

**Press**

**Release**

Please do not publish this information until 13:30 on Wednesday 08/21/2013.

**[Resolution Items]**

- a. Cheol-sun Park, Chief, Consumer Protection Division (1540)
- b. Dong-cheol Kim, Chief, Broadcasting Infrastructure Coordination Division (1260)
- c. Dong-ju Park, Chief, Broadcasting Infrastructure Policy Division (1460)
- d. Yong-mil Kim, Chief, Broadcasting Promotion Policy Division (1430)
- e. Bong-jin Jang, Chief, Radio and Television Policy Division (1420)

## Briefing on the 30th KCC Meeting for 2013

□ The 30th KCC Meeting 2013 has been held, with six resolution items tackled.

**[Resolution Items]**

**a. Matter related to corrective measures for violations of user agreements by mobile phone operators and high-speed Internet service providers (Refer to the attached press release for details.)**

o The meeting has reviewed the violation, etc., of the procedures in the user agreements by mobile phone operators and high-speed Internet service providers (38 businesses including KT, LGU+, SK Broadband, and MSO) and taken the following actions:

- KCC has ordered KT, SKB, and SKT to take corrective actions regarding the issuance of contracts that do not contain some key elements of the user agreements to users or non-issuance of contracts to users, to publish the fact that they are ordered to take corrective measures, and to change their business handling procedures.

- KCC has ordered 38 businesses including LGU+ to correct the discrepancy between the major contents of their user agreements and their user guides and notify their users of the correction or issue amended agreements.

**b. Matter related to the 'revision of business handling guidelines for broadcast deliberation'**

o The meeting has reviewed and approved the proposal to revise the "guidelines for broadcast deliberation" so as to authorize the chairman instead of the board meeting to make the final decision on matters concerning the suspension of execution in case a broadcasting business operator has asked for suspension of the "broadcasting of notice" pending decisions on their applications for a retrial of sanctions imposed on them as a result of KCC broadcast deliberations.

**c. Matter related to the calculation of audience share of broadcasting business operators in 2012**

o The meeting has deliberated on the "2012 media conversion rates" and the "2012 audience share of broadcasting business operators" reviewed by the Media Diversity Committee as per Article 35(4) (Media Diversity Committee) and concluded the following:

- Media conversion rates are calculated by measuring the media's user and market influences through surveys on the media usage and market research on advertising revenues and subsequently calculating the arithmetic mean of the figures. The meeting has determined that the media conversion rate for 2012 is 0.45.

$2012 \text{ media exchange rate } (0.45) = [0.45 \text{ (user survey)} + 0.44 \text{ (market survey)}] \div 2$
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- The meeting has approved the deliberation of the Media Diversity Committee regarding the following audience shares of broadcasting business operators: 36.163% for KBS, 16.022% for MBC, 11.408% for SBS, 9.384% for CJ E&M, 8.785% for TV Chosun, and 7.878% for JTBC.
  
- d. Matter related to administrative measures against Channel A's violation of the obligation to report the changes in the persons in charge of broadcasting programming**
  - o The meeting has deliberated on the proposal for administrative measures against Channel A's violation of Article 15 (3).2 stipulating immediately reporting changes in the persons in charge of broadcasting programming and decided to impose a penalty surcharge of 2.5 million won.
  
- e. Matter related to corrective orders against the violations of general and news CATV programming businesses of the conditions imposed on their business licenses**
  - o The meeting has reviewed whether administrative measures shall be imposed on general and news CATV programming businesses for their violation of licensing conditions and decided to issue to them the following corrective orders:

	<b>&lt; Corrective Orders (draft) &gt;</b>	
<ul style="list-style-type: none"> <li>◆ Chosun Broadcasting Company (TV Chosun)           <ul style="list-style-type: none"> <li>· that TV Chosun should schedule more than 35% of its TV programs with those produced by outside production companies on a semiannual basis, that it should make investments by the end of 2013 including its carried-over content investment plans for 2012 -- an integral condition for its licensing in 2012 -- as well as its planned investments for 2013, that it should comply with the ratio of reruns for 2013, and that it should organize a Special Committee for Fair Election Broadcasting and Special Committee for Fair Broadcasting within two months of the date when it was ordered to take corrective action</li> </ul> </li> <li>◆ JTBC           <ul style="list-style-type: none"> <li>· that JTBC should make investments by the end of 2013 including its carried-over content investment plans for 2012 -- an integral condition for its licensing in 2012 -- as well as its planned investments for 2013, and that it should comply with the ratio of reruns for 2013</li> </ul> </li> <li>◆ Channel A           <ul style="list-style-type: none"> <li>· that Channel A should make investments by the end of 2013 including its carried-over content investment plans for 2012 -- an integral condition for its licensing in 2012 -- as well as its planned investments for 2013, and that it should comply with the ratio of reruns for 2013</li> </ul> </li> <li>◆ Maeil Broadcasting Network (MBN)           <ul style="list-style-type: none"> <li>· that MBN should make investments by the end of 2013 including its carried-over content investment plans for 2012 -- an integral condition for its licensing in 2012 -- as well as its planned investments for 2013, and that it should comply with the ratio of reruns for 2013</li> </ul> </li> <li>◆ Yonhap News TV (News Y)           <ul style="list-style-type: none"> <li>· that News Y should organize a Programming Committee -- an integral condition for its licensing -- within two months of receiving the order to take corrective measures</li> </ul> </li> </ul>		

- f. Matter related to administrative measures against the violators of the license conditions for a broadcasting station**
  - o The meeting has deliberated on the proposal for administrative sanctions on KBS (Global Korean Network) for its violation of Article 25 of the Radio Waves Act by operating antennas beyond the capacity specified in the license (10kW → 100kW) and decided to impose a penalty surcharge

of 500,000 won on KBS.

- ※ The basic penalty surcharge for the violation is one million won as per Article 90 of the Radio Waves Act and Article 124 of its Enforcement Decree. Note, however, that the amount can be reduced or increased within the limit of 50% depending on the circumstances of the case involved.