-time private sector-government cooperation and support systems will enable cooperation and sharing of expert manpower for the enterprise support programs, which have thus far been promoted separately by several organizations. Therefore, the project is expected to maximize efficiency and create synergy for identification and support of new technology products.

The LABCON cooperation and support project will be implemented in three stages -- identification, assessment and mentoring support.

For smooth operation of the system, KATS organized a LABCON secretariat at the same time with conclusion of the MoUs and also plans to create a working-level committee and set up specific implementation plans.

In addition to identification and support of new technology products, KATS also intends to continuously expand other cooperation projects of common interest, responding to technological restrictions, standardization, development of new technology and new product assessment methods, etc.

NEP-Certified Product Maker & Buyer Workshop

In an effort to encourage the substantial purchase of new NEP-certified products, KATS invited about 500 product designers of NEP-certified firms and procurement staff of purchasing organizations to a workshop May 27-28.

At the workshop, the presentations and discussions expected to assist both sides included sales support system, purchasing status of public organizations, credit sales system for NEP-certified products, Kibo technology fund utilization strategy, etc. as well as introduction of the NEP certification system and its improvement direction.

In a lecture entitled 'Status of the Korean Economy and the

Role of Public Organizations,' Prof. Oh Yeon-Cheon of Seoul National University emphasized the need for the active participation of public organizations in order to revive SMEs engaged in new technology development.

KATS revealed that with the workshop as momentum purchase of new NEP-certified products will expand not only at public organizations but also at large private enterprises. The Agency also explained that it plans to strengthen the competitiveness of SMEs and stimulate the desire to develop new products through continuous development of a system to support sales channels for NEP-certified products so that new technology products can be firmly established in the market at an early date.

'KPS-marked Products Promotion Campaign'

To facilitate sales of KPS(Korea Product Safety)-marked products, KATS carries on 'KPS-marked Products Promotion Campaign' between two days, July 5 and 6, at major large retailers nationwide.

The participants in the event were six large retailers that sell KPS-marked products -- E-Mart, Homplus, Lotte Mart, Homever, GS Mart and Hanaro Club (KACM).

During the campaign, these large retailers decided to replace consumer products subject to safety management with KPS-marked products in order to protect consumers and enhance their corporate image.

A KATS official in charge of safety management said, "Those sellers who display or store illegal products without KPS marks will be penalized in accordance with the Quality Management and Safety Control of Industrial Products Act", which took effect on March 24."

He added, "The campaign was intended to facilitate the sales of safe products among those retailers positioned in between manufacturers/importers and consumers and also to raise their awareness of the Act."

According to the revised industrial product safety management system, the previous 'Inspection' and 'Safety' marks have been changed to KPS marks -- 'Safety Certification,' 'Self-Regulatory Safety Confirmation' and 'Child-resistant Packaging.' It is mandatory to affix the KPS mark to 65 items of industrial products subject to safety management which have been cleared

by customs or delivered to market after March 24.

List of the Revised Safety Management System

• Amendment of Safety Management System

Previous	Revised	Remarks
Safety Inspection (mandatory) *Product Inspection	Safety Certification (mandatory) * Product Inspection + Factory Examination	• Items with serious hazard potential of causing fatal accidents
Safety Verification (voluntary)	Self-regulatory Safety Confirmation (mandatory) *Report after a public certification body's inspection	• Items feared to cause a safety hazard to human body
Quality Mark (voluntary)	Safety & Quality Mark (mandatory)	• Items that can secure safety if precautions are followed at the time of use
-	Measures for Items Unspecified by Law (newly established)	• When hazardous products are found and spread of damage is feared

• Adjustment of Safety Management Items

Before Revision	After Revision
94 Items	79 Items
Safety Inspection 39 Items	Safety Certification 18 Items
Safety Verification 31 Items	Self-regulatory Safety Confirmation 47 Items
Quality Mark 24 Items	Safety & Quality Mark 14 Items

• Introduction of New Safety Mark



Concrete Technology Contest for 2007

In an effort to strengthen the competitiveness of the domestic concrete industry, KATS conducted 'Concrete Technology Contest' from March to April this year and held an awards ceremony for 20 prize-winning teams and 11 outstanding technology contributors on June 20 at its head office.

A total of 125 teams competed in the contest at a staged site with technologies for concrete mix design, air volume, slump, strength, etc. Ten teams each in the public (Wooyung Industrial, etc.) category and in the student

category (Moko National University, etc.) were selected as prize winners. Meanwhile, the 11 prize-winning technology contributors included Managing Director Ryu Deuk-Hyun of Eugene Group's Technology Research Institute.

By hosting a technology seminar on 'Environmental and Special-Function Concrete,' 'Future Concrete,' etc. prior to the awards ceremony, KATS was also able to introduce the future technology development direction for the concrete industry widely.

Playground Equipment Safety Management Decrees

On June 13, KATS issued the notification of legislation of the draft enforcement decree and regulations for the Playground Equipment Safety Management Act that stipulate safety inspections, certification, education, etc. as well as compensation procedures and methods to address safety accidents.

It had been pointed out that the safety management system for playground equipment is insufficient due to separate management under six ordinances of five ministries. Therefore, the government enacted and promulgated the Act on January 26 of this year for implementation on January 27, 2008.

Highlights of the draft enforcement decree and regulations include:

- Clearly defines playground equipment scope to be managed under the Act as the play equipment and facilities installed within indoor and outdoor playgrounds in a fixed form
- Enhances the expertise of safety inspection bodies by designating only those that satisfy all the criteria required by international standards and secures related facilities and manpower
- To ensure impartiality in work management of safety inspection bodies, specifies designation and cancellation procedures
- For systematic safety management of playground equipment, provides safety inspection and certification procedures and methods, and prepares a system to root out import or distribution of those products which do not conform to safety standards



- With regard to compensation for safety accidents caused by playground equipment, provides kinds of damage compensation insurance and subscription procedures for management bodies and safety inspection bodies
- Minimizes friction over injuries from accidents by clearly stipulating compensation clauses for safety accidents (max. compensation amount: 80 million won)
- To prevent hazards at playground equipment, strengthens market monitoring activities by authorizing safety guards to monitor operation as part of establishment of a mutual cooperation system with citizens' organizations
- Also upgrades the expertise of safety management and support bodies engaged in efficient safety management business for playground equipment by providing that they must secure specialized organizations, personnel, instructors, etc.
- Specifies the content of safety education, frequency and timing so that the education can be effective for personnel responsible for safety management of playground equipment.

Establishing KS to Boost Utilization of Coal Ash

KATS established and published notification of a new quality criteria (KS standard) enabling utilization of coal ash (bottom ash) as an aggregate for concrete products, instead of sand or gravel, and announced that the KS will be implemented starting in July 2007. This was part of the regulation innovation tasks of the Office for Government Policy Coordination (OPC).

Establishment of the KS is designed to minimize waste of resources and also to resolve the coal ash reclamation problem at thermal power plants fundamentally by allowing use of bottom ash for concrete products. This research began in 2006.

Furthermore, KATS also plans to exert efforts continuously in the future for establishment of additional KS standards to stimulate the recycled use of coal ash as an aggregate for road base and sub-base by the end of this year.

Coal Ash Use Status by Year

(Unit: 10,000 tons)

Category	2001	2002	2003	2004	2005
Generated Volume	492	514	519	538	595
Recycled Use	311	373	408	359	346
Recycling Rate (%)	63.2	72.6	77.3	66.7	58.1

※ As of the end of May '05