

4. Case of Dispute No.2, 2015 (Application: June 9, 2015)

1) Progress

June 9, 2015	Company A filed an application for mediation against Company B.
June 26, 2015	The Commission appointed the mediation commissioners.
June 30, 2015	Company B submitted a written reply.
July 17, 2015	The mediation commissioners heard opinions from both parties.
September 7, 2015	The mediation commissioners presented to Company A Company B's proposed terms and conditions based on Company B's replies and other materials.
September 18, 2015	The Commission held face-to-face negotiations between the parties. (Thereafter, negotiations between the parties were conducted in writing.)
November 24, 2015	Both parties reported to the Commission that a basic agreement had been reached. The mediation process concluded.

2) Summary

Company A had been making use of Company B's telephone services for its own operational purposes and for resale purposes. Issues, however, arose with Company B because Company A's contract with Company B was unclear about the handling of the resale of services. Therefore, in March 2014, the two parties concluded a special agreement limited to the use of communication lines by Company A for its own purposes, which specified: (a) the application of special provisions to communication lines being used for resale purposes prior to the special agreement, and (b) the application of special provisions to the installation of additional communication lines to a currently serviced location. In May 2014, the two parties concluded two special agreements: one on communication lines used by Company A for its own purposes (including communication lines used for resale purposes prior to concluding the special agreement; rates were basically unchanged), and one on communication lines for resale purposes (classified as "wholesale telecommunications services" with relatively higher rates).

In response to applications by Company A for communication lines after concluding the special agreements, Company B asserted that the special agreements to date had been individual contracts with a specific scope and that

future contracts required a new agreement on terms and conditions. Furthermore, when existing customers applied for additional communication lines to the same location as lines currently in use, Company A believed that, according to the May 2014 special agreement, the rates applying to existing lines also applied to newly installed lines. Company B, on the other hand, believed the rates of all existing lines and additional lines should be calculated on the basis of the new rates, which would be a significant increase, because the lines are functionally inseparable, making it impossible to distinguish the designations of individual lines.

The two parties held negotiations until March 2015, but the negotiations ended with the two parties still far apart. Therefore, Company A filed an application for mediation, seeking the application of the rates in the May 2014 special agreement to additional lines.

3) Result of mediation

Both parties agreed to the special provisions and terms and conditions given below, thereby concluding the mediation.

1. The telephone services Company B provides to Company A shall be categorized as "Company A Use", "Existing Use", and "New Resale".
2. Company B shall provide services to Company A in accordance with the categories specified in Paragraph 1 at prices and terms and conditions agreed upon by both parties.
3. The contract term shall be one year from the date specified separately by Company A at the time the contract is concluded, and the contract shall be renewed under the same terms and conditions unless either party requests a change to the contract or cancellation of the contract three months prior to the contract's expiration date.
4. Notwithstanding Paragraph 3, in the event of circumstances that affect the price agreed upon by the parties in advance, Company B may request to negotiate a price change even during the effective term of the contract, and Company A shall, as a general rule, accept the price change, provided it is based on reasonable grounds and calculation methods.
5. In addition to the provisions above, Company B shall request Company A to add terms and conditions that abolish the former special provisions, and Company A shall comply with the request.
6. In order to form an ongoing and amicable relationship, Company B and Company A shall negotiate the special provisions and terms and conditions

in good faith, and shall strive to ensure the execution of mutually agreed matters.