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VIA EMAIL ONLY

Jungwoo Metal Ind. Co., Ltd.
371 Kuam-Ri, Nam-Myeon
Yangju-City, Gyeonggi-Province, Korea

Attn: Mr. Jangwook (Eric) Lee, Executive Managing Director

Re: Jungwoo Copper Wrot Fittings and Jungwoo Copper Press-Connect Fittings / Nungwon Refined Copper Tubes and Pipe / SMI Copper Wrot Fittings and Buy American Status

Dear Mr. Lee,

What the Buy America provisions hold is that foreign-made goods which qualify (in the case of South Korea) under the Korea-US Free Trade Agreement (KORUS) are treated the same as domestic-made goods, provided they meet the relevant requirements.

One such requirement is dollar value thresholds, see 48 C.F.R. 25.402. For KORUS, the thresholds for supply and service contracts require a contract worth \$100,000 or more, in its entirety, regardless of how many stages it takes to complete the contract. For construction projects, in its entirety, the contract must be of a value of \$7,864,000 or more, again regardless of the stages needed to complete the contract. The WTO threshold for general construction contracts is the same as the KORUS level, while the threshold for supply and service contracts is a bit higher, at \$204,000. The threshold which must be met is determined by the nature of the contract.

The second requirement can be found in 48 C.F.R. 25.003 and deals with the origin of the article in question. Goods from South Korea qualify as a "Free Trade Agreement country end product", which means an article that is wholly the growth, product, or manufacture of a KORUS country, so either the U.S. or South Korea. In the case of a good that consists in whole or in part of materials from another (third) country, if said material has been substantially transformed in one of the FTA partners (here South Korea or the U.S.), into a new and different article of commerce with a name, character and use distinct from that of the article or articles from which it was transformed, it would qualify as a KORUS article and so be treated equivalent to any U.S. domestic product. In the case of KORUS, however, that means the end product must satisfy the relevant KORUS rule of origin which is determined by evaluation of the product in its condition as exported from South Korea to the U.S.

There are additional exceptions recognized for non-availability or the public interest (48 C.F.R. 25-103 and 25-104) if a product is deemed nationally sensitive. However, those exceptions would generally not apply to the copper tubes or fittings as discussed herein.

For the reasons explained above, if any goods sold by (i) Jungwoo Metal Ind., Co., Ltd., a Korean company with its address at #371 Kuam-Ri, Nam-Myeon, Yangju-City, Gyeonggi-Province, Korea (“Jungwoo”), (ii) Nungwon Metal Ind. Co., Ltd., a Korean company with its address at #314-1 Doha-Ri, Eunhyun-Myeon, Yangju-City, Gyeonggi-Province, Korea (“Nungwon”) or (iii) SMI Co., Ltd., a Korean company with its address at #511-4 Jukyo-Ri, Yesan-Ub, Yesan-Gun, Chungnam, Korea (“SMI”), including without limitation, refined copper tubes and pipes sold by Nungwon, and copper wrot fittings and copper press-connect fittings sold by Jungwoo or SMI, meet the aforementioned qualifications/requirements under the Korea – US Free Trade Agreement, then any such goods will be treated the same as domestic-made goods and should receive nondiscriminatory treatment in accordance with 48 C.F.R. 25.001(b).

Should you have any further questions, feel free to contact us. In the interim, we remain,

Very truly yours,



Susan Kohn Ross
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for
MITCHELL SILBERBERG & KNUPP LLP
SKR/mjp
cc: Nungwon Metal Ind. Co., Ltd / SMI Co., Ltd. (via email)