



KOREA  
COMMUNICATIONS  
COMMISSION

# ANNUAL REPORT 2017



Korea Communications  
Commission



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This annual report is a summary of the main activities and achievements of the Korea Communications Commission during the year 2017, pursuant to Article 16 of the 「Act on the Establishment and Operation of the Korea Communications Commission」.

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## Message from the Chairman



The Korea Communications Commission (hereinafter referred to as 'the KCC') launched its fourth term with the vision of 'Broadcasting and Telecommunications that Centers on the Public' in 2017.

In order to realize its vision, the KCC was committed to enhancing impartiality and public interest in broadcasting by implementing an unbiased licensing re-approval process, establishing a swift and accurate disaster broadcasting system, and expanding support measures to small and local broadcasting programs.

To protect user rights, the KCC strengthened the criteria for penalties in cases of personal information leakage and also strived to stabilize the telecommunications market after the abolishment of the handset subsidy cap. The KCC also developed measures regarding broadcasting production outsourcing to redress unfair power dynamics that exist in the industry.

To propel sustainable growth in the broadcasting and telecommunications industry, the KCC introduced terrestrial UHD broadcasting service and tailored Internet education in order to narrow the media gap. The KCC also expanded cyber ethics education, including a program on cyber bullying, to combat the adverse effects of the Internet.

The annual report includes the endeavors and policy achievements of the KCC over the last year in order to meet the needs of the public in a rapidly changing broadcasting and communications environment.

Moving forward, by laying the foundation to ensure a fair and competitive environment, and a win-win for all parties involved, the KCC pledges to deliver high quality broadcasting and telecommunications services that ensures that the channel of communication with the people remains open.

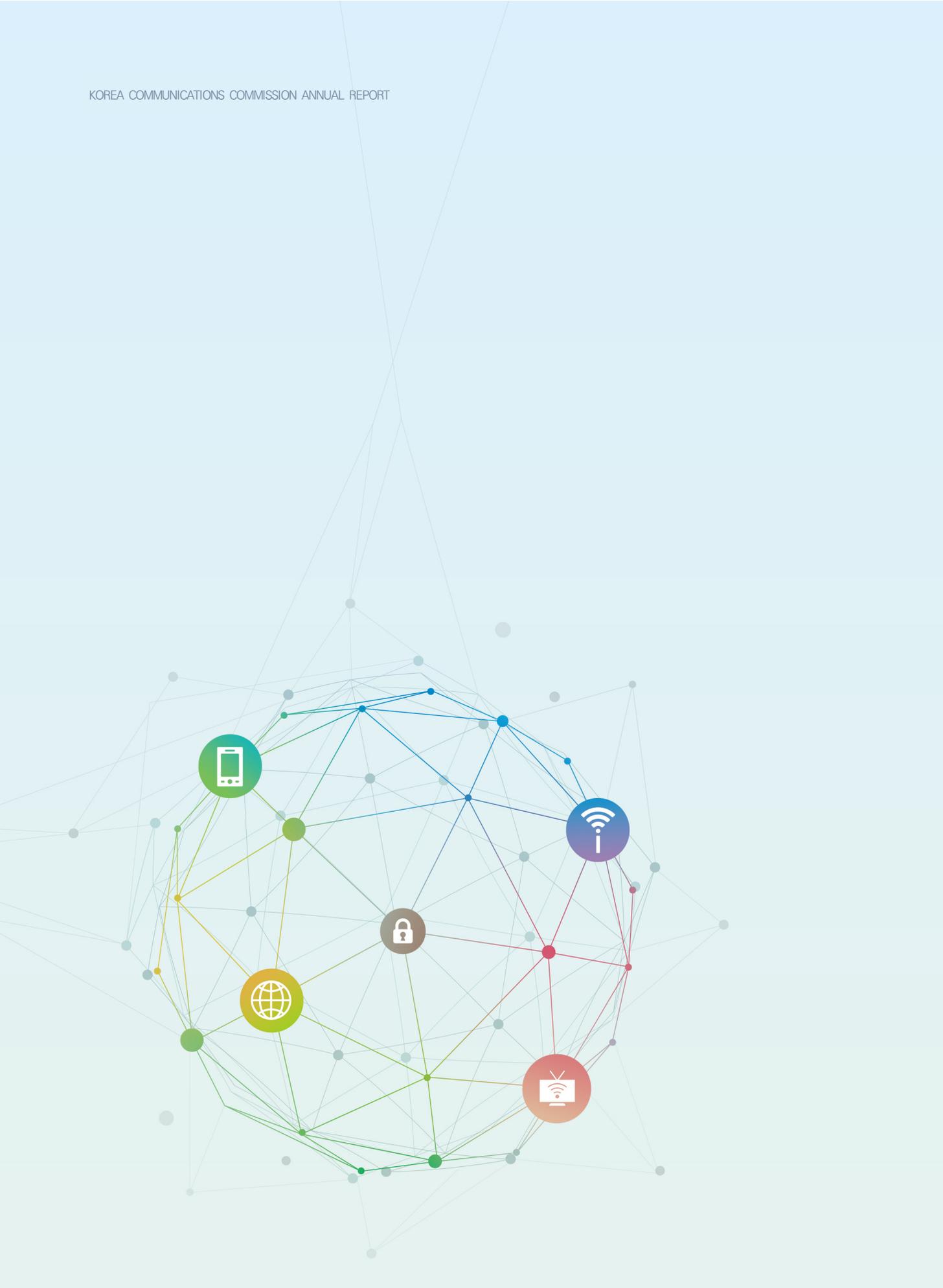
As always, your continued support and encouragement is greatly appreciated.

Thank you.

March 2018

**Lee Hyo-seong**

Chairman, Korea Communications Commission





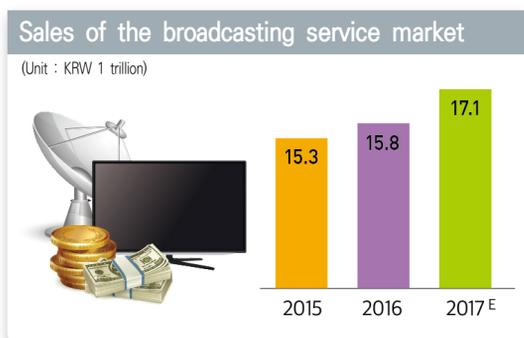
# Broadcasting and Communications Policy Accomplishments presented in Graphs



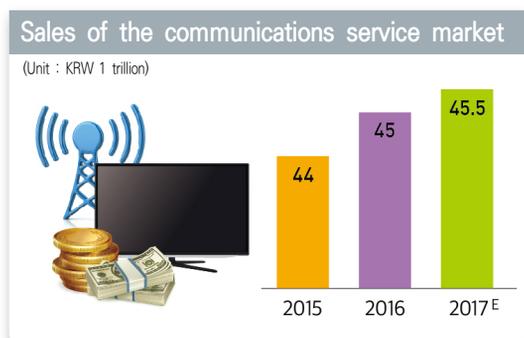


# The broadcasting and communications industry is making continuous contributions to the growth of the national economy.

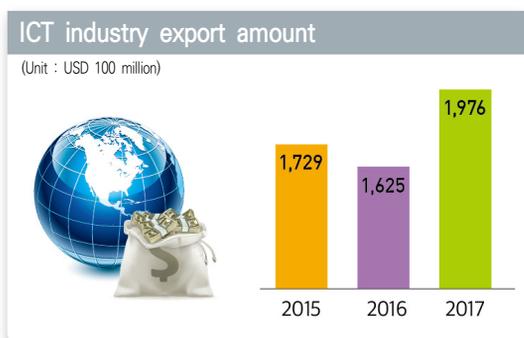
- ❖ The sales of the domestic broadcasting services and communications services in 2017 recorded KRW 17.1 and KRW 45.5 trillion, respectively.
- ❖ ICT service exports and the trade balance have grown since last year, thus continuously contributing to the national economic growth.



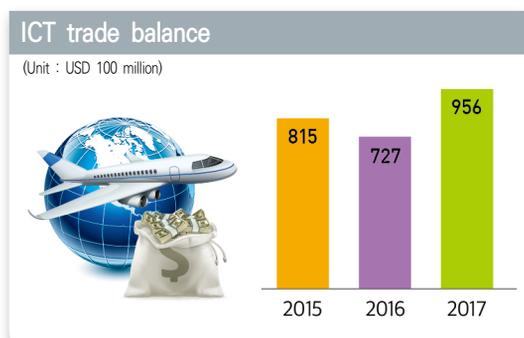
Note) E : Estimate



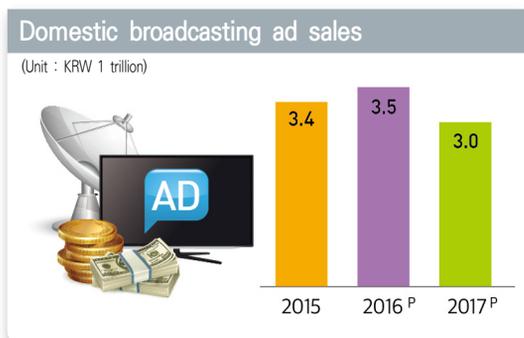
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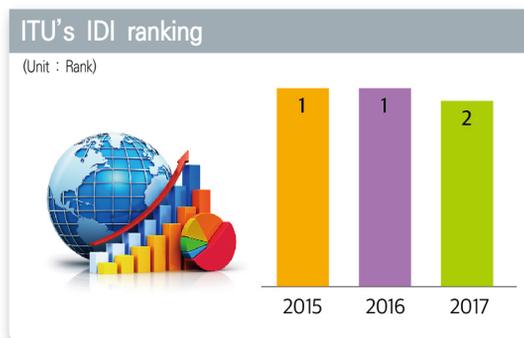
Note) Ministry of Trade, Industry and Energy, Ministry of Science and ICT(2018)



Note) Ministry of Trade, Industry and Energy, Ministry of Science and ICT(2018)



Note) P : Preliminary, Korea Association for ICT Promotion(2017)



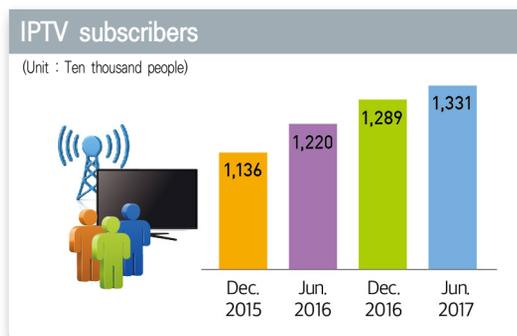
Note) Ministry of Science and ICT(2017)

## The foundation for Industry vitality has been created by expanding broadcasting and communications services.

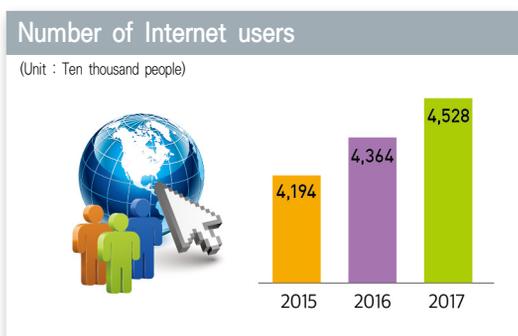
- Broadcasting and communications convergence services have been revitalized with the continued increase in subscriptions to paid IPTV and broadband.
- Wireless data traffic has grown by 22.3 % from last year, while the number of LTE subscribers went up to 5,044.



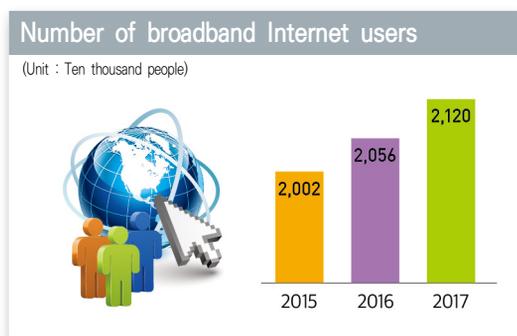
Note) based on CATV, satellite, IPTV subscribers, Ministry of Science and ICT(2017)



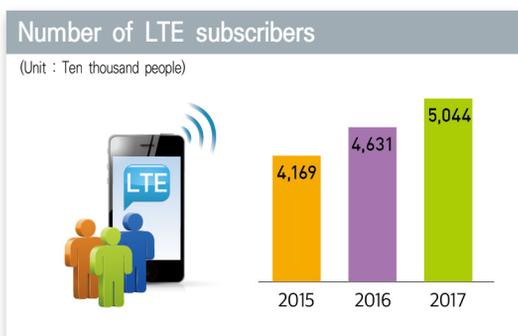
Note) Ministry of Science and ICT(2017)



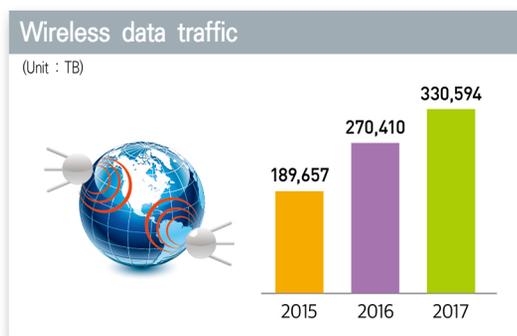
Note) Korea Internet & Security Agency(2017)



Note) Ministry of Science and ICT(2017)



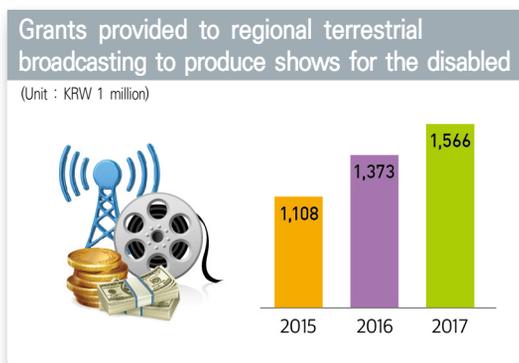
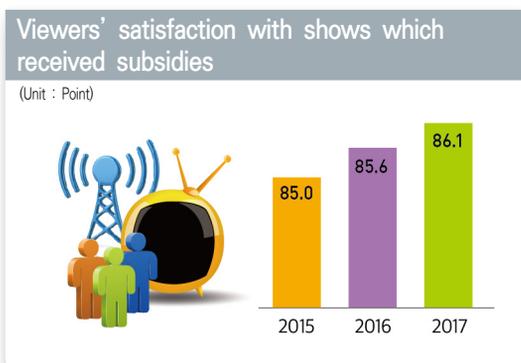
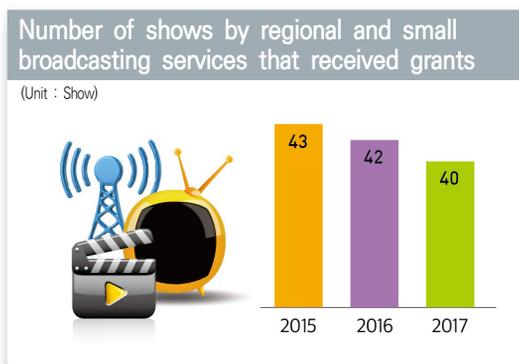
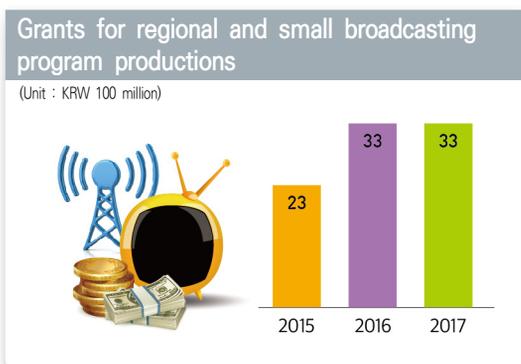
Note) Ministry of Science and ICT(2018)



Note) Traffic by wireless technologies(2G, 3G, 4G, WiBro, Wi-Fi) as of December of each year, Ministry of Science and ICT(2018)

## Content competitiveness of regional and small broadcasting has been enhanced to invigorate local services.

- ❖ The Commission has strengthened the quality of local broadcasting services through a number of policies that will support regional, small and medium broadcasting providers while expanding production support for regional and small broadcasting providers.
- ❖ The Commission has raised viewer satisfaction by providing the regional audience with quality shows and increasing subsidies that will meet productions costs for productions for the disabled by regional broadcasting service providers.

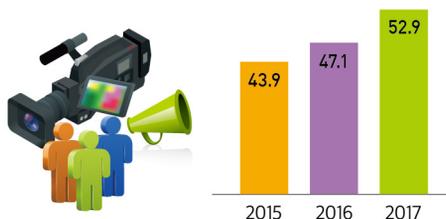


## Viewers' rights have been promoted by expanding user access to broadcasting.

- The Commission has expanded public access to the Viewers' Media Centers in order to boost viewers' engagement and offered media education for young students to nurture their creativity and motivation to study.
- By providing broadcast receivers for the visually or hearing impaired and supporting broadcast programs for the disabled, the Commission has committed itself to improving access to broadcast services for those who previously experienced disadvantages.

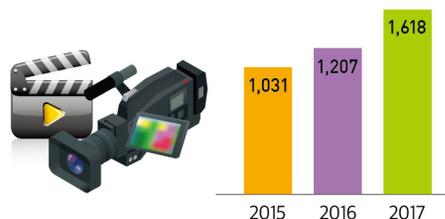
### Number of users of the Viewers' Media Centers

(Unit : Ten thousand people)



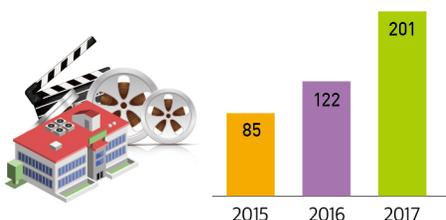
### Number of programs using the Viewers' Media Center facilities

(Unit : Show)



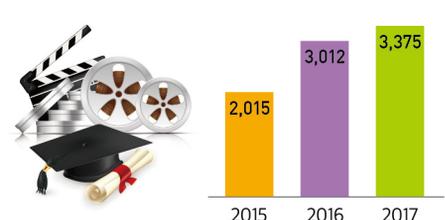
### Number of schools to participate in free semester media education

(Unit : Number of schools)



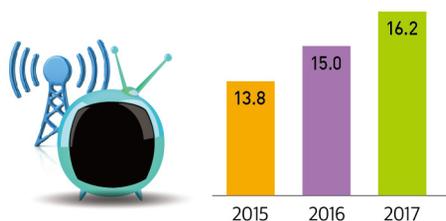
### Number of students to participate in free semester media education

(Unit : Person)



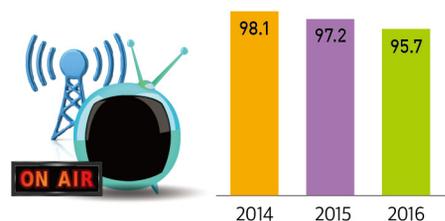
### Provision of broadcasting receivers for visually or hearing impaired people

(Unit : 10,000)



### Ratio of operators to meet the programming requirements for disabled people

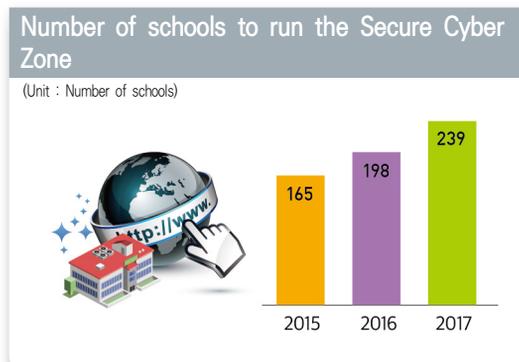
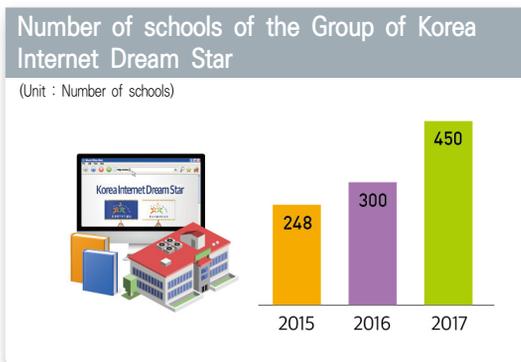
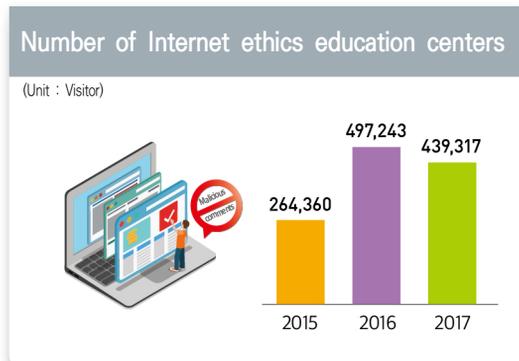
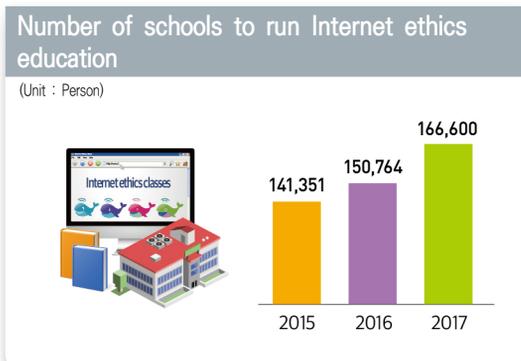
(Unit : %)



Note) Ratio for 2017 to be evaluated in 2018

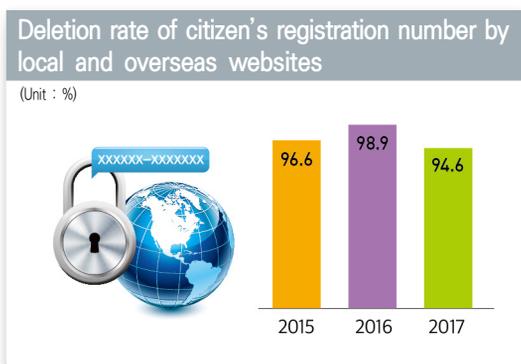
## A healthy Internet user environment has been created by carrying out a variety of activities.

- ❖ The Commission has offered anti-cyber bullying education which has attracted more schools to the Secure Cyber Zone program, establishing a sound Internet culture.
- ❖ The Commission continued to implement Internet ethics activities, operating Internet ethics classes and the Group of Korea Internet Dream Star.

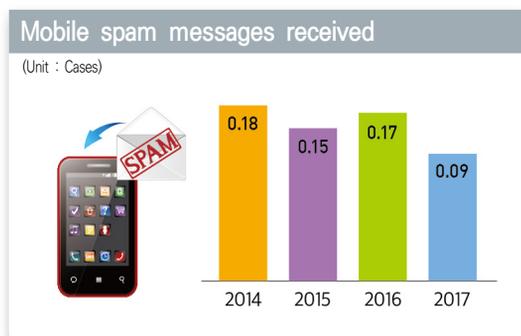
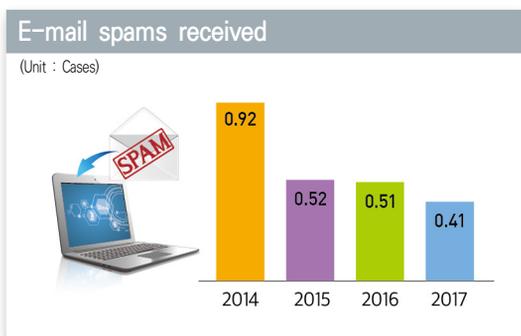
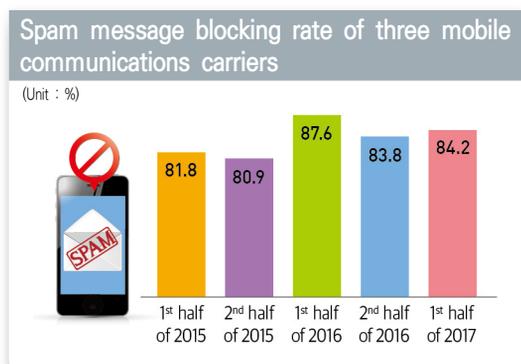


## The Commission has strengthened privacy protection and improved the broadcasting and communications service environment for users.

- The Commission has enhanced transparency in personal information usage by deleting the social security numbers of local and overseas websites by up to 94.6 % and recording a spam filtering rate of up to 84.2 %.
- The number of spam mails and mobile messages received by an average user recorded 0.41 and 0.09, respectively, as a result of the Commission’s endeavors to protect users.



Note) Ratio of the number of websites that deleted the registration number to those where numbers are exposed





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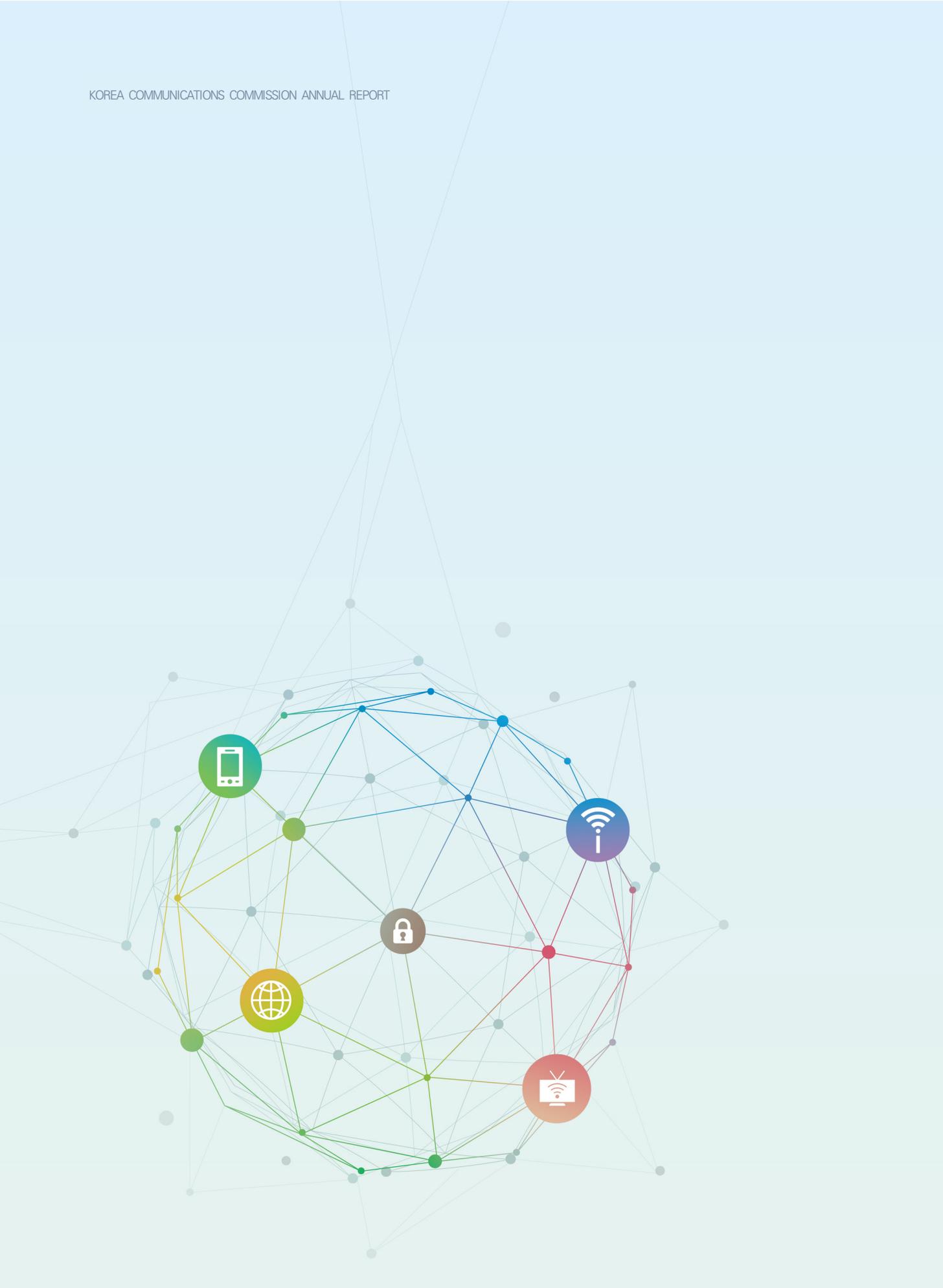
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# I Broadcasting and Communications Policy Environment



# I . Broadcasting and Communications Policy Environment

## 1. Trends in the Global Macro Economy and Broadcasting and Communications Markets

### a. Trends in the Global Macro Economy<sup>1)</sup>

The global economy in 2017 recorded a growth rate of 3.6 %, up 0.5 %p from 2016 thanks to the economic recovery of advanced nations. While the economic recovery in developed countries has impacted emerging economies through trade and investment routes, a significant rise in resource prices are considered to be a major factor in stimulating economic growth.

By major countries, the U.S. economy grew 2.2 percent in 2017 thanks to achieving steady growth in private consumption amid a strong job market, improved export performance following a weak currency turnaround, and restored corporate investment. With a growing domestic demand and a recovering export market, the Euro region grew 2.4 percent in 2017 as the political uncertainty triggered by Brexit eased in 2016. Japan showed a 1.5 percent growth rate thanks to domestic demand led by increasing private consumption and public investment in 2016. On the other hand, emerging economies achieved a steady growth compared to 2016 in efforts to obtain fiscal solidarity to support government spending including infrastructure investments, and resource rich countries such as Russia and Brazil enjoyed economic growth thanks to the stabilization of prices for international raw materials.

The global economy is expected to pick up slowly in 2018 due to fiscal and industrial programs pursued by advanced nations including China, Canada and US, and an extended quantitative easing(QE) program in Europe, while there are risk factors noted: rising protectionism, vulnerable financial market, potential instability from interest rate

1) Written based on OECD(2017), IMF(2017), Ministry of Strategy and Finance(2017), Korea Institute of Economy(2017)

changes, the gap between market value and economic activity.

The Organization for Economic Cooperation and Development expects that the global economy will grow 3.7 percent in 2018, 0.1 percent higher than the 3.6 percent in 2017. The United States is expected to see a growth rate from 2.2 percent in 2017 to 2.5 percent in 2018 due to increased domestic demand and quantitative expansion. Europe is predicted to grow 2.1 percent, a drop of 0.3 percent from 2017, with youth unemployment and financial vulnerabilities that might affect an economic slowdown in some countries the contributing factors. In China, GDP growth is expected to be 6.6 percent in 2018, down from 6.8 percent in 2017, as the country reduced its dependence on foreign countries and achieved a transition to the heavy industry.

**Table I - 1 |** Trends and forecasts of worldwide economic growth

(Unit : %)

Classification		OECD			IMF		
		2016	2017	2018	2016	2017	2018
World		3.1	3.6	3.7	3.2	3.6	3.7
Advanced countries	US	1.5	2.2	2.5	1.5	2.2	2.3
	Eurozone	1.8	2.4	2.1	1.8	2.1	1.9
	Japan	1.0	1.5	1.2	1.0	1.5	0.7
	Korea	2.8	3.2	3.0	2.8	3.0	3.0
Emerging countries	Brazil	△3.6	0.7	1.9	△3.6	0.7	1.5
	China	6.7	6.8	6.6	6.7	6.8	6.5
	India	7.1	6.7	7.0	7.1	6.7	7.4
	Russia	△0.2	1.9	1.9	△0.2	1.8	1.6

Note) △ : reduction

Sources) OECD(2017), OECD Economic Outlook / IMF(2017), World Economic Outlook

In 2017, with robust semiconductor exports and increased corporate investment, Korea enjoyed 3.2 % economic growth, recording a 3 % growth rate range in three years, thanks to the global economic recovery in the second half of the year and supplementary budget effect, which exceeded the original estimate (3.0 %).

The Korean economy is expected to see opportunities resulting from a broader export recovery including major business sectors such as semiconductors and a government led innovative growth plan. However, risk factors are still pointed: an increase in financial costs due to an increase in the minimum wage, higher corporate tax resulting in sluggish investments, and geopolitical tensions.

Despite the slowdown in construction and investment, the OECD predicts that Korea's economic growth in 2018 will reach 3.0 %, through recovery in global trade and global fiscal expansion policies. On the other hand, domestic institutions forecast that the country will see a 2.9 to 3.0 percent growth rate through the economic phase in which investment is slowing but consumption and exports are recovering.

**Table I - 2 | Forecast of domestic economic growth** (Unit : %)

Classification	Ministry of Strategy and Finance		Bank of Korea		KDI	
	2017	2018	2017	2018	2017	2018
Economic growth rate	3.2	3.0	3.1	2.9	3.1	2.9

Sources) Ministry of Strategy and Finance(2017), BOK(2017), KDI(2017)

## b. Trends in the Global Broadcasting and Communications Markets

In 2017, the global IT industry grew due to the global economic recovery and expansion of telecommunications devices and SW market. According to Gartner (2017), the global IT market in 2017 increased by 3.4 % to USD 3.73 trillion from 2016. In greater detail, devices grew 5.7 %, 4.7 % for the data center system, and 8.9 % for SW, respectively from 2016.

The IT market in 2018 is expected to see a 3.9 % growth rate from 2017 to reach USD 3.87 trillion. It is predicted that the communications services and SW will lead the overall IT market development in terms of size and growth rate.

**Table I - 3 | Size of the global IT market** (Unit : USD 1 billion)

Classification	2016	2017	2018	Growth rate		
				2015~2016	2016~2017	2017~2018
Appliances	631	667	704	△2.3 %	5.7 %	5.5 %
Data center systems	170	178	179	△0.6 %	4.7 %	0.6 %
SW	326	355	389	5.2 %	8.9 %	9.6 %
IT services	894	933	985	3.2 %	4.4 %	5.6 %
Communications services	1,580	1,592	1,612	0.5 %	0.8 %	1.2 %
Total	3,601	3,725	3,869	6.3 %	3.4 %	3.9 %

Note) Based on consumption, △ : reduction  
Source) Gartner(2017)

In 2017, the global broadcasting service market recorded USD 315 billion in volume based on 937 million paid TV subscribers, which is a 4.5 % growth from 2016.

The growth in the broadcast service market is driven by the increasing number of new subscribers in emerging countries, along with an increase in the overall rate. Meanwhile, the volume of the broadcasting service market in 2018 is expected to reach USD 332 billion, which is 5.5 percent higher than 2017.

**Table I - 4 |** Global broadcasting service market (Unit : 1 million people, USD 1 billion)

Classification		2016	2017	2018	Growth rate		
					2015~2016	2016~2017	2017~2018
Number of paid TV subscribers		885	937	962	3.2 %	5.9 %	2.7 %
Market volume	Paid TV service	275	282	290	3.7 %	2.5 %	2.7 %
	Subscription based VOD service	15	19	27	42.7 %	33.3 %	39.1 %
	Pay-Per-View VOD service	12	14	15	22.0 %	15.3 %	16.2 %
	Total	302	315	332	5.7 %	4.5 %	5.5 %

Note) Based on consumption,  $\Delta$  : reduction  
Source) Gartner(2017)

Gartner (2017) indicated that when it comes to the global telecommunications service, the wired market in 2017 would likely dwindle 1.0 % compared to 2016, while the wireless market would grow 1.8 % thanks to a continued increase in subscribers and traffic.

**Table I - 5 |** Forecast of the global communications market (Unit : USD 1 billion)

Classification		2016	2017	2018	Growth rate		
					2015~2016	2016~2017	2017~2018
Wired service	Business	282	276	270	$\Delta$ 2.3 %	$\Delta$ 2.2 %	$\Delta$ 2.2 %
	Individual	297	297	298	$\Delta$ 0.8 %	0.0 %	0.3 %
	Sub total	579	573	568	$\Delta$ 1.5 %	$\Delta$ 1.0 %	$\Delta$ 0.9 %
Wireless service	Business	297	301	307	2.7 %	1.4 %	1.9 %
	Individual	704	718	737	1.4 %	2.0 %	2.7 %
	Sub total	1,001	1,019	1,044	1.7 %	1.8 %	2.4 %
Total		1,580	1,592	1,612	0.5 %	0.8 %	1.2 %

Note) Based on consumption,  $\Delta$  : reduction  
Source) Gartner(2017)

Worldwide mobile traffic in 2017 rose by 3,931 PB per month from 2016, reaching 11,002 PB/mon, and is expected to grow at an average annual rate of 61.2 %, recording 47,804 PB/mon by the year 2021. By mobile communication devices, smartphone traffic is

leading the overall traffic (82.8 % as of 2017), and the rapid growth of M2M stands out. Cisco (2017) predicts that the share of traffic taken up by 4G (LTE) technology overall will go up from 69 % in 2016 to 79 % in 2021, and the share of 5G traffic will stand at 1.5 % in 2021.

The mobile phone market is formed based on 4G mobile communication(LTE), in the same way that the traffic is shared by technology.

**Table I - 6 | Forecast of subscribers to mobile communications global data traffic** (Unit : PB/Mon)

Classification		2016	2017	2021	Growth rate	
					2016~2017	2017~2018
Data traffic of mobile communications service (PB/mon)	Mobile phone	106.9	134.6	262.9	25.9 %	25.2 %
	Smartphone	5,749.1	9,109.8	41,032.6	58.5 %	63.4 %
	Mobile, tablet PC	1,059.6	1,479.2	4,335.7	39.6 %	42.2 %
	M2M	154.3	277.7	1,376.9	80.0 %	72.8 %
	Others	0.9	0.6	0.6	△34.2 %	△7.8 %
	Sub total	7,070.8	11,002.0	47,804.2	55.6 %	61.2 %
Number of mobile devices shipped (million)	2G	0.0	0.0	0.0	-	-
	2.5G	21.7	12.8	0.0	△41.0 %	-
	3G	245.2	186.0	116.3	△24.1 %	△17.0 %
	4G	1,206.6	1,336.0	1,657.8	10.7 %	8.3 %
	Sub Total	1,473.5	1,534.8	1,774.1	4.2 %	4.3 %

Note) △ : Reduction

Source) Cisco Mobile VNI(2017), IDC(2017)

## 2. Korea Broadcasting and Communications Policy Environment

### a. Trends in the Domestic Broadcasting and Communications Market

With the growth of mobile phones and digital TVs, the production of broadcasting and communication devices will rise 1.3 %, recording KRW 78.6 trillion in 2017, after overcoming economic recession in 2016.

On the other hand, the volume of exports is estimated at USD 36.8 billion, 1.7 % higher than 2016, mainly because of enhanced product competitiveness despite the slowdown in the global smartphone market and intensifying competition.

**Table I - 7 |** Trends of production and export volume of the domestic broadcasting and communications equipment

(Unit : KRW · 1 trillion, USD 1 billion)

Classification	2015		2016 <sup>P</sup>		2017 <sup>P</sup>		Growth rate 2016~2017	
	Production	Export	Production	Export	Production	Export	Production	Export
Communications devices	71.1	31.8	63.9	27.1	64.5	27.6	0.9 %	1.8 %
Broadcasting devices	14.4	8.5	13.7	9.1	14.1	9.2	2.9 %	1.1 %
Total	85.5	40.3	77.6	36.2	78.6	36.8	1.3 %	1.7 %

Note) P : Preliminary

Sources) Korea Association for ICT Promotion(2017), Korea Electronics Association(2017), KISDI(2017)

The sales of broadcasting services by Korean broadcasters is estimated at KRW 16.2 trillion, 1.9 % higher than 2016. In greater detail, terrestrial broadcasting sales is predicted to drop slightly over 2017, with a drop in advertising sales which is the biggest source of revenue being a significant factor. In the mid and long term, terrestrial broadcasting advertisement sales is expected to decrease as the market is intensifying with other media outlets, but is predicted to be around KRW 4 trillion thanks to the launch of the UHD broadcast and the improvement of the next-generation broadcasting environment.

Paid broadcasting is expected to generate KRW 5.6 trillion in revenue, similar to that of 2016. The broadcasting channels business is expected to grow continuously as the broadcasting channel businesses including MSP, general service PPs have increased their capability in content development, drawing more viewers, thus leading to an increase in sales of broadcasting advertisements.

**Table I - 8 |** Forecast of the domestic broadcasting service market sales

(Unit : KRW 1 trillion)

Classification	2016	2017 <sup>E</sup>	2018 <sup>E</sup>
Broadcasting services (growth rate over the previous year)	15.9 (3.8 %)	16.2 (1.9 %)	16.7 (3.1 %)
Terrestrial	4.0	3.9	4.0
Paid broadcasting	5.5	5.6	5.8
CATV business	6.4	6.7	6.9

Note) E : Estimate

Sources) 2016 Survey on broadcasting Industry (2016) / forecast by KISDI (2017~2018)

In 2017, the domestic advertisement market in total sales stood at KRW 12.10 trillion, up 2.6 % from 2016. As of 2017, the mobile phone accounts for the largest portion of the domestic advertising market with 18.6 %, followed by Internet advertisement(18.0 %), cable PP(17.0 %) and terrestrial TV(13.7 %). The sales volume of broadcast advertisements rose 0.9 % from 2016 to KRW 4.14 trillion, considered to be due to a sales increase in cable PP, satellite broadcasting and IPTV. The sales of terrestrial TV broadcasting in 2017 amounted to KRW 1.65 trillion, a 6.6 percent decrease from last year of KRW 1.77 trillion, while mobile ad sales stood at KRW 2.25 trillion, on a steady increase of 13.5 % from 2016. While the mobile ad market is expanding rapidly, the broadcasting (terrestrial) advertising market is sluggish, following the global trend.

**Table I - 9 | Trends of the domestic advertisement market sales** (Unit : KRW 100 million)

Classification		2016	2017 <sup>E</sup>	2018 <sup>E</sup>	Growth rate	
					2016~2017	2017~2018
Broadcasting	Terrestrial TV	17,693	16,529	16,340	△6.6 %	0.7 %
	Terrestrial DMB	81	80	80	△1.1 %	△0.2 %
	Cable PP	18,951	20,534	20,700	8.4 %	0.8 %
	Cable SO	1,346	1,338	1,315	△0.6 %	△1.7 %
	IPTV	846	887	909	4.9 %	2.5 %
	Satellite broadcasting	283	465	500	64.3 %	7.5 %
	Radio	1,856	1,584	1,399	△14.7 %	△11.7 %
	Sub total	41,056	41,417	41,243	0.9 %	△0.4 %
Online	Internet	21,731	21,715	21,397	△0.1 %	△1.5 %
	Mobile	19,816	22,498	25,446	13.5 %	13.1 %
	Sub total	41,547	44,213	46,843	6.4 %	5.9 %
Printed	Newspaper	15,275	15,246	15,276	△0.2 %	0.2 %
	Magazine	4,524	4,879	4,741	7.9 %	△2.8 %
	Sub total	19,799	20,125	20,017	1.6 %	△0.5 %
	Outdoor	10,885	10,632	10,334	△2.3 %	△2.8 %
Others	DM	867	883	885	1.8 %	0.3 %
	Life information	1,579	1,536	1,462	△2.7 %	△4.9 %
	Job information	344	319	319	△7.3 %	0.0 %
	Sub total	2,790	2,738	2,666	△1.8 %	△2.6 %
	Broadcasting production	1,860	1,839	1,929	△1.1 %	4.9 %
	Total	117,937	120,964	123,031	2.6 %	1.7 %

Note) E: Estimate, △: reduction  
Sources) MSIT, KOBACO (2017)

The number of paid broadcasting (general service, satellite broadcasting, and IPTV) subscribers in 2017 reached 30.28 million, up 1.1 % from 2016, surpassing the 30 million mark for the first time, but market growth is still slowing down. By media, the number of subscribers for the general service stood at 13.94 million people (accounting for 45.8 %), 13.13 million for IPTV (43.7 %), and 3.21 million for satellite TV(10.5 %).

**Table I - 10** | Trends of paid broadcasting TV subscribers (Unit : Ten thousand people)

Classification	2015	2016	2017*
Paid broadcasting (growth rate over the previous year)	2,818 (3.0 %)	2,996 (6.3 %)	3,028 (1.1 %)
General service	1,373	1,389	1,394
Satellite	309	308	321
IPTV	1,136	1,289	1,313

Note) \* as of Jun, 2017

Source) 2016 Report on the status of the broadcasting industry(2017), Ministry of Science and ICT(2017)

The sales of the telecommunications services in 2017 is estimated to be KRW 45.5 trillion, up 1.1 % from 2016. It is expected that the demand for wired services will continue to decline due to a decrease in the sales of wire phones, and the switchover to other devices. In the meantime, the broadband network will continuously dwindle due to the rising combined services, while the wireless communications services is expected to increase slightly as demand for data and LTE plans improved.

**Table I - 11** | Communications service market sales volume<sup>2)</sup> (Unit : KRW 1 trillion)

Classification	2016 <sup>P</sup>	2017 <sup>E</sup>	2018 <sup>E</sup>
Communications services* (Growth rate over the previous year)	45.0 (2.4 %)	45.5 (1.1 %)	46.4 (1.8 %)
Wired communications service	11.3	10.8	10.4
Wireless communications service	24.4	24.9	25.6

Note 1) P: Preliminary, E: Estimate

Note 2) \* Sales volume of communications service came from that of wired/wireless service and lease/resale of line equipment, and other services combined(recruiting, broking and additional services), wired and wireless communication services are shown

Source) KAIT for 2016 (2017) / KISDI for 2017~2018 forecast (2017)

2) With the introduction of the 2017 ICT integrated classification, the statistics of the communications services includes wired/wireless service, resale and broking service. The other communications services are incorporated into a wire service or part of information service.

The number of mobile-phone subscribers in 2017 stood at 63.66 million, up 3.8 percent from 2016. The number of smartphone subscribers rose to 48.61 million in 2017, accounting for 76.4 % out of the total subscribers from 46.42 million in 2016. Considering the trend for line increase, the number of net lines for the Internet of Things is surpassing that of mobile phone lines, suggesting that the IoT is contributing to the growing number of mobile subscribers.

**Table I - 12 |** Number of subscribers to mobile phones and smartphones (Unit : Ten thousand people)

Classification		2015	2016	2017
Mobile phone subscriber (Growth rate over the previous year)		5,894 (2.9 %)	6,130 (4.0 %)	6,366 (3.8 %)
Type	Smartphone	4,367	4,642	4,861
	Mobile phone	999	848	744
Usage	Mobile phone	5,366	5,490	5,605
	IoT	428	539	660
	Others	100	101	101

Source) Reconstruct data provided by the Ministry of Science and ICT(2017) on the number of mobile subscribers

Based on the current status of the lines by mobile communication technologies, only the number of LTE subscribers has increased among others to CDMA, WCDMA and LTE. As of 2017, the number of LTE subscribers account for about 50.44 million, accounting for 79.2 percent of the total.

**Table I - 13 |** Trends of mobile phone subscribers by technology (Unit : Ten thousand people, %)

Classification	2015		2016		2017		2016~2017 Growth rate	
	Subscribers	Ratio	Subscribers	Ratio	Subscribers	Ratio		
Type	CDMA	471	8.0	355	5.8	256	4.0	△27.9
	WCDMA	1,254	21.3	1,144	18.7	1,066	16.8	△6.8
	LTE	4,169	70.7	4,631	75.5	5,044	79.2	8.9
	Total	5,894	100.0	6,130	100	6,366	100.0	3.8
Usage	Mobile phone	5,366	91.0	5,490	89.6	5,605	88.0	2.1
	IoT	428	7.3	539	8.8	660	10.4	22.5
	Others	100	1.7	101	1.6	101	1.6	0.0
	Total	5,894	100	6,130	100	6,366	100.0	3.8

Note) △ : reduction

Source) Reconstruct data provided by the Ministry of Science and ICT(2017) on the number of mobile subscribers

With the introduction of smart phones, the 4G mobile-phone market, and various phone plans, domestic mobile phone traffic is growing rapidly. Mobile communications generate 287,438 TB/mon on average, meaning they consume 36.2 % more traffic than 2016. When it comes to device type, 3G/4G smartphones make up 99.9 % of the traffic, and 4G smartphones account for 99.5 percent, suggesting that the 4G(LTE) phone is leading the market not only in the number of subscribers, and type of device, but also the trend for mobile traffic.

**Table I - 14 |** Trend of mobile traffic by wireless technology

(Unit : TB/Mon)

Classification		2015	2016	2017	Growth rate	
					2015~2016	2016~2017
Device type	2G/3G mobile	46	31	32	△32.6 %	3.2 %
	3G smartphone	3,941	1,941	1,359	△50.7 %	△30.0 %
	4G smartphone	139,168	209,071	286,046	50.2 %	36.8 %
	Total	143,155	211,043	287,438	47.4 %	36.2 %
Technology by generation	2G	6	7	5	16.7 %	△28.6 %
	3G	3,980	1,965	1,386	△50.6 %	△29.5 %
	4G	140,305	211,582	290,379	△50.8 %	37.2 %
	WiBro	3,869	3,058	1,885	△21.0 %	△38.4 %
	WiFi	9,473	11,742	14,862	24.0 %	26.6 %
	Total	157,633	228,354	308,517	44.9 %	35.1 %

Note) △: Reduction

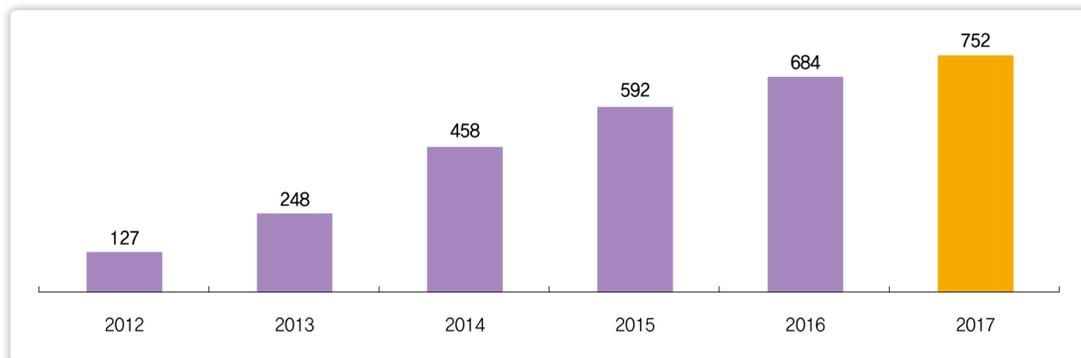
Source) Reconstruct data provided by the Ministry of Science and ICT(2017)

Since July 2011, when the wholesale provision of the telecommunications services was implemented, the number of MVNO subscribers has continued to rise thanks to the operators' efforts in addition to government led policies in an attempt to reduce the wholesale prices and spectrum service fees, and allow the post office to take up the role as a sales agent.

In 2017, the MVNO has attracted 7.52 million subscribers, an increase of 10.0 % from 2016, accounting for 12.0 % of the total mobile phone market. As of June 2017, 43 MVNOs have secured subscribers, revitalizing the mobile market.

**Figure I - 1 | Trends of MVNO service subscribers**

(Unit : Ten thousand people)



(Unit : Ten thousand people)

Classification	2012	2013	2014	2015	2016	2017	Growth rate
							2016-2017
Subscribers	127	248	458	592	684	752	10.0%

Source) Ministry of Science and ICT(2017)

## b. Changes in the Broadcasting and Communications Policy Environment

The broadcasting and communications services market was KRW 61.4 trillion (KRW 16.2 trillion broadcasting and KRW 45.2 trillion for communication) in 2017, a 1.3 % increase from 2016. The general and paid broadcasting service segment is growing, but the broadcasting service market as a whole has slowed down due to mobile based viewership.

The existing telecommunications service market is saturated with wired and mobile phones. However, the development of IT-based new industry services, such as Big Data, Internet of Things(IoT), and O2O services, serves as a growth engine in the telecommunications market.

The share of terrestrial broadcasting is on the decline, while the influence of new media such as the Internet, mobile, and IPTV is expanding. Therefore, it is required to establish policies to promote the broadcasting industry: including improving the advertisement institutions, encouraging fair competition and mutual cooperation among broadcasting operators, and introducing new broadcasting services such as UHD and MMS. Furthermore, it is necessary to enhance the vitality of the broadcasting market by providing support

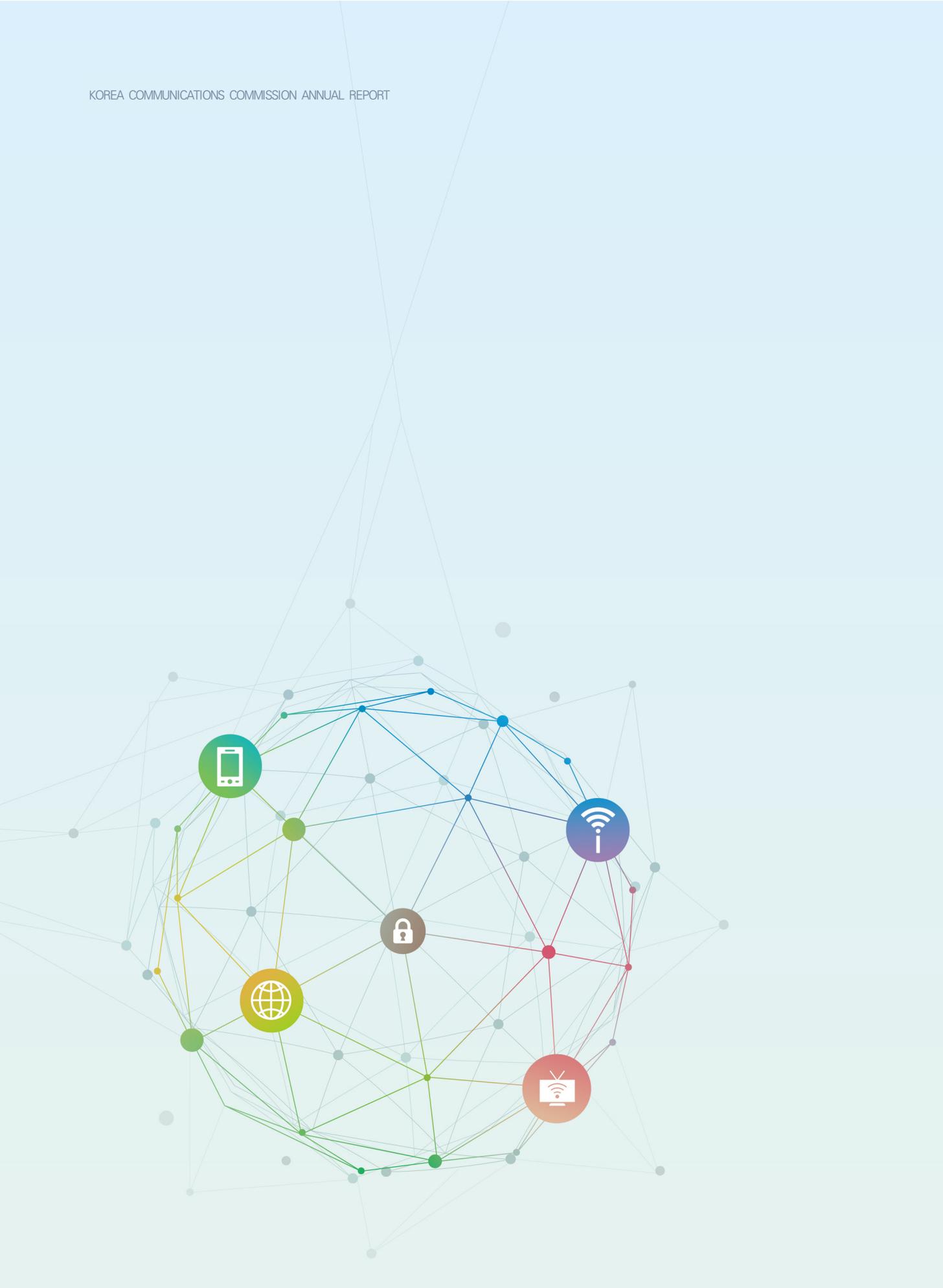
for business operators to advance into overseas markets in an effort to pave the way for international cooperation and secure funding for the production of Korean Wave broadcasting contents.

Competition is overheating for the broadband Internet and wired and mobile phones market, that will lead to stagnant growth in the industry. Under the circumstances, user damage prevention is required to a greater degree. On the other hand, 2017 is the first year that the foundation for future communication networks was laid. Fifth-generation (5G) mobile communication has established a roadmap for commercial use and produced significant achievements including the establishment of the next-generation Internet of Things(IoT) nationwide network. Although it did not bring tangible financial results immediately, the communication for next generation is expected to serve as a key infrastructure leading the fourth industrial revolution and also solidify the foundation for strengthening the nation's future competitiveness.

In the broadcasting and telecommunications market, media production and consumption is diversified as a result of the development of UHD broadcasting and the advancement of broadcasting service providers into the OTT market, the expansion of a single person show using MCN and SNS, and combined services. To address the issue of a saturated market, broadcasters are moving into new forms of business such as online video services(OTT) and virtual reality(VR). The share of the OTT service is expected to increase in the local broadcast market as more viewers display a preference for watching the program they like in one time. As more viewers tend to watch programs through the internet and mobile phones, the convergence of broadcasting and communication services, such as OTT and web contents, are constantly generating new media services. Thus it is required to put in place future oriented regulatory measures in order to close the media gap and ensure fair competition in the market.

As intelligence information services such as Big Data and the Internet of Things (IoT) began to kick into high gear, the expectation was that more new IT-based business services would be introduced and user protection would be further complicated. With various telecommunications services and the newly introduced services, the number of user damages increases. Therefore, there is a requirement to create an environment for improving the relevant institutions and user protection. Meanwhile the use of personal

information services spreads across all sectors, which clearly indicates the need to strengthen international cooperation in response to the expansion of global services along with preemptive efforts to strengthen privacy protection.





# II

## Status and Policy Objectives of the Korea Communications Commission





## II. Status and Policy Objectives of the Korea Communications Commission

### 1. Overview

The Korea Communications Commission (hereinafter referred to as ‘the Commission’ or ‘the KCC’), founded pursuant to the ‘Act on the Establishment and Operation of the Korea Communications Commission’, is responsible for regulating broadcasting and communications services, protecting their users, and dealing with other matters required for maintaining the independence of broadcasting services. Its mission is to contribute to promoting the freedom, public nature and public interest of broadcasting by actively responding to the convergence between broadcasting and communications sectors.

The key functions of the Commission include the formulation and implementation of policies pertaining to terrestrial broadcasting, a general service and news-specialized Program Provider (Programming providing business operator, hereinafter referred to as ‘PP’), as well as the investigation and imposition of sanctions against violations conducted by broadcasting or communications business operators, the development and implementation of wide-ranging measures aimed at protecting users and their personal information, preventing the circulation of illegal or harmful information, the arrangement of broadcasting commercials, the formulation and enforcement of policies on programming and evaluation, and the development of policies for media diversification.

The Commission is composed of five standing commissioners including the chairman and the vice chairperson. Of the five standing commissioners, two including the chairman, are directly appointed by the President of the Republic of Korea. The remaining three are nominated by the National Assembly and appointed by the President<sup>1)</sup>. The Commission deliberates and resolves key issues according to the characteristics of the Collegiate System.

1) One of the three standing commissioners is recommended by the negotiating group of the political party which the President is or was a member of while other two are recommended by other negotiating bodies

The Commission is responsible for the enforcement of the statutes listed in the table below:

**Table II-1 |** Laws under the jurisdiction of the Commission

Law	Description	Dates enacted and amended
「Act on the Establishment and Operation of the Korea Communications Commission」	<ul style="list-style-type: none"> <li>• Legal basis for the foundation, organization, and administrative structure of the Commission</li> <li>• Duties and operational methods of the Commission and organization of review committees</li> </ul>	<p>Enacted on Feb. 29, 2008 Amended on Dec. 22, 2015</p>
「Framework Act on Broadcasting Communications Development」	<ul style="list-style-type: none"> <li>• Establishment of basic policy directions and plans for broadcasting and communications</li> <li>• Disaster management in broadcasting and communications and the establishment of the Broadcast Communications Development Fund</li> </ul>	<p>Enacted on Mar. 22, 2010 Amended on Jul. 26, 2017</p>
「Broadcasting Act」	<ul style="list-style-type: none"> <li>• Freedom and independence of broadcasting programming and public responsibility of broadcasting services</li> <li>• Licensing, re-licensing, approval/permission or re-approval of broadcasting service businesses</li> </ul>	<p>Enacted on Jan. 12, 2000 Amended on Jul. 26, 2017</p>
「Korea Educational Broadcasting System Act」	<ul style="list-style-type: none"> <li>• Capital and investments of the Korea Educational Broadcasting System</li> <li>• Appointment of officers and the composition of the board of directors</li> </ul>	<p>Enacted on Jan. 12, 2000 Amended on Dec. 22, 2015</p>
「Foundation for the Broadcast Culture Act」	<ul style="list-style-type: none"> <li>• Organization of officers for the Foundation of Broadcasting Culture</li> <li>• Legal basis for Culture Promotion Fund</li> </ul>	<p>Enacted on Dec. 26, 1988 Amended on Jun. 3, 2014</p>
「Special Act on the Support for Regional Broadcasting Development」	<ul style="list-style-type: none"> <li>• Establishment of Plans for Regional Broadcasting Development and Support</li> <li>• Organization of the Regional Broadcasting Development Committee</li> </ul>	<p>Enacted on Jun. 3, 2014</p>
「Act on Broadcast Advertising Sales Agencies, etc.」	<ul style="list-style-type: none"> <li>• Licensing of broadcast advertising sales agencies and restrictions on their ownership</li> <li>• Balanced development of broadcasting advertisements</li> </ul>	<p>Enacted on Feb. 22, 2012 Amended on Jul. 26, 2017</p>
「Internet Multimedia Broadcast Services Act」	<ul style="list-style-type: none"> <li>• Licensing of Internet multimedia broadcast services</li> <li>• Guarantee of fair competition</li> </ul>	<p>Enacted on Jan. 18, 2008 Amended on Dec. 26, 2017</p>
「Act on the Protection, Use, etc., of Location Information」	<ul style="list-style-type: none"> <li>• Classification of business operators and the system for market entry</li> <li>• Use of personal location data by emergency aid agencies</li> </ul>	<p>Enacted on Jan. 27, 2005 Amended on Jul. 26, 2017</p>

Law	Description	Dates enacted and amended
「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」	<ul style="list-style-type: none"> <li>• Restriction of collection and the use of personal data</li> <li>• Guarantee of information network security</li> </ul>	Enacted on May 12, 1986 Amended on Jul. 26, 2017
「Mobile Device Distribution Improvement Act」	<ul style="list-style-type: none"> <li>• Prohibition on discriminative subsidization and the announcement of subsidies</li> <li>• Restriction on making independent contracts related to subsidies</li> </ul>	Enacted on May 28, 2014 Amended on Jul. 26, 2017
「Telecommunications Business Act」	<ul style="list-style-type: none"> <li>• Classification of services and business operators, promotion of competition, and systems for fair competition</li> <li>• System for protecting network users</li> </ul>	Enacted on Dec. 30, 1983 Amended on Jul. 26, 2017
「Radio Waves Act」	<ul style="list-style-type: none"> <li>• Procedure for the distribution, allocation, recollection and reallocation of frequency bands</li> <li>• Procedure for the use of radio stations, including their licensing and inspection</li> </ul>	Enacted on Dec. 30, 1961 Amended on Jul. 26, 2017

Note) Includes statutes that are jointly enforced by the Ministry of Science and ICT

## 2. Organization and Functions

### a. Organizational Status

Figure II-1 | The standing commissioners of the forth-term Commission

	<p><b>Lee Hyo-seong, Chairman</b></p> <p>Chairman Lee earned his bachelor's degree in Geology(1973) and master's degree in Journalism and Information Studies(1975) from Seoul National University and went on to complete his Ph.D in Journalism(1979) from the same University. He worked as a reporter for the Munhwa Broadcasting Corporation and Kyunghyang Newspaper(1978) and a professor of Journalism and Mass Communication, Sungkyunkwan University (1990-2016), head of the Korea Research Society for Journalism(1991-1993), chairman and Policy Director of Citizens Coalition for Democratic Media(1998-2003), president of the Korean Association for Communication and Information Studies(1998-2000), co-chair of the People's Coalition for Media Reform(1998-2000), head of the Korea Association for Broadcasting &amp; Telecommunications Studies(2002-2003), vice chairman of the Korea Broadcasting Commission(2003-2006), president of the Graduate School of Journalism and Media, Sungkyunkwan University(2007-2011) and professor Emeritus of Sungkyunkwan University(2016-2017).</p>
	<p><b>Hur Wook, Vice Chairman</b></p> <p>Hur obtained a B.S. in Civil Engineering from Sungkyunkwan University(1985), and went on to earn his M.A. in Broadcasting, Mass Communications Graduate School from Sogang University(1996), completed his Ph.D in Business from Kyung Hee University(2016). Having started his career as the deputy head of News Department, Christian Broadcasting System(CBS)(1989-2000), he worked as head of the Planning and Coordination Department, Christian Broadcasting System(CBS)(1999-2000), president of CBSi (2000-2003), editorial director of the UpKorea online newspaper(2003-2004), deputy director, Editorial Department, Aju News(2008) and head of the Research Center on Value Business, Expert Consulting(2011-2017) and more.</p>
	<p><b>Kim Seok-jin, Commissioner</b></p> <p>Kim majored in Political Science &amp; International Relations at Kookmin University (1984) and completed an Advanced Program at the Graduate School of Journalism &amp; Mass Communication, Yonsei University. Having started his career as a reporter at Munhwa Broadcasting Corporation (1984), his posts include politics reporter and editorial writer, director general for the news reporting office of OBS TV (2007), head of the news reporting bureau (2009-2011), director and head of the news reporting bureau of Yonhapnews TV (2011), auditor of the Construction Workers Mutual Aid Association(2013) and more.</p>
	<p><b>Pyo Chul-soo, Commissioner</b></p> <p>Pyo graduated from Seoul National University with a bachelor's degree in geology(1975). Having started his career at the News Division of KBS (1975), he went on to work as the deputy division head of the Politics Division of KBS(1986), division head at the News Division of YTN (1994), media director of YTN(1999), non-standing board member of the Korea Expressway Corporation(1999-2001), managing director and executive director of Gyeongin Broadcasting(2000-2003), secretary general of the Korea Broadcasting Commission(2003-2006), non-standing board member of the Korea Press Foundation(2005), deputy governor of Gyeonggi Province(2007-2009) and senior advisor of the New Politics Alliance for Democracy(2014).</p>
	<p><b>Ko Sam-seog, Commissioner</b></p> <p>Ko graduated from Chosun University with a BA in Political Science and Diplomacy in 1993. He earned his MA in the same discipline from Sogang University in 1996 and a Ph.D. in Journalism and Mass Communication from Chung-Ang University in 2010. He served as the National Assembly assistant (2000), PR planning administrator in the Presidential Secretariat (2003), innovation officer in the Presidential Secretariat (2006), member of the Korea Broadcasting-Communication Convergence Commission under the Prime Minister's Office (2006), adjunct professor at the Graduate School of Mass Communication at Chung-Ang University (2012), Director of the Media Literacy Center at the Media &amp; Future Institute (2013), and the National Assembly Policy Researcher (2014).</p>

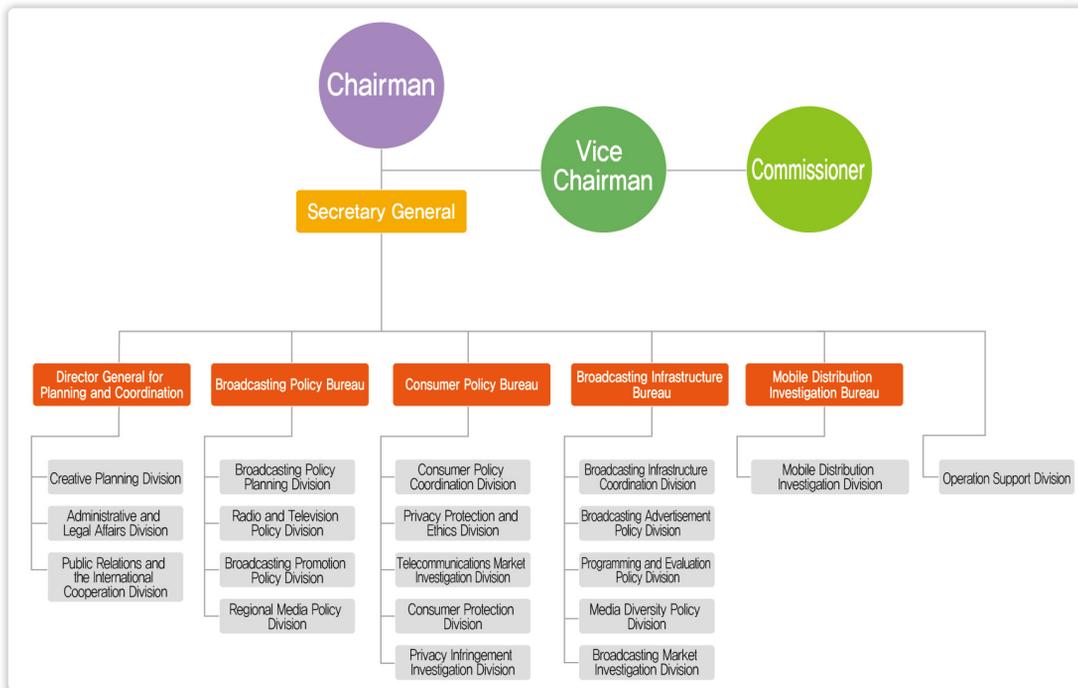
Following the amendment of the 「Organizational System of the Korea Communications Commission」(Presidential Decree No. 27906, enforced on December 28, 2017), the Commission, previously composed of one secretariat, three bureaus, one director general, and eighteen divisions has been reorganized with the current structure of one secretariat, three bureaus, one director general, and nineteen divisions, as shown in 〈Figure II-2〉.

The major amendments are as follows:

The Privacy Infringement Investigation Division has been temporarily organized to operate until February 28, 2019. The team's duties include administrative affairs related to coming up with measures to deal with privacy infringement on the information and communications network. To this end, four new members (one Grade 4, one Grade 5 and two Grade 6 civil servant) was added on a temporary basis, while another Grade 5 civil servant was appointed to support and enhance the capability to handle an earthquake in the relevant area and international relations. Also one Grade 6 civil servant took charge of preventing illegal and harmful information from the market.

Also, the head of the broadcasting infrastructure bureau is in charge of retroactive sanctions that once fell under the broadcasting policy bureau, after combining the affairs related to retroactive sanctions -including an investigation on the illegal activities of broadcasting operators and corrective measures- and regulatory policies on broadcasting.

Figure II- 2 | Organizational Chart of the Korea Communications Commission



## b. Responsible Services and the Division of Duties

Under Article 11 of the 「Act on the Establishment and Operation of the Korea Communications Commission」, the following matters shall be considered as duties under jurisdiction of the Commission:

1. Matters concerning policies on broadcast advertising, policies on the evaluation of programming, planning for broadcasting promotion, planning for broadcasting policies, policies on terrestrial broadcasting, and policies on broadcasting channels
2. Matters concerning the overall control of research and planning, market surveys on broadcasting and communications, protection of users of broadcasting and communications, promotion of viewers' rights and interests, and ethics relating to protecting personal information
3. Matters concerning the management of frequencies used for broadcasting services
4. Other matters determined as the duties of the Commission by this Act or other Acts

Under Article 12, the Commission shall deliberate and resolve the following matters from duties under its jurisdiction:

1. Matters concerning basic plans on broadcasting and those on the regulation of communications
2. Matters concerning the recommendation on directors and the appointment of auditors for the Korean Broadcasting System
3. Matters concerning the appointment of directors and auditors for the Foundation for Broadcast Culture
4. Matters concerning the appointment of chief executive officer, directors, and auditors for the Educational Broadcasting System
5. Matters concerning the research and the assessment of media diversity
6. Matters concerning the permission and renewal of permission granted to terrestrial broadcasting business entities and community radio broadcasting business entities.
7. Matters concerning the approval for program providing business entities using broadcasting channels for general programming or programming specialized in news reports
8. Matters concerning the permission, renewal of permission, and permission for change granted to satellite broadcasting business entities, CATV broadcasting business entities, and CATV relay broadcasting business entities, as well as those concerning the consent to the enactment, modification, and repeal of related statutes
9. Matters concerning the permission, revocation, and approval for broadcast advertising sales agencies pursuant to the 「Act on Broadcast Advertising Sales Agencies, etc.」
10. Matters concerning the investigation and restriction on prohibited acts by broadcasting business entities
11. Matters concerning the investigation into and restriction on prohibited acts by broadcast advertising sales agencies
12. Matters concerning the investigation into and restriction on prohibited acts by telecommunications business entities
13. Matters concerning the mediation of disputes between and among broadcasting business entities and telecommunications business entities, or disputes between business entities and users, etc.

14. Matters concerning the mediation of disputes between and among broadcast advertising sales agencies, etc.
15. Matters concerning the response to complaints from viewers as well as the protection of users of broadcasting and communications
16. Matters concerning the management of a community media foundation
17. Matters concerning the guarantee of universal watching and listening rights
18. Matters concerning the composition and management of the Broadcasting Evaluation Committee
19. Matters concerning the restrictions, etc. on the share of the audience for broadcasting business entities
20. Matters concerning the disciplinary measures pursuant to the deliberation and resolution by the Korea Communications Standards Commission
21. Matters concerning the composition and management of the Regional Broadcasting Development Committee
22. Matters concerning the research and support with respect to the regulation of broadcasting and communications
23. Matters concerning the international cooperation with respect to the regulation of broadcasting and communications
24. Matters concerning the management of frequencies used for broadcasting services
25. Matters concerning the operation, organization, and sales of broadcast programs and broadcast advertising
26. Matters concerning the raising, management, and operation of funds related to broadcasting and communications
27. Matters concerning the enactment, modification, and repeal of statutes concerned as well as regulations of the Commission
28. Matters concerning the budget and budget planning of the Commission
29. Matters on which the Commission has deliberated and resolved pursuant to this Act or other Acts

Each department of the Commission is responsible for the specific duties provided in <Table II-2> :

**Table II-2** | Division of work by the department of the Commission

Departments		Key Duties
Director General for Planning and Coordination	Creative Planning Division	<ul style="list-style-type: none"> <li>Establishment and coordination of policies and major plans</li> <li>General management of the Commission's organization, personnel quota, and other committees</li> <li>Establishment of a mid-term budget and planning, allocation and execution of the budget</li> <li>Budge arrangement, expenditure, operation cost expenditure and closing</li> <li>Coordination of Government 3.0 duties and services for cooperation with the National Assembly and other external agencies</li> <li>Management of office services, office automation, and the establishment and operation of knowledge information systems</li> <li>Emergency, security-related services, and disaster management</li> </ul>
	Administrative and Legal Affairs Division	<ul style="list-style-type: none"> <li>Basic planning for performance management and administrative systems and trend analysis</li> <li>Services or duties related to the drafting or review of law bills, administrative decisions and regulations, and regulation reforms</li> <li>Appointment of officers for the Korean Broadcasting System, the Korea Educational Broadcasting System, and the Foundation for Broadcast Culture</li> <li>Coordination of agenda items for cabinet meetings and Vice-Minister meetings</li> <li>Meeting of the Commission, compilation and preservation of the agenda</li> <li>Reception for the review of the meeting agenda of the Commission</li> <li>Coordination of tasks related to the National Assembly</li> </ul>
	Public Relations and International Cooperation Division	<ul style="list-style-type: none"> <li>Policies on international cooperation by region, including inter-governmental cooperation</li> <li>Negotiations related to broadcasting and communications, including those for the WTO and FTA</li> <li>Policies concerning international organizations</li> <li>Operation of international organizations related to broadcasting and communications, and their policy development</li> <li>Support for public relations or press briefings on key policies</li> <li>Analysis, evaluation of, and response to press reports</li> </ul>
Broadcasting Policy Bureau	Policy Planning Division	<ul style="list-style-type: none"> <li>Coordination of broadcasting service policies</li> <li>Development of mid-and long-term broadcasting basic policies and public broadcasting policies</li> <li>Enactment of and amendment to the broadcasting business law</li> </ul>
	Radio and Television Policy Division	<ul style="list-style-type: none"> <li>Policies and license of terrestrial broadcasting</li> <li>Policy establishment and implementation for new and additional services of terrestrial broadcasting</li> <li>Policy establishment and implementation for terrestrial broadcasting technology</li> </ul>
	Broadcasting Promotion Policy Division	<ul style="list-style-type: none"> <li>Policy establishment for the general service and news-specialized PPs</li> <li>Policy establishment for welfare channels for public interest and the disabled</li> <li>Planning of the broadcasting frequency operation by the broadcasting media</li> </ul>
	Regional Media Policy Division	<ul style="list-style-type: none"> <li>Policy and license for regional broadcasting and terrestrial DMB</li> <li>Management of the Community Media Foundation and media education</li> <li>Policy establishment and support for the promotion of viewers' broadcasting participation</li> </ul>

Departments		Key Duties
Consumer Policy Bureau	Consumer Policy Coordination Division	<ul style="list-style-type: none"> <li>• Policies concerning the protection of broadcasting and communications service users</li> <li>• Analysis, enactment or amendment of policies or statutes related to the protection of broadcasting and communications service users</li> <li>• Arbitration and mediation of disputes regarding communications services</li> </ul>
	Privacy Protection and Ethics Division	<ul style="list-style-type: none"> <li>• Enactment or amendment of policies or statutes related to the protection of personal information on IT networks</li> <li>• Measures for the protection of personal information by Internet Service Providers</li> <li>• Licensing and approval of location information services operators</li> <li>• Enactment or amendment of statutes related to the prevention of the distribution of unhealthy information on the Internet</li> <li>• Research, education, and publicity of cyber ethics and illegal information prevention</li> </ul>
	Privacy Infringement Investigation Division	<ul style="list-style-type: none"> <li>• Measures to prevent privacy infringement incidents on the information and communications network</li> <li>• Relief from the infringement on privacy on the information and communications network</li> <li>• Monitoring, Planning and investigating of privacy protection on the information and communications network</li> </ul>
	Telecommunications Market Investigation Division	<ul style="list-style-type: none"> <li>• Analysis of the communications market trends and market monitoring</li> <li>• Regulation improvement for fair competition in the communications market</li> <li>• Investigation or imposition of corrective actions against the violation of statutes by communications business operators</li> </ul>
	Consumer Protection Division	<ul style="list-style-type: none"> <li>• Policy improvement concerning the protection of broadcasting and communications service consumers</li> <li>• Education and promotions concerning broadcasting and communications service usage and damage prevention</li> <li>• Fact-finding investigations and correctional measures concerning the interest violations of broadcasting and communications service users</li> </ul>
Broadcasting Infrastructure Bureau	Broadcasting Infrastructure Coordination Division	<ul style="list-style-type: none"> <li>• Establishment of the systems for protecting the universal viewing rights and the enactment or amendment of the statutes</li> <li>• Establishment and enforcement of policies concerning broadcasting language and support for the establishment of broadcasting review policies</li> <li>• Signing of the international agreement on joint production and international cooperation on broadcasting content</li> </ul>
	Broadcast Advertisement Policy Division	<ul style="list-style-type: none"> <li>• Improvement of policies or statutes concerning broadcasting advertisement and sponsorship</li> <li>• Matters concerning competition policies for broadcasting advertisement sales agencies</li> <li>• Support for SMEs broadcasting advertisements, the establishment and enforcement of public advertisement promotion policies</li> <li>• Monitoring violations of broadcasting advertisements and sponsorship announcements</li> </ul>

Departments		Key Duties
Broadcasting Infrastructure Bureau	Programming and Evaluation Policy Division	<ul style="list-style-type: none"> <li>• Matters concerning the enactment and amendment of laws on outsourcing production and the establishment and implementation of policies</li> <li>• Establishment of the basic planning for broadcasting assessment and the implementation of broadcasting evaluation, enactment and amendment of laws on broadcasting assessment</li> <li>• Notice of broadcasting programming ratios and the development of mid- or long-term policies related to broadcasting programming</li> <li>• Survey of receiver assessment and the establishment and implementation of related policies</li> </ul>
	Diversity Policy Division	<ul style="list-style-type: none"> <li>• Establishment and implementation of basic plans concerning the diversity of opinion of broadcasting</li> <li>• Establishment and implementation of basic plans concerning the status of competition in the broadcasting market</li> <li>• Establishment and implementation of policies for the disabled and groups with limited access to broadcasting</li> </ul>
	Broadcasting Market Investigation Division	<ul style="list-style-type: none"> <li>• Investigations into the illegal activities of operators and the appropriate measures</li> <li>• Improving institutions to ensure fair competition in the broadcasting market</li> <li>• Announcement concerning the property of broadcasting operators and management analysis</li> <li>• Dispute settlement regarding broadcasting</li> </ul>
Mobile Distribution Investigation Bureau	Mobile Distribution Investigation Division	<ul style="list-style-type: none"> <li>• Monitoring of the mobile device distribution market and the establishment of investigation plans</li> <li>• Implementation of an emergency suspension order system concerning mobile device subsidies</li> <li>• Investigation and sanctions against the unfair practices of mobile operators or distributors concerning the 「Mobile Device Distribution Improvement Act」</li> </ul>
Operation Support Division		<ul style="list-style-type: none"> <li>• Personnel affairs, prizes, punishment, education and training, employment management</li> <li>• Protocol, management and defense of the complex</li> <li>• Audit of the Commission and relevant organizations under the jurisdiction of the Commission</li> </ul>

### c. Public and Relevant Organizations under the Jurisdiction of the Commission

The Korea Broadcast Advertising Corporation and Community Media Foundation are the public organizations under the jurisdiction of the Commission, and three organizations - the Korea Broadcasting System, Korea Educational Broadcasting System, and the Foundation for Broadcast Culture - are institutions relevant to the Commission. Their foundation bases, missions, and key functions are listed in <Table II-3 and 4>.

**Table II-3 | Public organizations under the jurisdiction of the Commission**

Name of the agency	CEO	Name	Basis of the legal foundation	Key mission and functions
Korea Broadcast Advertising Corporation (KOBACO)	President	(vacant)	Article 24 of the 「Act on Broadcast Advertising Sales Agencies, etc.」	A brokerage and sales agency for advertisements sales and the implementation of supporting projects for the balanced development of broadcasting advertisements
Community Media Foundation (CMF)	Chairman	Shin Tae-seop	Article 90.2 of the 「Broadcasting Act」	Duties regarding viewers' participation in broadcasting and the promotion of viewers' rights

Note) Community Media Foundation (CMF) was designated as the public agency on February 3, 2016

**Table II-4 | Relevant organizations to the Commission**

Name of the agency	CEO	Name	Basis of the legal foundation	Key mission and functions
Korean Broadcasting System (KBS)	President	(vacant)	Article 43 of the 「Broadcasting Act」	Efficient operation of broadcasting services at home and abroad as the government-owned mainstay broadcasting service, and relevant projects promote broadcasting culture
Korea Educational Broadcasting System (EBS)	President	Jang Hae-ryang	Article 7 of the 「Korea Educational Broadcasting System Act」	Supply broadcasting content on education, knowledge, information, and culture, and R&D related to educational broadcasting
Foundation for Broadcast Culture (FBC)	Chairman	(vacant)	Article 5 of the 「Foundation for Broadcast Culture Act」	Research and academic projects to advance the broadcasting culture

#### d. Expenditure Budget in 2017

The expenditure budget of the Commission in 2017 was KRW 239.3 billion, which can be broken down into either the general budget account of KRW 54.5 billion and the Broadcast Communications Development Fund account of KRW 184.8 billion, or into the communication account of KRW 63.2 billion and the broadcasting account (including culture and tourism) of KRW 176.1 billion. Alternatively, the expenditure budget can be broken down into payroll expenses of KRW 17.3 billion, basic expenses of KRW 4.2 billion, and key service expenses of KRW 217.8 billion. The details are shown in <Table II-5> below:

Table II-5 | Details of the 2017 expenditure budget of the Commission

(Unit : KRW 100 million)

Classification		2016(A)	2017(B)	Fluctuation (B-A)		
					%	
Total expenditure (I+II) (Total = total expenditure + fund management costs + internal transactions + surplus funds)		2,273 (11,771)	2,393 (10,379)	120 ( $\Delta$ 1,392)	5.3 ( $\Delta$ 11.8)	
By fund source	I. General budget account	556	545	$\Delta$ 11	$\Delta$ 2.0	
	II. Broadcast Communications Development Fund (Total = expenditure + fund management costs + internal transactions + surplus funds)	1,717 (11,215)	1,848 (9,834)	131 ( $\Delta$ 1,381)	7.6 ( $\Delta$ 12.3)	
	① Expenditure	Sub-total (①+②)	7,648	7,585	$\Delta$ 63	$\Delta$ 0.8
		① Korea Communications Commission (KCC)	1,717	1,848	131	7.6
		② Ministry of Science and ICT(MSIT)	5,931	5,737	$\Delta$ 194	$\Delta$ 3.3
	② Fund management costs	38	38	-	-	
	③ Internal transactions (Commission funds deposited)	2,000	1,000	$\Delta$ 1,000	$\Delta$ 50.0	
	④ Compensatory expenditure (Fund surplus operated)	1,529	1,211	$\Delta$ 318	$\Delta$ 20.8	
By area	☐ Communications	595	632	37	6.2	
	☐ Broadcasting (culture and tourism)	1,678	1,761	83	4.9	
By function	☐ Payroll	167	173	6	3.6	
	☐ Basic expenses	42	42	-	-	
	☐ Key service expenses	2,064	2,178	114	5.5	
	① Broadcasting infrastructure improvement and enhancement of user rights	1,154	1,202	48	4.2	
	② Establishment of conditions for fair competition and secure information use	234	254	20	8.5	
	③ Encouragement of media diversity and broadcasting contents competitiveness	627	668	41	6.5	
	④ Support for the operation of broadcasting and communications	49	54	5	10.2	

Note)  $\Delta$  : Reduction

## e. Status of Government Initiated Legislation in 2017

The amendments the Commission submitted to the National Assembly in 2017 are: the amendments to the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」, in order to introduce institutions to take temporary measures at its own discretion upon privacy infringement and prevent

the outflow abroad of any important information in an attempt to protect personal information; and the amendments to the 「Act on the Protection, Use, etc. of Location Information」 to revitalize the relevant industry by deregulating the system from obtaining the license of the location-based service business to reporting the business (March, and December 2017)

### **3. Key Policy Achievements in 2016**

Faced with the rapidly changing broadcasting and communications environment precipitated by the emergence of new media, IT-based new industry and convergence service between broadcasting and communications, the Commission implemented projects under the policy direction of: enhancing the public responsibility of broadcasting; encouraging fair competition in the broadcasting and communications market and protecting users; strengthening the competitive edge in broadcasting contents and vitalizing new broadcasting and communications services. The major policy achievements of the Commission in 2016 are as follows:

#### **a. Enhancing the Public Responsibility of Broadcasting**

Having operated the ‘research group on the finance of public broadcasts’ that consists of eight external experts, including four media experts, one legal professional, and one business and accounting professional, the Commission has made efforts to enhance the public responsibility and quality of broadcasts by reviewing the necessity of the assessment organization and accounting for the separation of revenue from the license fee and others.

Also, the commission provided a tailored media education for elementary, middle, and high schools in order to develop human resources in media. In order to expand the marginalized people’s access to broadcasts, it developed and distributed a customized broadcast receiver for the visually and hearing impaired to promote viewers rights.

As the public functions of local and small broadcasting are being weakened due to

the worsened financial and human condition resulting from the advent of new media and changes in the advertising market, the commission has strived to enhance media diversity by implementing the ‘project to support producing programs to enhance the competitiveness of local and small broadcasting contents in 2016’. Also, it appointed the fourth media diversity committee member to review the mid and long term policy measures to promote media diversity.

## b. Fair Competition of the Broadcasting and Communications Market and User Protection

In order to put in place a regulatory paradigm enhancing self-regulation of the market, the Commission adopted the ‘compliance program’ in 2016. To invigorate the system, it has made a series of efforts ranging from holding briefings, distributing press releases, and contributing to the press to utilizing web comics and quiz events to raise the awareness of business operators. Considering that it takes time to check the facts of illegal activities conducted by telecommunications operators as well as to make a legal judgment, the Commission adopted a ‘consent resolution system’ to aid the users who were damaged with a purpose of ensuring a fair competition in the industry and user protection. The Commission strengthened investigation and sanctions against unfair activities among paid broadcasting operators. Also, it investigated the illegal activities of operators to see whether they comply with the correction and fine orders, with an aim to ensure the post-regulation and universal access rights to broadcasts.

Under the circumstances where we have seen growing social problems including cyber bullying(malicious comments, abusive language abuse), over-dependence on the smartphone and cyber school violence, the KCC has contributed to forging a sound internet environment by establishing a hands-on training program conducted for proper Internet use habits, Korea Internet Dream Star and Internet ethics education at home.

The amendment and enforcement ordinance to the 「Act on the Promotion of Information and Communication Network Utilization and Information Protection」 made it mandatory for the Chief Privacy Officer(CPO) to take immediate countermeasures on incidents and announce the incidents to the business operators. According to the Act, the Commission is required to take a disciplinary action against the CEO of the company

who violated the regulation, so that the executives came to bear greater responsibilities. When personal information is compromised, the Act allows the Commission and Korea Internet & Security Agency(KISA) to make a request for deleting and blocking the information.

### **c. Enhancing the Competitiveness of Broadcasting Contents and Vitalizing the New Broadcasting and Communications Services**

By holding meetings to gather opinions on vitalizing the ad market resulting in easing the review process of banned items in broadcasts and improving institutions on the combined sales of broadcasting advertisements, the Commission contributed to drawing financial resources for producing broadcasting contents in order to reinvigorate the broadcasting advertisement industry. In addition to that we have formed a policy advisory group and hosted a conference on joint production in an effort to expand the Hallyu(Korean wave) contents.

To ensure that the new broadcasting and communications services take a firm root in the market, the Commission established the 'Basic Plan on the new license of terrestrial UHD in the metropolitan area' in May 2016 to launch UHD broadcasts in the capital area from the year 2017. According to five assessment items(the feasibility of public responsibility, fairness and public interest; the organization of broadcasting programs and the relevance of production plans; abilities in management, finance and technology; policy measures to support the development of broadcasts and the compliance of the relevant laws; others required to conducting the business), we completed the granting license to three broadcasters out of four which went through the evaluation process.

At a time when the need for privacy protection is rising in the promising industries thanks to the development of technology and customized services, there has been a criticism over the 「Location Information Act」 for not reflecting the changing market conditions and global trend. To cope with this, we made a partial amendment to the 「Location Information Act」, 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc」 and notify the public of the legislation to encourage them to use the relevant IT service.

Under the rapidly changing broadcasting and communications environment, the KCC realized that the revitalization of domestic broadcasting and communications services is needed more than ever. Therefore, the Commission has made a cooperative effort with the relevant government organizations—Ministry of Science and ICT and Ministry of Culture, Sports and Tourism – to ensure deregulation, and also raised the awareness of the public on the necessity of regulation reform.

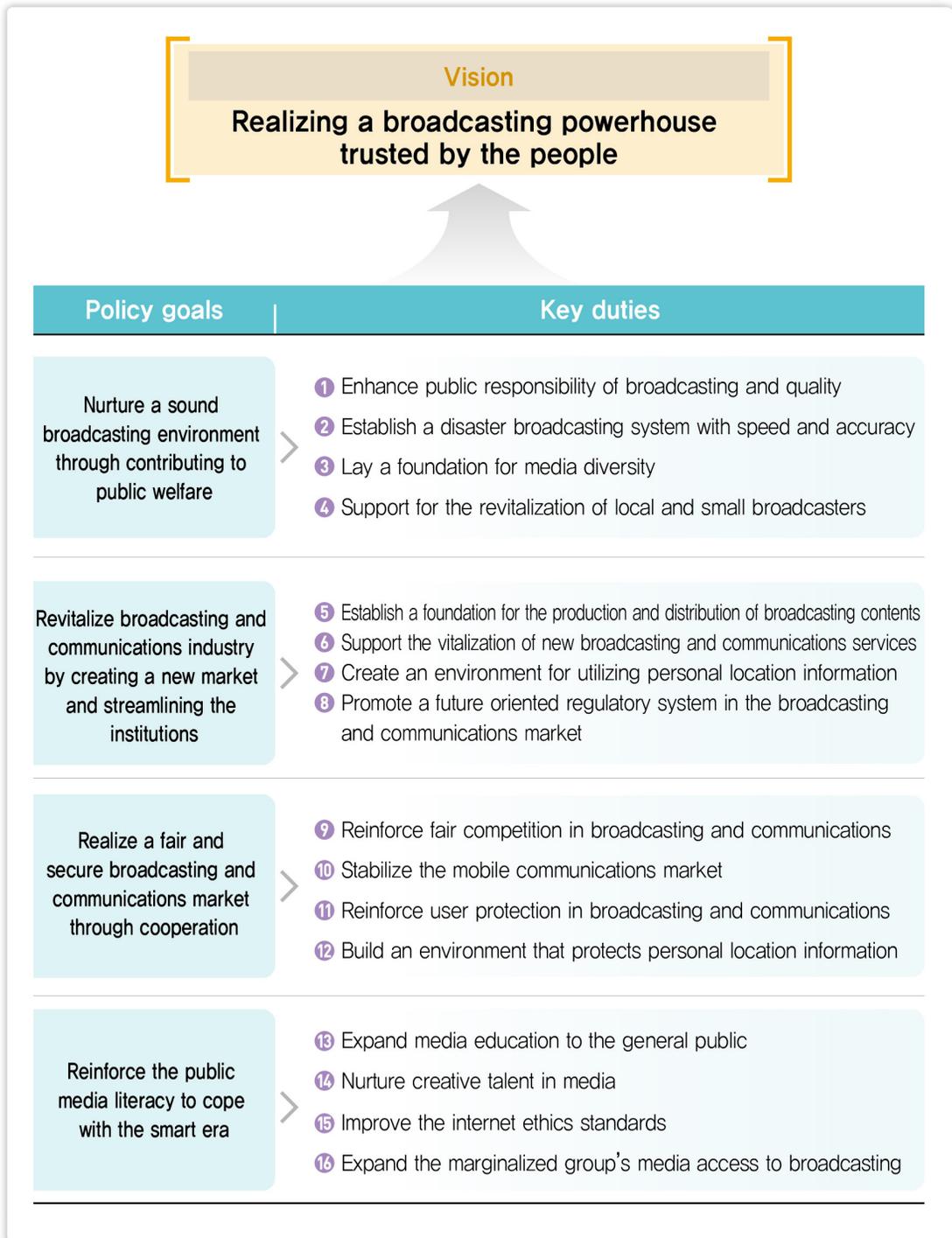
Moreover, Korea Communications Commission has made ceaseless efforts in tightening the international cooperation in the sector by forging a MOU with major counterparts, attending the relevant international conferences, and holding high-level meetings to review the current matters. We also have fully supported the private and public exchanges to keenly adapt to the international affairs while the Commission hosted international conferences on inter-Korean broadcasting and assisted broadcasting programs on unification in an attempt to lay the foundation for inter-Korean exchanges.

#### 4. Key Policy Objectives in 2017

Amid the accelerating convergence of the media sector including broadcasting, communications, and the Internet and the continuous emergence of new services, the Commission has set forth its vision of ‘realizing a broadcasting powerhouse trusted by the people’.

For four specific objectives, the Commission sought to achieve: First, ‘enhance the public responsibility and quality of broadcasting, establish a disaster broadcasting system with speed and accuracy’; Second, ‘revitalize the broadcasting and communications industry by creating a new market and streamlining the institutions’ through providing a distribution base for broadcasting contents and supporting the vitalization of the new broadcasting and communications services; Third, ‘realize the safe and fair broadcasting and communications market based on cooperation’ through encouraging fair competition and stabilizing the mobile market; and Forth, reinforce the public media literacy aimed at the smart era’ through expanding universal media education and nurturing the creative talents.

Figure II-3 | Vision and Policy Objectives



## 5. Five-year National Plan

Under the ‘Moon Jae-in administration’s five year national plans’ including 100 tasks to achieve them, the Commission confirmed the national tasks for the next five years. To actively pursue the freedom of speech and media independence, the Commission plans to reform the public broadcasting governance, and promote a sound culture of online communication. In addition to this, the KCC will seek ways to provide the tailored media education for the general public and encourage more people to be engaged in broadcasting with the goal for the sound development of the media industry. We plan to create an environment where large corporations and SMEs could coexist and local broadcasting services could growth further. Last but not least, the Commission will lower the financial burden of mobile fees born by the general public and also strengthen the cyber security and user protection to settle the public fear caused by the negative effects of the rapidly changing ICT sector.

### a. Promoting freedom of speech and media independence

To secure the independence and fairness of broadcasting, the Commission decided to reform the public broadcasting governance to ensure the freedom of reporting, producing, and organizing programs. Under the Constitution stipulating the basic rights of freedom of speech and the right to know, the KCC will improve the relevant institutions to guarantee the rights on the internet.

In order to restore the media independence and fairness, the Commission plans to reform the governance of public broadcasting such as the appointment of board members and the president. In addition to these efforts, the Commission will strive to make the relevant regulations more reasonable to the influence of the general broadcasting service. Upon assessing the adaptability of the re-licensing of terrestrial broadcasting, the Commission will inspect the relevant matters thoroughly to ensure the autonomy of the report, production and program organization. The KCC will make an enactment to rescue journalists who experienced unfair dismissal and prevent further wrongful discharge. To ensure the freedom of speech on the Internet, the Commission will reinforce

the temporary measures on online posting and make sure that people could make political comments on the Internet under their own responsibility.

## **b. Sound development of the media**

In the broadcasting and communications convergence and smart media era, the Commission decided to expand the customized media education to the general public and encourage more citizens to participate in the broadcasting process. Also to realize the Renaissance Hallyu media contents, the KCC plans to create a virtuous circle of the media market where SMEs and large corporations could coexist and local broadcasters actively play their roles.

The Commission set forth mid and long term policy plans on media education to ensure the viewer's rights and media welfare, and also established media centers where viewers could engage in the broadcasting process. In the meantime, the KCC plans to make a sound internet environment by distributing software programs that prevents juveniles from being heavily engaged with their smartphone, offering 'One million Internet Ethics Education' for all citizens. In an effort to increase the media access for the disabled, the Commission will commercialize smart sign language broadcasting for the hearing disabled, and supply broadcasting receivers to 100 thousand disabled persons from working class families. In order to invigorate the local operators, the Commission will reform the governance through granting re-approvals to terrestrial broadcasters, and expand the support measures for the local operator's content production and community radio stations. The KCC will diversify its policy measures so that Hallyu contents could pave the way onto the overseas market. Support for the one-person media content creator and contents production for the UHD converged version will be made with the purpose of encouraging the development of the media industry and win-win environment. Moreover, the Commission will come up with plans to improve the relevant institutions and promote the coexistence of broadcasting operators and outsourcing companies, so that there is a transparency in the rules and regulations on broadcasting advertisement sales and sponsoring.

### c. Ease the financial burden of transportation and telecommunication fees

In order to ease the burden of transportation and telecommunication fees on the public and promote the transparency in the communications market, the Korea Communications Commission, Minister of Land, Infrastructure and Transport and Ministry of Science and ICT (in Charge) conducts a joint effort in introducing the device price notification system where the price of mobile devices distributed on the domestic and overseas market are publicly announced, and calculates the data consumed by popular applications to let the public be aware of how much data is used for a certain program. Also, the agency will promote the public welfare by reforming institutions that limits the choice of users, and makes a correction order on the violation of the 「Telecommunications business Act」.

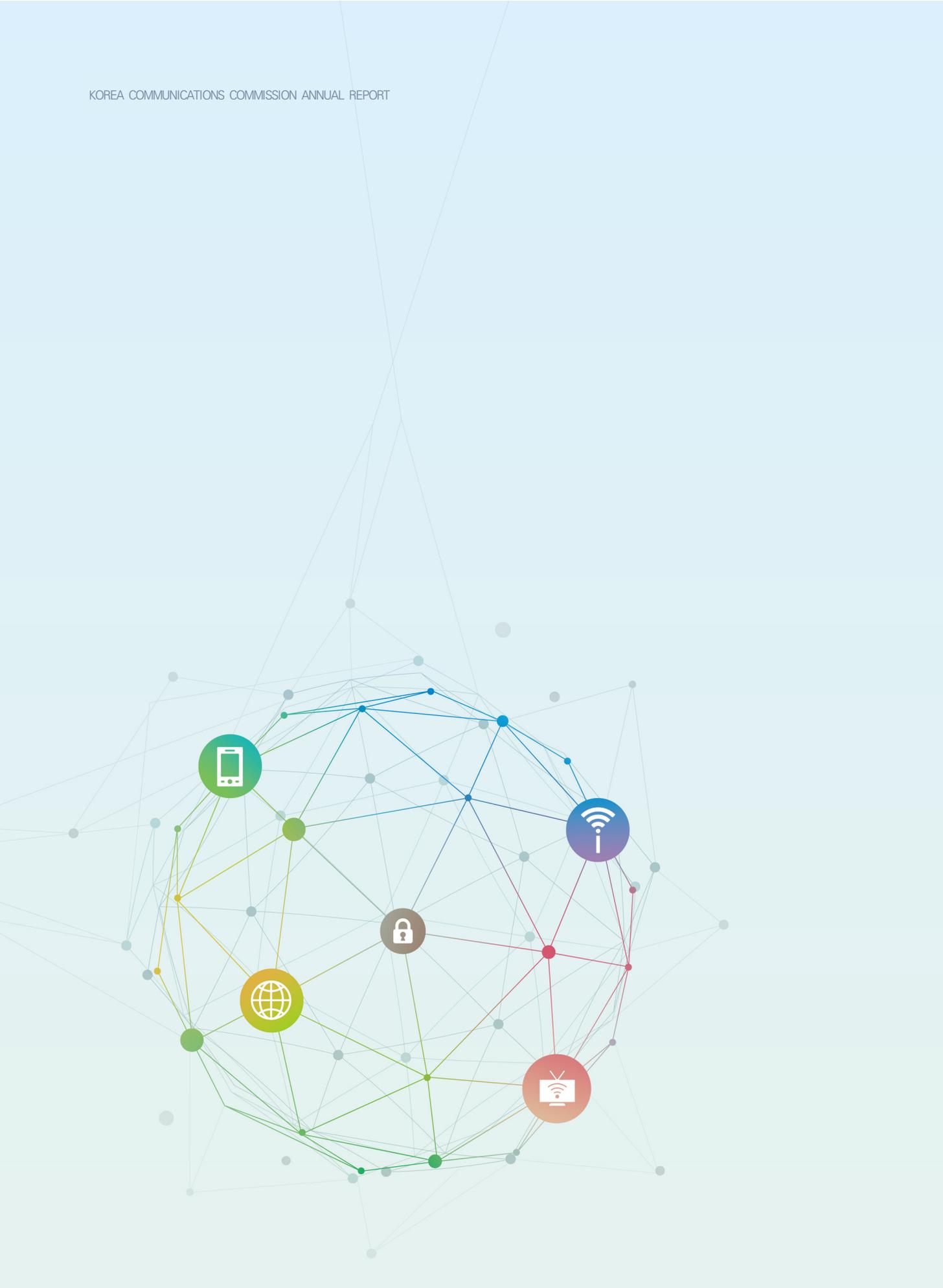
### d. Nurture the foundation leading the forth industrial revolution with the SW powerhouse, ICT Renaissance

With the emergence of the forth industrial revolution(5G, IoT, data utilization) which caused concern among the public, the KCC and MSIT will make cooperative efforts: set forth countermeasures against privacy infringement with the spread of the ICT service; introduce sanctions for the 「Privacy Location Information Act」 against misuse of personal location data; strengthen the protection of personal information by reinforcing the responses of screening and deleting of illegal posts and the exposure of personal information on the Internet. To resolve the disputes between telecommunications service users and business operators, the Commission will adopt a dispute settlement institution and develop the standard of the relief system for those who were damaged by the telecommunications service.

Table II-6 | National Plan for the Commission

National Plan	Tasks
Promote freedom of speech and media independence	Restore media independence
	Ensure autonomous broadcasting production and organization and respect those laid off
	Promote freedom of speech on the Internet and reform regulations
Sound development of media	Realize media welfare centered on users
	Balanced development through vitalizing regional broadcasting
	Development of the media industry and balanced growth(Ministry of Science and ICT)
	Ensure the joint developing environment and put the broadcasting advertisement market in order
	Sound Internet environment
Ease the financial burden of transportation and telecommunication fees	Promote the transparency in the communications market to increase the welfare of users
Nurture the foundation leading the forth industrial revolution with the SW powerhouse, ICT Renaissance	Strengthen the protection of personal information according to the ICT development







# III

## Broadcasting and Communications Policy Outcomes of the Year 2017





# III. Broadcasting and Communications Policy Outcomes of the Year 2017

## Chapter 1 | Enhancing the Fairness and Public Responsibility of Broadcasting

### 1. Enhancing the Public Responsibility of Broadcasting

#### a. Fair license renewal assessment

##### 1) License renewal assessment on terrestrial broadcasting

The Korea Communications Commission (hereinafter referred to as ‘the Commission’ or ‘the KCC’) conducted a license renewal assessment on 14 terrestrial broadcasting business operators including KBS, MBC, SBS, EBS and 147 broadcasting stations whose license expired in December 2017.

At the 49<sup>th</sup> meeting held in December 2017, the Commission approved the license renewal for 14 business operators including KBS and 147 broadcasting stations including broadcasting operators, and radio stations. The assessment details are as follows: the fairness of broadcasting and disputes on unfair disciplinary action against employees; methods to ensure public responsibility and fairness of broadcasting; the autonomy of program production and organization; unjust labor conditions for employees; reforms of local broadcasters governance; solving the problems caused by outsourced program trade; measures to create jobs. According to the results of license renewal assessment, the Commission resolved the agenda of granting the license renewal to business operators who scored 650 points or more out of the total 1,000. For those who received 650 points or less, they were given either ‘conditional renewal’ or ‘renewal rejection’.

According to the results of the meeting held in December 2017, the KCC grant license validity period of three years was awarded to 14 broadcasters’ 133 stations which obtained

over 650 points. But even though the Keokdong Yeosu FM broadcasting station earned more than 650 points, the Commission granted a valid license for two years to match the validity period with other FM stations of its own company.

In the meantime four broadcasters, KBS, MBC, SBS, and Daejeon MBC, and 14 other TV broadcasting stations and radio stations received less than 650 points. As the KCC considered further confirmation is needed in areas of enhancing the fairness of broadcasting; independence and freedom of program producers; improving the disciplinary procedure; competitiveness of broadcasting contents, the Commission listened to the opinion of the person in charge, and collected additional information to see whether the broadcasters are willing to follow the rules and make detailed implementation plans.

Considering the viewer's rights, the KCC granted a three year license to those four broadcasters under the conditions of ensuring their strict obligation of the re-licensing terms.

**Table III-1 | License renewal results of the 2017 terrestrial broadcasting business operators**

Point	Broadcasting operators	License validity period
650~700 points (14 operators, 133 stations)	<ul style="list-style-type: none"> <li>• KBS DTV 30, 73radio stations</li> <li>• MBC radio 1 station</li> <li>• SBS radio 3 station</li> <li>• EBS DTV, 1 radio station</li> <li>• MBC Busan DTV, 3 Radio stations</li> <li>• 2 MBC Gyongnam DTVs, 6 Radio stations</li> <li>• MBC Daejeon 1 Radio station</li> <li>• KNN DTV, 2 Radio station</li> <li>• TJB DTV 1, 1 Radio station</li> <li>• Seoul Metropolitan government 2 Radio stations</li> <li>• YTN news TVDMB, Korea DMB, U1 Media 1 station respectively</li> </ul>	3 years (Jan. 1, 2018 ~ Dec. 31, 2020)
	<ul style="list-style-type: none"> <li>• Keokdong 1 Radio station</li> <li>※ Upon the request from the operator, the validity period matched with other FM stations</li> </ul>	2 years (Jan. 1, 2018 ~ Dec. 31, 2019)
650 or less points (4 operators, 14 stations)	<ul style="list-style-type: none"> <li>• KBS(5) <ul style="list-style-type: none"> <li>- First DTV station, Second DTV station, First AM station, First standard FM station, Terrestrial DMB station</li> </ul> </li> <li>• MBC(4) <ul style="list-style-type: none"> <li>- DTV, AM station, standard FM station, Korea culture terrestrial DMB station</li> </ul> </li> <li>• SBS(2) <ul style="list-style-type: none"> <li>- DTV station, terrestrial DMB station</li> </ul> </li> <li>• Daejeon MBC(3) <ul style="list-style-type: none"> <li>- DTV station, AM station, standard FM station</li> </ul> </li> </ul>	3 years (Jan. 1, 2018 ~ Dec. 31, 2020)

Before the license renewal assessment, the Commission received applications until June 2017 while collecting viewers' feedback via the websites of the Commission, broadcasting business operators, and metropolitan governments. The Commission visited all of the broadcasting business operators who are subject to license renewal. In October 2017, the renewal review committee was formed consisting of 11 experts in broadcasting and media, law, management, accounting, and technology. The committee represented the recommendations and conditions of re-licensing based on the committee's review.

The Commission required KBS and EBS to submit the expenses of their own production as part of the re-approval condition in an attempt to close the production cost gap between their own program and outsourced ones.

The KCC encouraged a coexisting environment of the outsourcing market by requiring the broadcasting operators to comply with the regulations of the 'standard on trading outsourcing production' according to the 'comprehensive measures to deal with any unfair practice in outsourcing broadcasting production' which is jointly introduced by the relevant organizations: the KCC, MCST, MSIT, MOEL and FTC.

To strengthen the independence and autonomy of broadcasting production made by KBS and MBC, the Commission made efforts in resolving confrontations between business operators and field employees by opening an organization committee. Moreover, the KCC required the broadcasting operators to air disaster broadcasting in a swift and accurate manner to respond to natural disasters including earthquakes. Terrestrial broadcasters including MBC and SBS are requested to air high-quality Digital Multimedia Broadcasting (DMB) from March, 2018.

By taking this opportunity for license re-approval, the Korea Communications Commission hopes that the terrestrial business would solidify its resolution in public status and responsibility and try to restore trust by the general public. At the same time, the Commission will also reinforce its management and supervision by conducting regular monitoring on re-approval conditions and any recommendations. The Commission plans to amend the 'Prior Basic Plan on License Renewal and Re-approval' and improve the relevant rules and regulations by taking into consideration the recommendations on the standardization of re-approval applications and the improvement of the assessment indication,

and the results of policy research.

## 2) License Renewal Assessment of Community Radio Stations

As the KCC carries out the renewal assessment of the license on seven community radio stations including Gwanak Community Radio whose license validity expired in December, 2017, according to the 「Enforcement of Decree of Telecommunications Act」. Their validation was extended to Dec. 31, 2022 for the next five years.

Before the license renewal assessment, the Commission received applications until June 2017 while collecting viewers' feedback via the websites of the Commission, broadcasting business operators, and metropolitan governments. The Commission visited all of the broadcasting business operators subject to license renewal. In November 2017, the renewal review committee was formed consisting of 11 experts in broadcasting and media, law, management, accounting, and technology.

The Commission banned seven broadcasters from organizing news programs in order to require the broadcasting business to comply with the relevant rules. Under the 「Enforcement Decree of the Telecommunications Business Act」, to make sure that broadcasters comply with the rules on the qualification of broadcasting operators and the arrangement standard, the Commission required four radio stations including Mapo Community Radio to come up with plans to secure financial resources and implement them.

**Table III-2 |** 2017 Results of the licensing assessment on Community radio (Unit : Point)

Name	Kumkang FM radio	Gwangju citizen broadcasting	Gwanak Community Radio	Culture, Welfare, Media Solidarity	Mapo Community Radio	Suonseong Community FM	Youngju FM station
Total	761.34	728.67	720.00	719.00	710.00	705.17	697.00
1,000							

## 3) Inspecting the Criteria for License Renewal and Re-approval

In March 2017, the KCC resolved the re-approval of the license of TV Chosun, JTBC, YTN and Yonhap News TV whose validity period ran until March, and Channel A whose license expired in April, 2017. The resolution for MBN whose license expired in November 2017 was conducted during that month.

To reflect the evaluation results of the assessment committee and encourage competition among operators, the Commission decided the license validity periods as follows: for TV Chosun from April 1, 2017 to April 21, 2020; for JTBC from April 1, 2017 to November 30, 2020; for Channel A from April 22, 2017 to April 21, 2020; for MBN from December 1, 2017 to November 30, 2020; for YTN from March 13, 2017 to March 31, 2020; for Yonhap News TV from April 1, 2017 to March 31, 2020.

Prior to re-approval, the KCC resolved the 'Basic Plan on License Renewal and Re-approval' in September, 2015 and the 'Detailed Plan on the Re-approval of General and New specialized PPs' in August, 2016. According to this resolution, the Commission evaluated the following items: a long-standing issue of quality of broadcasting programs; the realization of public responsibility and public interest; the protection of viewers' rights; contribution to the development of contents industry; compliance of recommendations and conditions imposed upon the re-approval.

The evaluation results show that JTBC and Channel A scored 731.39 points and 661.91 points out of 1,000 with no failures in any category, YTN and Yonhap News TV earned 693.84 points and 688.24 points passing the standard of 650, meeting all requirements of re-approval. Therefore it was decided to grant the re-approval to JTBC, Channel A, YTN, Yonhap News TV with conditions attached to strictly comply with the implementation plan in order to prevent the issues that arose during the evaluation process.

During a hearing held for TV Chosun whose re-licensing score was 625.13 points out of 1,000 below the standard of 650 in March, 2017, the evaluation committee advised that when the operators are well aware of the severity of problems and set forth detailed improvement plans, it is necessary to review the case again. In a case where TV Chosun submitted an additional plan for improvement and showed its willingness to meet the standard, the KCC granted a conditional re-approval to the operator. But if the company failed to comply with the rules and conditions, the Commission would make a correction order under Article 99 of the 「Broadcasting Act」. In the case of the repeatative violation on the correction order, the operator shall be suspended under Article 18 of the 「Broadcasting Act」 and revoked the license after the hearing process (Article 101 of the 「Broadcasting Act」)

The evaluation results also revealed that MBN scored 651.0 points which met the criteria, but the company failed in the category of the 'Implementation of the Support Plan for the Development of Broadcasting and the Obligation of the Broadcasting Laws' at 37.06 points out of the 100 full score, earned a conditional re-approval when the operator strictly complies with the implementation plan in order to prevent any of the issues that the evaluation committee pointed out. To foster fair trade between the broadcasters and outsourcing companies, the Commission presented the terms and conditions to MBN regarding the production costs of outsourcing programs, copyright issues and profit sharing.

The Korea Communications Commission will make sure that the four general and two news PPs follow the implementation plan and live up to the standard of public responsibility and interests during the license validity period.

**Table III-3** | Results of the assessment for the reapproval of general and news specialized PPs (Unit : Point)

Assessment criteria(Point : General PPs/News specialized)	TV Chosun	JTBC	Channel A	MBN	YTN	Yonhap News TV
1. Broadcasting assessment by the Broadcasting Assessment Commission(400/400)	328.53 (82 %)	335.77 (84 %)	322.36 (81 %)	326.86	326.65 (82 %)	326.94 (82 %)
2. Feasibility of Public responsibility and fairness and demand from community, society, culture aspects(210/260)	108.40 (52 %)	148.15 (71 %)	124.85 (59 %)	122.55	165.35 (64 %)	157.28 (60 %)
3. Relevance of planning, organizing and producing programs, and securing public interests (190/160)	95.67 (50 %)	140.40 (74 %)	109.70 (58 %)	106.16	99.59 (62 %)	99.37 (62 %)
4. Competence in management·finance·technology (100/80)	58.91 (59 %)	61.69 (62 %)	63.94 (64 %)	58.38	50.24 (63 %)	44.44 (56 %)
5. Obligation of broadcasting laws and implementation of support plan for the development of broadcasting (100/100)	33.62 (34 %)	45.38 (45 %)	41.06 (41 %)	37.06	52.01 (52 %)	60.21 (60 %)
Total	625.13	731.39	661.91	651.01	693.84	688.24

#### 4) Evaluation of 2016 Broadcasting Improvement of Policies

For the purpose of enhancing the quality and public responsibility of broadcasting, the Commission conducts a comprehensive broadcasting evaluation as prescribed by Article 17, section 3 of the 「Broadcasting Act」 on a yearly basis. The results are announced on the Commission's website and are reflected on the broadcasting business operators' re-licensing and approval.

**Table III-4** | Article 17, section 3 and Article 31, section 1 of the 「Broadcasting Act」

Article 17 (Re-licensing, etc) ③ When the Minister of Science and ICT or the Korea Communications Commission grants a renewed license or renewed approval under paragraph (1) or (2), it shall evaluate matters provided for in each subparagraph of Article 10 (1) and the following matters, and publicly announce the results thereof.
Article 31 (Broadcast Evaluation Committee) ① The Korea Communications Commission may comprehensively evaluate the contents, programming, operation, etc. of the broadcast programs of a broadcasting business operator.

The Commission held a general meeting to vote for the 2016 Basic plan on the broadcasting assessment(evaluation subjects, standard and procedure). The 2016 broadcasting assessment was conducted in March 2017 for 157 broadcasting business operators (361 broadcasting stations).

**Table III-5** | Broadcasting business operators subject to the 2016 assessment (Unit : Operator)

Classification	Terrestrial broadcasting			SO	Satellite	PP			Total
	TV	Radio	DMB			General Service	News specialized	Home shopping	
Number of operators (No. of channels)	45+3(DMB only) (TV 64, Radio 164, DMB 19)			90	1	4	2	12 (17)	157 (361)

The assessment items consist of content, programming, and operation in accordance with Article 31, section 1 of the 「Broadcasting Act」 and the rules on the broadcasting assessment. The key assessment items are as follows:

**Table III-6 | Broadcasting assessment items by sector**

Assessment Domain	Items
Content	Quality of programs, compliance with the regulations award winning record, etc.
Programming	Compliance with the regulations concerning programming for children and people with disabilities, etc.
Operation	Financial soundness, efforts to develop human resources, compliance with the regulations concerning fair trade, etc.

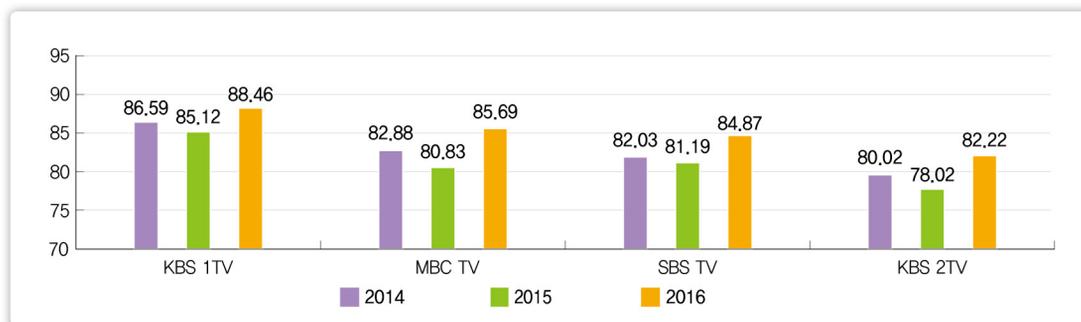
Under the supplementary regulations to 「The rules on the broadcasting assessment」 (section 45) amended August 2016, the 2017 broadcasting assessment applied detailed rules prior to the amendment to the programs showed in the first half of 2016, and for the programs of the second half of 2016 was applied by the amended rules. The details of the amendment of 2016 「The rules on the broadcasting assessment」 are as follows: First, upon the using of abusive language and biased programs, the operator receives a cut in points in an attempt to set a higher bar for public responsibility while the ‘prevention of false report’ category was newly introduced to reflect the decisions of the Press Arbitration Commission and the relevant court to the broadcasting assessment; Second, considering the role of general PPs, the subject of the prime time program assessment was expanded to general PPs and the area was also expanded to news reports. Third, given the social role of terrestrial disaster broadcasting, the assessment of disaster broadcasting is enhanced. Forth, to forge a fair trade condition, a new category of joint cooperation was introduced to assess the usage of a standard contract among the outsourcing operators, three major broadcasters and general PPs. In addition to this, the Commission included a new category for the ‘assessment of organizing non-commercial public announcements and channel diversity (SO, Satellite), and the complaints assessment of the Korea Consumer Agency(home shopping PPs).

The KCC announced the outcome that preceded and follows when the amendment was made, and the final results of the first and second half of 2016 by calculating the arithmetic means.

The broadcasting assessment allocates different points depending on the nature of media: 900 points for terrestrial broadcasting; 500 for radio and DMB; 700 for general service; 500 for SO·satellite; and 500 for home shopping·news specialized PP, and others.

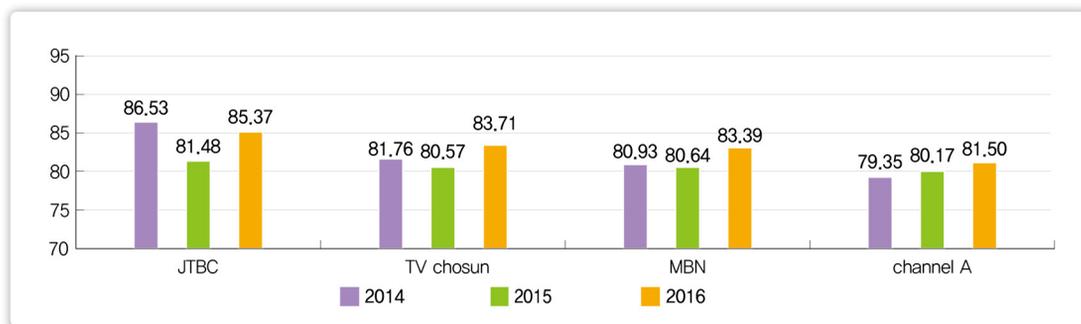
The results of terrestrial broadcasting are as follows: 88.46 points for KBS1, 85.69 points for MBC, 84.87 points for SBS, 82.22 points for KBS2, revealing an overall increase in scores compared to that of 2015. In the category for the obligation of the broadcasting review regulations and program organization, they earned a higher score than the year of 2015, while they received lower points in the operation of the self-reviewing group, and the organization of disaster broadcasting.

**Figure III-1 | 3-year broadcasting evaluation results of terrestrial TV operators (out of 100 full score) (Unit : Point)**



In terms of general PPs, JTBC scored 85.37 points, TV Chosun 83.71 points, MBN 83.39 points, Channel A 81.50 points. In the category for the obligation of the broadcasting review regulations and program organization, they earned a higher score than the year of 2015, raising the total score, while they received lower points in organizing disaster broadcasting. The detailed results of other broadcasters are posted on the official website.

**Figure III-2 | 3-year broadcasting evaluation results of general PPs (out of 100 full score) (Unit : Point)**



The 2016 assessment results would be posted on the official website(www.kcc.go.kr) to maintain the channel of communications between the government and citizens open. For the purpose of enhancing the quality and public responsibility of broadcasting, the Commission conducts broadcasting evaluations as prescribed in Article 17, section 3 of the 「Broadcasting Act」. The results are announced on the Commission's website and are reflected on broadcasting business operators' re-licensing and approval. The Commission posted the results to help business operators subject to assessment better understand the revised rules and specific standards.

### **5) Re-approval of general PPs and the advertisement sales agency**

At the 16<sup>th</sup> general meeting held in March 2017, the Commission resolved the re-approval conditions of the general PPs' advertisement sales agency including JTBC Media com, Chosun media rep, and MediarepA according to the evaluation results advisory group under the basic plan for the re-approval of general PPs and the advertisement sales agency. The results showed that those three agencies were qualified for the reapproval(higher than 70 points out of 100) and their validity period was extended to five years from the first approval date.

The evaluation results they earned are as follows: 82.375 for JTBC Media com, 77.048 Chosun media rep, 76.245 for MediarepA. The validity period was from April. 1, 2017 to March. 31, 2022 for JTBC Media com and Chosun media rep and from April 22, 2017 to April 21, 2022 for MediarepA.

Also at the 41<sup>st</sup> meeting in November 2017, the KCC resolved the re-approval of the MBN Media rep, and presented that the company earned 71.568 qualifying for the re-approval (higher than 70 points out of 100, over 60 points for each criteria). As a result, the company was allowed to have the validity period extended from December 1, 2017. to November 30, 2022.

The Commission presented the same conditions of re-approval and recommendations to general PPs's media agencies and those three agencies in order to come up with fair advertisement policy measures and screening procedures.

At a meeting in September, 2015, the commission thoroughly reviewed the violation

of advertisement sales conducted by MBN media rep, making the necessary correction order and imposing a penalty of KRW 240 million for ‘the activity influencing the organization of the broadcasting program’. The KCC sought measures to secure a fair trade system to ensure the transparency and independence of management through the improved external audit system, and to prevent the violation of the relevant laws.

Moreover, to ensure the social responsibility and fairness of broadcasting advertisements, the Commission required MBN media rep and MBN(the biggest shareholder) to submit the implementation of memorandum while they are banned from any activity that influences the ‘planning, producing and organizing the broadcasting program on the purpose of broadcasting advertisements’.

The Commission will strengthen its monitoring and managing capabilities to ensure fair trade and competition in the advertisement market by thoroughly examining the re-approval and recommendation conditions. After reviewing the recommendations of the evaluation committee, the KCC will undertake the necessary reforms according to the relevant regulations including the re-approval, point system and validity period (current five years to three or five years according to the subjects’ evaluation results)

## b. Enhancing the Efficiency of Disaster Broadcasting

As we have seen a growing number of natural and social disasters, there is a requirement to make a prompt and accurate disaster broadcast and build a disaster management system in broadcasting to deal with all kinds of disasters that might occur.

The KCC established the 2018 Basic Plan on Disaster Management in broadcasting in September 2017 in order to efficiently broadcast in the event of disaster, and passed an amendment for the notification of the 「Manual on Implementing Disaster and Civil Defense Warning broadcasting」.

Under Article 28.3 of the 「The Enforcement Decree of the Basic Act on Broadcasting and Communications Development」, the Commission resolved the notification to prescribe the detailed rules and regulations in December 2017 to ensure for prompt and accurate disaster broadcasting.

The partial amendment to the 「Manual on implementing disaster and Civil Defense Warning broadcasting」 is as follows: broadcasters should air the disaster situation upon request and demonstrate the critical information(when, where, and what type of disaster occurred, how to react, the authority issuing the event); upon emergency(earthquake over 5.0 and civil defense warning), broadcasters are required to broadcast the event immediately without going through the fact-checking process, and display noticeable subtitles to draw the public's attention; they also should send a disaster warning sound and English subtitles to make sure that disabled people and foreigners are aware of the event and when, where, and what type of disaster occurred.

With the amendment to the 「Manual on Implementing Disaster and Civil Defense Warning Broadcasting」, the Commission strengthened the broadcasting disaster system to help the public understand the affected situation like an earthquake and possible missile attacks launched by North Korea so as to protect the public and their property. The KCC will present a comprehensive manual on broadcasting disasters by gathering the opinion of each broadcaster on the necessary measures in detail.

**Table III-7 |** Keys to the Amendments on the notification and manual guideline on strengthening disaster broadcasting (proposal)

o (Accuracy) Demonstrating the content on disaster broadcasting	
Notification	Displaying the outbreak time, type of disaster and the affected area, how to respond, the organization issuing the warning (Proposal Article 4.4)
o (Emergency) Upon emergency (Civil defense warning, earthquake magnitude over 5.0), compliance details prescribed	
- To make a prompt response, as soon as the warning was made, broadcast the situation immediately and for a certain time	
Notification	By skipping the checking procedure, disaster broadcast should be aired immediately(Proposal Article 4.5.1)
Manual Guideline	Subtitle : Broadcast the event immediately without checking, display the subtitles longer than 10 secs and more than 5 times Breaking News : Begin in 30 mins of the event occurring, maintain longer than 10 mins (For KBS : begin in 10 mins, maintain longer than 30 mins)

- Raise awareness by differentiating the disaster subtitles										
Notification	Use different methods of displaying subtitles to draw the viewers attention(Proposal Article 4.5.2)									
Manual Guideline	<table border="1"> <tr> <td>Magnitude 5.0 or higher (Red background/White bold)</td> <td>Civil defense situation (Red background/White bold)</td> </tr> <tr> <td>  </td> <td>  </td> </tr> </table>	Magnitude 5.0 or higher (Red background/White bold)	Civil defense situation (Red background/White bold)							
	Magnitude 5.0 or higher (Red background/White bold)	Civil defense situation (Red background/White bold)								
										
- Alarm for the visually impaired, English subtitles for foreigners										
Notification	Sound alarm for the visually impaired and the general public to raise awareness(Proposal Article 4.5.3) Implement disaster broadcasting including English(Proposal Article 4.5.4)									
Manual Guidelines	<p>Earthquake : magnitude over 5.0 → Sending the warning sound, Standard draft for Korean and English subtitles</p> <p style="text-align: center;"><b>Time OODO OOSI, M5.0 EARTHQUAKE</b></p> <p>Warning sound for Civil defense situation : alert, air-raid, CBR warning English subtitles for Civil defense situation : Standard draft same as Korean</p>									
	<table border="1"> <thead> <tr> <th>Alert warning</th> <th>Air-raid warning</th> <th>CBR warning</th> </tr> </thead> <tbody> <tr> <td> <p><b>시간 oo도 경계경보 발령</b> 가까운 지하대피시설로 대피할 준비하고 방송 청취</p> </td> <td> <p><b>시간 oo도 공습경보 발령</b> 가까운 지하대피시설로 대피하고, 방송 청취</p> </td> <td> <p><b>시간 oo도 화생방경보 발령</b> 호흡기 및 피부 등을 보호하고 비오염지역으로 대피하고, 방송 청취</p> </td> </tr> <tr> <td> <p><b>Current time ooDO</b> Warning alert issued. Prepare to evacuate to a nearby underground evacuation facility and listen to the broadcast</p> </td> <td> <p><b>Current time ooDO</b> <b>air-raid alarm issued.</b> Evacuate to a nearby underground evacuation facility and listen to the broadcast</p> </td> <td> <p><b>Current time ooDO</b> <b>chemical or biological warnings alert issued.</b> Protect skin and respiratory tracts and evacuate to non-contaminated areas, and listen to the broadcast</p> </td> </tr> </tbody> </table>	Alert warning	Air-raid warning	CBR warning	<p><b>시간 oo도 경계경보 발령</b> 가까운 지하대피시설로 대피할 준비하고 방송 청취</p>	<p><b>시간 oo도 공습경보 발령</b> 가까운 지하대피시설로 대피하고, 방송 청취</p>	<p><b>시간 oo도 화생방경보 발령</b> 호흡기 및 피부 등을 보호하고 비오염지역으로 대피하고, 방송 청취</p>	<p><b>Current time ooDO</b> Warning alert issued. Prepare to evacuate to a nearby underground evacuation facility and listen to the broadcast</p>	<p><b>Current time ooDO</b> <b>air-raid alarm issued.</b> Evacuate to a nearby underground evacuation facility and listen to the broadcast</p>	<p><b>Current time ooDO</b> <b>chemical or biological warnings alert issued.</b> Protect skin and respiratory tracts and evacuate to non-contaminated areas, and listen to the broadcast</p>
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Meanwhile, in an effort ensure that the warning sound reaches to everywhere, the Commission monitored the condition of the radio and DMB reception and conducted a field inspection in tunnels and underground facilities.

To tighten the safety inspection, the KCC increased the number of the primary broadcasting facilities(control room, news production area, transmitting center and others) that are subject to inspection to 80, and implemented a regular inspection (three times a year) to monitor how well prepared the facilities are to prevent and respond in the event of a disastrous situation. Also in December 2017, the Commission monitors whether the broadcast operators comply with the Management Plan on broadcasting a disaster, forcing them to meet the criteria. In the first half of 2017, imposing a penalty to broadcasters for not running disaster broadcasting raised the awareness on the importance of disaster broadcasting, thus contributing to a quick and accurate broadcast.

**Table III-8 |** Safety investigation of the major broadcasting facilities

Classification	Inspection period	Subjects	Description
Thawing season	March 13 ~ 20, 2017	27 broadcasting facilities	<ul style="list-style-type: none"> <li>• Investigate broadcasting business operators' compliance with broadcasting disaster management plan</li> <li>• Investigate disaster broadcasting management status such as the online system and subtitle system</li> </ul>
Summer months	June 7 ~ 16, 2017	26 broadcasting facilities	
Winter months	November 21 ~ December 4, 2017	27 broadcasting facilities	

### c. Protect the Viewer's Rights

In order to upgrade the equipment and facilities of community media centers to stay abreast of the changing broadcasting environment, the Commission encourage viewers' participation in broadcasting by installing VR equipment, supporting the program production of viewers groups, and encouraging the viewers' participation in programs.

The Commission has operated as many as seven community media centers across the nation through the Community Media Foundation in order to offer viewer's access rights to broadcasting which helps to close the media gap. The foundation, with the financial aid of the Broadcasting and Communications Development Fund, has pursued a series of projects: 'Support viewers in producing broadcasting programs and video

clips'; 'Programs to increase the disabled persons' access to media; 'Media education for viewers'; 'Support the communities'; 'Media education for schools'. Along with these projects, the Commission has contributed to the promotion of viewer's rights so that a greater number of citizens came to participate in the broadcasting activities with the support of leased broadcasting equipment and facilities. The KCC also offered a series of education programs on production, and instructed broadcasters to air the co-production of viewers and broadcasters while media competition and media festivals were successfully hosted. The Commission plans to expand the number of media centers which have played a central role in providing universal media education and protecting the viewers' rights by adding a center in Gyeonggi province.

The amendment to the 「Broadcasting Act」 enabled the Commission to order the establishment of a viewer's committee in home shopping broadcasting in March, 2017, address the complaints and damages on falsified and exaggerated comments. Also, the KCC ordered 61 major CATV broadcasting business operators to arrange the viewer's committee as a condition for license re-approval.

To raise the viewers' rights and provide hands-on experience to the public, the Commission held the '2017 Viewers Media Festival' in Seoul and six other cities from November 13 to 17, 2017. The festival showed creative programs produced by the viewers and hosted a 'Community Media Award Ceremony' to recognize the achievement in improving the viewer's rights and media education. Also, the 'Conference on Media Education' was held to discuss the ways forward for public media education in the information society. Regional centers also joined the efforts in the program on cheering the successful host of the Pyeongchang Winter Olympics, producing VR contents and dronography, a Media Bus ceremony, and the opening ceremony of a one-person media production and radio program inviting a citizen and so on.

Figure III-3 | 2017 Community Media Festival



#### d. Creating an Environment to Produce Excellent Programs

The Korea Communications Commission Broadcasting Awards 2017 was held in March 2017, where some 300 members of the audience including National Assembly members, government officials, and CEOs of broadcasting stations recognized those who dedicate themselves to the development of broadcasting and communications. Taking place every year to boost broadcasting professionals' morale and improve the quality of programs, the Korea Communications Commission Broadcasting Awards gives prizes to outstanding programs either produced or broadcast for the year and individuals and organizations who made contributions to promoting the broadcasting culture.

Figure III-4 | 2017 Broadcasting Communications Commission Broadcasting Award



In 2017, the 9<sup>th</sup> Awards received a total of 338 entries. The grand prize went to the KBS drama with 16 episodes, <Decedents of Sun> (produced by Bae Kyong-su, directed by Lee Uhng-bong and Bek Sang-hun). The drama received the prize for describing

the value of peace and commitment based on the refined script and enthusiastic performance of actors, setting the best example of pre-production. It also experienced sensational popularity both at home and abroad.

The excellence award went to KNN's <Barrier free Opera> (produced by Moon Ji-young, directed by Jung Hee-jung). With a creative attempt to realizing operas based on sound, it was acclaimed for helping radio listeners maximize their imagination and giving opportunities to visually impaired people to enjoy opera.

In 2017, the Broadcasting Award newly adopted a award in 'Diversity' and the 'Award of Broadcasting Actor'. To cope with a changing media environment, the Commission allowed video contents to be entries to the 'Diversity' category, and as a result the award was given to SMV's <UHD Journey to the Kung hu World> aired through the Internet platform called Naver TV and broadcasting channels (Mountain TV, UMAX). The first winner of the 'Award of Broadcasting Actor' was Kim Uhng-su who played the role of Hideyoshi Toyotomi in the <Japanese invasion of Korea in 1592>.

Aside from awards to broadcasting programs, the Commission gave 'special awards' in seven categories to 12 programs for their contribution on the development of broadcasting.

## e. Invigorate Public Interest Advertisements and Advertisement Support for Innovative SMEs

### 1) Invigorate Public Advertisement

With a joint effort of the Korea Broadcast Advertising Corporation(KOBACO), the Commission helped select the creative and well-timed theme of public advertisements that could have a positive impact on social issues. KOBACO conducted a national survey three times (April, July, November in 2017) to listen to the public opinion on ads. Based on the survey results, four pieces of <Mutual respect and consideration>, <Diverse Family>, <Verbal abuse(Online)> and <Creating a safety culture in Driving> in February, 2017; three ads <Recommended Financial Habits>, <2018 Pyeongchang Winter Olympics>, <Noise from the flat above> in May, 2017; and <Youth violence prevention>, <A society working together>, <Reading society> in September, 2017 were adopted as

public advertisements.

To enhance efficiency, the Commission formed the Council for Public Advertisements composed of 18 external professionals in media, academia, ads, broadcasting image and broadcaster in which they reviewed and resolved the issues on public advertisement themes, and production.

Figure III-5 | Process on the selection of public advertisements

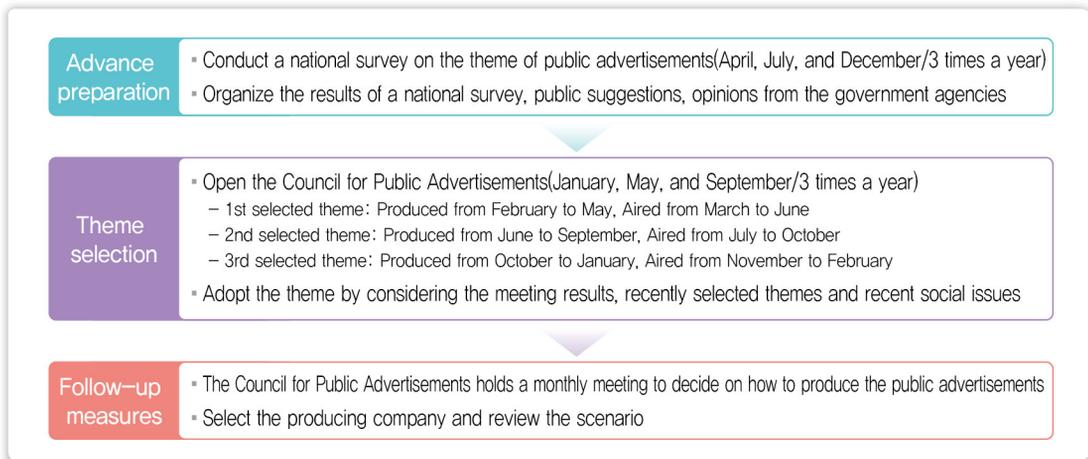


Table III-9 | Public advertisements production in 2017

Title	Subtitle	Remarks
Community Spirit	Mutual respect and consideration (I'm right but they're wrong)	 (April ~ May, 2017)
Welfare/Human Rights	Diverse family (There's no such story)	 (May ~ June, 2017)
Crime Prevention	Verbal abuse-Online (A capable person)	 (Jun ~ July, 2017)

Title	Subtitle	Remarks
Crime Prevention	Creating a safety culture in driving (A good man)	 (July ~ August, 2017)
Crime Prevention	Recommended financial habits (Stepping stones)	 (August ~ September, 2017)
National Asset/Culture	2018 Pyeongchang Winter Olympic (Our Winter, We are Winners)	 (September ~ November, 2017)
Community Spirit	Noise from the flat above (Friendly neighborhood)	 (November ~ December, 2017)
Youth/Education	Youth violence prevention (Violence should never be ignored)	 (December, 2017 ~ December, 2018)
Economy/Public Welfare/Coexistence	A society working together (Sharing equals more)	 (January ~ February, 2018)
National Asset/Culture	Reading society(Book review)	 (February ~ March, 2018)

The year 2017 saw ten public advertisements aired in various ways. Rules on the Mandatory Organization of Non-Commercial Public Interest Advertising under Article 73 of the 「Broadcasting Act」 and Article 59.4 of the 「Enforcement Decree of the Broadcasting Act」 demand that the terrestrial operators should organize the public advertisements at

a rate of 0.2 % of total air time, while for other operators it is about 0.05 % of the total.

Moreover, the public interest advertising was transmitted through paid ads media including the internet, movie theater, traffic, mobile, IPTV, and the VOD. The ads came to have a greater influence by being posted on the Internet, mobile and billboard. At the same time, the Commission welcomed the donation of air time from media operators with the purpose of expanding the time slot for public interest advertising.

The Commission helped raise the efficiency of field education for teenagers by utilizing 1,191 public advertising in total, and looked into the impact of non-commercial ads on the public's attitude through the evaluation on public advertising effectiveness four times a year. To raise the public awareness, the KCC hosted the Public Advertising Festival from November 2 to 10 in 2017, to offer an opportunity for the public to engage in a public ads competition, exhibition, and other events.

## **2) Advertisement Support for SMEs**

Joining hands with the Korea Broadcasting Advertising Corporation, the Commission launched the 'Advertisement Support for Innovative SMEs' to support small and medium-size enterprises with excellent technological prowess but low marketing capability and brand awareness. Innovative SMEs included certified businesses such as venture firms, innobiz (technological innovation), main biz (management innovation), outstanding green management and green certification SMEs, and the global IP (knowledge property) star business.

The 2<sup>nd</sup> year-status of the 2016 Advertisement Support for Innovative SMEs provided TV commercials with 50 % of the total production cost (up to KRW 50 million) and radio ads with 50 % of the total production cost (up to KRW 3.5 million).

**Table III-10 | 2017 Advertisement Support for Innovative SMEs**

Classification	TV ads	Radio ads
Limited amount	KRW 50 million (KRW 50 million out of 100 million in production costs)	KRW 3.5 million (KRW 3.5 million out of 7 million in production costs)
Exceeding the limit	KRW 50 million (KRW 50 million out of 120 million in production costs)	KRW 3.5 million (KRW 3.5 million out of 10 million in production costs)
Below the limit	50 % of the total production cost (KRW 40 million out of 80 million in production costs)	50 % of the total production cost (KRW 3 million out of 6 million in production costs)

Having held a brief meeting on matters related to supporting innovative SMEs, the commission explained the basic process of broadcasting ads, average production period and expenses, and other related rules. In March 2017, the KCC had a luncheon with the CEOs of SMEs which were selected as a recipient of advertising subsidies that were designed to encourage the start-ups.

The Commission had supported as many as 291 broadcasting advertising companies including 131 of them for TV and 160 for radio stations during the period from 2015 to the second half of 2017. For the year of 2017, around KRW 3 billion were spent on subsidies that were extended to 96 SMEs including 54 TV and 42 radio advertising production companies. The subsidies were provided three times that year considering the promotion of seasonal products.

**Table III-11 | Status of the Advertisement Support**

Classification	Number of companies			Subsidy (KRW 1 million)
	TV ads	Radio ads	Total	
2015	32	78	110	2,000
2016	45	40	85	2,540
2017	1 <sup>st</sup> half	32	26	3,000
	2 <sup>nd</sup> half	22	16	
Total	131	160	291	7,540

The businesses which received subsidies in 2017 saw sales increase by an average of 10.7 % (10.7 % for TV ad, 10.6 % for radio, respectively) after advertisements, in addition to improved brand awareness, and product reliability.

After receiving the subsidy, those businesses spent KRW 12.88 billion on broadcasting ads, 5.9 times the subsidy of KRW 2.18 billion. This result demonstrates that the support project is contributing to revitalizing the broadcasting advertisement market. The overall satisfaction with the broadcasting advertisement support was 4.39 points out of the full 5, or 87.5 points out of the full 100. Brand awareness improvement received 4.10 points, while an improvement in sales earned 3.47, highlighting that the project contributed to increasing the reputation of the business.

## **2. Support for the Revitalization of Regional and Small Broadcasting**

### **a. Strengthening the Quality of Regional Broadcasting**

With financial and human conditions deteriorating amid the emergence of new media and changes in the advertisement market, the Commission has reinforced support for the regionality and diversity of regional broadcasting according to the ‘Regional Broadcasting Development Support Plan’.

For the purpose of enhancing the program production capabilities of regional and small broadcasting business operators and supporting quality content production to improve the regional viewers’ welfare, the Commission implemented the ‘2017 content production capability enhancement support project for regional and small broadcasting’. Around 40 regional and small broadcasting business operators have applied and the Commission selected 40 programs from 27 broadcasting business operators, handing out a total of KRW 3.3 billion. For the 2017 support project, the KCC increased subsidies from KRW 100 million to 300 million for a broadcasting program in order to put a responsibility on the operators, and in that sense as much as 10 % of production costs go to the broadcasting operators.

Table III-12 | Support for regional and small broadcasting program production in 2017

Supported program	Supporting amount	Supporting maximum	Production period	Conditions	Notes
Competitiveness enhancement program	TV : KRW 16.5 million	KRW 3 million per program	Up to 2yrs	Self-funding ratio more than 10 % ※ Over 30 % for regular programs	<ul style="list-style-type: none"> <li>• Series programs preferred</li> <li>• Themes available for the overseas market preferred</li> <li>• Co-production with foreign counterpart</li> <li>• Format development (Supporting a maximum of up to KRW 1 million, Production period up to 1 yr)</li> </ul>
Regionality and diversity program	TV, Radio, DMB: KRW 16.5 million	KRW 1 million per program	Up to 1yr		

## b. Promotion and Marketing Support for Regional Broadcasting Programs

The Commission has supported regional broadcasters to actively participate in the domestic and overseas contents market, and global forums, also strived to discover the best method for the overseas distribution channel and forging a global network. The KCC set up the Local Broadcast Pavilion at Busan Contents Market, Broadcast Worldwide, and the Asia Television Forum, introducing excellent local contents to buyers and visitors from home and abroad. As a result, one regional project was selected to the pitching forum(Guangzhou Documentary Pitching Forum, Tokyo Docs and others) that took the competitiveness of the regional broadcasting contents to the next level and helped build a global network among the people involved.

Among the 2017 Excellent Contents of Regional Broadcasting, 〈Travel Backpackers〉, 〈Great Jirisan〉 recorded KRW 297 million in sales. As KNN's 〈TOP10 Pops Show〉 secured a purchase contract with CMC's 〈Family Entertainment TV〉, local broadcasting business operators signed for content exports worth KRW 467 million (KRW 260.1 million at BCM, KRW 146.6 million at ATF).

Figure III-6 | Support for the marketing and promotion of the excellent content of regional broadcasting in 2017



2017 BCM participation support for local broadcasting business operators

- Date : May 10 ~ 12, 2017
- Venue : BEXCO, Busan
- Program : Promoted the excellent regional broadcasting programs in the Korea Content Village (41 programs from 19 operators exhibited)



ATF participation support for local broadcasting business operators

- Date : Nov. 29 ~ Dec. 1, 2017
- Venue : Marina Bay Sands, Singapore
- Program : Promoted the excellent regional broadcasting programs in the Korea Content Village (53 programs from 21 operators exhibited)



GZDOC participation support for local broadcasting business operators

- Date : Dec. 11 ~ 14, 2017
- Venue : Guangzhou, China
- Program : Attended the International Documentary Festival and enhanced global producing capabilities

The Commission set forth the ‘Roadmap on Developing and Distributing Regional Broadcasting Contents’ to make sure that the regional operators make a firm foundation to thrive in the field through marching towards the overseas market.

### c. Educational Program for Local Broadcasting Staff

The KCC has provided a series of customized practical training, advanced curriculum for overseas broadcasting, and mentoring services to help local broadcasting staff to be equipped with the capability to produce high-quality broadcasting content. Based on the survey results of local demand for education conducted in February 2016, the Commission developed and offered a ‘customized educational program for local broadcasting staff’. The ‘customized education development team’ consisting of experts in broadcasting education developed the courses on PD education, special effects shooting, and

next-generation broadcasting technology. A total of 146 people (PD education, special effects shooting, and color-compensation) attended the class which was offered 10 times. The satisfaction score was an average of 92.1. The special lectures which were carried out 10 times offered education on smartphone shooting, education for reporters, and ways to utilize online contents. In terms of the mentoring services which were conducted 7 times, attendees were educated on how to edit audio effects, and how to request for information disclosure and analyzing technology, how to operate Facebook. The courses run in Tokyo from November 13 to 17, 2017 attracted 10 trainees from 10 different regional broadcasting operators, offered advanced production technology (NHK, SONY), an opportunity to visit local broadcasters(Fukui TV, MXTV, Yamaguchi TV), and curriculum on how to understand the recent trend in the industry, with a satisfaction rating of 92 on average.

### 3. Enhancing Media Diversity and Establishing the Foundation for Investigation

#### a. Results on the Market Share of Broadcasters

The Commission resolved and announced a ‘media exchange ratio of 2016’ pursuant to Article 69.2 of the 「Broadcasting Act」 and the ‘result of the audience ratings of broadcasting service providers of 2015’ pursuant to Article 35.4 thereof through the deliberation by the Media Diversity Committee. The share of the audience among broadcasting business operators is calculated by adding the share of the audience of a broadcasting operator to that of special interest groups. In case that a daily newspaper is also a broadcasting business operator, or owns stocks or shares thereof, the subscription rate of the daily newspaper shall be converted into the share of an audience before being added to that of the broadcasting business operator.

The share of the audience is the percentage of the viewing hours of a particular channel out of the total viewing period of TV broadcasting and it should not exceed 30 % as prescribed by the 「Broadcasting Act」. However, this shall not apply if a business operator is fully invested in by the government or a local autonomous entity. The media exchange ratio refers to the difference of influence between TV broadcasting

and daily newspapers. It is calculated by setting the influence of broadcasting at 1, against a relative ratio of influence by daily newspapers. For example, the media exchange ratio between TV and daily newspapers in 2016 was 1 to 0.41.

The evaluation results of the audience share of major broadcasting operators in 2016 are as follows: in terrestrials, 27.583 % for KBS, 14.982 % for MBC, 8.669 % for SBS, 2.000 % for EBS, in the category of general PPs and news specialized, 9.829 % for TV Chosun, 7.727 % for JTBC, 6.624 % for Channel A, 5.477 % for MBN, 2.160 % for YTN, 1.824 % for Yonhap News TV. In terms of the SO and satellite TV, 10.982 % for CJ E&M (CJ family), 2.656 % for T cast (t-broad family), 1.722 % for IHQ (C&M family), 0.709 % for Hyundai Media (HCN family), 0.045 % for CMB holdings (CMB), and 1.162 % for KT Skylife.

**Table III-13 | 2017 results on the audience share of major broadcasting operators** (Unit : %)

Classification	Broadcaster	Share of Audience	Remarks
Terrestrial Broadcasting	Korea Broadcasting System (KBS)	27.583	Terrestrial broadcasting and PP
	Munhwa Broadcasting Corporation (MBC)	14.982	Terrestrial broadcasting and PP
	Seoul Broadcasting System (SBS)	8.669	Terrestrial broadcasting and PP
	Educational Broadcasting System (EBS)	2.000	Terrestrial broadcasting and PP
General service and news-specialized PP	TV Chosun (The Chosun Ilbo family)	9.829	General service PP and daily newspaper
	JTBC (Joongang Ilbo family)	7.727	General service PP and daily newspaper
	Channel A (Dong-A Ilbo family)	6.624	General service PP and daily newspaper
	MBN (Maeil Business Newspaper family)	5.477	General service PP and daily newspaper
	YTN	2.160	General service PP and daily newspaper
	Yonhap News TV	1.824	News-specialized PP
Major CATV broadcasting business operator PP and satellite	CJ E&M (CJ family)	10.982	PP·SO
	T cast (t-broad family)	2.656	PP·SO
	IHQ (C&M family)	1.722	PP·SO
	Hyundai Media (HCN family)	0.709	PP·SO
	CMB Holdings (CMB family)	0.045	PP·SO
	KT Skylife	1.162	Satellite

Note) audience share of the Educational Broadcasting System(EBS) included 0.0031 % of EBS 2

The survey found that no business operators had an audience share ratio exceeding 30 % under Article 69-2 (1) of the 「Broadcasting Act」. The 2016 audience share ratio was conducted by TNMS, a commercial survey agency entrusted by the Commission. The result of the audience share by TV channels in 2016, the equity share ownership status submitted by the broadcasting business operators, the ad sales data of the broadcasting business operators and daily newspapers, and the number of households certified by the Korea ABC Association to subscribe to daily newspapers from 266 broadcasting business operators (legal entities) which run 388 TV channels were tallied and reflected in the final calculation.

For public awareness on the broadcasting information of the audience share, the Commission set up a broadcasting statistics website (mediastat.or.kr) in 2017, which has been available since Jan. 2, 2018. For official statistics, the site offers as many as 690 statistics in seven areas. The Commission focused on helping the public use the site without difficulties by providing numbers in the chart organized by theme and link on the official home page of the Korea Communications Commission.

## b. Evaluation Results of the 2016 Viewing Records of the N-screen

With access to broadcasting changing due to digital convergence and the emergence of smart media, viewer preference is shifting to VOD, PC, and mobile devices. As a result, there was a necessity to evaluate the pattern of watching TV on a wide variety of platforms to measure how many hours viewers are actually spending. The Commission announced the 2016 survey results of the viewing records of N-Screen in September 2017 that includes the smartphone, PC, fixed TV VOD.

### 1) Evaluation results of the viewing records via the smartphone and PC

The survey was conducted on about 5,000 people (3,500 for the smartphone and 1,500 for PC) aged from 13 to 69 across the nation from August 2016 to January 2017. The viewing record of broadcasting programs (records for the next eight days from the date show aired) provided via the smartphone and PC out of programs aired in real time and non-real time was surveyed through the assessment application.

The survey showed that the rate for viewing videos on the smartphone<sup>1)</sup> stood at 94.38 %, while people watched videos for 726.84 minutes per month on average, accounting for 10.36 % of the total time they were on the smartphone. Broadcasting usage rate was 63.98 % while the time people watched was 70.51 minutes taking up 9.7 % of video usage time. Viewers who watched videos on the PC makes up 64 %, spending 238.48 minutes a month which accounts for 24.07 % of the total time they are on the PC. Those who viewed broadcasting programs takes up 32.02 %, enjoying the programs for 53.29 minutes a month on average, accounting for 18.80 % of the total time for videos.

The result of broadcasting viewing records via the smartphone revealed that all age groups loved watching programs on the smartphone at a rate of 90 %, in particular those in their 20s and 30s used the device more than any other groups. Female viewers spent more time on enjoying video programs than male viewers while the results were in contrast in terms of broadcasting programs. Those in their 20s tuned relatively more into broadcasting programs followed by those in their 30s and 40s. The age group in their 50s enjoyed broadcasting programs more while the group in their 10s and 20s were more into watching videos than any other groups. Male viewers and those in their 10s and 20s were found to watch more videos(one-person broadcasting, movie/soap opera).

Male viewers particularly those in their 30s and 40s watched more videos and broadcasting programs than female viewers. By age group, those in their 30s were the most ardent viewers followed by those in their 20s and 60s. Last but not least, the number of viewers for broadcasting programs compared to those watching videos showed the highest in the age group in their 60s. The age group in their 20s and 30s watched videos and broadcasting programs for longer hours.

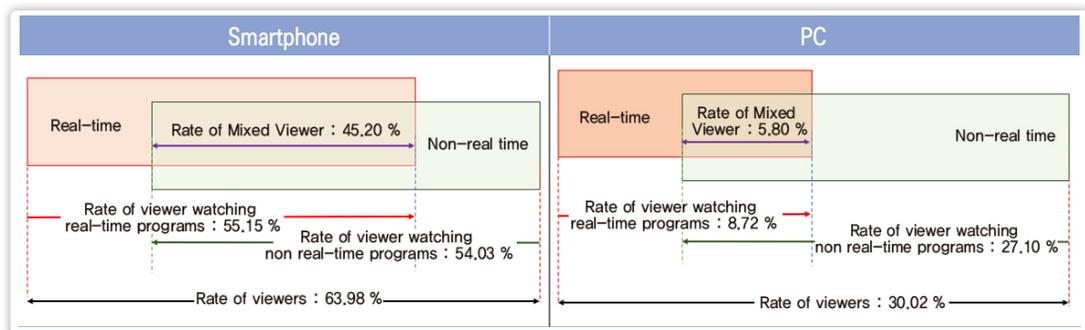
When it comes to the time slot, more viewers watch broadcasting programs on the smartphone and PC after 6 PM, mostly during 7 PM to 10 PM on weekdays. This trend was similar to that seen on the results of TV viewership.

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1) The rate of viewers in how they used(or watch the program) the device more than once a month out of the total

As for the viewing records on the smartphone, there was no significant difference between the rate of those watching real time broadcasting program(55.15 %) and that of those viewing non-real time(54.03 %). For the PC, the rate was slightly higher than on the smartphone, 8.72 % for those watching real-time programs and 27.10 % for non-real time.

**Figure III-7 |** The Rate of Viewers by Broadcasting service platform (average of 6 months record)



Breaking the watching hours into broadcasting operator groups, watching hours on the smartphone was mostly spent on terrestrial broadcasting(50.80 %, 35.09 minutes), followed by general service(34.16 %, 11.46 minutes) and new PPs(18.13 %, 2.36 minutes). Meanwhile, the watching hours on the PC was as well mostly spent on terrestrial broadcasting (17.58 %, 28.05 minutes) followed by others(14.41 %, 8.68 minutes), MPP(8.63 %, 8.73 minutes) and general service (7.70 %, 7.42 minutes).

For genres, most popular smartphone programs were entertainment(45.05 %) followed by information and reporting(35.53 %), soap opera(28.91 %), and sports(26.19 %). The monthly base watching time was 25.38 minutes for entertainment, 23.05 minutes for soap opera, 9.98 minutes for sports, and 8.96 minutes for reporting. Most of the reporting and sports videos run for a shorter time compared to other programs, which is why the rates are relatively low. As for the PC, the viewers prefer entertainment (15.89 %) and sports(15.36 %) to soap opera(9.28 %) and reporting(3.66 %). Given the fact that the non-real time broadcasting is more sought after than real-time, viewers on the PC watch less reporting programs and more sports clips.

By channels, viewers on the smartphone spent more time watching SBS(33.94 %, 11.83

mins), MBC(32.06 %, 10.39mins), KBS2(27.48 %, 9.68mins), JTBC(25.58 %, 7.96mins), tvN(22.42 %, 8.41mins) than those on other platforms. The number of viewers on the PC was lower than those on the smartphone, showing that they more likely to watch the terrestrial broadcastings of MBC, SBS and KBS2 than general PPs such as tvN, JTBC.

By platform, most of the users love watching programs on their smartphone, recording the highest user rate and longest hours. Application, web page and DMB comes next. Other than applications and DMB exclusively used for broadcasts, viewers tend to watch programs via the web page while using other services(surfing the internet). When it comes to the PC, viewers tended to prefer to watch programs via the web page(25.57 %) than via application(7.72 %), but they spent more time on applications(33.02 mins) than the web page(20.27 mins). When they enjoy the broadcasting program, applications were more sought after than the web page. But when using the applications only for videos, viewer spent more time watching the program.

## **2) Evaluation Results of the 2015 Viewing Records of Fixed TV VOD**

To begin with, the Commission conducted the survey of the viewing records of fixed TV VOD on about 8,800 people aged 4 or older in 3,000 households across the nation from January 1 to December 31, 2016. The viewing records of the VOD provided via the paid platform out of programs aired in real time was surveyed based on the people-meter method.

The time spent on watching VOD over the survey period was a monthly average of 131.64 minutes per household and 79.13 minutes per person. 67.91 % of the households (13,649,155 households) with access to VOD watched more VOD during the summer time(May to July), with the longest time of 203.87 minutes in June and the shortest time of 89.78 in February. VOD was most watched on the following day of the first run, but displayed a decline after the following day.

By gender, females(58.26 %) viewed more than males(41.74 %). By age, those in their 40s watched more than any other age groups(23.80 %), followed by those in their 30s, 50s, 60s, 20s and 10s.

In terms of genre, entertainment was replayed most often (64.54 minutes), followed

by soap opera(59.09 minutes), information and reporting(7.40 minutes), kids(0.35 minutes), and others(0.29 minutes). VOD was watched more by females than males across the genre. Soap opera and entertainment was the most viewed by those in their 40s and information and reporting was the most popular with viewers in their 60s, while kids contents were most loved by viewers in their 30s. This is considered that those in their 30s watched the kids program with their children.

By business operator groups, terrestrial broadcasting VOD of MBC was the most watched for 31.81 minutes, followed by KBS2 for 27.65, SBS for 22.96, KBS1 for 2.25, EBS 1 for 1.71 minutes. Among general service PPs, JTBC was the most viewed for 10.99 minutes, followed by TV Chosun for 4.61 Channel A for 3.49, and MBN for 3.27 minutes, while new specialized PP of YTN was aired for 0.02 minutes through VOD.

By VOD service operators, terrestrial channels(MBC, KBS, SBS, EBS and OBS) were the most sought services for 86.43 minutes per month by household, followed by 22.36 minutes for general PPs, 21.49 for CJ family PP 21.49, 0.60 for terrestrial PPs, and 0.02 for news specialized PPs.

Viewers in the capital and non-capital area preferred terrestrial broadcasting the most, followed by CJ family PPs for capital area, and general service for non-capital area. Also, male viewers preferred terrestrial broadcasting the most followed by general service, CJ family PP, while for females, the most popular VOD was terrestrial broadcasting followed by CJ family PP and general service. Across all broadcasting operators, women selected more VOD services than men. When it comes to age group, terrestrial broadcasting and CJ's PP were the most popular with those in their 40s, while general service was most sought after by viewers in their 50s and 60s. People in their 40s were the most enthusiastic viewers of all VOD services.

### c. International Conference on the Promotion of Media Diversity

The '2017 International Conference on the Promotion of Media Diversity' was held at a press conference of the Korea Press Center in November 2017, which invited experts from home and Europe on the panel and as speakers, serving as a stepping stone of

the international cooperation in media diversity.

The conference was composed of two sessions: the first was on the ‘Regulation on Market Share’ and the second one was ‘Analysis on Media Diversity’. The first session moderated by Yon Suk-min, professor of Seoul National University (SNU) had Georgios Gounalakis, Commissioner of the Investigating Commission on Media Concentrations (Kommission zur Ermittlung der Konzentration im Medienbereich - KEK) in Germany as a speaker who talked about the ‘Background and History of Regulations on Market Share in Germany’ and invited Park Min-gyu, professor of Korea University, Park Ju-yoen, professor of Hankuk University of Foreign Studies, Hwang Yong-suk, professor of Kunkuk University on the panel.

The second session moderated by Hong Suk-kyong, professor of SNU was composed of the case study of media diversity in Europe including monitoring on media diversity, analysis on TV news which were touched upon by Elda Brogi, researcher of EU Media Diversity Center, Géraldine Van Hille, director of social integrations at the Conseil supérieur de l’audiovisuel (CSA) in France, and Tânia Soares, director of media analysis at Regulatory Entity for Social Communication (ERC) in Portugal. The following discussion session included Kang Jae-won, professor of Dongkuk University, Song Byong-jun, Vice-President of Corea Drama Production Association, and Yun Jung-ju, Chief of Womenlink Fairmedia as a panelist.

Figure III-8 | International Conference on the Promotion of Media Diversity



# Chapter 2 | Realizing a Safe and Fair Broadcasting and the Communications Market

## 1. Facilitating Fair Competition in Broadcasting and Communications

### a. Improving the Outsourcing Production Environment

The Commission held three meetings and a seminar in order to listen to various opinions from relevant people over the outsourcing production market. During the sessions, the Commission was able to get to grasp on the practical difficulties in the field by having discussions on the current market issues for creating a fair trade environment and developing the media content industry. In addition, the Commission contributed to rectifying unfair practices in the outsourcing production market by coming up with comprehensive measures in working with five relevant ministries at the end of the year.

First of all, the Commission met Song Kyu-hak, head of the Korean Independent PD Association (KIPDA), together with the association's executive officers at Yeouido in August 2017. At the meeting, the Commission focused on their opinions over unsolved issues regarding the death of two PDs, Park Hwan-seong and Kim Gwang-il. The Commission also held a meeting with the heads of related associations including KIPDA, KIPA, and CODA at the Korea Broadcasters Center, and gathered inputs from them for improving the practices of the outsourcing production market. In September 2017, the Commission had a meeting with Kim Woon-gyeong, Director of the Korea TV and Radio Writers Association(KTWRA), and relevant people at the Press Center, and took note of the difficulties facing TV writers and welcomed opinions for enhancing the writers' rights and interests.

Figure III-9 | Meeting with the heads of associations related to outsourcing production



Figure III-10 | Meeting with the members of KTRWA



The Commission also organized the ‘Seminar for Creating Fair Trade Environment between Broadcasters and Outsourcing Producers’ in the same month. The seminar brought together experts from the government, relevant industries, and academia and provided the participants with an opportunity to diagnose obstacles in the broadcasting production environment and come up with solutions.

Figure III-11 | Seminar for creating a fair trade environment between broadcasters and outsourcing producers



With the results and opinions from the survey and inspection, director generals and directors of the five governmental organizations gathered to hold discussions and drew ‘Comprehensive Measures to Improve Unfair Trade Practices in the Market of TV Program Outsourcing Production’ which was reported to the Cabinet Counsel in December 2017.

The comprehensive measures were composed of five core tasks divided into 16 detailed subcategories. The five core tasks included the safety enhancement and human rights protection for production workforce, working environment improvement, reasonable allocation of outsourcing production costs and appropriate copyright distribution, creation of a fair trade environment in the outsourcing market, and the establishment/revision and promotion of a standard contract in the broadcasting area.

## b. Correction of Unfair Conduct of Broadcasting Business Entities

### 1) Inspection of Unfair Conduct in the Broadcasting Market

In order to create a fair competitive environment among paid broadcasting businesses and to protect viewers’ interests, the Commission strengthened inspections and sanctions on unfair practices of the broadcasting market. In the process, the Commission ordered home-shopping broadcasting operators to correct their unjust practices in which suppliers were forced to bear production costs. Additionally, the Commission enhanced viewer protection with regards to the group contract of cable TV at apartment complexes by urging service providers to obtain individual agreements, to send the notification on a regular basis, and to revise the title of the service item in the bill of the maintenance fee.

On top of it all, the Commission held a general meeting in September 2017 and came to an agreement to issue a correctional order to home-shopping broadcasting operators. The purpose of the order was to correct the operators' violations on the associated broadcasting law by passing over a whole or part of the production costs for commodity sales broadcasting to suppliers. The order has been the first sanction to be levied on the home-shopping broadcasting operators ever since the 「Broadcasting Act」 and the 「Enforcement Decree of the Broadcasting Act」 were amended to add the home-shopping PP prevention in order to regulate the unfair practices causing damages to suppliers. Therefore, the movement has significance in that it could correct the unjust practices that forces suppliers to cover the cost of promotional video pre-production<sup>2)</sup>.

Starting from November 2016, the Commission conducted a survey on the commodities promoted (from June to October 2016) through seven home-shopping broadcasting operators (GS Home shopping Inc., CJ O Shopping Co., Woori Home Shopping (Lotte Home Shopping Co.), Hyundai Home Shopping Network Corporation, Home & Shopping, NS Shopping Co., Public Home Shopping (IM Shopping) in order to identify whether any such unfair practices were involved.

The survey results indicated 743 commodity items were directly purchased by the TV home-shopping broadcasting operators from suppliers prior to the sales promotion and the operators tended to take charge of the inventory control of the items. However, the suppliers were required to bear a whole or part of the pre-production costs of promotional videos for 754 items of which the trademark rights were held by the broadcasting operators.

With the results, the Commission suggested the suppliers experience less pressure in taking the burden of the pre-production costs for the items directly purchased by the operators, because certain amounts would be paid to the suppliers in advance regardless of sales performances. On the other hand, however, for the items that the broadcasting operators hold the trademark rights the operators takes charge of the process of product planning·manufacturing of the items so that the interests of the operators are

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2) The video to be televised in between broadcasting for a better sales performance for TV Home-shopping broadcasting. It is produced in advance in order to additionally provide the information of the product's effectiveness·efficiency and enhance the image of the product in sales.

prioritized. In this regard, the Commission concluded the practice was inappropriate because it was not based on an agreement by suppliers' free will and ordered the operators to correct the unjust practice.

Additionally, the Commission recommended that the TV home-shopping broadcasting operators shall come up with the contract (or agreement on broadcasting conditions) to include specific information on who will bear the production costs (pre-production of promotional video, payment for models and guests, and others) and on the cost contribution ratio. Moreover, the Commission decided to levy a penalty of KRW 10 million on CJ O Shopping Co. because the company delayed and interfered with the survey by submitting documents containing false information more than ten times during the survey.

Hence, the status monitoring of the Cable TV group contract allowed the Commission to recognize any shortcomings related to the practice of obtaining individual consent from subscribers and the notification of contract conditions. Starting from May 2017, the Commission carried out the status monitoring on 42 large apartment complexes that made group contracts with major Cable TV operators including CJ Hellovision, Tbroad, D'live, CMB, and Hyundai HCN. In a group contract, it is mandatory to gain individual consent from all of the households; however, the monitoring results suggested that some group contracts missed many households in the procedure of obtaining individual consent because they have rejected the visit to sign on the agreement. Also, it is essential for the operators to provide individual subscribers with periodical information as the maintenance office of the apartment complex is assigned to sign on the contract on behalf of residents. Still, most operators provided notification of the contract conditions only one at a time when a group contract was finalized.

Furthermore, in many cases, the maintenance office of the apartment complex failed to comply with the procedure of confirming consent from households that had only recently moved in. Also, some apartment complexes used confusing titles for the subscription fee (ex: cable fee, communication maintenance fee) in the maintenance fee bill so it could make it difficult for residents to recognize that they were engaged in a group contract.

Against this backdrop, the Commission announced that it would take actions to improve

the current system for the Cable TV operators as follows:

First, the operators shall notify individual households of the group contract and strictly obtain individual consent; Second, the operators shall send individual subscribers the notification of the group contract, procedure of collecting charges, and how to terminate the subscription through post mail or email twice a year (the first and second half of the year); Third, the operators shall charge the fee after confirming individual consent from new households moving in, in consultation with the maintenance office of apartment complexes; Fourth, regarding the confusing terms in the maintenance bill, the Commission planned to discuss the issue with the operators so as to make sure the subscribers are able to clearly recognize that they have come to join the group contract for a paid broadcasting service.

The Commission explained that the improved system was expected to enhance the provision of information for viewers and prevent them from experiencing any damages. Also, the Commission added that it would keep monitoring on whether the implementation maintains as intended.

## **2) Launching a Website for the Anonymous Reporting of Unlawful Activities in the Broadcasting Industry**

The Commission launched the ‘Anonymous Online Center for the Reporting of Unlawful Activities in the Broadcasting Industry’ in December 2017, in the hope of rooting out unfair practices in the market of broadcasting and broadcasting advertisements. In general, small and mid-sized broadcasting operators, program providers, and advertising agencies are employed based on a contract and inevitably at a lower status among contract parties. In this regard, they are reluctant to report the illegal activities of broadcasting operators, multi CATV system operators & program providers (MSP), multi program providers (MPP), media representatives because of fear of experiencing any disadvantages in their contract. Taking this into account, the Commission has set up the website that enables users to report tips over illegal activities in the industry.

The anonymous online reporting center will not collect users’ IP addresses so that the reporters’ identification could not be revealed. Moreover, the Commission will make sure that the identification of whistle blowers could not be tracked or discovered in

the process of dealing with and investigating the reported case by looking into not just only the reported case but also several other trades falling into the same category as the reported case.

The ‘Anonymous Online Center for the Reporting of Unlawful Activities in the Broadcasting Industry’ is available on the official website of the Commission ([www.kcc.go.kr](http://www.kcc.go.kr)) and Community Media Foundation ([www.kcmf.or.kr](http://www.kcmf.or.kr)). Those who want to report tips of the unlawful conduct of broadcasting operators and media representatives could use the website without typing ID information.

The Commission plans to deal with the cases reported through the Anonymous Online Center as the same as the case officially reported through written documents. Yet, considering there could be some false tips or cases reported by malicious intention and taking advantage of anonymity, the Commission will make the final decision on whether the case needs to be investigated after thoroughly reviewing the case based on varied documents including the status inspection results up to date.

## c. Building a Foundation for Fair Competition in the Communications Market

### 1) Creating Fair Competitive Environment in the Communications Market

The Commission has tightened inspections and imposed sanctions on diverse types of unfair conduct and activities undermining users’ interests that could take place depending on the changing environment of the communications market. By doing so, the Commission has been committed to establishing a fair competition order and sustainable ecosystem. With the growing market share of the combined communications products centered on communications operators, the Commission has come up with the indicators that help with reaching a judgment on the market definition and inappropriate transfer of market dominance, and the estimation methodology on the current status of the competition in the combined product market. The purpose of the plan was to prevent fairness from being hampered in the competition between the communications operators and paid broadcasting operators. In the process, the Commission has made every effort in creating a fair competitive environment by conducting the status monitoring on identical combined product sales in the broadcasting and communications areas and evaluating

on the competitive circumstances of the combined market to analyze the impact of combined sales.

In terms of the legal system, the Commission has endeavored to establish a foundation for fair competition in the communications market by restructuring the legal system to prevent unreasonable discrimination against a large number of small and medium communications operators. In August 2017, the Commission set specific standards and clarified the violation criteria over the practice that telecommunications operators impose unreasonable or discriminative conditions or constraints on other service providers for the purpose of encouraging the operators to comply with the law. Additionally, the Commission is planning to strengthen the status monitoring not only on user interest infringement and unfair practices taking place in the process of providing broadcasting communications combined products but also on new types of prohibited acts such as discriminating and imposing unfair conditions or constraints on specially related parties. The new types of prohibited acts are likely to newly emerge in the special category and value-added communications service market. The Commission has also contributed to creating a fair competition environment through promoting law and system improvement.<sup>3)</sup> For instance, in September 2017, the Commission made a pre-announcement of the legislation of the amendment of the 「Telecommunications Business Act」 that prohibits the acts of refusing and restricting proper distribution of profits in the trade between portal operators and medium contents providers. Furthermore, the commission created the environment for strengthening the protection of user interests and the legal compliance by establishing a cooperation system for mutual prosperity with small and mid-sized distribution channels and a self-regulatory system among the operators to deal with the user interest infringement, newly included among prohibited acts.

The efforts of the Commission to lay a foundation for fair competition in the communications market have led to positive impacts on users, operators, and the overall communications market. Specifically, users could see the improvement in the user interest infringement such as the insufficient false notification of critical information, improper restrictions

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3) Implementing the 「Enforcement Decree of Telecommunications Business Act」, coming up with the standard for providing economic benefits for telecommunication business operators and methods for reducing penalty for contract termination, and seeking directions for co-prosperity between carriers of wired-communications and small and mid-sized distributors.

on contract termination, which finally resulted in enhancing user experiences. In the view of communications operators, the fairness in the competition environment was heightened, which allowed the operators to step up their competitiveness in providing quality services. In the communications market as a whole, the effectiveness of regulations was acquired by a tightened market monitoring on illegal conduct such as the new type of prohibited activities and the predictability of law enforcement was strengthened among the operators, which helped lay a foundation for a fair trade order in the communications market.

**Table III-14 |** Monitoring of prohibited activities by the 「Telecommunications Business Act」

Period	Subject	Details
Jan~Dec 2017	Price of giveaways for combined products	<ul style="list-style-type: none"> <li>Documents of current status on the price of giveaways for wired/wireless combined products, subscription promotion performance, and illegal sales operation</li> </ul>
Jan~Dec 2017	False·exaggerating advertisements	<ul style="list-style-type: none"> <li>Whether the operator to comply with the guidelines for false/ exaggerating advertisements of combined sales (for example, using the expression of 'free' for a specific product or non-verifiable words of 'maximum', 'best' in the advertisements)</li> </ul>
Oct 2017	Forcing to subscribe to a expensive plan	<ul style="list-style-type: none"> <li>Analyzing the data of sales incentive policy and pre-monitoring on whether sales people force users to subscribe expensive service plans</li> </ul>
Oct~Nov 2017	Restriction on contract termination	<ul style="list-style-type: none"> <li>Regarding contract termination, pre-monitoring on whether temporary suspension of the service is available without returning equipment such as the set-top box</li> </ul>

## d. Expanding Support for Small and Medium-sized Distributors

### 1) Cooperation for Co-prosperity between Mobile Communications Service Operators and Small and Medium-sized Distributors

The Commission has employed diverse means such as analyzing related cases and public complaints, conducting surveys, holding meetings, and running the association of co-prosperous cooperation in order to minimize the difficulties facing small and mid-sized distributors with a lack of competitiveness and to provide them with policy assistants. To that end, the Commission set the direction for policy assistants by analyzing related case studies and complaints reported to mobile communications service operators, the Commission, and the Korea Consumer Agency. Also, the Commission carried out a survey on small and mid-size distributors and held meetings with them in order to

compile complaints and difficulties of the distributors with regards to the Headquarters' practice of returning commission, lack of notification for the commission returning policy, and the restriction on contract cancellation. In doing so, the Commission is dedicated to creating the ecosystem for a win-win strategy.

In addition, the Commission organized the association of co-prosperous cooperation and ran 4 meetings from March to November 2017 in collaboration with mobile communications operators and the Korea Association for ICT Promotion(KAIT). During the sessions, the Commission devised methods for the cooperation for co-prosperity between mobile communications operators and small and medium-sized distributors, which led to expanding the support for the distributors. The Commission endeavored to providing small and mid-sized distributors with practical assistants in varied aspects: leading the association to have the free-rental period of ID scanners extended for six months so that the period expired in June 2017 instead of December 2016; lessening the burden of the distributors by lowering the standards for their self-regulation in April 2017; raising the quality of job at the distributors by changing the closing day of the mobile communications operators' system from every 2nd and 4th Sundays to every Sunday so as to protect employees' rights.

**Table III-15** | Ways to address the difficulties faced by small and medium-sized distributors

No	Current situation and issues	How to improve
1	<ul style="list-style-type: none"> <li>For a new subscriber, a top-tier distributor fails to pay commission to a sub-distributor or stops operating the business without providing giveaway to the subscriber, which cause damages on the sub-distributors and subscribers.</li> </ul>	<ul style="list-style-type: none"> <li>Launching of the 'Information Sharing Website for Preventing Damages on Distributors' to provide information such as the list of the company in bankruptcy (tentative title) (KAIT)</li> <li>Through the information sharing, make it possible to suspend trade or terminate contracts with the corresponding companies(the damages tantamount to over KRW 10 billion in 2016 alone)</li> </ul>
2	<ul style="list-style-type: none"> <li>When the headquarters require distributors to return a sales commission, the distributors have no chance of making complaints to the headquarters and concern over the arbitrary changes in the policy</li> </ul>	<ul style="list-style-type: none"> <li>Offering the chance for the distributors to make complaints and requiring the headquarters to internally notify concerning policy changes.</li> </ul>
3	<ul style="list-style-type: none"> <li>Due to the excessive constraints on contract termination and the sales promotion for contract renewal by the headquarters and customer center, new subscription and commission to decrease</li> </ul>	<ul style="list-style-type: none"> <li>Restrictions on the acts of unreasonable withdrawal of termination by the customer center and reducing excessive termination defenses</li> </ul>
4	<ul style="list-style-type: none"> <li>Lack of support for small and medium-sized distributors</li> </ul>	<ul style="list-style-type: none"> <li>Providing office supplies, conducting online training programs (legal and account area), and offering assistance for distributors with the best performance in working with KAIT</li> </ul>

## e. Preventing User Infringement

### 1) Preventing Damages on Users

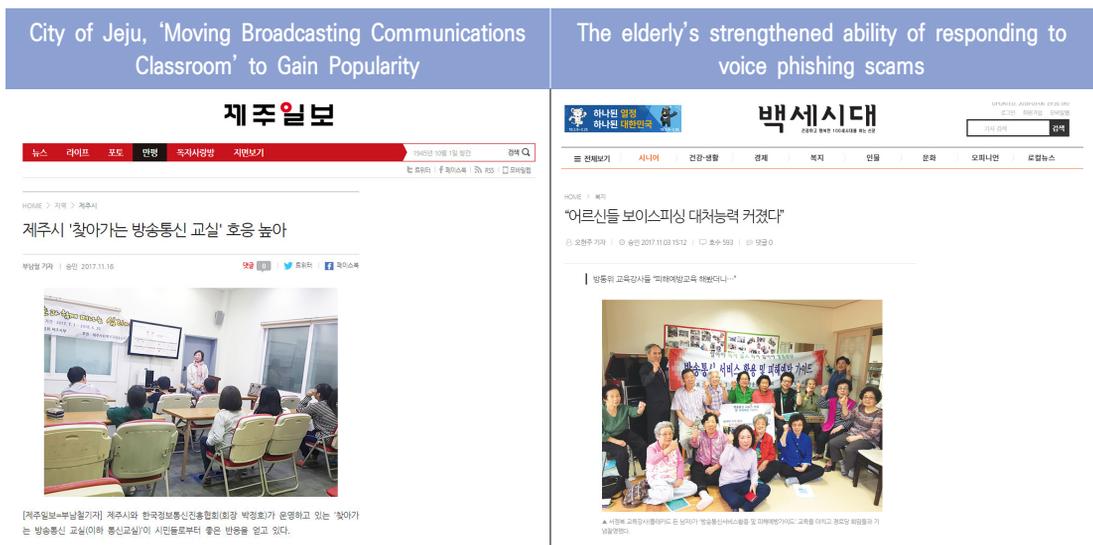
The Commission dedicated to preventing damages on users by taking measures to improve the circumstances after intensively monitoring to find out what makes users feel uncomfortable while using the communications services. In March 2017, the Commission conducted an investigation on the absence of notification concerning critical matters related to the quality of service for the telecommunications service (LTE and others) and recommended the operators correct the practice. Then, in April 2017, the Commission carried out a status inspection on the situation, in which the users are restricted in deleting with advertisements that block other sources of information, and ordered the operators to immediately correct the practice as well. Additionally, the Commission improved the working procedure of the service providers after checking the actual status of user notification on the expiration of the contract discount period of mobile carriers in August 2017. In September 2017, the Commission investigated the termination procedure of the mobile paid application and ordered 7 contents providers to improve their services which did not include a feature to allow users to terminate the service. Furthermore, the Commission brought about changes in situations causing inconvenience among users and took measures to prevent damages on users by system improvement such as operating the notification service overdue communications fees, calling for mobile carriers to refund outstanding fees, and come up with ways to reduce the contract termination penalty.

**Table III-16 | Outcomes in preventing user damages and improving the conditions causing user inconvenience**

Establishing and operating notification service for overdue fees	Facilitating to refund the outstanding communications fees	Facilitating to refund the value-added tax for Safe Plan of OllehPhone
In case of the overdue payment by ID theft, to notify of the incident to a user in order to prevent damages, resulting in the reduction of the amount of damages(KRW 991,000 for the contract termination 3 months later → KRW 547,000 for the contract termination within 3 months, reducing by 440,000)	Totally 631,000 cases with accumulated KRW 11.947 billion (September 2017)	Refunding KRW 38.2 billion through recommending to strengthen user protection (December 2017)

Also, the Commission strengthened cooperation with external entities by signing the MOUs with new educational organizations<sup>4)</sup> of local governments, the disabled-related organizations, and educational organizations. By doing so, the Commission made the utmost efforts to enhance the capability of users and prevent damages on users by making a larger number of people become engaged in its educational programs. In conclusion, the customized education for each group was estimated to contribute to a decrease in the number of victims in the communications service by reducing the damages by 12 percentage points from smartphones and by 3 %p from mobile phones.

Figure III-12 | Media reports on decreasing damages on telecommunications service users(November 2017)



4) By adding new educational institutions (City of Jeju, Korea Blind Union, and the National Federation of Fisheries Cooperatives), educated on 42,809 people(114.2 % of the achieving rate compared to the target)

## 2. Stabilizing the Mobile Communications Market

### a. Responding to the Abolition of the Upper Limits on Subsidies

#### 1) Continued System Improvement according to the Abolition of the Subsidy Ceiling

Since the 「Mobile Device Distribution Improvement Act」(hereinafter referred as the 「Device Distribution Act」 took into effect, the overall mobile communications market has become more stabilized. Despite the circumstances, there was a requirement to conceive means to prevent market disruptions caused by the illegal activities taking place in the blind area and the abolition of the upper limits on subsidies. Thus, the Commission kept on strengthening market monitoring and improving the related laws and systems in order to properly respond to the abolition of the subsidy ceiling, to promote the sound development of the market, and to better protect users' rights and interests.

Additionally, as follow-up measures to the abolishment of the subsidy ceiling, the Commission brought to a close in the 'Rules on the Upper Limit on the Subsidy for Mobile Devices', the sub public notification of the 「Device Distribution Act」. Also, the Commission consistently propelled system improvements by revising related rules such as the 'Criteria of Imposing a Penalty for the Infringement of the Mobile Device Distribution Improvement Act', and 'Rules for Handling Affairs related to the Temporary Restraining Order'.

Hence, the Commission posted vice-minister's editorials in an effort to prevent the market and public from being confused by the abolishment of the upper limit of the subsidy. Also, in hopes to promote the abolishment of the subsidy ceiling to the public, the Commission engaged in an online campaign.

Figure III-13 | Promotion of the Abolishment of the Subsidy Ceiling

Posting an Editorial related to the Abolishment of the Subsidy Ceiling	Online Campaign related to the Abolishment of Subsidy Ceiling
 <p>2017년 09월 11일 월요일 023면 사설 / 조커나인</p> <p><b>차관 칼럼</b> <b>지원금 상한제 폐지 이후를 대비하다</b> 교삼석 부총리겸 상임위원</p> <p>“한국통신”과 “KT” 등 3사의 최 선 노력으로 통신 시장에서의 서비스 품질은 10년 전과 비교하면 최고 연평균 20% 이상으로 향상 되고 있다. 단말기 지원금의 위중 성으로 소비자들의 인종분류는 서비스 향상에 단말기 구입비용을 지원하 는 정책이 적절하다고, 정책 변경이 유해할 공산이 높기 때문에 단말기 지원금 상한제 도입을 반대하는 정책을 추진할 수밖에 없었다. 한 편, 소비자 보호를 위한 정책으로 고급 서비스 제공을 보장할 수 있었다. 지원금 상한제가 제정된 후 서비스는 대다수 소비자들에게 대기 제공을 보장할 수 있었다. 불 만은 없다. 물론, 부총리 겸 상임위원으로서 서비스 향상을 촉진할 수 있도록 노력하고 있다. 지원금 상한제 도입이 소비자의 편익을 증진할 수 있도록 노력 하고 있다. 단말기 구입비용 지원 금의 위중성은 서비스 향상을 촉진할 수 있도록 노력하고 있다.</p>	 <p>대한민국 방송통신위원회 10월 21일 오후 5:19</p> <p>[2017-23] 페이스북 정액미드 EVENT 빈칸에 들어갈 낱말을 맞춰주세요 참여방법 1. 워드 정답 댓글로 남기기... 더 보기</p> <p>2017년 10월 21일부터 단말기유통법에서 이동통신서비스사용자에게 제공할 수 있는 지원금의 상한액에 관한 조항이 폐지되었습니다.</p> <p>1월 11일 21일 31일</p>

## b. Enhancing Market Monitoring

### 1) Enhancing the Market Monitoring and Improving the System

The Commission restructured and improved the system so as to keep the market stabilization on track in the mobile communications industry by reinforcing monitoring on the new types of sales behaviors and the market inspection on the areas with a lack of compliance awareness. In order to bolster monitoring, the Commission conducted it according to each online sales channel such as the general website, online community, and SNS. Also, the Commission decided to include the clusters of retail outlets in the monitoring targets as they proved themselves to be vulnerable in complying with the law by providing excessive subsidies in a joint effort. During the period from May to September 2017, the Commission carried out the fact inspection of the violations by 3 mobile communications carriers, retail outlets in clusters, and online channels on the 「Device Distribution Act」.

In September 2017, the Commission amended the 「Enforcement Decree of the Act on Device Distribution」, which allowed the Commission to intensify the degree of restrictions on mobile communications carriers and large scaled distributors. Therefore, the Commission came to possibly impose the maximum amount of penalties on the entities for the case of rejection or interference with the inspection, by taking into consideration the size of the entity but regardless of the frequency of the infringement. The move intended to make the market inspection more effective and better reflect the reality

of the market. Therefore, the Commission drew up the plan for the market inspection on the illegal conduct after thoroughly looking into restricted activities under the 「Telecommunications Business Act」, for instance false and exaggerating advertisements, the discrimination on subscribers in giving away free gifts, the deduction of sales incentives, and the acts of restriction on contract termination. Moreover, in the hope of making a better penalty system regarding contract termination, the Commission analyzed the complaints reported to 4 communications service providers, the Commission, and the Korea Consumer Agency. Also, the Commission conducted a pre-survey on small and medium sized distributors in an effort to come up with win-win strategies.

### 3. Enhancing User Protection

#### a. User Protection Related to Recall

##### 1) Establishing Legal Ground for the Recall of Telecommunications Devices

With the prevalence of smart phones and advancement in IoT, the recall of communications devices tends to be executed on a large scale<sup>5)</sup>. Additionally, the recall itself could be a source of additional complaints in the process because there are many stakeholders involved in and the procedure is quite complicated. Under the circumstances, the Commission was committed to providing user protection by establishing ground rules for the recall related to device defects that could leave a large number of victims as we experienced in the recall case of the Galaxy Note 7 which occurred in 2016.

In December 2016, the Commission and the Ministry of Science and ICT established and implemented the ‘Guidelines for the Recall of Mobile Communications Devices’ in a joint effort, however, some raised voices calling for a complementary legal basis of the guidelines. They pointed out that the guidelines failed to provide a legal ground for preventing user inconvenience and recovering damages with regards to the device recall in the overall telecommunications industry. Accordingly, the Commission planned to amend the 「Telecommunications Business Act」 in September 2017. Under the

5) Korean Agency for Technology and Standards, approved a voluntary recall of 450 thousands devices of the Galaxy Note 7 (September 2016)

amendment plan, in the case of a device defect, telecommunications business operators shall put into place the user protection policy regarding matters such as damage compensation in consultation with manufacturers, importers, and retailers. Also, the amended Act would expand the recall target from just mobile communications devices to include all types of communications ones and clarify the obligations of each relevant party, for instance, telecommunications business operators were obliged to establish a user protection system. As a result, the proposed amendment is expected to create an ecosystem that helps the industry minimize the inconvenience caused by the recall and promptly cope with user damages.

Figure III-14 | Media Report on Adopting the Recall for Communications Devices(September 2017)

Korea Communications Commission, to Adopt a Dispute Settling System in Communications, and to Make Notification of Device Recall Mandatory	Faster Compensation for Damages in Telecommunications Devices Recalls... Korea Communications Commission to Amend the 「Telecommunications Business Act」	Mandatory Measures to Prevent Communications Service Inconvenience during Smartphone Recalls
<p><b>방송위, 통신분쟁조정제 도입·단말기 리콜 고지 의무화</b> 전기통신사업법 개정, 내년 3월 국회 제출</p> <p>2017년 9월 28일 08:50 www.kcc.go.kr</p> <p>08월14스페르도인간(가)통신분쟁조정제를 도입하는 전기통신사업법 개정안이 입법예고를 받았다. 또 단말기 리콜에 따른 이용자 보호를 위한 고지 의무 법칙 근거도 마련된다.</p> <p>30일 방송통신위원회(이하 방송위)는 제1차 전체회의를 열고 통신분쟁조정제도 도입, 통신단말장치 리콜에 따른 이용자 보호 법칙 근거 마련 등 이용자 보호 강화를 주요 내용으로 하는 전기통신사업법 개정안을 의결했다.</p> 	<p><b>통신 단말기 리콜 피해구제 빨라진다...방송위 '전기통신사업법' 개정안 마련</b> 통신분쟁조정제도 도입해 공제, 유선보험도 공정한 수리 분배책마</p> <p>www.kcc.go.kr 2017.09.28 15:55</p> <p>이동통신단말기를 포함한 전기통신 기기의 단말기 리콜 피해구제가 빨라진다. 복잡한 단계와 절차, 법적 분쟁 등을 간소화해 피해 보상이 더욱 빨라질 것으로 기대된다. 정부가 마련한 법칙 근거 마련에 나섰다.</p> <p>방송통신위원회(이하 방송위)는 30일 전체회의를 통해 통신분쟁조정제도 도입, 통신단말장치 리콜에 따른 이용자 보호(법칙)근거인 전기통신사업법 개정안을 마련하기로 했다.</p> <p>방송위가 법안 개정안에 따르면 통신서비스의 이용자가 통신서비스로부터 피해를 입는 경우 소송을 제기할 절차 및 기간이 압고도 신속하게 피해 구제를 받을 수 있게 된다. 최우선순위는 이용자의 권익이 대폭 증진될 것으로 기대하고 있다.</p> <p>연간 분쟁조정율을 도입한다. 이를 통해 전기통신 관련 이용자와 사업자 간 분쟁양상이 신속하고 효율적인 분담 해결이 가능하도록 한다. 지금까지는 이용자나 사업자가 분쟁 발생 시 각자를 통해 피해를 구제해 왔다. 그러나 통신서비스가 다양해짐에 따라 처리기간이 길고 절차가 복잡해졌다는 지적도 이어졌다.</p> <p>지난해 12월 방송위와 과기정통부가 공동으로 '이동통신단말장치 리콜 가이드라인'을 제정했지만 이는 이동통신에 한정돼 있었다. 이 법치를 넓혀 저(저)통신(TV 단말기(셋톱박스)) 등을 포함한 전기통신 기기의 단말장치 리콜에 따른 대응 불만방지 대책 보상 근거를 추가한다.</p>	<p><b>스마트폰 리콜때 통신서비스 불편방지 대책 의무화</b></p> <p>www.kcc.go.kr 2017.09.28 18:21   19:2   2017.09.28 18:21</p> <p>  방송위 법칙 근거 마련</p> <p>앞으로 스마트폰 등 이동통신용 단말기에 결함이 발생해 제조사가 리콜을 할 때, 통신사는 의무적으로 제조업체와 협의해 이용자 보호정책을 우선 마련하고 방송통신위원회에 보고한 뒤 이용자에게도 이를 알리도록 의무화된다.</p> <p>또 통신서비스 이용자인 일반 국민들이 계약 체결에서부터 재치가 이르기까지 전 과정에서 통신서비스로부터 피해를 입는 경우 소송 등 복잡한 절차를 거치지 않고도 신속하게 피해 구제를 받을 수 있는 통신분쟁조정제도도 도입하기로 했다.</p> <p>20일 방송위는 전체회의를 열어 단말장치 결함 발생시 전기통신사업자가 단말장치 제조업체, 수입판매업자와 등과 협의해 단말장치 리콜에 따른 이용자 보호 정책을 마련하고, 이를 이용자에게 고지하도록 의무화한다는 내용의 전기통신사업법 개정안을 의결했다. 스마트폰 리콜에 따른 법칙 근거를 마련하고 소비자의 통신서비스 이용 불편 방지와 피해보상을 위한 장치를 마련한 것이다.</p>

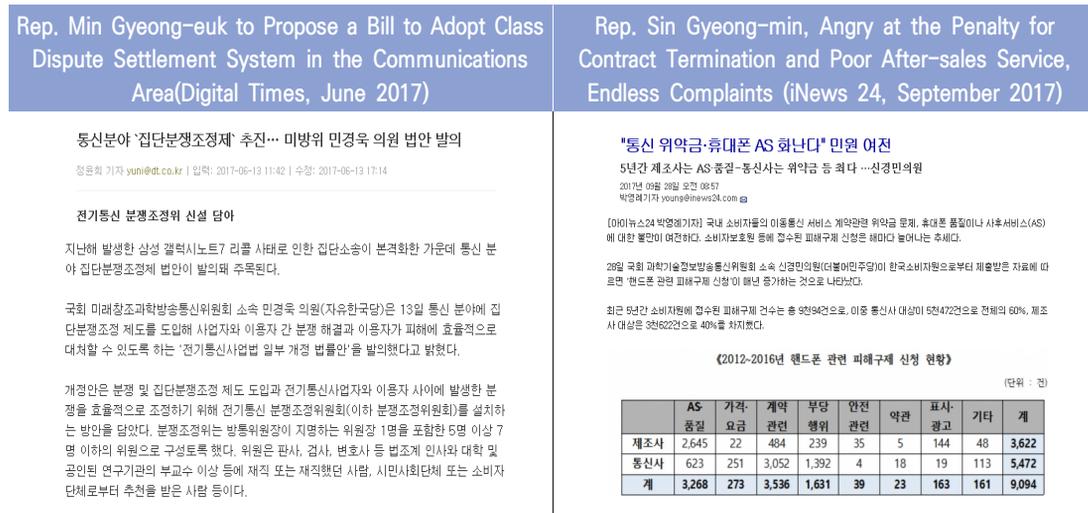
## b. Improving the Dispute Settlement

### 1) Adopting the Dispute Settlement System in the Communications Area

With a growing number of communications service users suffering from the damages caused by unfair practices such as the absence of the notification of significant information and excessive penalties for contract termination, some organizations including the National Assembly raised the necessity of the effective measures of damage relief. In this regard, the Commission decided to adopt the system of a communications dispute settlement for the purpose of effectively dealing with disputes and made a bill to amend the 「Telecommunications Business Act」 in September 2017. Since then, the Commission has been aggressively pushing for the process of adopting the communications

dispute settlement system by supporting the National Assembly to examine the merger of the proposed amendment of the 「Telecommunications Business Act」 to the other related amendments.

**Figure III-15 | The National Assembly to raise the need for the effective damage relief for users**



The dispute settlement system is composed of more streamlined procedures compared to the litigation or administrative dispute resolution and is capable of dealing with disputes in specialized areas such as communications technology. Therefore, the system provides effective relief measures to users suffering from damages in that it tends to consume less time and costs than an individual law suit and lift the victims' burden of presenting substantive proof. In addition, the implementation of the dispute settlement system is expected to drive the business operators to autonomously carry out system check-ups and restructure their policies, which could ultimately lead to enhancing the users' rights and interests.

Figure III-16 | Media Reports on the Adoption of a Communications Dispute Settlement System

To Adopt Dispute Settlement Committee within the Year, Acquiring Broadcastings Independence (Digital Times, August 2017)	Korea Communications Commission to Adopt 'Communications Service Dispute Settlement System' (Gyeong-hyang Biz, September 2017)	Immediate Damage Relief in Communications Service... Adoption of Dispute Settlement System (Hangeorye, September 2017)
<p>"방송 독립성 확보... 통신서비스 분쟁조정제도 연내 도입"</p> <p>김지영 기자 hgye@dt.com.kr   입력: 2017-08-02 18:00</p> <p>방송사 부당해지·장제 제발 방지 제약기차 보도 자율 증진상 심사 ■평가절호부·방송취업부보고 방송취업부보고</p> <p>[디지털타임스 김지영 기자] 방송통신위원회가 방송의 독립성 확보와 이용자 중심의 방송 통신 운영환경 조성을 위한 제도 개선을 주요 정책 과제로 내세웠다.</p> <p>방송통신위원회는 22일 문재인 대통령 주재로 열린 업무보고 및 언론브리핑에서 이 같은 내용을 밝혔다.</p> <p>위원회는 우선 방송 법률 전문 등 관계전문가, 제각 방송 회사자 대표, 시민단체 등을 초빙해 20일 내외로 구성된 '방송미래발전위원회'를 위원회내에 설치할 계획이다. 이어 방송기자간담회 등 국민의 의견을 적극적으로 수렴해 국회 중립 방송관계법과 해직전문인 특별법 제 개정 논의를 지원하겠다는 취지다.</p>	<p>방송위 '통신서비스 분쟁조정제도' 도입한다-단말기 제조사 자료 제출 의무는 연장 추진</p> <p>오승재 기자 ggye@hgye.com 071-2019-2021(47)   5호   2017.09.03 21:31</p> <p>방송통신위원회가 3일(수) 오전 10시 30분 방송통신위원회 본 회의실에서 열린 '통신서비스 분쟁조정제도' 도입을 위한 업무보고를 개최했다. 이날 회의에는 방송통신위원회 위원장인 오승재 위원과 방송통신위원회 부위원장인 김기현 부위원장이 참석했다.</p> <p>방송통신위원회는 3일 본 회의에서 '통신서비스 분쟁조정제도' 도입을 위한 업무보고를 개최했다. 이날 회의에는 방송통신위원회 위원장인 오승재 위원과 방송통신위원회 부위원장인 김기현 부위원장이 참석했다.</p> <p>위원회는 우선 방송 법률 전문 등 관계전문가, 제각 방송 회사자 대표, 시민단체 등을 초빙해 20일 내외로 구성된 '방송미래발전위원회'를 위원회내에 설치할 계획이다. 이어 방송기자간담회 등 국민의 의견을 적극적으로 수렴해 국회 중립 방송관계법과 해직전문인 특별법 제 개정 논의를 지원하겠다는 취지다.</p>	<p>통신서비스 피해 신속하게 구제...분쟁조정제도 도입</p> <p>김지영 기자 hgye@dt.com.kr   입력: 2017-09-03 14:13</p> <p>방송위, 이용자사건엔 제정안도 단말기 자율 법적 근거도 마련</p> <p>통신서비스 이용자가 계약내용부터 해지까지 전 과정에서 통신서비스의 피해를 입은 경우 소송 등을 거치지 않고도 신속하게 피해구제를 받을 수 있는 분쟁조정제도가 추진된다. 방송통신위원회는 20일 안제의를 열어 통신서비스 분쟁조정제도 도입, 통신서비스 피해 구제 방안 마련 등 이용자 보호 방안을 주요 내용으로 하는 '통신서비스 분쟁조정제도' 도입을 위한 업무보고를 개최했다. 이날 회의에는 방송통신위원회 위원장인 오승재 위원과 방송통신위원회 부위원장인 김기현 부위원장이 참석했다.</p> <p>위원회는 우선 방송 법률 전문 등 관계전문가, 제각 방송 회사자 대표, 시민단체 등을 초빙해 20일 내외로 구성된 '방송미래발전위원회'를 위원회내에 설치할 계획이다. 이어 방송기자간담회 등 국민의 의견을 적극적으로 수렴해 국회 중립 방송관계법과 해직전문인 특별법 제 개정 논의를 지원하겠다는 취지다.</p>

### c. Preventing the Circulation of Illegal Harmful Information

#### 1) Block Illegal Harmful Information

At present, the victims of sexual crimes have been seriously suffering from human rights infringements as videos related to digital sexual crimes, sometimes shot by secret cameras, are circulating through various sites of Webhard. More seriously, it takes as many as 10.8 days to block the private sexual video contents posted online. Thus, in reality, victims hire digital funeral directors which costs millions of Korean Won (equivalent to thousands of U.S. dollars) in order to have those intimate contents deleted through the Internet. As such, illegal harmful information has emerged as one of the serious social issues as video contents related to digital sexual crimes, obscene·sensational broadcastings and games are disseminated through the Internet. Therefore, it is time to call for measures that will lead to the prompt blocking on the circulation of harmful contents, improving the effectiveness in legal regulations, and facilitating self-regulations.

Under the circumstances, the Commission has been working to propose the amendment of the 「Telecommunication Network Business Act」 to make it mandatory for value-added communications business entities including one-person Internet broadcasting and webhard sites to block obscene information. Also, the Commission looked into whether webhard business operators, P2P file-sharing service providers, and other related business operators are accurately complying with the mandatory scheme requiring the operators to take technical measures for the prevention of lewd contents circulating

on the internet. Also, in December 2017, the Commission conducted a field inspection on web-hard operators that fail to meet the requirements. Furthermore, in order to keep illegal offensive information from being widespread on web-hard sites, the Commission monitored all of the 54 business operators on a regular basis and conducted two rounds of status investigations on new · dubious business operators in March and August 2017. In August 2017, during an intensive crackdown on distributing contents related to digital sexual crimes, a total of 2,872 pornographic videos were promptly deleted and reported to the police agency for investigation. After that, the Commission launched an in-depth monitoring on videos featuring digital sexual crime scenes between September and November 2017, resulting in as many as 5,627 videos in total being immediately removed.

In addition, the Commission made a contribution to establishing a clean and safe online environment for adolescents by eliminating and blocking illegal and harmful videos such as the widespread availability of pornography through portal sites, SNS, and webhard sites. As the act of distributing illegal harmful contents through the Internet has evolved further with the help of technology advancement, the Commission has endeavored to root out such an act. To that end, the Commission has continuously developed scientific and technological methods to avert the negative functions of the Internet, especially in 2018, when the Commission adopted DNA filtering technology for warding off editing, transforming, and re-producing of illegal porn.

## 2) Receiving Input from Stakeholders

With the aim of preventing the distribution of illegal harmful information on the Internet, the Commission held meetings and seminars inviting related organizations and business operators and collected opinions from stakeholders. In September 2017, the Commission called a meeting with 53 business operators and relevant organizations (Korea Communications Standards Commission, Ministry of Justice, and National Police Agency) to share the related measures and administrative guidances by each ministry in the pursuit of preventing the circulation of harmful videos featuring contents of human rights infringements and sexual crimes. Meanwhile, in November 2017, a presentation was delivered to introduce the projects of the Cyber Safe Zone, a smartphone addiction prevention plan, and Green I-Net, a filtering software on harmful information to adolescents,

to a group of relevant officials in dealing with negative ICT's functions at 17 local governments.

**Figure III-17 |** Presentation to web-hard business operators on preventing the circulation of video contents infringing human rights(September 2017)



In December 2017, the Commission launched the ‘Clean Internet Broadcasting Council’ bringing together the National Assembly, government, business operators, the academic circle, and civil organizations in the hope of encouraging the sound development of one-person Internet broadcasts. Also, a seminar was organized to garner opinions from various circles in order to seek for ways to enhance the soundness of the one-person Internet broadcasts and to facilitate self-regulation on illegal and toxic information.

**Figure III-18 |** Clean Internet broadcasting Council and Seminar for Self-regulation on One-person Internet Broadcasts (December 2017)



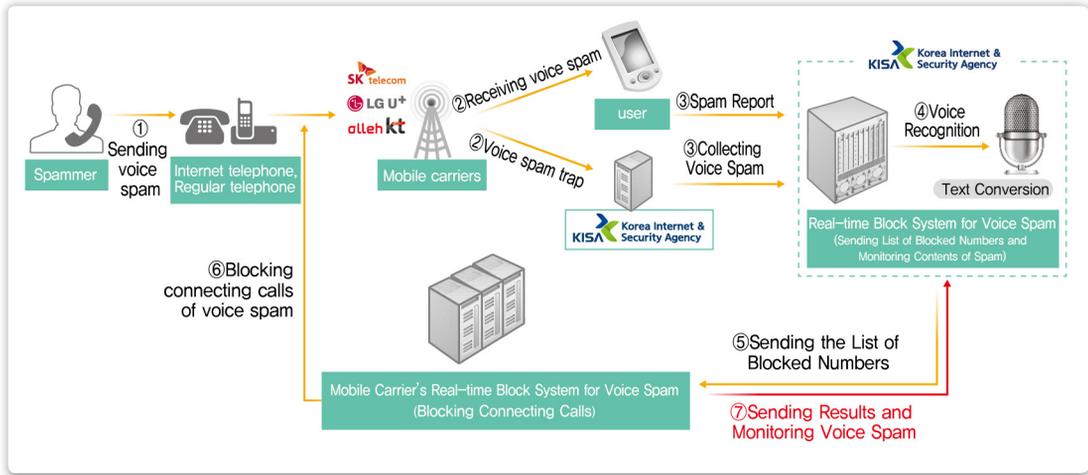
During the period from September to November 2017, the Commission hosted the ‘Meeting among Associated Organizations for Coming up with Ways to Support Online Self-regulation’ attended by the Commission, the Korea Communications Standards Commission, Online Self-regulation Policy Organizations, and attorneys. Throughout the meeting, the Commission was able to gather opinions from various entities related to establishing a legal basis under the 「Information and Communications Network Act」 in order to provide business operators with the assistance in blocking illegal and harmful information and enhancing the rights of free expression.

#### d. Enhancing the Countering System against Illegal Spam

##### 1) Efforts in Preventing and Responding to New types of Spam

Voice spam has recently been on the rise because it is more difficult for the current technology to filter and block it compared to text spam. Taking that into account, the Commission established a real-time blocking system for the voice spam in collaboration with mobile carriers in order to prevent the growing damages on users and the Commission started the test run of the system from December 2017. By adopting the real-time system, the Commission was able to effectively respond to the voice spam because the system immediately blocks connecting calls coming from the numbers of spammers. Therefore, once a certain number is identified as that of a voice spammer indiscriminately sending illegal voice messages related to illegal loans and gambling, calls from the identified number are promptly blocked even before the messages are received by the users’ mobile phones.

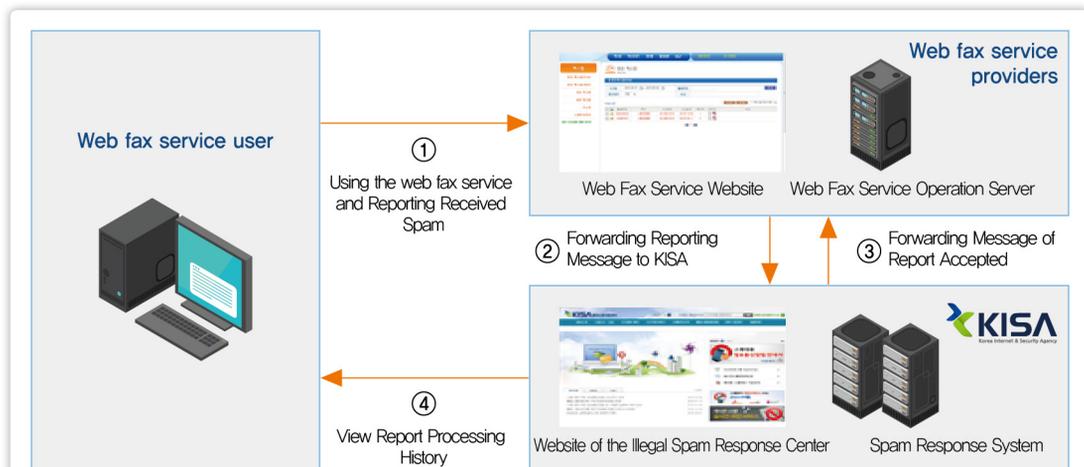
Figure III-19 | Flow Chart of the Real-time Voice Spam Blocking System



Starting from 2018, the Commission will apply the technology of the voice-text conversion to the existing voice spam blocking system of mobile phones so as to make the system more robust. The Commission also plans to share the information of spammers with spam blocking app providers (WhoWho, Whos Call, and others) who have organized various activities for spam prevention. In doing so, the Commission will be able to preemptively take measures against the illegal spam sending system that has become more sophisticated and advanced as time goes by.

In order to deal with fax spam which remains as rampant as the voice spam, the Commission launched an easy report service for web fax spam in working with three key communications businesses in 2017. In the meantime, the complicated reporting procedures have made users reluctant to report spam received through web fax, which caused difficulties among users. On the other hand, because of difficulties in identifying web fax spam, the government has been constrained from eradicating the fax spam. Against this backdrop, after continuous discussions, the Commission and web fax service providers reached an agreement that the easy spam reporting system needed to be applied to the web fax service as already carried out for mobile phones. Therefore, the simplified reporting system was developed based on the standard specification of an easy report. Starting with the three key communications businesses (KT, SKB, and LG U+) in 2017, the Commission aims to expand the number of business that will be subjected to the simple report system starting from 2018.

Figure III-20 | Procedure of the Easy Report System for Web Fax Spam



< Screens of Easy Reports for Web Fax Spam(example) >



## 2) Heightening Awareness for Preventing Illegal Spam

Considering the current environment of sending spam, it has been proved that punishing spammers is not enough to root out the illegal spam circulating across the nation. Rather than, the Commission concluded that the system of pre-prevention and field inspections are more critical in achieving fruitful results. Therefore, the Commission has taken stringent measures against the Auto Call System that automatically creates recipients' numbers for sending spam. At the same time, the Commission recognized the need to enhance awareness among the senders of promotional messages in order to prevent spam based on new types of intelligent technologies. Accordingly, the Commission conducted inspections (146 field inspections and 30 self-check-ups) on tele-marketers to look into whether they abide by the relevant provisions of the 「Information and Communications Network Act」: the Article 50.1(Acceptance of Receiving), Article 50. 5. 2 (Prohibit Automatic

Creation of Recipients' Numbers), and Article 50.4 (Measures to Improve the Vulnerability of Operators).

In the process of the self-monitoring and field inspections, the campaign of instruction and punishment on the spammers led to a steep reduction in the number of received voice spam. More specifically, in 2017, research suggested that a general mobile phone received 0.03 voice spam (Voice and ARS spam) a day in the second half of the year down from 0.16 in the first half of the same year.

Figure III-21 | Media Reports(April 2017)



### 3) Efforts to Strengthen International Cooperation Fighting Spam

It has been recognized that eradicating the spam sent from foreign countries could not be achieved without international cooperation. Thus, there has been a growing need for reaching mid and long-term (periodic/temporary cooperation by issues /countries) international cooperation built on international organizations responding to international spam, such as the Unsolicited Communications Enforcement Network (UCENet). As a member of UCENet, the Commission engaged in various global joint projects for preventing global spam, held meetings of the Asia Pacific Section, and drove to expand the information sharing on email spam traps(with up to 10 countries in total

2017). In other words, the Commission has been actively joining international efforts and taking the lead in working-level discussions in the hope to establish a basis for responding to spam sent from foreign countries. In the near future, it is expected that all these efforts would be developed into a sustainable cooperation among associated governments in fighting against global spam.

Hence, the Commission aggressively took part in international joint efforts, for instance, it teamed up with KISA to participate in various spam prevention projects arranged by the sub-working groups of UCENet as representatives of Korea and Asia. At the same time, the Commission took strict countermeasures against the spam sent by new paths such as Google platform (Allo and others). Thanks to those efforts, the number of spam on a general mobile phone per day considerably decreased from 0.67 in 2016 to 0.06 in 2017. Additionally, the Commission closely worked with domestic portals and ISPs in aggressive efforts to eliminate email spam coming from foreign countries.

**Figure III-22** | Korea's Presentation at the Asia Pacific Section of UCENet's Regular Meeting



Source) 'Report on the Trip for Overseas Activities'(KISA, October 2017)

In coping with the spam sent from foreign countries and received by Korean users, associated international organizations are required to take an active role. Yet, no contact route has ever existed, which made it difficult to request international collaboration. Under the circumstances, there was a requirement to establish a cooperative window that could last continuously. In terms of information sharing, the Commission was able to establish a foundation that enabled domestic ISPs to block spammers' IP by sharing the information on email spam traps with a larger number of nations. Also, the Commission promoted the excellence of KISA's email spam trap system to UCENet and

individual organizations associated with spam prevention. As the results of those diverse activities to enhance international cooperation, the number of nations sharing the data of email spam trap increased by up to 10 in total as of 2017 and the information sharing and exchanges is likely to be further expanded at some point in the near future.

## 4. Establishing the Environment for Protecting Private·Location Information

### a. Leading Institutional Improvements

#### 1) Improving the Standards of Privacy Protection in Line with Environmental Changes

With the ICT service changing and growing, the demand for privacy protection has also been on the rise especially regarding smartphone applications, customized online advertisements, and biometrics-based services. Accordingly, the Commission has established the protection standards for the privacy for those sectors. As the amendment of the 「Information Communications Network Act」, that stipulates the provisions regarding the agreement on access rights of an app<sup>6)</sup>, took into effect in March 2017, accordingly, the 「Enforcement Decree of Information Communications Network Act」 was also amended in the same month. Under the amended enforcement decree, regarding the stored data and installed features on the smartphone, the range accessible by app service providers was clarified. Also, the revised enforcement decree suggested ways of obtaining an agreement from users and determined the measures to be taken by each operator related to smartphone applications. In the meantime, the Commission published the ‘Guide of Access Right·Private Information Protection of the Smart phone App’(March 2017) that suggests that specific measures need to be taken by app service providers, operation system suppliers, and others with the aim of preventing confusion in applying the amendments to their business practices and helping them better understand the legal provisions.

Moreover, the Commission set the ‘Guidelines for Private Information Protection regarding Behavior Targeting Advertising’ (February 2017) in an attempt to ease public concerns over the occurrence of private information infringement through the behavior targeting

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6) The rights of an app to access stored data and installed functions on the smartphone

marketing<sup>7)</sup> and to create a sound ecosystem for such a marketing method. The guidelines present the principles that the businesses of behavior targeting marketing should comply with when dealing with individuals' behavior data: transparency in collecting and utilizing behavioral information<sup>8)</sup>, ensuring the users' rights to control, obtaining safety in the behavioral data, and enhancing awareness and damage relief measures. Also, the ways of enabling users to block or accept the targeting ads by adjusting the settings of the smartphone or web browser were informed through the guidelines. In April 2017, the Commission held a policy briefing (April 2017) on the 'Guide of Access Rights·Private Information Protection of the Smart phone App', and 'Guidelines for Private Information Protection regarding Behavior Targeting Advertising' in order to heighten understanding among business operators and help new policies take a firm root as soon as possible.

With the aim of establishing a safe environment for using bio data, the Commission overhauled the 'Guidelines for Protecting Bio Data' (December 2017). The move came out because the bio data, once limitedly adopted by companies for the system of access control, has recently been common in information and communications such as the smartphone unlocking system and AI voice assistant service. In the process, the Commission clarified the concept of biometrics<sup>9)</sup> on the 'Enforcement Decree of the Information Communications Network'. Also the Commission recommended the design and operation of bio data to be based on 6 core principles: proportionality, restriction on collect·use, limit the purpose, guarantee of the rights of control, transparency, protection of biometric data, and suggested protection measures to be taken by each stage of collection ·storage·usage·removal. In doing so, from the very beginning of the planning, the Commission paid attention to input from the industry through discussions with device manufacturers and related business operators. Moreover, the Commission have strived to collect the various opinions of experts from different circles of industry, academia, and research institutions by holding reviewing session and public seminars on the draft of the guidelines.

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7) Customized online advertising provided for users by making assumptions based on the analysis over their interests, preference, and propensity

8) The history of website visiting, app usage, purchasing, and searching and other behavioral information of users that enables analysis to understand their interests, preference, and propensity.

9) It refers to the information of an individual's physical·behavioral characteristics such as finger printing, iris, voice, and hand writing. It is technically processed for authentication and identification.

## 2) Current Status of Amending the 「Location Information Act」 on Personal Location Information Protection and Usage Facilitation

Although various services utilizing personal location information are on the rise thanks to the advancement of ICT such as IoT and cloud computing, the current 「Location Information Act」 fails to properly reflect the changing market environment and global trend. Therefore, the act has been under criticism in that it is insufficient to protect the data and is even useless in facilitating the data usage.

Accordingly, the Commission built up a proposal of amending parts of the provisions of the 「Location Information Act」 in order for the personal location information to be substantially protected and used in a safe manner. In due course, the Commission was able to make the proposed amendment coherent with the private information related laws such as 「Information Communications Law」 and to streamline regulations on new businesses while enhancing the protection of personal location information. The amendment bill went through the process of the pre-announcement legislation(Sep ~ Nov 2016), decision of the Commission(Dec 2016), and the deliberation of the Ministry of Government Legislation until it was finally proposed to the National Assembly(Dec 2017). The contents amended are as follows:

First of all, the amendment bill has slimmed down excessive regulations on the market entry. For example, delivery service providers using drones collect the geographical information of objects only, not a person. Yet, because the current Act treats the drone based delivery businesses the same as the businesses collecting personal location information, they are required to receive governmental permission to run the business, which creates market entry barriers. Thus, the proposed amendment requires the businesses utilizing the object geographical information to simply register for operating the business because they run a low risk of privacy infringement.

Also, the bill has helped expedite the process of business registration for small operators in the location based service sector in which there are generally a large number of start-ups and small companies. Under the current system, even though some potential business operators are preparing for a service uncertain about the levels of profitability, they are required to build up a business plan for the business registration. It means that the operators have to go through the administrative process of registration before

opening their businesses, which could cause delay in the launching schedule of their services. Therefore, the bill for the amendment has simplified the existing registration procedures so that small businesses including self-employed businesses only need to submit certain information such as the company name and location to the Commission before starting business.

With regard to the regulation of requiring consent, the Commission has also made the system more efficient through the proposed amendment. Under the current act, the service providers have to obtain advance consent from the owner of an object in order to collect its geographical information, which is not common throughout the world. In reality, however, it is difficult for the service providers to abide by the legal provisions. Therefore, the amendment bill allows the providers to deal with the object location information without the owner's prior consent when it is difficult to identify the owner of a certain object and the corresponding object location information has no risk of private information infringement.

At the same time, the Commission also adopted various measures to enhance the protection of geographical information through the proposed bill. For instance, the Commission improved the self-determination for private information by allowing users to request for the suspension of handling personal location information by the service providers afterwards. Also, by making the owner of an object with mobility eligible for the rights of requesting suspension, the Commission was aimed at substantially heightening the public rights and interests.

Additionally, through the proposed amendment, the Commission added the provisions regarding the order of correction and penalty surcharge so as to make it possible to impose administrative sanctions, aside from criminal punishment, on the acts that breach the 「Location Information Act」 with the purpose of strengthening the system of relieving damages on victims and enhancing the effectiveness of the act.

Also, the Commission reinforced some regulations that were not strong enough in providing legal justification. As cloud computing is widespread, there is a growing number of cases regarding outsourcing contracts in dealing with location information and transferring the information overseas, however, so far, the 「Location Information

Act」 has a lack of legal ground. Therefore, the Commission added new provisions regarding outsourcing contracts for dealing with location information and the overseas transfer of the information. Also, by following the amendments of the 「Information Communications Network Act」, the Commission adopted legal protection on re-transferring the information, and the rights of issuing orders to suspend overseas transferring and re-transferring.

## b. Education and Awareness Enhancement

### 1) Recognizing Private Information Protection and Turning it into Action

As new industries run on data-based intelligence technologies such as big data and artificial intelligence which have mushroomed, there has been a growing demand on classifying data utilization as an essential infrastructure through overall industries. By recognizing the trend, the Commission organized educational and promotional campaigns for enhancing awareness on private information protection and for strengthening the capability of practicing in reality among business operators in the hope of preventing the private information from being abused and leaked. The educational program was composed of three different courses considering the understanding degree of trainees: General program on private information protection (regular course 1), Program on technical · administrative protection measures (regular course 2), and an Intensive program of case studies. Additionally, the Commission was aimed at providing educational assistance for small and medium sized businesses with the absence of in-house experts of the private information protection, thus, the Commission selected and nurtured professional lecturers to provide the business entities with a training program. Moreover, the Commission has run the online educational program for business operators on a portal of private information protection (i-privacy.kr) in order to make the educational program available at all times.

**Table III-17** | Status of education on private information protection for business operators in 2017 (Unit : persons)

Item	Offline	Online	Total
Number of trainees	16,623	31,530	48,153

With the online service rapidly changing and the hacking technology becoming more sophisticated, the efforts of a business operator by itself is not enough to prevent and respond to the privacy infringement. Rather than, associated organizations and business operators are required to work together for the process of information sharing and cooperative responses ultimately in order to prevent the privacy violation from causing damages and becoming rampant. To achieve the goal, the Commission has been organizing meetings in which business operators and experts in the privacy protection sector get together to share information and build networks in the first and second month of every year. While holding the Conference of Private Information Protection Online, the Commission introduced the current trend of the state-of-the-art technologies such as ransomware, technologies of the 4th industrial revolution, and brand new products of privacy protection. Also, the Commission took the opportunity for sharing domestic and foreign legal trends regarding the policy directions of privacy protection in 2017, and for presenting international cooperation and standards in the area. During the Conference, the Commission ran a booth for promoting policies and offered on-site policy consulting. Furthermore, the Commission hosted the Night of Privacy Protectors to award prizes to those who had made a contribution to the area of privacy protection and to display awarded ideas by the privacy protection contest with the aim of facilitating mutual exchanges and communication among people associated with the private information protection. In order to nurture all-round talents with legal and technical knowledge, the Commission hosted the 2<sup>nd</sup> mock trial contest with a virtual case of privacy infringement of which the theme was ‘Liability relationship between Service Providers and Users In Using the Cloud Service’.

Figure III-23 | Venue for exchange and communication among people in Privacy Protection



With a growing data-based customized services such as digital home and smart city, the data has evolved into a fundamental infrastructure in people’s daily life not only in industries. Accordingly, the Commission coordinated educational and promotional activities of privacy protection that enables every single individual, mainly as an agent of information, to be aware of the significance of the private information and exercise their rights on their own privacy. Especially for making the educational program more effective, the Commission visited elementary, middle, and high schools to provide lessons for students, who are now the main agents of information and will grow up as adults to handle private information in the future, and offered lectures to teachers, parents, and the elderly as well. Also, through a portal of privacy protection (i-privacy.kr), the Commission has been operating the online education program for users to provide group lessons on a regular basis.

Table III-18 | Status of Education on Privacy Protection for Users in 2017

Item	Offline	Online
Number of trainee	187,281 persons	3,814 cases

Note) The online education is operating for the purpose of group training. And, its performance is based on the number of video playing, thus the unit is ‘case’.

As the smartphone becomes the commodity of people’s daily life, the development and distribution of online services has been centered on smartphone applications. Therefore, exercising the users’ rights of control on the stored data and installed features on the smartphone becomes more significant. For that reason, the Commission issued the ‘Privacy Guide for Smartphone App Access Rights’(March 2017) which called for the app service providers to obtain the user’s consent and provide revocation functionality. After that, the Commission led the campaign ‘2017 Protecting My Internet

Privacy’ during the period from September to November 2017 in order to help the public become aware of the guidelines and properly exercise their rights. In an effort to take a friendly approach to the public, the Commission developed a character named ‘Jikil and Guide’ (Korean name, coined after the famous musical ‘Jekyll & Hyde’ based on similar pronunciation, meaning guidelines to be complied with). With the character and under the slogan ‘Check and protect the privacy on the smartphone’, the Commission carried out a campaign to inform of what needs to be checked for installing an app on a smartphone and how to use the function for the revocation of consent, and also to promote the 118 center for consulting privacy infringement cases. Taking the theme and target of the campaign into account, the Commission streamed the campaign video to the online media such as SNS and portals to help internet users acquire direct experiences. Also, in order to raise equity among regions, the advertising video was put on the public transportation such as subway trains and buses running in Seoul, Gyeonggi do, Busan, Gwangju, Daejeon, and Daegu. Particularly, in coordination with the business operators, the Commission utilized display screens in branches of KB Gook-min (Bank) and emart across the nation, Lotte Cinema theaters, and the baseball stadiums of the national professional league in order to make the campaign penetrate into the daily life of the public. In addition, the Commission made efforts in attracting the public attention and participation by holding an idea contest for the privacy protection policy.

Figure III-24 | Campaign for Protecting My Internet Privacy



## 2) Education on the Business operators for Protecting Personal Location Information

The industry based on geographical information has been recently acknowledged due to its potential as one of the core technologies of the 4<sup>th</sup> industrial revolution since

it is widely adopted by mobile devices and converged with other industries. On the other hand, however, the technology of geographical information runs high risk of privacy infringement in case of the leakage and abuse of the personal location information. Furthermore, as abusing the data could lead to immediate threats to health and even to the life of a person, there has been a growing awareness of the importance of protecting personal location information around the world.

※ According to the 'Global LBS Market 2017-2021' by Technavio, 'Privacy and Security' was selected as the most pressing challenge in the geographical information industry.

Therefore, the Commission planned an education program of 'Measures to Protect Location Information' for service providers of location information and location based services in order to help them enhance their ability to protect personal geographical information.

Until last year, the Commission held two regular education sessions of the 'Measures to Protect Location Information' in the first and second half of a year. Yet, in this year, the Commission conducted three of the education sessions and 4 rounds of training programs while touring local areas across the nation. In the process, the Commission made all-out efforts to create an environment in which business operators voluntarily guard the personal location information of users. The educational program, composed of contents stipulated in the 「Location Information Act」 and the 'Information of recommended administrative and technological measures to protect location information', was offered to a total of 299 persons (regular program: 261 persons, local program\*: 38 persons). Besides, the Commission was aimed at raising the effectiveness of the education programs by offering special lectures at the request of attendants of the program such as the 'introduction of exemplary businesses in protection measures to protect private location information' and the 'current market trend of domestic and foreign location based services.'

\* 1 round each in Daegu, Busan, Daejeon, and Gwangju

**Figure III-25 | 2017 Education on Measures to Protect the Location Information for Business Operators**



**Table III-19 | Outcomes of the Education on Measures to Protect Location Information for Business operators 2017** (Unit : Persons)

Content	Regular Education			Local Education	Total
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>		
Number of attendants	118	103	40	38	299

### c. Inspection and Administrative Sanctions

#### 1) Status inspection of Protection Measures by areas and Inspection·Sanctions on Leakage

The Commission has been committed to protecting the user’s privacy of information communications service by helping the service providers prevent the leakage of the private information and promptly respond to any incident. Through these efforts, the Commission aims to enhance public interest and further to raise the awareness of compliance among businesses, and strengthen the capability of privacy protection for the industry as a whole. To that end, the Commission has conducted status inspections on the management conditions of the private information of the service providers.

Under the inspection plan, in 2017, a total of 181 business operators including 8 mobile phone outlets, 66 sales outlets of broadband internet, 13 O2O operators, 10 cryptocurrency exchanges, 45 business operators under monitoring on the implementation of a correctional order, service providers that are vulnerable in protecting privacy, and new service providers were subjected to an inspection by the Commission.

In regard to the business operators involved in the leakage of private information

due to hacking or misconduct, the Commission carried out inspections on their technical and administrative measures to keep the private information safe and took measures to improve the condition. In doing so, the Commission was committed to preventing secondary damages from spreading by averting additional crimes such as cyber fraud.

When the private information leakage of GOODCHOICE, the Korea's largest hotel booking service, occurred, there were concerns over serious secondary damages caused by the leakage. Therefore, in an effort to prevent damage from spreading, the Commission was able to arrest suspected hackers and obtained the original copy of the private information by analyzing the route and cause of the leakage in collaboration with associated organizations. Then, the Commission levied KRW 310 million in penalty surcharge and a KRW 25 million fine for negligence on the service provider and strongly called for disciplinary measures to be taken against the person in charge of the privacy information management.

Additionally, after examining the conditions of the private information protection of Bithumb, one of the cryptocurrency exchanges and recently hit by the information leakage, the Commission imposed KRW 43.5 million in penalty surcharge and a KRW 15 million fine for negligence on the company and recommended for disciplinary measures to be taken against the person in charge of the privacy information management. Furthermore, 8 out of 10 other cryptocurrency exchanges had KRW 141 million in fines imposed against them for the violation after the inspection carried out by the Commission on whether they comply with the measures to protect the privacy.

**Table III-20 | 2017 Current Status of Inspection and Sanctions on Private Private Information Management**

(Unit : Number of companies)

Format	Inspected companies	Sanctioned Companies	Outcomes
Planned Inspection	136	55	<ul style="list-style-type: none"> <li>• KRW 721 million in fines for negligence(for 53 companies)</li> <li>• Order of Correction(55 companies)</li> </ul>
Inspection through report or complaint on leakage	70	26	<ul style="list-style-type: none"> <li>• KRW 344.5 million in penalty surcharge(2 companies)</li> <li>• KRW 312 million in fines for negligence(26 companies)</li> <li>• Order of correction(26 companies)</li> <li>• Recommend taking disciplinary measures against relevant person(2 companies)</li> </ul>
Monitoring on the implementation of the correctional order	45	-	-
Pilot operation of self-regulation	66	-	-
Total	317	81	<ul style="list-style-type: none"> <li>• KRW 344.5 million in penalty surcharge(2 companies)</li> <li>• KRW 1.03 billion in fines for negligence(79 companies)</li> <li>• Order of correction(81 companies)</li> <li>• Recommend taking disciplinary measures against relevant person(2 companies)</li> </ul>

## 2) Monitoring Current Conditions of Online Private Information Protection

With the advancement of ICT and a growing demand and usage of the private information through new web and app services, the Commission makes every effort to ensure that the users' privacy is protected in the information and communications services in accordance with the 「Information and Communications Network Act」 and 「Location Information Act」 in the hope that it creates a safe environment for the online private information protection. To that goal, the Commission conducts pre-inspection on service providers for the current conditions of the private information protection to prevent any possible information leakage.

In the process, in working with KISA, the Commission reviewed the current status of the private information protection regarding 9 provisions including the private information collection·consent on the utilization of the 「Information Communications Act」 and 8 provisions including location information collection·consent on the utilization of the 「Location Information Act」. Then, regarding matters that need to be improved, the Commission published and distributed the guide for improving measures including technical and legal notifications, and provided consulting on the phone to make sure that the

recommendation for improvement will be effective.

In the meantime, the Commission confirmed that there were some businesses that had shortcomings in managing the private information and were still collecting all of the ID numbers even though collecting or utilizing all of the numbers of an ID became illegal when the relevant law was changed in 2013. Thus, the commission started operating the 「Clean Center of ID Number on the Internet」 and conducted an inspection on all 3.7 million domestic websites whether they were illegally collecting all of the ID numbers or not. After that, the Commission provided the websites with legal and technological consulting to help them improve their conditions.

Moreover, the Commission examined domestic and foreign websites to find out whether any of the contents involved in illegal distribution and the private information exposure of Koreans and eliminated such contents on the internet in cooperation with the corresponding websites afterwards.

# Chapter 3 | Boosting the Broadcasting and Communications Market

## 1. Strengthening the Foundation for Broadcasting Contents Production and Distribution

### a. Improving the Broadcasting Advertisement and Sponsorship System

The Commission strived to lay the foundations for the continuous production of high quality content by improving the broadcasting advertisement system across the board. To this end, it conducted a policy research and collected the opinions of stakeholders from the industry and academia. The thorough policy studies conducted by the Commission include the improvement of the broadcasting advertisement system such as reviewing the introduction of commercial breaks for terrestrial broadcasting and analyzing the effect of the improvement, and surveying advertisers and viewers perceptions. In addition, the Commission held seven meetings of the Committee on the Balanced Development of Advertising and two meetings of the Professional Commission of the Promotion of the Broadcasting Advertisement Industry in 2017 in order to listen to experts' opinions on the desirable direction for the improvement of the broadcasting advertisement system. In particular, the Committee on the Balanced Development of Advertising met in September to discuss ways to improve the broadcasting advertisement system, and a joint workshop with the Committee and the Professional Commission of the Promotion of the Broadcasting Advertisement Industry was held in December 2017.

**Figure III-26** | Committee meeting of the Balanced Development of Advertising and the joint workshop with the Professional Commission of the Promotion of the Broadcasting Advertisement Industry



What's more, the Commission held meetings with stakeholders from broadcasting, general programming, general PPs, and pay TV service providers in November 2017 to collect their opinions on the desirable direction for the improvement of the broadcasting advertisement system. In the following month, the Commission held a general discussion on the promotion and system improvement of broadcasting advertisements with the representatives of terrestrial broadcasting business operators, media reps, general programming, general PPs, civic groups, and academics.

## 2) Improving the Sponsorship System

In March 2016, the Commission revised the 「Rules on Sponsoring Notification」 which required broadcasting business operators to go through self-review procedures when they make an announcement regarding their sponsors and to ensure sponsor(s) do not exert influence on the content or structure of the sponsored broadcasting program. In August, the Commission enacted the 'Guidelines on Enhancing Transparency in Sponsorship Operation' that bans broadcasting business operators from receiving sponsorship for programs on current affairs and reporting.

In April 2017, the Commission investigated 12 broadcasting business operators' in compliance with the new rules and guidelines which were enacted and amended in 2016. The monitored operators include three major terrestrial broadcasting business operators, general programming, six news-specialized PPs, and other major PPs (CJ E&M PP, SkyLife TV, KBSN).

The investigation found that most of the operators were in compliance with the rules

and guidelines for enhancing transparency in sponsorship operation by strengthening the preliminary deliberation process with a newly created deliberation team with more staff and establishing their own guidelines. However, the establishment of their own regular education program for enhancing the transparency in sponsorship operation was found to be somewhat insufficient.

Based on the investigation results, the Commission provided the operators with the guidance to fully comply with newly enacted and revised laws and regulations, and encouraged them to establish their own systematic self-education system to enhance transparency in sponsorship operation.

Meanwhile, the Commission conducted intensive monitoring on the format of sponsorship announcements in order to enhance the transparency of sponsorship operation and to protect the viewers' rights to access to broadcasting.

Monitored were dramas broadcast from May 22 to June 16, 2017 on terrestrial TVs, general PPs, and programs aired on sports TV channels. The Commission monitored whether the dramas and sports programs were broadcast in compliance with rules concerning scope, time, frequency, and the size of sponsorship. As a result of the monitoring conducted by the Commission, a total of KRW 27 million in penalties were imposed on five operators that violated the laws and regulations.

The Commission plans to strengthen the investigation and monitoring on the announcement of sponsors to enhance the transparency in sponsorship operation, and to improve the system by laying a legal foundation to ensure that sponsorship becomes a sound resource for content production together with broadcasting advertisements.

## b. Enhancing Broadcasting Content Competitiveness

Korean broadcasting content contributes greatly to creating both tangible and intangible values, such as increasing the sales of related products, revitalizing domestic tourism and enhancing the national image. However, China's response to the deployment of THADD and a move to protect its own culture led to a dramatic decline in Korea's export of broadcasting content to China. Given the growing difficulties faced by the

industry such as increasing disputes concerning the broadcasting content distribution process, it is imperative to formulate a policy plan to enhance the competitiveness of Korean broadcasting content.

Accordingly, the Commission organized and operated the ‘Study Group for the Promotion of the Korean Wave’ to enhance the competitiveness of Korean broadcasting content and to diversify the content distribution channels. The group also analyzed the current status and problems of Korean broadcasting content, and prepared policy measures to support the enhancement of the competitiveness of the broadcasting content.

Recognizing the difficulties faced by Korean broadcasting business operators in coping with increasing international disputes arising from plagiarism of domestically-produced broadcasting content by overseas operators, the Commission conducted a ‘Study on Disputes Arising from Plagiarizing Korean Broadcasting Content Format’. In addition, the Commission prepared a response manual that can be used to protect domestic broadcasting business operators from the unauthorized use and plagiarism of their broadcasting format by overseas operators.

Moreover, interview and field surveys were conducted on broadcasting content regulations and market conditions in five Southeast Asian countries where the Korean Wave gained popularity (Vietnam, Thailand, Malaysia, Singapore, and Indonesia) in order to gain an at-a-glance understanding of their co-production status, content regulations, and market conditions in detail. The Commission also plans to collect and accumulate data that Korean broadcasting business operators can actually utilize, and to help them to use the data more effectively when they enter the overseas markets.

### c. Promoting Broadcasting Content Exchange and Cooperation

With rapid changes in the environment surrounding production and the export of broadcasting content, the Commission decided to step up support for promoting Korean broadcasting content, which is the starting point and core of the Korean wave-related industry such as the export of other cultural content and tourism and consumer goods. To this end, the Commission provides a wide range of support to broadcasting business operators by accelerating cooperation with Southeast Asian and

Muslim countries such as Vietnam, Thailand, and Indonesia, which have high growth potential for the Korean Wave content, and identifying measures to provide field and experience-based support.

First, for the expansion of the Korean Wave into new markets, the Commission held meetings and signed MOUs with the Thai National Broadcasting and Telecommunications Commission (NBTC), the Indonesian Broadcasting Commission (KPI) and the Turkish Radio and Television High Commission (RTUK). In addition, the Commission showed its willingness to co-produce other countries. To this end, it made a presentation on the importance and usefulness of co-production at the Islamic Broadcasting Regulatory Authorities Forum (IBRAF) and laid the foundations for the export diversification of Korean broadcasting content onto the overseas markets by strengthening cooperation with Southeast Asian and Muslim countries such as Indonesia, Thailand, and Turkey.

Figure III-27 | Signing an MOU between the Commission and RTUK



In addition, the Commission organized and operated a joint research group to discuss the necessity and usefulness of signing co-production agreements with major Southeast Asian and the Islamic countries as well as key items and phrases to be included in the agreement. The 1<sup>st</sup> Korea-Indonesia Joint Study Group Meeting was held in Bandung, Indonesia in February and the 4<sup>th</sup> Korea-Vietnam Joint Study Group Meeting was held in Hanoi, Vietnam in June 2017. As a follow-up to the MOU signed between the Commission and NBTC, a meeting was held in Gwacheon, Korea in September for the purpose of promoting the broadcasting exchange and co-production between the two countries, and the 1<sup>st</sup> Korea-Thailand Joint Study Group Meeting was also held in Bangkok, Thailand in December 2017. Prior to the conclusion of the co-production

agreement, the contracting parties sounded out the intention to conclude the agreement and prepared an agenda in advance so that negotiations could proceed efficiently.

Figure III-28 | Korea-Thailand Meeting for Promoting Co-production



In addition, six broadcasting business operators including four terrestrial broadcasting operators (KBS, MBC, SBS, EBS) and two outsourcing productions (Doremi Entertainment and Urban Works Entertainment) attended the international conference on co-production organized by the NBTC where they had a one-on-one business matching session with local companies and expanded the cooperative production networks.

The Commission and Korea Information Society Development Institute (KISDI) held the 2017 International Forum on the Promotion of Broadcasting Content Exchange' at Sheraton Seoul D Cube City Hotel in November, 2017. The forum was attended by over 100 representatives of broadcasting business operators from home and abroad, including those from Vietnam, Thailand and Malaysia.

At the forum held under the theme of 'Present and Future of the Korean Wave: International Exchange and Enhancing Competitiveness', executive director Chang Jin of the Asia Pacific Institute for Broadcasting Development delivered a key note speech and participants exchanged ideas on expanding opportunities for cooperation and strengthening the competitiveness of the Korean Wave.

In the morning session, participants analyzed and shared the results of field surveys on broadcasting content regulations and market conditions in five Southeast Asian countries (Vietnam, Thailand, Malaysia, Singapore, and Indonesia), followed by presentations of

representatives from Thailand's Time Consulting, Vietnam's state broadcaster VTV, and Malaysia's satellite broadcaster Astro on how to promote broadcasting exchanges between Southeast Asian countries and Korea.

The afternoon session held under the topic of 'Another Leap Forward for the Korean Wave' consisted of experts' presentations: Professor Chon Bum-soo of Hanyang University presented on the direction of the Korean Wave development; Dr. Joo Sung-hee of KISDI on policy support for the Korean Wave; Professor Lim Jung-soo of Seoul Women's University on nurturing human resources for content production; and Professor Lee Moon-haeng of Suwon University on how to promote the distribution of Korean broadcasting content on the overseas markets. The forum held great significance as it provided a venue for public debate to evaluate the present and future of Korean broadcasting content and to bring together diverse perspectives of domestic and foreign broadcasters on how to revitalize co-production.

Figure III-29 | International Forum on the Promotion of Broadcasting Content Exchange



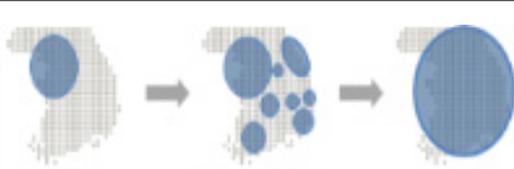
## 2. Laying the Groundwork for the Invigoration of the New Broadcasting Communication Services

### a. Stable Introduction of Terrestrial UHD Broadcasting

After regular ultra-high definition (‘UHD’) broadcasting services were launched in May 2017, not only did the Commission expand the UHD regular services to the metropolitan cities, Pyeongchang and Gangneung in December, but it is also pushing ahead with plans such as establishing the nationwide UHD broadcasting network by 2021 and completely closing HD broadcasting services in 2027.

As the Commission laid the foundation for introducing the terrestrial UHD broadcasting, it encouraged the nation’s three main broadcasting business operators to launch full-scale terrestrial UHD broadcasting services in the Seoul Metropolitan Area in May, 2017. The terrestrial UHD broadcasting service is a new broadcasting service introduced 16 years after the introduction of the digital broadcasting service in 2001. The terrestrial UHD broadcasting service provides four-times more delicate and vivid pictures and three-dimensional sound than the existing HD broadcasting service. Since it is also possible to create various IP-based interactive services when the Internet is connected to the TV, viewers can enjoy higher-quality broadcasting services through free and universal terrestrial broadcasting platforms.

Table III-21 | Status of the Introduction of Terrestrial UHD Broadcasting

Phase I	Launched terrestrial UHD broadcasting starting with the Seoul Metropolitan Area in May 2017.	
Phase II	Expanded the coverage of terrestrial UHD broadcasting to metropolitan cities and Gangwon province by December 2017.	
Phase III	Plans to establish a nation-wide network by 2021	

In order to introduce the reliable terrestrial UHD regular services, the Commission ran a ‘Task Force Team to Examine Preparations for the Introduction of Terrestrial UHD Regular Services’ from February till May in 2017 along with the Ministry of Science and ICT. This task force team consists of representatives of broadcasting business operators, home electronics makers, academia and research institutes. The task force team systematically examined technical obstacles and corrected errors at its meetings and carried out the final inspection for the stable full-scale terrestrial UHD broadcasting services. In order to help viewers to watch UHD programs without experiencing any problems, the Commission strengthened its guidance by using a ‘Terrestrial UHD Television Guide’ including the purchase of an antenna for the launch of full-scale service. In addition, it has been continuously supporting households with an old European UHD TV set to purchase a new set-top box from a home electronics maker and use it without any inconveniences.

As the terrestrial UHD broadcasting services were launched in the Seoul Metropolitan Area, the Commission made sure that broadcasting business operators complied with the mandatory terrestrial UHD programming ratio (5 %) for the invigoration of the UHD broadcasting services. In addition, the Commission required broadcasting companies to increase UHD programs in a phased manner by more than 5 % in 2017, 10 % in 2018 and 15 % in 2019. What’s more, it prepared UHD Programs Approval Standards in March 2017 so as to revitalize the content market by making broadcasting companies continue to increase UHD programs.

The Commission pushed ahead with new permission for the terrestrial UHD in the metropolitan cities and Gangwon area (the province where the Pyeongchang Olympics were held) as part of the 2-phased introduction of UHD broadcasting services. The Commission prepared a master plan to approve terrestrial UHD broadcasting business operators in Pyeongchang and Gangneung in March 2017 and collected opinions in June from viewers, and the customers of candidate broadcasting business operators. A judging committee consisting of experts from various fields such as broadcasting & media, accounting, legal and technical fields as well as viewers was finally created in September 2017 and voted for permission on 28 broadcasting business operators in 14 areas including metropolitan cities, Pyeongchang and Gangneung.

The full-scale terrestrial UHD broadcasting services were launched in December 2017 in five metropolitan cities and some part of Gangwon Province where the Pyeongchang Olympics were slated to be held from February 9, 2017. Accordingly, the viewers can watch the Olympic games not only in the Seoul Metropolitan Area, but also in Gangwon Province as well as metropolitan cities through the vivid UHD screen. When it comes to the relay broadcasting of the Pyeongchang Winter Olympics, it is expected that new broadcasting services will make it possible for viewers to watch whatever game they want regardless of the regular program schedule, or to on information for various games in real time.

**Table III-22 | Metropolitan cities and Gangwon province where terrestrial UHD broadcasting services are provided**

City	Broadcasting Station	Coverage (Full / Partial Coverage)
Busan Metropolitan City	KBS Busan	Busan/Gimhae, Changwon, Geoje, Tongyeong, Miryang, Yangsan
	Busan MBC	Busan /Yangsan, Geoje
	KNN	Busan/Gimhae, Miryang, Yangsan, Changwon, Tongyeong, Geoje
Daejeon Metropolitan City	KBS Daejeon	Daejeon / Sejong, Nonsan, Buyeo, Gongju, Geumsan, Seocheon, Cheonan, Cheongyang
	Daejeon MBC	Daejeon / Sejong, Geumsan
	TJB	Daejeon / Sejong, Gyeryong, Geumsan
Daegu Metropolitan City	KBS Daegu	Daegu / Gyeongsan, Yeongcheon, Gunwi, Uiseong, Gumi, Mungyeong, Chilgok, Goryeong, Seongju
	Daegu MBC	Daegu / Gimcheon, Gyeongsan, Yeongcheon, Gunwi, Gumi, Goryeong, Mungyeong, Seongju, Uiseong, Chilgok, Sangju, Cheongdo
	TBC	Daegu / Gyeongsan, Yeongcheon, Gunwi, Uiseong, Goryeong, Gumi, Mungyeong, Seongju, Chilgok
Gwangju Metropolitan City	KBS Gwangju	Gwangju / Naju, Hwasun, Mokpo, Haenam, Damyang, Muan, Sinan, Yeongam, Jangseong, Hampyeong, Gangjin, Jangheung
	Gwangju MBC	Gwangju / Naju, Damyang, Hwasun, Muan, Sinan, Yeongam, Jangseong, Hampyeong, Yeonggwang, Goheung, Gokseong, Boseong
	KBC	Gwangju / Naju, Hwasun, Damyang, Haenam, Mokpo, Muan, Sinan, Yeongam, Jangseong, Hampyeong, Boseong, Jangheung, Gangjin
Ulsan Metropolitan City	KBS Ulsan	Ulsan
	Ulsan MBC	Ulsan
	UBC	Ulsan
Gangwon Province	KBS*	Pyeongchang, Gangneung
	Wonju MBC	Wonju / Pyeongchang, Hoengseong
	MBC East Gangwon	Gangneung / Sokcho, Goseong, Yangyang
	G1	Gangneung / Sokcho, Pyeongchang

\* Due to the circumstances of Gangwon KBS, broadcasting services available in the Seoul Metropolitan Area will be provided in Gangwon province as well in the form of experimental broadcasting.

The Commission will continue to devote itself to enhancing the environment for UHD broadcasting services reception so that the people can enjoy the next-generation high-quality broadcasting services through the terrestrial UHD broadcasting which are free and universal. Furthermore, it is planning to expand the terrestrial UHD broadcasting services to cities and counties across the nation by 2021. In order to lay the foundation for the stable reception of the terrestrial UHD broadcasting services, experts from broadcasting business operators, home electronics makers and research institutes formed a 'Study Group for the Improvement of the Terrestrial UHD Reception Environment' in June 2017 and held meetings to discuss measures for creating an environment for the stable and direct reception of the broadcasting services, such as supplying receiving antennas and preparing a plan to let the people know about the method of direct reception. In addition, the DTV and UHD TV indoor reception environment of 215 households in the Seoul Metropolitan Area (34 cities and counties in Seoul, Incheon and Gyeonggi areas) was studied from September to November 2017, and the results of such a study will be utilized to continue discussions about the improvement of the reception environment.

The Commission is planning to provide multi-faceted administrative and technical support to revitalize terrestrial UHD broadcasting services and the related broadcasting industry. It will also continue to seek measures to invigorate additional services such as two-way and mobile services. The Commission will also support the creation of new UHD broadcasting content as well. Since local UHD broadcasting equipment makers have become more competitive through the introduction of the terrestrial UHD, there will be continuous cooperation with the organizations concerned based on the expansion of the nation's broadcasting equipment industry.

## b. Preparing for the Introduction of MMS<sup>10)</sup> Regular services

The Commission is making preparations for the introduction of full-scale EBS 2TV services, multichannel broadcasting services (MMS), by legislation of the amendment to the 「Broadcasting Act」 and lower statues, which is pending at the National Assembly

10) MMS(Multi-Mode-Service): A service where more than two broadcasting channels can be delivered within the bandwidth for one channel (6MHz) by utilizing digital compression technology (6MHz)

at the moment, and by expanding support for the new content creation and elimination of viewers' complaints.

In order to provide more options for channels and expand the nation's educational welfare, EBS 2TV has provided programs such as English programs for elementary/middle school students since February 2017. An educational content-based pilot service such as an education content-centered service has already been provided. Currently, this service is being provided for about 18 million households throughout the nation through the terrestrial broadcasting channel No. 10-2, IPTV No. 95, and local cable channels. The Commission expanded its support for the production of EBS 2TV programs from about KRW 2 billion in 2016 to about KRW 5 billion in 2017. By doing so, the Commission intends to create more new content such as public educational programs and science programs. Based on such support, EBS 2TV increased its public educational program ratio (4.8 % in 2016 → 9 % in 2017) to narrow educational gaps and increased convergent science programs in preparation for the fourth industrial revolution. Especially, EBS 2TV conducted experimental programming of convergent science education programs in a new format in 2017 (25 programs planned in the spring of 2017) in response to the social demands for educational content in preparation for the fourth industrial revolution besides elementary & middle school curriculum and foreign language content. As a result of EBS 2TV's efforts to promote its channels through the expansion of new programs, the creation of spot images and SNS, awareness of EBS 2TV increased from 74 % in 2016 to 76.2 % in 2017. Not only that, the level of viewers' satisfaction with programs increased as well from 69 % in 2016 to 76 % in 2017<sup>11)</sup>.

As the technological stability of EBS 2TV pilot service and its private education costs cut benefits have been verified, a consensus was created on the need to make it a regular service. Accordingly, the Commission pushed ahead with the amendment to the 「Broadcasting Act」 and its lower statutes for the preparation of MMS channels' legal ground, scope of services to be introduced, approval system, programming standards and others. Although the Commission submitted a draft proposal for the amendment to the 「Broadcasting Act」 containing content such as MMS's legal ground & acceptance

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11) This is the result of an online survey of 1,000 people (aged 15~64, quota sampling in proportion to area/gender/age) conducted from June to July in 2017 EBS 2TV Awareness & Satisfaction Research in 2017, Korea Research, August in 2017

criteria and the new rules for broadcast programming in order to prepare a legal basis for introducing the full-scale services of EBS 2TV in November 2016, legislation has been postponed due to the delayed review by the National Assembly's Standing Committee. The Commission is trying to support the amendment to the 「Broadcasting Act」 for MMS introduction which is pending at the National Assembly. As soon as the relevant regulations are finally revised, EBS 2TV pilot service programs will be introduced as regular programs at the earliest possible date.

The Commission gathered the opinions from EBS, general programming, news-specialized PPs, the Cable Association and others and completed discussions among the relevant authorities about the amendment to the 「Broadcasting Act」 (proposed by lawmaker Song Hee-kyung on November 11, 2016) containing the content such as the mandatory re-transmission of MMS channels for pay-per-view broadcasting and their arrangement as consecutive numbers from the existing channel numbers in November 2017. In addition, the Commission tried to revise the 「Enforcement Decree of the Broadcasting Act」 so as to concretely establish the approval procedure and organization standards for an additional channel after the amendment to the 「Broadcasting Act」 is passed by the National Assembly. In December 2017, a research team composed of experts released a draft report for the revision of the 「Enforcement Decree of the Broadcasting Act」 to prepare standards in detail for the scope of MMS introduction, approval procedure and programming after reviewing the opinions collected upon the pre-announcement of the amendment to the 「Broadcasting Act」.

Table III-23 | Draft Proposal for the Amendment to the 「Enforcement Decree of the Broadcasting Act」

Classification	Before Amendment	After Amendment (Draft Proposal)
Multi Mode Service (MMS) Provider	N/A	<ul style="list-style-type: none"> <li>• 「Enforcement Decree of the Broadcasting Act」 Article 13-5 (Approval of the Terrestrial Broadcasting Additional Channel, etc.)               <ul style="list-style-type: none"> <li>① A terrestrial broadcasting business operator that is capable of operating an additional channel approved by the Korea Communications Commission pursuant to Article 9-4(2) of the 「Broadcasting Act」(hereinafter referred to as the "additional channel") shall be the Korea Educational Broadcasting System.</li> </ul> </li> </ul>
Matters to be examined for approval	N/A	<ul style="list-style-type: none"> <li>• 「Enforcement Decree of the Broadcasting Act」 Article 13-5 (Approval of the Terrestrial Broadcasting Additional Channel, etc.)               <ul style="list-style-type: none"> <li>② Any terrestrial broadcasting business operator who intends to operate an additional channel shall submit to the Korea Communications Commission the following documents attached to the application form for the approval of an additional channel. In this case, it shall be deemed that the application for the alteration to terrestrial broadcasting business pursuant to Article 34 of the 「Radio Law」 has been received.                   <ol style="list-style-type: none"> <li>1. Document containing information about the applicant</li> <li>2. Operation plan for the additional channel</li> <li>3. Analysis report on the effect of the operation of the additional channel on the broadcasting market</li> <li>4. Experimental broadcast report (only when the broadcasting operator runs an experimental broadcast)</li> </ol> </li> </ul> </li> </ul>
Broadcast Programming Criteria	N/A	<ul style="list-style-type: none"> <li>• 「Enforcement Decree of the Broadcasting Act」 Article 58-2 (Broadcast Programming for an Additional Channel)               <ul style="list-style-type: none"> <li>① Terrestrial broadcasting business operator shall program broadcast programs for an additional channel in accordance with the criteria prescribed by the following subparagraphs.                   <ol style="list-style-type: none"> <li>1. Specialized programs pursuant to the Article 69(4) of the 「Broadcasting Act」: 60 % or more of the total broadcasting time of the relevant channel per each month</li> <li>2. Home-made broadcast programs produced pursuant to the Article 71(1) the 「Broadcasting Act」: Not less than 60/100 and not more than 80/100 of the total half-year broadcast time of the relevant channel</li> <li>3. Imported motion pictures, animations and popular music produced in one foreign country pursuant to Article 71(4) of the Act: Not greater than 80/100 of the total half-year broadcast time of the relevant channel for all movies, animations, and popular music imported from foreign countries</li> <li>4. Externally produced broadcast programs pursuant to Article 72(1) of the Act: Not more than 35/100 of the total half-year broadcast time of the relevant channel</li> </ol> </li> <li>② The criteria for the detailed ratio of programming pursuant to Paragraph 1 shall be determined and announced by the Korea Communications Commission.</li> </ul> </li> </ul>

When EBS 2TV's full-scale broadcasting services are launched after preparation is completed on a legal basis, free content to be provided to the whole nation will be expanded. What's more, educational content demanded by viewers can be stably provided so that private educational costs will be reduced. Accordingly, the nation's welfare can be significantly enhanced.

### 3. Creating an Environment for the Safe Use of Personal·Location Information

#### a. Rationalizing Prior Consent Acquisition

There are increasing demands for data use as an essential infrastructure in the data processing industry with the growth of data-based intelligent businesses such as big data and artificial intelligence. Not only is data evolving as an industrial infrastructure, it is also evolving as an infrastructure for the people's daily life with the growth of data-based customized services such as the digital home and smart city. Due to the spread of smart devices which collect and use various personal information in real time and convergent services, a paradigm shift is required for measures to protect personal information. In May 2018, the EU is going to implement the General Data Protection Regulation (GDPR) which ensures the free transfer of personal information among EU members in the single digital market and strengthens every individual's privacy rights. Japan revised its 「Personal Information Protection Act」 including the provision on anonymously processed information in August, 2015 and put its utmost efforts into improving its system for personal information protection in preparation for the fourth industrial revolution.

The Commission submitted a draft proposal for the amendment to the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」 to the National Assembly in March 2017. It tried to fully reflect the current ICT environment changes so that the Act would not be an obstacle to the innovation of new data-based intelligent technologies and services, but would instead protect the rights of an individual more effectively. The main contents of the amendment proposal are as follows. Currently, exceptions of prior consent for the collection, use, and provision of personal information are limitedly permitted. In cases where the conclusion and implementation of a contract is inevitable, and obtaining prior consent is not possible but using personal information is urgently required for one's life or benefits, these cases were added as exceptions. A new provisory clause by which the improvement of services such as the addition of a function reasonably related to the existing service shall not be regarded as a change in the purpose of collecting and using personal information

is established. One's prior consent can be exceptionally exempted only when it is required to implement a contract. If an assignee and what's assigned for information processing in addition to personal information handling policies are informed to a user, prior consent is not required. In case there are special provisions in the related regulations or international agreements in line with foreign cases such as the EU and Japan, where it is unavoidable for the conclusion and implementation of a contract and transfer items are notified to the public, and where a person who receives the information transferred abroad obtains certification designated by the Commission, these are other exceptions of prior consent. Such exceptions practically relieve the burden on businesses which require the cross border transfer. At the same time, the Commission newly established a right to request the suspension of information processing apart from the right to withdraw consent to the collection, use, and provision of personal information for creating an environment where personal information can be safely protected. One's personal information control rights are strengthened so that a user can request information processing suspension even after his/her personal information is processed without the person's consent.

## **b. Expanding Self-Verification Methods**

### **1) Background for the Provision of Self-Verification Methods**

To minimize the use of one's resident registration number which was used online for self-verification in the past, it was deemed necessary to introduce alternative means to make self-verification possible without requiring a resident registration number. Accordingly, the Commission set the criteria to designate verification organization which provide means for online verification rather than a resident registration number in the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」 and lower statutes. According to those rules and regulations, one's resident registration number can be replaced with an i-PIN, mobile phone and accredited certificate (as of 2016). The Commission designated three credit rating agencies (NICE Information Service Co., Ltd, SCI Information Service Co. Ltd, Korea Credit Bureau) for an i-PIN and three mobile-service companies for mobile phone verification. In accordance with Article 13 of the 「Standards for the Designation of Self-Verification Organizations」, certification authorities are deemed to be an accredited certification body.

**Table III-24 | Means of Personal Identification**

		Provider	Competent Authorities in Charge
i-PIN	Public	Korea Local Information Research & Development Institute	Ministry of Public Administration and Security
	Private	NICE Information Service, SCI Information Service, Credit Bureau	The Korea Communications Commission
Accredited Certificate		KFTC, Koscom, KNET, Electronic Certification Authority Korea Information Certificate Authority	Ministry of Science and ICT
Mobile Phone		SKT, KT, LG U+	The Commission
(Additional) Credit Card		Kookmin, Lotte, BC, Samsung, Shinhan, Hana, and Hyundai Card	The Commission

Source) Korea Internet & Security Agency(KISA)

## 2) Analyzing the Current Use of Self-Verification Methods

By comparing verification means such as an i-PIN, mobile phone and their use in 2017, the Commission found out that mobile phone verification accounted for 97 % and the self-verification market is centered on verification by mobile phones. It is probably because an i-PIN is inconvenient to use since a lot of safety reinforcement measures such as the additional certification validity check are added when the reliability of an i-PIN following the illegal issuance of an public i-PIN. In addition, mobile phone's convenience as well as popularity is believed to be the reason why most citizens use mobile phones for verification. Although an i-PIN also introduces simple verification so that it can be identified through mobile apps without ID and password, most users use their mobile phones and an i-PIN only when there is no other verification method available. In case of mobile phone verification, its high popularity and convenience is the reason why most users use it for verification while an i-PIN's universality attracts those in a blind spot where mobile phones can not be used. It can be interpreted that the people's right of choice can not be ensured since many of them use only their mobile phones for verification. Accordingly, the Commission tried to introduce new measures for verification to solve such a problem and diversify user's choices.

### **3) Introducing New Self-Verification Measures**

The Commission conducted an investigation into the status of self-verification technologies and a pilot service for introducing new methods which can replace the resident registration number-based verification to secure various self-verification measures. The Commission cooperated with seven credit card companies which carried out the pilot service and introduced a new self-verification method which uses credit cards. As a result, these seven credit card companies were conditionally selected by the Commission as self-verification organizations in December 2017. Accordingly, these seven credit card companies will correct some defects by March 2018 and start their services in the first half of the year. The Commission has laid the foundation for the people to be able to have a better variety of self-verification measures by introducing the credit card verification method. Since the majority of people uses mobile phones for their verification, such an imbalance can be addressed.

### **c. Strengthening International Cooperation**

#### **1) Introducing and operating a global personal information protection system**

As the world economy has been digitized and the transfer of the data including personal information among countries is increasing rapidly, the introduction of standards for such data transfer and protection is briskly conducted by authorities worldwide.

Regarding this, the Commission and the Ministry Security and Public Administration are trying to introduce and manage the cross border privacy rules (CBPR) developed by the Asia-Pacific Economic Cooperation (APEC) in 2011. The CBPR was developed to be used as the common criteria for personal information protection of APEC member countries. When the CBPR is introduced, it is expected that the level of personal information protection will be enhanced, and companies can easily enter onto the overseas markets as well. The Commission and Ministry Security and Public Administration submitted a joint application for admission to the APEC in 2016 and obtained approval in June 2017.

The Commission and the Ministry of Public Administration and Security developed introduction policies to introduce an operating system by collecting the opinions from

experts in 2017 for more effective CBPR operation in Korea. Based on that, the Korea Internet & Security Agency submitted its application to the APEC in December 2017 to be approved as a domestic CBPR certification body. CBPR public relations and the establishment of a detailed operating system will be carried out in 2018 with the target of an official launch from 2019.

Meanwhile, the Commission has taken an active part in APEC activities such as regular meetings not only to take the initiative in CBPR operation among member countries, but also to strengthen its privacy policy leadership. In 2017, a Korean representative was elected as the vice-chairman of the ECSG-DPS (Electronic Commerce Steering Group-Data Privacy Subgroup) and a member of the JOP (Joint Oversight Panel), a CBPR examination and operation organization. In addition, the Commission participated in international seminars held in Japan (May 2017), Vietnam (August 2017), Taiwan (October 2017) and the Philippines (December 2017) for invigorating CBPR among member countries and took the initiative in identifying agendas such as sharing the nation's CBPR introduction issues and proposing strategies for the effective implementation of the system through cooperation of certification organizations.

## 2) Application for the Membership of the EU Personal Information Protection Evaluation

The EU enacted its sole 「General Data Protection Regulation」(GDPR) (May 2016 with a grace period of 2 years) which became effective in all EU member countries (including EEA ) for the creation of a single digital market. The GDPR aims at ensuring the free flow of data within the EU region while basic rights and freedom, especially personal information protection rights, can be protected. In principle, the personal information collected in the EU cannot be transferred abroad in accordance with the GDPR. The Commission has continued its discussions to decide on the appropriate level of GDPR with the EU executive committee to protect domestic companies' business environment and to relieve their burden of complying with the personal information protection rules. Furthermore, it prepared a 'self-evaluation report', containing the origin, status, application scope of the 「Act on Promotion of Information and Communications Network Utilization and Information Protection, Etc.」(「Information Communication Network Act」), independence and influence of its enforcing organization (the Commission) and submitted it to the EU executive committee (November 2017) to help the EU executive committee

understand the 「Information Communication Network Act」.

In addition to this, the Commission has been holding regular video conferences and face-to-face meetings with the EU executive committee and discussing personal information protection rules and regulations between the two parties to decide on the appropriateness of these rules and regulations. Furthermore, chairman Lee Hyo-seong of the Commission, issued a 'Joint Media Statement' at a meeting held in the EU headquarters in November 2017 with Věra Jourová, member of the EU executive committee who is in charge of the judicial branch, Jung Hyun-chul, director of the Korea Internet & Security Agency (KISA) and Kim Hyung-jin, Korean ambassador to the EU. The statement stated that the two parties shall promote cooperation for the exchange of personal information and swift decisions regarding the level of appropriateness.

Figure III-30 | Korea-EU Senior Level Meeting



The Commission has conducted various activities to form an amicable relationship with EU member countries which can support the final decision regarding the appropriateness as well as the expansion of international cooperation for personal information exchange. As part of such efforts, the Commission joined the Council of Europe (CoE) #108 as an observer and attended the general assembly, introducing Korea's personal information protection laws and asking for the support from EU member countries for the ongoing appropriateness in decision-making between Korea and the EU. In September 2017, the Commission applied to become a regular member of the International Conference of Data Protection and Privacy Commissioners (ICDPPC) and participated

in the 39th ICDPPC meeting. The Commission asked for the support from major supervising organizations of European countries such as France and Germany for the appropriateness in decision- making and proceeded with the working level consultation with a director of the EU executive committee in charge.

Besides, the Commission had a meeting with Falque-Pierrotin of France’s National Commission on Informatics and Liberty (CNiL) who is a chairperson of the Article 29 Data Protection Working Party, the European Data Protection Consultative Body, as well as a newly elected chairman of the ICDPPC, showing her intentions to establish practical and cooperative relations related to privacy and data protection between the two parties and requested for her opinion and support for the appropriateness in decision-making. In addition, the Commission visited Belgium’s Commission for the Protection of Privacy (CPP) which is in full activity as a member of the Article 29 Data Protection Working Party and met the chairman Willem Debeuckelaere to agree on information sharing and cooperation between the two countries when it comes to privacy and data protection. He promised to provide his support for the appropriateness in decision-making. In the meantime, Korea and the EU business roundtable was held at the EU headquarters to deliver Korean companies’ questions about and requests for the GDPR to the EU executive committee and to receive more reliable answers. Around 80 business representatives from Korea·EU attended the business roundtable and had a heated debate concerning GDPR. The Commission then held a ‘GDPR Seminar for Domestic Companies’ in Seoul again to cover the main points that were discussed in the previous meeting. This seminar was attended by over 400 people from domestic companies.

Figure III-31 | GDPR-related Business Roundtable



The Commission is planning not only to reach a conclusion as soon as possible on the appropriateness in decision-making, but also to produce and announce the ‘Final GDPR Guidelines for Domestic Companies’ in the first half of 2018 in order to relieve the burden on Korean companies following the implementation of the GDPR and to support them for their compliance with and response to the GDPR.

#### d. Vitalization of the Location Information Industry

##### 1) 2017 Korea Location-Based Service Idea Contest

Over the past seven months from June 2017, the Commission has carried out a ‘2017 Korea Location-Based Service Idea Contest’ and identified 12 excellent business models and ideas in total including a company called ‘ALLOCATION’. With the ‘2016 Location-Based App & Web Idea Contest’ as a start, the Commission put all of its efforts into exploring a number other companies that performed excellently in 2017 by expanding the number of prize winning companies (6 → 12) and doubling the prize money (KRW 22 million → KRW 46 million in total).

Table III-25 | 2017 Korea Location-Based Service Idea Contest Results

Area	Company (Team) Name	Service Contents	Name of Prize	Prize Money (KRW)
Business Model	ALLOCATION	Sharing of passenger cars for business use	Head of the Commission Award	10 million
	Global Airport Network Corporation	Global airport mobile platform	Head of the Korea Internet & Security Agency Award	5 million
	CashFi	Reward-based wifi-sharing platform		
	MORIAH-TOWN	Platform for the happiness of pet-sitters, customers and companion animals	Head of the Supporting Agency Award (Presidents of the Three Telecommunication Companies)	3 million
	Hand3	Mobile golf range finder		
	BRING-YOU	Platform for the easy reporting of traffic violations		
Business Idea	LAC	Location information-based file access control service	Head of the Commission Award	5 million
	LBS Converging Technology Research Team	Evacuation status information management system	Head of the Korea Internet & Security Agency Award	3 million
	Jim JJak	Location information-based O2O luggage storage service		
	HERO NAVI.	Platform for the remote rescue request with an automated external defibrillator	Head of the Supporting Agency Award (Presidents of the Three Telecommunication Business Operators)	2 million
	SeeYa	Location information-based shoe-attachable navigation		
	PangYi	Stick for the blind that uses a beacon		

In addition, the Commission has run various programs for those 12-selected excellent companies and those preparing to start their business to support the commercialization of their ideas. The Commission held a roundtable with the winners to listen to their opinions about the difficulties they have faced and suggestions regarding the commercialization of their ideas. The Commission's commercialization support programs were divided into two categories in consideration of their commercialization progress: 'Corporate Competence Enhancement Programs', and 'Business Foundation Establishment Programs'. Additionally, appropriate programs were run for the winners.

The 'Corporate Competence Enhancement Programs' help the winners stably enter into the location information market by supporting their concerned service's application for their patent·trademark, training in business start-up·attracting investments, location

information business approval/registration and technology/management consulting services. The 'Business Foundation Establishment Programs' support the winners' business networking with investors, overseas exhibition (Japan IT Week) PR booth management, use of a cloud infrastructure and enhancing their service's external awareness (leaflet making and online advertisements) so that the winners can lay the ground for their actual business.

Such constant exertions of efforts by the Commission led to the winner's high satisfaction with this project with a score of 86.1 points (out of 100). All the business model winners have completed the launch of their services and some winners have also produced tangible results such as attracting investment from venture capital firms and entering into a partnership agreement.

Table III-26 | Business Support Program for the 2017 Information-based Service Contest

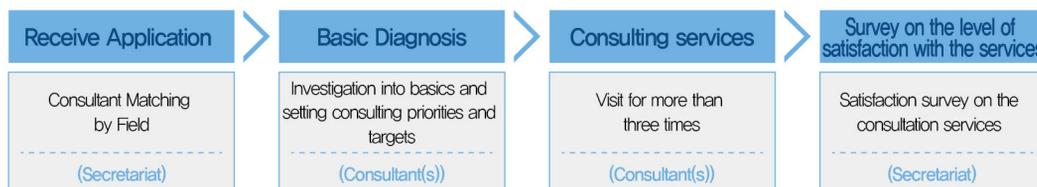
Flow Chart		Procedure
		<ol style="list-style-type: none"> <li>1 Identify demand</li> <li>2 Provide customized consulting services</li> <li>3 Operate programs for enhancing business capability</li> <li>4 Operate a program to lay the groundwork for the business</li> <li>5 Give awards</li> </ol>
Meeting with awardees (September 2017)	Participated in the international EXPO (November 2017)	Award Ceremony (December 2017)

## 2) Customized Consulting Service for Small Location Information-based Business

The Commission has provided for those preparing to start their business and small businesses offering customized online/ offline consulting services on legal, institutional, technical, and managerial issues to support them to stably enter into the location information market and pave the way for the growth of their business.

In order to resolve problems such as the unsatisfactory quality of consultants and unsystematic consulting management in 2016, the Commission created a pool of professional consultants with 44 experts from industry·academia·research institutions after hiring 7 consultants for the legal and institutional issues, 16 experts for the technical issues, and 21 specialists for the managerial issues in 2017. According to the structural program prepared by the Commission, a business diagnosis was conducted to come up with consulting priorities in addition to the consultants' on-site visit to the business more than three times to provide consulting services.

**Table III-27 | Consulting Procedures**



In 2017, 76 consulting services (22 services in 2016) were provided to 35 companies. The Commission found that the most of these companies had difficulties in their own services' differentiation strategies, new service planning and location information protection measures. Accordingly, the companies which received consulting services continued to communicate with their consultants and achieved tangible results such as a patent application (16 cases), developing and releasing new services (23 cases) and enhancing location information protection measures (3 cases).

**Table III-28 | Examples of Consulting Services Provided to Businesses**

	Difficulty	Consulting Results
Case 1	- Currently, an exposed person's location-based advertisement solution is being serviced. The concerned company's service is partially overlapped with that of its competitor. Therefore, it should be discovered if there is any possibility of IPR dispute.	- As a result of the investigation into the competitor's patent retention status and preceding technologies, 46 cases are identified in total. Based on the three highly related cases, the concerned business model has been analyzed and corrected to secure differentiation after comparing them with other similar patent cases.
Case 2	- Measures to defend the business model in a pipeline against forgery or falsification of location information shall be suggested.	- In case false location information is sent to a server through other mobile applications which falsifies location information, it is possible to track the location of a device through GeolIP information. This can be the initial response falsification of IP information.

## 4. Improving Broadcasting and Communications Regulations

### a. Identifying and Easing Core Regulations

#### 1) Environment for Regulatory Reform and the Commission's Role

Convergence in broadcasting and communications services, the advent of new technologies, and the emergence of various media have brought about rapid changes in the broadcasting and communications environment. In response to such changes, a paradigm shift in regulations is needed in order for the domestic broadcasting and telecommunications services to take another leap forward.

The environment for content production is deteriorating as evidenced by the declining broadcast advertising revenue<sup>12)</sup> while the Chinese government's ban on Korean culture due to conflict over the deployment of THADD is adding to the challenges already facing Korean companies amid intensifying conflict among stakeholders. As demand for personal information use is fast growing in the communications industry such as big data and IoT, large-scale incidences involving personal data breach<sup>13)</sup> by card companies or communications companies continue to occur. Given the changes in the broadcasting and communications environment, it is imperative to ease regulations to promote the broadcasting service, improve broadcasting access, protect personal information, and create a safe environment

12) Broadcast advertising revenue: KRW 3,476.3 billion(2013)→ KRW 3,304.7 billion(2014)→ KRW 3,222.5 billion(2016)

13) Three credit card companies 85.0 million(January 2014), INTERPARK 10.3 million(July 2016), GOODCHOICE 970,000 (March 2017).

for Internet users.

As the government agency in charge of ensuring the public responsibility of broadcasting, the protection of viewers' rights and interests, post-regulation of the communications business operator, and personal information protection, the Commission strived to ease regulations on the broadcasting and communications industry by closely working with the Ministry of Science and ICT, the Ministry of Culture, Sports and Tourism, the Ministry of Public Administration and Security and other government agencies.

**Table III-29 | Deregulation Process of the Commission**



## 2) Regulatory Reform and Administrative Investigation

For the purpose of supporting the development of the future industries, easing people's burden, and enhancing the convenience of the people, the Commission identified nine regulatory reform tasks and streamlined the regulations. Four tasks which had timeliness and significant ripple effects, such as introducing terrestrial multi-channel broadcasting services, establishing privacy standards for smartphone apps, rationalizing regulations for location information, enhancing disaster broadcasting and system improvement, were implemented as key tasks.

**Table III-30 | Implementation of Regulatory Reform Tasks**

No	Regulatory Reform Tasks for 2017	Relevant Laws and Regulations	Outcomes
1	Providing the legal basis for introducing terrestrial multi-channel broadcasting services	<ul style="list-style-type: none"> <li>Article 9-4 (Approval of terrestrial broadcasting additional channel, etc.) of the 「Broadcasting Act」</li> <li>Article 72-2(Programmings for an Additional Channel)</li> </ul>	<ul style="list-style-type: none"> <li>Submitted proposal for the amendment to the 「Broadcasting Act」 related to the introduction of MMS to the subcommittee of the National Assembly (January 2017)</li> <li>Prepared a draft proposal for the amendment to the 「Enforcement Decree of the Broadcasting Act」 (December 2017)</li> </ul>

No	Regulatory Reform Tasks for 2017	Relevant Laws and Regulations	Outcomes
2	Rationalizing markets for broadcasting advertisements and sponsorship to strengthen the competitiveness of broadcasting content	<ul style="list-style-type: none"> <li>Guidelines for the Imposition of Penalties for Violating a Broadcast Advertising and Sponsorship Notice</li> <li>Notification on the Detailed Criteria for Virtual Advertisements</li> </ul>	<ul style="list-style-type: none"> <li>Amended the Guidelines on the Imposition of Penalties for Violating Broadcast Advertising and Sponsorship Notice (December 2017)</li> <li>Collected opinions of stakeholders and experts on the improvement of the broadcast advertising system including regulations on virtual advertisements (12 times in December 2017)</li> <li>Completed a policy study on the improvement of the broadcast advertising system including regulations on virtual advertisements (December, 2017)</li> </ul>
3	System improvement for biometric information protection	<ul style="list-style-type: none"> <li>Article 15 of the 「Enforcement Decree of the Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」</li> <li>Articles 2 and 6 of the Standards on the Technical and Administrative Measures for the Protection of Personal Information</li> </ul>	<ul style="list-style-type: none"> <li>Organized and operated a study group to improve the system for biometric information protection (since April 2017)</li> <li>Prepared guidelines for the protection of biometric information (December 2017)</li> </ul>
4	Establishing privacy standards for smartphone apps	<ul style="list-style-type: none"> <li>Article 22-2 of the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」</li> <li>Article 9-2 of the same Act</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the amendment to the 「Enforcement Decree of the Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc. (March 2017)</li> <li>Established a privacy policy for smartphone app access rights (March 2017)</li> </ul>
5	Rationalizing location information- related regulations	<ul style="list-style-type: none"> <li>Articles 5 and 9 of the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」</li> </ul>	<ul style="list-style-type: none"> <li>Submitted the proposal for partial amendment to the 「Act on Protection and Utilization of Location Information, etc.」 to the National Assembly (December 2017)</li> </ul>
6	Improvement of regulations on programming of domestically-produced animations	<ul style="list-style-type: none"> <li>Article 3 of the 「Notification on Programming of Broadcast Programs etc.」</li> </ul>	<ul style="list-style-type: none"> <li>Amendment to the Article 3 and Attached Table 2 of the 「Notification on the Programming of Broadcast Programs, etc.」 reported to the Commission (November 2017 )</li> <li>Amended the same notification (December 2017)</li> </ul>
7	Rationalizing exceptions to consent to use personal information	<ul style="list-style-type: none"> <li>Article 22 of the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」</li> </ul>	<ul style="list-style-type: none"> <li>Amendment to the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」 reviewed by MOLEG (February 2016)</li> <li>Amendment to the Act submitted to the National Assembly(March 2017)</li> </ul>
8	System improvement for public interest channels and channels for the disabled	<ul style="list-style-type: none"> <li>Article 56-2 of the 「Enforcement Decree of the Broadcasting Act」</li> <li>Public Interest Broadcasting (Notification)</li> </ul>	<ul style="list-style-type: none"> <li>Prepared measures to improve the public interest channels and channels for the disabled (reported to the Commission in August 2017)</li> <li>Amended the relevant provisions to the 「Enforcement Decree of the Broadcasting ACT」such as the extension of the validity period (December, 2017)</li> <li>Amended the Notification on Public Interest Broadcasting (amended and implemented in November 2017)</li> </ul>
9	Enhancing disaster broadcasting and disaster broadcasting system improvement	<ul style="list-style-type: none"> <li>Article 40 of the 「Act on the Development on Broadcasting and Telecommunications」</li> <li>Article 28 of the 「Enforcement Decree of the Act on the Development of Broadcasting and Telecommunications」</li> </ul>	<ul style="list-style-type: none"> <li>Amended the 「Standards for Disaster Broadcasting and Civil Defense Drill Alert」 (December, 2017)</li> </ul>

In addition, for the purpose of improving burdensome administrative regulations on the public and the broadcasting and telecommunications industry, the Commission identified four unnecessary administrative regulations, such as requiring the broadcasting and telecommunications business operators to submit statistical data, to attend the meeting hosted by the Commission to deal with financial issues, to submit the evaluation on the status of competition in the broadcasting market, and to be investigated for identifying violations of the 「Act on Advertising Brokerage」.

**Table III-31 | Unnecessary administrative regulations identified by the Commission**

No	Unnecessary Administrative Measures	Legal Basis	De-regulation Measures
1	Requiring the broadcasting and telecommunications business operators to submit statistical data	The 「Act on the Development of Broadcasting and Telecommunications」 The 「Enforcement Decree of the Act on the Development of Broadcasting and Telecommunications」	Extended data submission period from 5 days to 7 days
2	Requiring the operators to attend the meeting hosted by the Commission to deal with financial issues	The 「Telecommunications Business Act」, Regulations on finance of the Commission	Changed notice of attendance from 5 days to 7 days before the date of attendance.
3	Requiring the operators to submit the evaluation on competition in the broadcasting market	The 「Broadcasting Act」	Specified matters related to data submission and the scope of data submission in the Enforcement Decree.
4	Requiring the operators to be investigated for identifying violations of the 「Act on Advertising Brokerage」	The 「Act on Advertising Brokerage」	Specified matters related to data submission and the scope of data submission in the Enforcement Decree.

### 3) Implementing Negative Regulations

The Commission is actively pushing ahead with the transition in order to revitalize new broadcasting communication services by promoting autonomy and creativity of the private sector. In order to identify and review the tasks for the transition to negative regulations, it organized and operated a Regulatory Reform Task Force Team headed by a Director General for Planning and Coordination, and held two briefing sessions for employees in order to broaden their understanding of negative regulations. In addition, through the experts' review and consultation with the regulatory review committee, the Commission has been replacing positive regulations with negative regulations. By declaring the principle of negative regulations as the basic direction of the regulations in the “Vision and Main Policy Direction of the Commission” announced in December

2017, the Commission exerted a great deal of effort for the transition to negative regulations.

**Table III-32 | Identifying Tasks for Negative Regulations**

No	Tasks for Negative Regulations	Relevant Regulations	Outcomes
1	Changing user consent acquisition method in a flexible manner when providing information and communications services	<ul style="list-style-type: none"> <li>Article 26-2 of the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」</li> </ul>	<ul style="list-style-type: none"> <li>Identified tasks for negative regulations (November 2017)</li> <li>Prepared amendment proposal (June 2018)</li> <li>Scheduled implementation (December 2018)</li> </ul>
2	Changing regulations to not require user's prior consent when collecting and using object location information	<ul style="list-style-type: none"> <li>Article 15 of the 「Act on the Protection and Utilization of Location Information, etc.」</li> </ul>	<ul style="list-style-type: none"> <li>Proposal for the amendment to the 「Act on the Protection and Utilization of Location Information, etc.」 resolved by the Commission (December 2016)</li> <li>The amendment proposal submitted to the National Assembly (December 2017)</li> </ul>
3	Preparing a detailed broadcasting deliberation process for harmful content	<ul style="list-style-type: none"> <li>Article 28 of the Broadcasting Deliberation Regulations</li> </ul>	<ul style="list-style-type: none"> <li>Established a consultative body for the spread of a moderate drinking culture (August 2017)</li> <li>Prepared an amendment proposal related to 'drinking' / drafting notice / resolution and implementation by the Commission (December 2018)</li> <li>Amendments related to 'smoking and gambling' will be reviewed.</li> </ul>

#### 4) Promoting and Providing Education on Regulatory Reform

The Commission has made considerable efforts to lay the groundwork for regulatory reform by raising public awareness on the need for reform and by providing education for employees to change their perceptions on regulations. In order to emphasize the need for regulatory reform and to spread the effects of deregulation, the Commission conducted PR activities on a number of regulatory reforms by utilizing press coverage by major broadcasters and newspaper articles. In addition, the KCC chairman attended various meetings and made on-site visits to promote regulatory reforms by the Commission.

In addition to press releases, newspaper articles, and press coverage, the Commission also used various promotional means to enhance the effect of regulatory reform and promoted it to a wider audience. The Commission conducted online quiz events and contests where the public could participate, produced animations, webtoons, and news cards, and promoted them using storytelling. The Commission also conducted policy campaigns at places where many people gathered, such as retail shops, banks, baseball stadiums, and cinemas.

**Table III-33 | Promoting Regulatory Reforms Using Various PR Tools and Activities**

	Blog	Facebook	Website
Blog SNS			
	1st(September–October 2017)	2nd(October 2017)	3rd(October–November 2017)
Online quiz event			
	Poster on the contest	Promotion through contest-dedicated website	Promotion using SNS
Contest			

The Commission provided online and off-line education on regulatory reform in an effort to change employees' perceptions towards deregulation. On-line education programs, such as the 'government regulatory reform', and 'regulatory reforms learned in the field', were provided and audiovisual education programs were provided for 34 times. In addition, the Commission conducted offline training under the topics of the 'regulatory cost control system', 'redesigning broadcasting communications regulations', and the 'transition to negative regulation'.

Table III-34 | Education Programs on Deregulation

Date	Venue	Topic	Remarks
March 3 ~ November 27, 2017	Online training through portal (On-nara) ① Pop-up window when log in to the portal ② Banner ③ Bulletin board	Educational video on regulatory reform	• Educational video on regulatory reform (34 times)
April 21, 2017	Auditorium	Regulatory cost control system	• Outlining regulatory reform and regulatory cost analysis method
August 25, 2017	Auditorium	Redesigning broadcasting communications regulations	• Redesigning broadcasting communications regulations
October 27 ~ November 30, 2017	e-learning center for government officials	e-learning on deregulation	• Regulatory reforms learned in the field
October 27, 2017	IT training center	Briefing on tasks for transition to negative regulations	• Briefing on guidelines for identifying tasks for transition to negative regulations
November 3, 2017	Auditorium	Education on deregulation	• Plan for comprehensive transition to negative regulation
December 12 ~ 13, 2017	Yongpyong Resort	Strengthening the capacity of staff in charge of regulations, legal affairs, and performance management	• Discussing measures to improve regulatory and legal affairs including the performance review for the year 2017.

Table III-35 | Measures to encourage people's participation in education

Official Letters	Notifications
<ul style="list-style-type: none"> <li>• Training using educational video on regulatory reform (March 2017)</li> <li>• Education on regulatory cost management system (April 2017)</li> <li>• Education on redesigning regulations (August 2017)</li> <li>• On-line education on regulatory reform (October 2017)</li> <li>• Briefing session on the transition to negative regulations (October 2017)</li> <li>• Education on regulatory reform (November 2017)</li> <li>• Education on enhancing competency of staff in charge of regulations, legal affairs, and task management (December 2017)</li> </ul>	<ul style="list-style-type: none"> <li>• Training using educational video on regulatory reform (34 times, March–November 2017)</li> <li>• Education on regulatory reform and promoting participation in education(10 times)</li> <li>• Training using an educational video on regulatory reform(March 2017)</li> <li>• Education on regulatory cost management (April 2017)</li> <li>• Training using educational video on regulatory reform(June 2017)</li> <li>• The 2<sup>nd</sup> case-oriented education on regulatory improvements(June 2017)</li> <li>• Training on regulatory cost management and regulatory impact analysis manual(August 2017)</li> <li>• Education on redesigning regulations(August 2017)</li> <li>• The 3<sup>rd</sup> case-oriented education on regulatory improvement(August 2017)</li> <li>• On-line education on regulatory reform(October 2017)</li> <li>• Briefing session on the transition to negative regulations(October 2017)</li> <li>• Education on regulatory reform(November 2017)</li> </ul>

## b. Improving the existing regulations for job creation

### 1) Status of the Improvement of Job Creation-Related Regulations

The Commission implemented 11 tasks to improve the regulations to boost job creation, including promoting new broadcasting services and personal information utilization, and relaxing regulations on broadcasting advertisements and broadcast programming for the development of the location information industry. As a result, it is estimated that approximately 15,396 new jobs, as direct and indirect employment in the broadcasting and telecommunications industry, were created over a three-year period from 2017 to 2019.

Table III-36 | Improvement of Job Creation-Related Regulations

No	Task	Status of Implementation	Direct and Indirect Job Creation (Unit : Persons)
1	Implementing regulatory improvements to promote new broadcasting services	<ul style="list-style-type: none"> <li>Granted permission for terrestrial UHD broadcasting [1<sup>st</sup> phase(November 2016), 2<sup>nd</sup> phase(September 2017)]</li> <li>Submitted a proposal for the amendment to the 「Broadcasting Act」 to the National Assembly for introducing terrestrial MMS (November 2016)</li> <li>Prepared a draft proposal in preparation for the amendment to the Enforcement Decree of the Broadcasting (December 2017)</li> </ul>	6,444
2	Implementing regulatory improvements to promote the utilization of personal information	<ul style="list-style-type: none"> <li>Supported a proposal for the amendment to the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」 for de-identification measures initiated by lawmakers Lee Eun-kwon, Kang Gil-boo, and Yoon Young-seok</li> <li>Established guidelines for personal information protection for online-customized advertisement (February 2017)</li> <li>Submitted a proposal for the amendment to the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」 to the National Assembly (March 2017)</li> </ul>	2,332
3	Integrating certification system related to personal information	<ul style="list-style-type: none"> <li>Prepared a measure to integrate the certification system for PIMS and ISMS through consultation between the ministries (December, 2017)</li> </ul>	265
4	Introducing global certification system for personal data protection	<ul style="list-style-type: none"> <li>Granted an approval for joining CBPR (June 2017), and designated KISA as a domestic CBPR certification body (November 2017)</li> </ul>	

No	Task	Status of Implementation	Direct and Indirect Job Creation (Unit : Persons)
5	Implementing regulatory improvements to promote the location information industry	<ul style="list-style-type: none"> <li>Amended the Enforcement Decree of the Act on the Protection and Utilization of Location Information, etc.」(March 2017)</li> <li>Submitted a proposal for the partial amendment to the 「Act on the Protection and Utilization of Location Information, etc.」 to the National Assembly (December 2017)</li> </ul>	5,042
6	Rationalizing regulations regarding user's prior consent for collecting location information	<ul style="list-style-type: none"> <li>Submitted a proposal for the partial amendment to the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」 to the National Assembly (December 2017)</li> </ul>	
7	Relaxing regulations on broadcasting advertisements to promote the production of broadcasting content	<ul style="list-style-type: none"> <li>Revised the notification for allowing indirect advertisements for outsourcing productions (October 2016)</li> <li>Submitted a proposal for the amendment to the 「Act on Advertising Brokerage」 (April 2017)</li> </ul>	445
8	Easing regulations on broadcast programming	<ul style="list-style-type: none"> <li>Enforced revised notification on the programming of broadcast programs (December 2016)</li> <li>Enforced revised notification following the amendment to the 「Broadcasting Act」 and the 「Enforcement Decree of the Broadcasting Act」 (October 2016)</li> </ul>	857
9	Creating an environment in which companies can autonomously protect their communication services users	<ul style="list-style-type: none"> <li>Introduced guidelines for a compliance program (April 2016)</li> <li>Submitted a proposal for the amendment to the 「Telecommunications Business Act」 regarding consent resolution system to the National Assembly (December 2016)</li> <li>Enforced the amended 「Enforcement Decree of the Telecommunications Business Act」(July 2016)</li> <li>Established detailed standards for preventing unfair practices, such as applying unreasonable or discriminatory conditions for telecommunications carriers(August 2017)</li> </ul>	11
10	Improving the system for re-licensing terrestrial broadcasting business operators	<ul style="list-style-type: none"> <li>Conducted deliberation for re-licensing of 11 terrestrial business operators (November 2017)</li> </ul>	Increased employment by additionally issuing recommendations for job creation
11	Improving the system for re-licensing general programming, and news program providers	<ul style="list-style-type: none"> <li>Conducted deliberation for re-licensing of general programming providers (November 2017)</li> </ul>	

## 2) Implementing Regulatory Improvements for Job Creation

Representative regulatory improvements implemented related to job creation include promoting new broadcasting services, and personal information utilization, and relaxing regulations on broadcasting advertisements and broadcast programming for the development of the location information industry.

To this end, the Commission launched full-scale terrestrial UHD broadcasting in the Seoul Metropolitan Area in May 2017, granted approval for terrestrial UHD broadcasting services in Pyeongchang and Gangneung in September 2017, and imposed conditions to expand the programming of UHD programs annually (5 % in 2017 → 10 % in 2018 → 15 % in 2019). Also, in order to prepare the criteria for the approval and introduction of the terrestrial multi-mode service (MMS<sup>14</sup>), the Commission implemented regulatory improvements, such as revising the relevant provisions of the 「Broadcast Act」 and preparing a draft proposal for the amendment of the 「Enforcement Decree of the Broadcasting Act」.

In an effort to promote personal information utilization, the Commission supported the legislation to establish a legal basis for de-identification measures, supported legislation (legislation initiated by lawmakers) to establish a basis for non-discrimination measures, and pushed to amend the relevant law to allow exceptions for consent to use personal information. For integrating personal information-related certification systems, the Commission prepared a measure to integrate PIMS<sup>15</sup>) and ISMS<sup>16</sup>) in December 2017 through consultation between the ministries. By joining APEC CBPR<sup>17</sup>) (global certification system for personal information protection) in June 2017, the Commission strived to increase the credibility of domestic companies in the global stage and lay the foundation for advancing into the overseas markets.

In order to promote the development of the location information industry, the license period of the location information business was shortened from three months to two months. For small businesses such as one-person enterprises or small enterprises, we

14) Multi Mode Service(MMS): A Multi-channel service provided using digital image compression technology by a terrestrial broadcasting business operator within a predefined frequency band width of 6MHz.

15) PIMS: Personal Information Management System

16) ISMS: Information Security Management System

17) APEC CBPR: A global certification system developed by APEC in 2011 for the promotion of e-commerce and the safe transfer of personal information between member countries(USA, Japan, Canada, etc.)

introduced a system to facilitate reporting procedures by requiring them to report on specific items. In the case of location-based information service businesses, where there is little concern about privacy violations due to the absence of personal identity, the Commission lowered the entry barrier for these businesses by changing from a licensing system to a reporting system. In addition, a proposal was submitted to the National Assembly for the amendment to the 「Protection and Utilization of Location Information, etc.」 that allows business operators not to require user's prior consent when collecting and using object location information.

For relaxing regulations on broadcasting advertisements, the Commission supported a legislation (legislation initiated by lawmakers) that allows media reps to sell telecom advertisements, and prepared measures for streamlining the business management of innovative SMEs and provided incentives to excellent SMEs.

Meanwhile, terrestrial broadcasting business operators, general programming, and news program providers were evaluated, when re-licensing or re-granting permissions, based on their job creation results. In addition, issuing job creation as an additional recommendation also contributed to creating more jobs and improving employment quality.

## **5. Supporting the Overseas Expansion of Broadcasting and Communications Services and Enhancing Inter-Korean Exchanges**

### **a. Strengthening the International Cooperation of Broadcasting and Communications**

#### **1) Inter-governmental Cooperative Activities in Broadcasting and Communications**

The Commission committed to promoting mutual exchange with foreign governments and international organizations to strengthen cooperation in broadcasting and communications, and supporting international collaborative initiatives in the private sector. It shared policy experience with key partner countries by holding high-level talks and concluding MOUs aimed at promoting international cooperation. Furthermore, the Commission attended international broadcasting and communications conferences to identify emerging global issues and devise response measures in a preemptive manner.

The Commission held bilateral talks with the CSA and CPP of Belgium in March and November 2017, respectively, sharing ideas on major issues concerning the broadcasting & communication policy and personal information protection and strengthened bilateral ties. The Commission also signed an MOU with Turkish Radio and the Television High Commission (RTUK) on the exchange of broadcasting and communications policies. Following the signing of an MOU with RTUK on strengthening bilateral exchange and cooperation between broadcasters and productions of the two countries, the Commission continued its efforts to develop the domestic broadcasting and communication industry by holding high-level round-table meetings with international organizations.

**Figure III-32 |** Korea-EU High-level Roundtable, Meeting with the Chairman of the CPP



By visiting counterparts in France, Italy, Thailand, Indonesia, Cambodia, Vietnam, the Netherlands, and Portugal, the Commission surveyed the trend of global broadcasting policy development and cases on broadcasting’s public accountability, media diversity, and universal access rights and discussed measures on how to enhance exchange with these countries to support Korean broadcasting content to advance onto the overseas market. In particular, in addition to the meetings with broadcasting and communications regulatory authorities, the Commission held bilateral meetings with public broadcasters and private broadcasters in partner countries to discuss ways to expand broadcasting exchanges and cooperation by proposing projects to promote content exchanges with domestic broadcasters.

Table III-37 | Activities to promote inter-governmental cooperation in the broadcasting and communications sector

Classification	Month Counterpart	Details
Bilateral meeting with MITC	February 2017 Uzbekistan	<ul style="list-style-type: none"> <li>• Sought bilateral cooperation in co-production of broadcasting programs and the production of educational broadcasting contents.</li> </ul>
Bilateral meeting with MIC	February 2017 Kazakhstan	<ul style="list-style-type: none"> <li>• Discussed ways to boost the export of Korean content to the overseas market including co-production of broadcasting programs</li> </ul>
Signed an MOU with NBTC	February 2017 Thailand	<ul style="list-style-type: none"> <li>• Discussed follow-up measures after the MOU signing between the Commission and NBTC</li> </ul>
Signed an MOU with KPI	February 2017 Indonesia	<ul style="list-style-type: none"> <li>• Signed a MOU between the Commission and KPI</li> <li>• Held a bilateral meeting with the Minister for KOMINFO</li> </ul>
Signed an MOU with RTUK	February 2017 Turkey	<ul style="list-style-type: none"> <li>• Held a bilateral meeting and signed an MOU with RTUK</li> </ul>
Bilateral meeting with CSA	March 2017 Belgium	<ul style="list-style-type: none"> <li>• Shared media regulation policy with CSA</li> </ul>
Bilateral meetings with EU DG CONNECT and Belgian broadcaster RTBF	March 2017 Belgium	<ul style="list-style-type: none"> <li>• Discussed broadcasting and communications regulations with DG CONNECT</li> <li>• Shared the status of the broadcasting industry and advertisement regulations, and content business in Belgium</li> </ul>
Bilateral meeting with CvdM	September 2017 Netherlands	<ul style="list-style-type: none"> <li>• Gained an understanding on the 「Media Act」 through a bilateral meeting with CvdM</li> </ul>
Bilateral meeting with ERC	September 2017 Portugal	<ul style="list-style-type: none"> <li>• Talked about the current situation of the broadcasting market and discussed ways for policy cooperation</li> </ul>
Bilateral meeting with AGCOM	October 2017 Italy	<ul style="list-style-type: none"> <li>• Shared the implementation status of major tasks and discussed bilateral cooperation with AGCOM</li> </ul>
ROK-EU high-level round-table meeting	November 2017 Belgium	<ul style="list-style-type: none"> <li>• Announced a joint statement on the cooperation for the protection of personal information between Korea and the EU</li> </ul>
Bilateral meeting with CPP	November 2017 Belgium	<ul style="list-style-type: none"> <li>• Discussed bilateral cooperation including the response to the EU GDPR</li> </ul>
Bilateral meeting with Cnil	November 2017 France	<ul style="list-style-type: none"> <li>• Strengthened cooperation on personal information protection with Cnil</li> </ul>

As the Government's role in spreading the Korean wave is more important than ever before, the Commission proactively engaged in cooperative activities with global counterparts by introducing the nation's broadcasting policies and attending prestigious international conferences as a presenter or as part of a panel.

In particular, the Commission called attention to the 2018 Pyeongchang Winter Olympic Games, and showed confidence in the competitiveness of the Korean broadcasting and communication industry, emphasizing that people can experience Korea's advanced

broadcasting equipment and broadcasting technology through the Olympic broadcasting. Moving forward, the Commission will carry out activities aimed at creating a favorable environment to spread Korean broadcasting and communication content overseas.

**Figure III-33 | Meetings with the Delegations of the Government Agencies of France and Italy**



## 2) Activities to understand global trends in the broadcasting communications sector

At the main session of the Islamic Broadcasting Regulatory Authorities Forum (IBRAF) held in Indonesia in February 2017, the Commission emphasized global harmony through content exchange, which helped raise the status of the Commission as Korea's broadcasting and communications regulatory authority on the global stage.

In addition, the Commission strived to grasp the latest global trends in the broadcasting and communications sector by participating in the 2017 International Broadcasting Equipment Exhibition (IBC 2017) and 2017 MIPCOM, which is the world's entertainment content market.

Figure III-34 | IBC 2017 and 2017 MIPCOM



### 3) Supporting the Overseas Expansion of Broadcasting Content and the Spread of the Korean Wave

The Commission established cooperative channels to support the export of local broadcasting content and maintain dialogue with different governments. At the beginning of the year, the Commission met with the head of the Ministry for the Development of Information Technologies and Communications (MITC) from the Republic of Uzbekistan to discuss the co-production of broadcasting programs and broadcasting content exchanges between the two countries. Following the meeting with MITC, it had meetings with Uzbekistan's state - owned broadcaster (NTRC) and the telecommunications service provider (EVO) to understand the local market conditions for the overseas expansion of Korean broadcasting content.

In addition, the Commission made efforts to spread the Korean Wave in the Central Asian region by proposing cooperation for the co-production of broadcasting programs with the Ministry of Information and Communication (MIC) and the state-owned broadcasting company (Khabar). The Commission also continued its efforts to cooperate closely with Central Asian countries by supporting the spread of the Korean Wave in celebration of the 25th anniversary of diplomatic relations between ROK and Central Asian countries and the 80th anniversary of the settlement of Koreans in the region.

**Figure III-35 | Meetings with the MITC of the Republic of Uzbekistan and Portuguese Platform Operator NOS**



Meanwhile, in order to export and promote the Korean broadcasting content in the European region, the Commission held a bilateral meeting with the Portuguese platform operator (NOS) to ask for Korean broadcasting content and proposed further consultations to promote exchanges and cooperation between the broadcasters of the two countries.

Moving forward, the Commission will continue to provide support for Korean broadcasting content in order to establish a bridgehead for advancing into European markets.

The Commission met with Vice President Delhaye of Reed MIDEM's Entertainment division, the organizer of MIPCOM, to understand the global trends and areas of broadcasting content production. The meeting provided the Commission the chance to understand the present situation of the video content industry and global content consumption pattern.

In order to spread the Korean Wave through various media and devices in the era of telecommunications, the Commission held meetings with a variety of broadcasting and communications regulatory authorities, broadcasting companies and telecommunications service providers to strengthen cooperation across the broadcasting industry and promote mutual understanding among the various countries.

Figure III-36 | Meetings with the Minister for KOMINFO and AGCOM



## b. Promoting Inter-Korean Broadcasting and Communications Exchange

The Commission hosted the International Conference on Inter-Korean Broadcasting and Communications and supported the production of a unification program for the purpose of laying the groundwork for broadcasting and communications exchange to assist in the recovery of Korean unity. Given that broadcasting and communications played a facilitating role in the process of German unification and accelerated cultural integration between East and West Germany, broadcasting and communications hold great significance as a means to support the self-initiated development of the North Korean economy and to connect the societies and cultures of the two Koreas. The Commission invited experts on international relations as well as North Korean broadcasting and communications to share ideas on the international community and the unification of the Korean peninsula. By supporting the production of the program about unification, the Commission raised public awareness on North Korea. Amid growing tension on the Korean peninsula, the Commission strived to draw the international community's attention to unification on the Korean Peninsula and to build consensus among the private and public sector for laying the foundation for the resumption of broadcasting communications exchange between the two Koreas.

### 1) International Conference on Inter-Korean Broadcasting and Communications

The Commission hosted the International Conference on Inter-Korean Broadcasting and Communications in December 2017 to assess the current status of broadcasting and communications in the two Koreas and to discuss the issues regarding unification

of the Korean Peninsula with participants from other countries. The conference brought together about 200 participants including foreign journalists from major newspapers in France, Britain, and Japan, experts on broadcasting and communications, experts on the Korean Peninsula, diplomats, journalists from home and abroad, and scholars from various countries.

Held under the theme of ‘The Venue for Broadcasting and Communications Exchange for Unification’, the conference served as a chance to explore the latest changes in North Korean society and its broadcasting and communications sector while discussing future cooperation and implications, thus laying the basis for resuming of inter-Korean exchange.

In his speech at the conference, chairman Lee Hyo-seong of the Commission noted that Article 4 of the Constitution of the Republic of Korea stipulates that "the Republic of Korea shall be unified and shall carry out a policy of peaceful unification based on basic free and democratic order." He also noted that despite escalating tensions between the two Koreas, the conference has been held steadily because we all are well aware of the historic mission of unification as stipulated in the Constitution. The chairman said he hoped the conference would be a small but powerful step towards the unification of Korea.

At the conference, participants shared the experience and status of inter - Korean broadcasting exchanges, presented the current status of broadcasting in North Korea, and discussed inter - Korean broadcasting and communications exchange and cooperation in preparation for unification on the Korean Peninsula.

Considering that domestic broadcasting is influenced by external factors, participants agreed that laying the foundation for the production of unified broadcasting that is influenced less by the external environment, would be necessary. It was also suggested that the role of broadcasting should be defined by the law and system for unification. In addition, participants shared the view that by having focused solely on network discussions was the reason for the lack of continuous exchange and cooperation between South and North Korea. Therefore, they suggested that the exchange and cooperation on content and platform would be necessary in order to tackle this problem.

Figure III-37 | International Conference on Inter-Korean Broadcasting and Communications



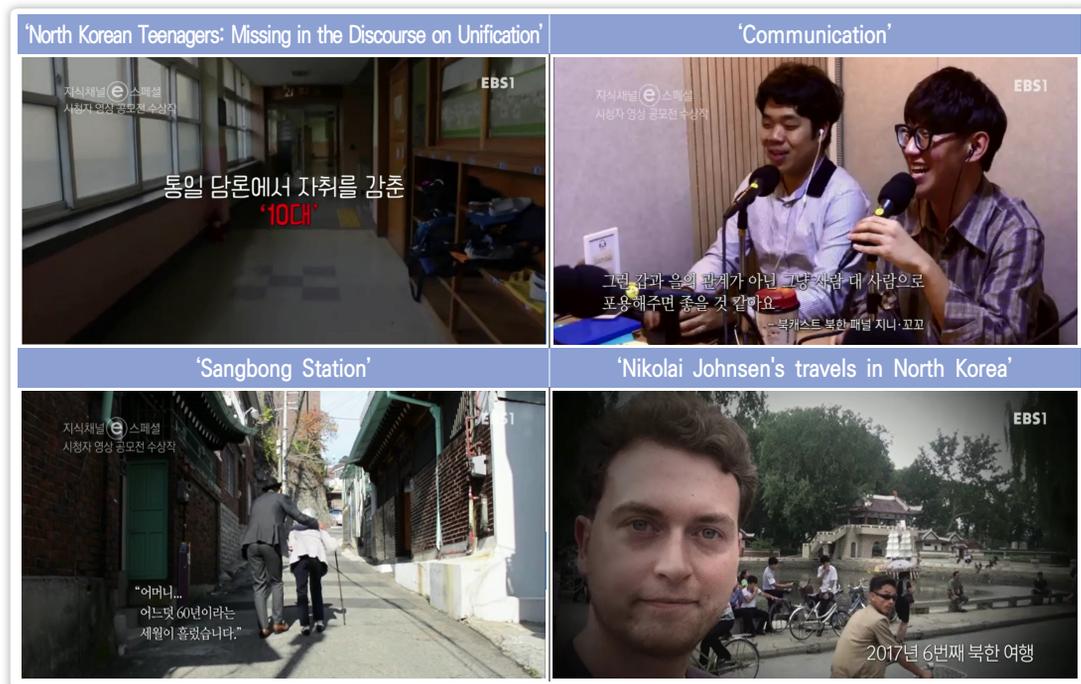
In the 3<sup>rd</sup> Session, the ‘UCC Contest on Unification’, the winners of the UCC contest hosted by EBS, North Korean defectors and a German panelist starring on JTBC’s Abnormal Summit were invited to take part in a talk where members of the panel shared how they felt about receiving the award and how their perception of unification changed during the UCC production process. A contest winner said that political issues and the North Korean people should be considered separately as prejudices and biased perceptions about North Korea are not the problems of individuals only. The winner also added that we will be able to witness changes sooner than expected if we have more opportunities to delve into inter-Korean relations, peace, and unification. The conference served as an opportunity for the Commission to inform people about the importance and effect of broadcasting communication exchange for the preparation of unification. To this end, it invited experts on North Korea from home and abroad and conducted promotional activities for foreign journalists and foreign missions.

## 2) Supporting Program Production about Unification

In order to raise the public perception on unification which has deteriorated due to tensions between the two Koreas and to recover Korean unity, the Commission supported the production of broadcasting programs about unification.

Through the ‘UCC Contest on Unification’, the following programs produced under the topic of peaceful coexistence & harmony and the unification of South and North Korea were selected and broadcasted: ‘North Korean Teenagers: Missing in the Discourse on Unification’(Grand Prize); ‘Communication’(Second Prize); ‘Sang bong Station’(Third Prize); Nikolai Johnsen's travels in North Korea(produced by EBS)

Figure III-38 | Supporting the production of broadcasting programs about unification



The winning programs, which were broadcasted on EBS, are about the grief felt by separated families at the time when they were separated, prejudice about North Korean defectors, and reasons why teenagers have prejudice about unification.

## Chapter 4 | Strengthening Media Literacy for All People

### 1. Expanding Media Education for All

#### a. Customized Media Education

By operating the study group for the analysis of the media education policy and its effectiveness, the Commission established a medium and long-term plan for media education in October, 2017, and created an environment for efficient and systematic media education. Although we are living in the smart era, the media gap among people of different regions, classes, and generations is widening. Based on this situation, the Commission established a mid to long term media education plan to provide customized media education and to systematically strengthen the media literacy of the people. The mid to long term plan for media education provided medium and long term directions for media education by reconstructing the existing school based and society oriented media education into customized education that focused on the contents of education. In addition, to discussing major issues and ways to revitalize media education, the Commission held meetings to gather various opinions from academic circles related to media education, civic groups, and field practitioners.

Table III-38 | Meetings on Media Education



#### Meeting on Media Education

- Date and time: October 24, 2017
- Location: Korea Press Center
- Participants: Co-President, President of the National Media Center Council, President of the PD Association of Korea
- Agenda: Promoting media education and discussing major pending issues

In this smart era, media is a key factor determining the quality of life, communication with others, knowledge acquisition, and network building. Therefore, the need to provide customized media education has been emphasized to address the media gap. Recognizing the importance of the customized media education, the Commission supported the media

education for people covering various topics including broadcasting, the Internet, and mobile phones at seven community media centers nationwide.

By utilizing the broadcasting equipment and facilities of the media centers, media education for children, adolescents, the elderly, housewives and the disabled was provided to help them understand and utilize the media, and improve their media literacy. As a result, the number of programs produced by people who received education from the media centers, including the elderly, housewives, and teenagers, broadcast by KBS and other broadcasting companies, increased from 515 in 2016 to 892 in 2017 (73.2 %). Also, the number of media center users increased from 471,000 in 2016 to 529,000 in 2017 (12.3 % increase).

The Commission pushed ahead with the establishment of a media center in Gyeonggi province in 2017 and plans to open more media centers in other regions as well.

**Figure III-39 | Customized Media Education at Media Centers**



The Commission created a platform for lifelong education so that residents could share their common concerns of the community through community media and provided them with customized media education. In 2017, a total of 21 groups and organizations in local communities were selected as part of the Commission’s project to promote and support media education in local communities. The purpose of the project is to develop the community and to promote communication among its members through community media produced and operated by them. It is expected that the community media education will promote understanding among community members, and their

participation in the process of media education and production will help the media to naturally become part of their life. Various education programs on producing community news, radio, and documentary programs are provided. Following the education, trainees learn how to use broadcasting facilities and equipment. In 2018, the Commission plans to create a system that enables residents to create content using a one-person media broadcasting system available at media centers, and to broadcast the created content through various platforms such as Podbbang and YouTube on a regular basis. Moving forward, the Commission plans to support media education in 311 communities nationwide by 2021, reflecting the strong interest of the people in the community media education.

Figure III-40 | Supporting Media Education in Local Communities



In addition, the Commission contributed to narrowing the media gap in the marginalized communities by promoting communication through ‘Media Education for the Residents’ in rural areas, mountain villages and fishing villages. Having launched a ‘Media Sharing Bus for On-site Media Services’ jointly with the Community Media Foundation, the Commission provided experiential learning programs to marginalized communities. The bus equipped with a news studio, weather forecast booth, equipment for video shooting and editing, offers people living in marginalized communities to experience hands-on broadcasting production. In March 2017, ‘Media Sharing Bus for On-site Media Services’ was officially launched at an opening event held at Sanae elementary school in Hwacheon county, Gangwon province. The bus offered media education experiences and screening sessions for the people living in remote areas such as the highlands and islands where people had little access to the media.

## b. Media Education to Nurture Creative Talents

As the influence and importance of the media in modern society is growing, it is necessary to improve the ability of young people to understand and use media, and to find and cultivate creative talents. Therefore, the Commission expanded the media education under the free learning semester program, club-centered media education, and media education curriculum for college students in order to nurture creative talents with core competencies required for an intelligence and information-based society.

The Commission expanded media education under the free learning semester program (video, documentary, animation, etc) that helps middle school students to choose sound media content and to undertake career exploration opportunities by experiencing jobs in the broadcasting field (number of schools was up from 122 in 2016 to 201 in 2017).

In addition, in order to discover the aptitude of elementary, middle, and high school students in broadcasting content production, the Commission expanded club-centered media education in conjunction with broadcasting companies (up from 54 schools in 2016 to 68 in 2017). For nurturing media professionals, it expanded the media education curriculum for college students by joining forces with local universities (up from 25 universities in 2016 to 30 in 2017).

Figure III-41 | Media Education to Nurture Creative Talents



By establishing a one-person media system in media centers in August 2017, the Commission has provided a platform for developing and providing media education and experience programs using such a system. What's more, in an effort to actively cope with changes in the media environment, the Commission has been expanding smart media education using new technologies such as virtual reality (VR) and drone. The "Media Sharing Bus for On-site Media Services" launched by the Commission offered people living in rural areas, mountain and fishing villages where people had little access to the media to take part in hands-on experiences (30 times in 2017). The continuous expansion of media education is expected to contribute not only to enhancing the people's media literacy, but also to nurturing creative talents.

## 2. Enhancing Freedom on the Internet and the Internet Ethics Level

### a. Promoting freedom of expression on the Internet

#### 1) Inhibition of freedom of expression due to temporary measures

'Freedom of expression' is one of the core tasks among the 100 tasks under the 'Moon Jae-in government's Five-year Plans for State Affairs' announced by the State Affairs Planning Advisory Committee in July 2017. Improving temporary measures is a core task that must be pursued in order to establish a culture of open communication by enhancing people's freedom of expression on the Internet and ensuring their rights to be aware and to criticize.

Temporary measures were introduced in July 2007 as a way for companies to temporarily block posts in order to minimize the infringements of individual rights that may be caused by the Internet posts. It is true that the temporary measures have significantly contributed to protecting the interests of information and communication service users from information that infringes on personality rights, privacy and harms the reputation over the past 10 years.

However, contrary to its original intention, the temporary measures system is criticized for being used as a tool to limit the freedom of expression on the Internet due to the abusive use of the temporary measures. The number of temporary measures surged five-fold in just five to six years, from 90,000 in 2008 to 450,000 in 2014.

**Figure III-39 |** Temporary measures taken each year (Unit : Cases)

Classification	2013	2014	2015	2016
Temporary measures	374,976	454,826	480,266	455,486
Rebuttals	14,210	21,334	54,503	42,500

Temporary measures are being abused simply because people disagree with Internet posts or because the posts negatively affect their business or company. Given that the number of rebuttals against temporary measures is around 40,000 to 50,000 annually, it is necessary to review the temporary measures system.

## 2) Establishing and operating a research group for improving the temporary measures system

For ensuring people's freedom of expression on the Internet and the rights to be aware, the Commission organized and ran a research group consisting of five legal and academic experts from July to November 2017 with the purpose of improving the temporary measures. Following multiple in-depth discussions, the research group prepared a proposal for the amendment to the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」 to improve the temporary measures system. The proposal includes shortening the period for temporary measures, allowing the information publisher to make objections against the temporary measures, and introducing an online dispute settlement system for the quick and simple resolution of disputes.

### **3) Holding a public forum to collect the opinions for improving the temporary measures system**

In December 2017, the Commission jointly held a seminar with lawmaker Yoo Seung-hee and his team under the theme of the 'Improvement of the Temporary Measures System to Promote the Freedom of Expression on the Internet'. The forum was participated by consumer group activists and media academics who have been actively promoting the freedom of expression on the Internet.

Various ideas were shared at the forum participated by panelists including consumer group activists, media academics, and representatives from business organizations and relevant government agencies. Most of the panelists pointed out that the temporary measures are abusively taken, while they agreed with the idea of allowing the information publisher to object against the temporary measures and to shorten the period of temporary measures.

However, opinions were divided on limiting the eligibility of those who request temporary measures, the immediate lifting of temporary measures in a case where an objection is filed, repealing arbitrarily taken temporary measures, and reducing liability for operators who comply with legal procedures and measures. They also agreed on the improvement of the dispute resolution system for defamation and the necessity to introduce an online dispute settlement system. However, some voiced that the dispute should be settled through the judicial process.

Based on the various opinions collected from the study group and the panelists, the Commission plans to prepare a proposal for the amendment to the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」 as early as possible and submit the proposal to the National Assembly.

## **b. Customized Ethics Education**

### **1) Promotion of Personalized Education to Raise the Awareness of Internet Ethics**

With the emergence of the Internet and smartphones, and the development of new ICT technologies, cyber violence is on the rise. Overdependence on or addiction to the smartphone and cyber bullying have emerged as serious social issues.<sup>18)19)20)</sup>

To address these problems, the Commission and the NIA jointly launched the ‘Customized Internet Ethics Education’ for elementary, middle, and high school students in order to prevent cyber violence, provide stronger support for victims of cyber violence, and to create a healthy cyber culture. In addition, the following ethics education programs were provided: ‘Internet Ethics Education at the Dining Table’ campaign for parents; ‘online curriculum’ for general teachers; and an ‘offline teacher training program’ for educational leaders including principals, vice principals, school commissioners, and school inspectors.

Internet ethics education was provided to teachers subject to the education from March based on the application received in February before the beginning of a new semester.

In 2017, a total of 1,786 schools (up 25.5 % from 2016) applied for the education for Internet ethics and cyber violence prevention, and the number of people who received education reached 166,600 (up 11 % from 2016).

**Table III-40 | Internet Ethics Education in 2017**

Title	Details
Proper use of the Internet for preschoolers	Education for preschoolers using puppet shows and digital education materials with the aim of promoting proper internet use
Korea Internet Dream Group (Primary and secondary school students)	Education to enhance the understanding of internet ethics and to create a healthy cyber culture through after-school club activities
Lecture by professional lecturer (Primary and secondary school students)	Education for cultivating healthy internet ethics
Performance-type education (Primary and secondary school students)	Musical-based education on cases of cyber violence
Education for cyber violence prevention using education materials (Primary school students)	Experience and activity-based education using education materials

18) The rate of elementary, middle, and high school students who committed or experienced cyber bullying rose by 2.7 % and 1.06 %, respectively (20.5 % in 2015→ 23.2 % in 2017, 18.5 % in 2015→ 20.1 % in 2017). The rate of adults who committed or experienced cyber bullying rose by 6 % and 2.2 %, respectively (18.4 % in 2015→24.4 % in 2017, 25 % in 2015→ 27.2 % in 2017) [Survey on Cyber Violence in 2017, KCC / NIA]

19) School violence is declining, but cyber violence using the Internet or mobile phones is on the rise. Therefore, it is necessary to come up with measures (Indicators and Issues No. 67, NARS, October 20, 2016)

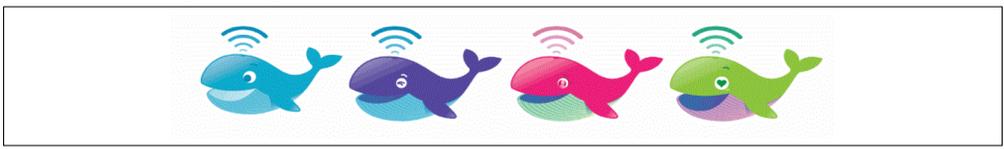
20) The rate of young students at the risk of becoming over-dependent on smartphone increased by 1.6 % (16.2 % in 2015 → 17.8 % in 2016 → 18.6 % 2017) (Survey on Smartphone Overdependence, MSIT/NIA, 2017)

Title	Details
'Internet Ethics Education at the Dining Table' campaign for parents	Education for cultivating ethics through proper communication between parents and children
Education for Internet ethics and cyber violence prevention	Capacity building program for educational leaders including principals, vice principals, and school commissioners
Online program for capacity building	Capacity building program for preventing and responding to cyber violence

## 2) Promoting a Desirable Cyber Culture through a Contest and Campaign

The Commission held the declaration ceremony of the 'Beautiful Internet World' under the theme of creating a desirable internet culture by people, and conducted a nationwide campaign using the Internet ethics character 'Welly'. The weekly campaigns were participated by 147,688 people (up 10 % from 134,233 in 2016).

Figure III-42 | Declaration Ceremony of the 'Beautiful Internet World', Internet ethics character 'Welly'

Declaration ceremony of the Beautiful Internet World(September 4, 2017)	Street Campaign	Event at a Permanent Exhibition
		
<p>〈 Internet ethics character 'Welly' 〉</p> <ul style="list-style-type: none"> <li>• (Name) Welly : Coined the word with 'well-being' and 'whale'</li> <li>• (Meaning) A guardian in the ocean that eats up malignant comments and harmful information in the sea of information to give off good information</li> </ul>		
		

In addition, the internet ethics experience centers that opened in Busan (Busan National Science Museum), Gwangju (Media Center), Bundang (Korea Job World) were visited by 443,471 people. At the centers, visitors can experience a variety of programs such as the self-assessment of internet ethics, finding a malicious commenter, and participating in the OX quiz.

As part of the campaign to create a 'Beautiful Internet World', the Commission has diversified promotional activities to cultivate people's Internet ethics by using broadcasting, newspapers, online media such as Naver, and one-person media broadcasting and raised the awareness of the people on the relevant policies by developing various content.

Figure III-43 | Everyday Promotion of Internet Ethics

TV Program (Abnormal Summit)	One-person Media Broadcasting (Buzzbean 11)	Billboard Advertisement	Education using a Musical
Free Wi-Fi AD	Web-based Animation	Naver TV-Web Drama	Campaign Song Music Video

In addition, the 'Internet Dream Song Festival' and 'Music Festival' were held to create a 'Beautiful Internet World' to help people to understand Internet ethics in a friendly and relaxed manner through music. By holding the 'Internet Dream Contest' and 'Teaching Plan Contest', the Commission sought to diversify content.

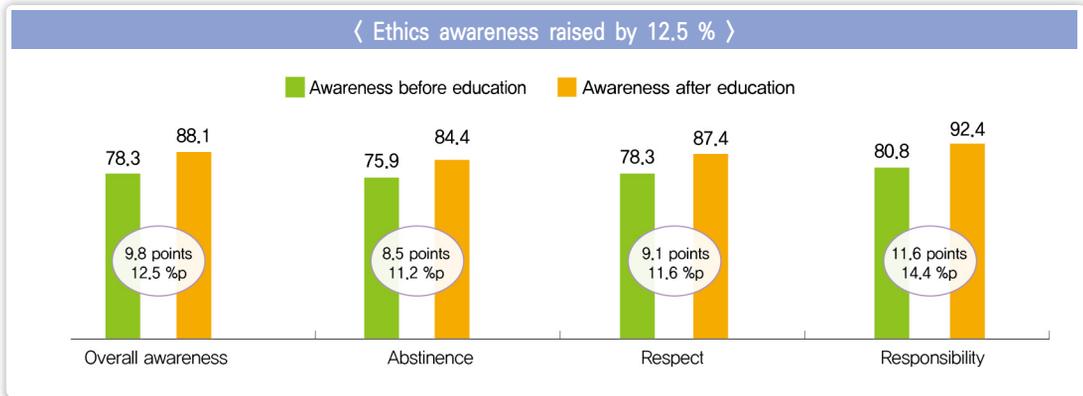
At the 'Internet Ethics Contest', held at the end of the year, prizes were awarded to schools, teachers, and students who contributed to creating healthy Internet ethics and culture.

Figure III-44 | Internet Dream Song Festival and Internet Ethics Contest



As a result of these customized ethics education and promotional activities, a survey of 1,398 students from 48 Korean Internet Dream Leader Schools showed Internet ethics awareness was up by 9.8 points or 12.5 %p after being exposed to the education. In particular, it was surveyed that the sense of responsibility for Internet use showed the highest increase with 11.6 points<sup>21)</sup>.

Figure III-45 | Improvement of Internet ethics awareness (Total respondents : 1,398, Unit : Point)



### c. Improving the Environment for the Smartphone Use of the Youth

#### 1) Expanding the Secure Cyber Zone

To prevent the juveniles' addiction to smartphones and its adverse effects, the Commission evaluated the smartphone use patterns of juveniles at home and schools and expanded the Secure Cyber Zone program to prevent overindulgence into smart devices through continuous guidance and counseling.

21) 'A Survey on Changes in Internet Ethics Awareness', KCC/NIA(2017)

**Table III-41 | Schools with the 'Secure Cyber Zone' and the number of people that participated in the education program** (Unit : Number of schools, Persons, Accumulative)

Classification	2013	2014	2015	2016	2017
Schools operating the Secure Cyber Zone	41	168	333	531	770
Trainees	16,533	35,778	57,276	81,276	107,676

In 2017, the Commission offered education to 26,400 parents and teachers from schools with the Secure Cyber Zones on the proper use of the smartphone and the prevention of smartphone addiction by young students. Particularly, for the nationwide expansion of the service, the Commission signed an MOU with the provincial offices of education such as the South Jeolla Office of Education and North Chungcheong Office of Education.

**Figure III-46 | Signing an MOU on the Secure Cyber Zone**



In addition, in order to encourage participation in the service, the Commission distributed press releases related to the effect of the service and method to participate in the Secure Cyber Zone program, and the Commission chairman's contributions were published by various media including newspapers and the Internet.

Figure III-47 | Press release and related articles

The youth in the Secure Cyber Zone spent 41 % less time on smartphone use (February 2017)

2017. 2. 6. (월)



**보도자료**

방송통신위원회  
2017. 2. 6. (월)부터 보도하여 주시기 바랍니다.  
문의 : 이용자정책국 인터넷윤리팀 박윤진 팀장 (☎2110-1560)  
김종수 사무관 (☎2110-1566)

**“사이버안심존, 청소년 스마트폰 이용시간 41% 줄어”**  
- 방통위, ‘2016년 사이버안심존 서비스 운영효과’ 발표 -

방송통신위원회(위원장 최성윤)가 일선학교에 제공하고 있는 ‘사이버안심존’ 서비스가 청소년들의 스마트폰 이용시간을 41%까지 감소시키는 등 최근 사회문제가 되고 있는 청소년의 스마트폰 과몰입 예방에 큰 효과가 있는 것으로 나타났다.

‘사이버안심존’은 학교와 가정에서 청소년의 스마트폰 이용행태를 관리·점검하고 상담을 통해 청소년의 과몰입 예방 등 스마트폰 과몰입을 예방하기 위한 서비스로서, 방송통신위원회가 전국 초·중·고교를 대상으로 2013년부터 추진하고 있는 사업이다.

최근 방송통신위원회가 사업 수행기관인 한국무선인터넷산업협회(MOIBA)와 함께 2016년도에 ‘사이버안심존’ 서비스를 이용한 102개 학교 학생들의 스마트폰 이용시간을 분석한 결과에 따르면,

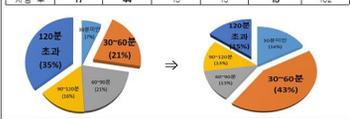
**‘16년도 ‘사이버안심존’ 서비스 효과 분석**

□ 시행 전·후 전체 학교 및 학제별 이용시간

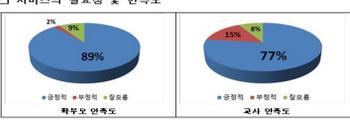


□ 시행 전·후 사용자대별 학교수 및 비율

구분	30분미만	30-60분	60-90분	90-120분	120분 초과	계
시행 전	7	21	22	18	38	106
시행 후	17	44	13	13	15	102



□ 서비스의 필요성 및 만족도



Contribution to Money Today (January 2017)

**머니투데이**

**[기고]청소년 스마트폰 중독 막는 ‘사이버안심존’ 더 알려야**

사이버안심존 이용 청소년들 스마트폰 사용시간 41% 줄어

최영은 방송통신위원회 위원장 | 입력 2017.01.27 09:00

말 하는 배후기도 전에 스마트폰 화면을 터치하고 밀어서 조작할 줄 아는 요즘 아이들 부모라면 스마트폰을 손에서 놓지 못하고 PC 말을 떠나지 못하는 자녀를 때문에 고민해 본 적이 있을 것이다. 스마트폰이나 인터넷 사용 용리에 대한 교육이 강조되고 늘어나고 있지만 자녀들의 스마트폰 중독 속도를 따라잡기에는 역부족이다. 특히, 그 영향력이 점점 넓어지고 있다는 점은 우려가 아닐 수 없다.

최근 발표된 ‘2016 스마트폰 과몰입 실태조사’에 의하면 스마트폰 과몰입 위험군은 청소년(10~19세)의 경우 30.6%, 유아동(3~9세)의 경우 17.9%에 달한다는 결과가 나왔다. 청소년 10명 중 3명, 유아동 10명 중 2명 꼴로 스마트폰 중독이 의심된다는 것이다.

방송통신위원회는 이런 문제를 풀어나가기 위해 유아에서부터 초·중·고 청소년에 이르기까지 바람직한 인터넷 윤리교육을 추진해 나가고 있다. 스마트폰, 인터넷 이용과 관련한 교육프로그램 운영과 함께 예방 프로그램 보급에도 심혈을 기울이고 있다.

이 중 ‘사이버안심존’ 프로그램을 소개하고자 한다. 초·중등학교에 보급하고 있는 ‘사이버안심존’은 청소년 스마트폰 과몰입 예방 프로그램으로 학교와 가정에서 청소년의 스마트폰 이용행태를 점검하고 지속적인 관리와 상담으로 스마트폰 과몰입 등을 예방하는 취지로 시작됐다. 지난 2013년부터 각 학교에 소프트웨어를 보급해와 프로그램이 자리를 잡았다는 평가다.

Seoul economic daily news article (February 2017)

**서울경제**

**‘사이버안심존’ 청소년 스마트폰 이용시간 41% 줄어**

방통위, 2016년 사이버안심존 서비스 운영효과 발표

김영민 기자 | 2017-02-06 10:54:09 | IT·과학

방송통신위원회는 ‘사이버안심존’ 서비스가 청소년들의 스마트폰 이용시간을 41%까지 감소시켰다고 6일 밝혔다.

사이버안심존은 학교와 가정에서 청소년의 스마트폰 이용행태를 관리·점검하고 상담을 통해 청소년의 과몰입 예방 등 스마트폰 과몰입을 예방하기 위한 서비스다. 2013년부터 초·중·고교에서 시행되고 있다.

방통위와 한국무선인터넷산업협회(MOIBA)는 최근 지난해 사이버안심존을 이용한 102개 학교 학생들의 스마트폰 이용시간을 분석했다. 그 결과 서비스 시행 전 청소년의 일평균 스마트폰 이용시간이 110분이었지만, 시행 후에는 64분으로 41% 줄었다.

학제별로 초등학교는 100분에서 63분으로 37% 감소했고 중학교는 145분에서 78분으로 46% 줄었다. 이용시간 대별로 보면 120분을 초과해 사용한 학교는 35%에서 15%로 감소했고, 60분 이하는 28%에서 59% 증가했다.

최성준 방송통신위원장은 “사이버안심존 서비스가 청소년의 스마트폰 과몰입 예방에 효과가 있는 것으로 확인됐다”며 “전국 시도 교육청과 협력해 서비스를 확대할 것”이라고 말했다.

The Commission also carried out promotional activities on the blog and Facebook while hosting an essay contest and distributing exemplary cases for the prevention of juvenile smartphone addiction.

Table III-42 | Viral marketing outcomes in 2017

(Unit : Cases)

Category	Number of posts	Number of visitors	Number of page views
NAVER Blog	985	7,801	9,639
DAUM Blog	928	6,065	10,784
Faceook	780	-	-

Figure III-48 | Collection of best essays from the essay contest on the Secure Cyber Zone



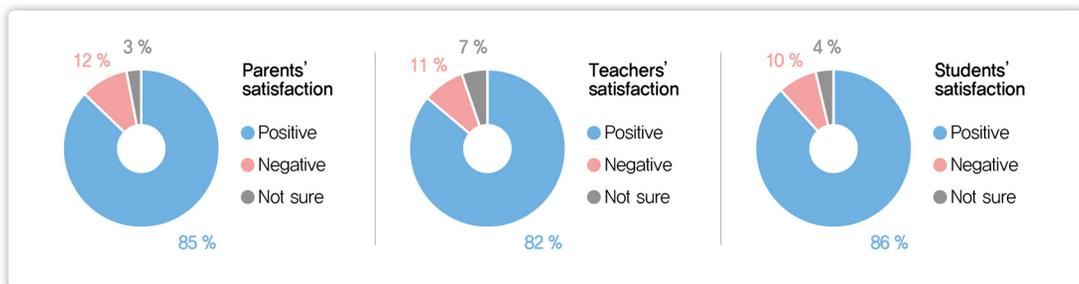
Additionally, the satisfaction survey conducted on teachers and parents found that 85 % of parents, 82 % of teachers, and 86 % of students were satisfied with the campaign.

Table III-43 | Effectiveness and Service Satisfaction Survey

(Unit : Persons)

Classification	Students	School(Teachers)	Parents
People who were surveyed	Students from schools with the Secure Cyber Zones	Teachers from schools with the Secure Cyber Zones	Parents of students from schools with the Secure Cyber Zones
Number of samples	1,058	147	511
Significance level (95 % confidence)	±3.01 %p	±8.08 %p	±4.34 %p
Survey method	Structured Questionnaire		
Survey period	November-December 2017		

Figure III-49 | Effectiveness and Service Satisfaction Survey



## 2) Blocking Media Products Harmful to Juveniles

As prescribed by Article 32-7 (Blocking Media Products Harmful to Juveniles) of the 「Telecommunications Business Act」, three mobile carriers and MVNOs are required to provide services to block harmful media to juveniles. The Commission, therefore, conducted promotional campaigns about such services. In addition to introducing ways to shut down harmful information to juveniles, the Commission implemented a nationwide campaign to promote the expanded use of the service at homes by introducing guidelines on the right use of smartphones between parents and children.

**Table III-44** | Articles of the 「Telecommunications Business Act」 about "Blocking Media Products Harmful to Juveniles"

Article 32-7 (Blocking Media Products Harmful to Juveniles)	Article 37-8 (Method and Procedure for Blocking Media Products Harmful to Juveniles)
<p>① When a telecommunication carrier using frequencies allocated pursuant to the 「Radio Waves Act」 concludes a contract for providing telecommunication service with juveniles pursuant to the 「Juvenile Protection Act」, the telecommunication carrier shall provide a means of blocking media materials harmful to juvenile according to Article 2 (3) of the 「Juvenile Protection Act」 and obscene information pursuant to Article 44-7(1)1 of the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc.」</p> <p>② The Commission may investigate the telecommunication carrier's provision of the blocking means provided for in paragraph (1).</p> <p>③ Matters necessary for the methods and procedures for providing the blocking means in accordance with paragraph (1) shall be prescribed by Presidential Decree.</p>	<p>① The telecommunication carrier that concludes a contract for providing telecommunication services with a juvenile pursuant to Article 32-7, Paragraph 1 of the 「Juvenile Protection Act」 shall provide a means of blocking juveniles from accessing media materials harmful to juvenile and obscene information (hereinafter referred to as "media materials harmful to juvenile") pursuant to the Article 2(3) of the Act such as software to mobile devices.</p> <p>② In case the telecommunication carrier provides the blocking means pursuant to paragraph (1), the procedures specified in the following subparagraphs shall be followed.</p> <ol style="list-style-type: none"> <li>1. Upon concluding a contract               <ol style="list-style-type: none"> <li>a. Notify youths and legal representatives about the type and content of the blocking means</li> <li>b. Check whether blocking measures are installed</li> </ol> </li> <li>2. After signing the contract: If the blocking means is deleted or fail to operate for more than fifteen(15) days, such facts shall be notified to the legal representative of the juvenile every month.</li> </ol>

It was made mandatory for the distribution stores of three mobile carriers to post notices on ways to shut down harmful information to juveniles and share the guidelines. The Commission also strived to block harmful information to juveniles by sending text messages about applications to block obscene material on a regular basis.

**Table III-45 | Measures for blocking harmful information to juveniles by mobile carrier**

Service	Main function	Fee
T harmful media blocking for juveniles(SKT)	• Blocking harmful apps / Internet sites	Free (Provided to its subscribers)
Children Phone Relief Free (KT) Phone guardian for kids (LG U+)		
T Youth Relief Pack (SKT)	• Blocking harmful apps / Internet sites • App usage time setting • Providing statistics / monitoring service	Paid service (Provided to its subscribers)
Children Phone Relief (KT)		
Phone guardian for kids (LG U+)		

As a means of blocking juveniles from accessing to harmful media materials, two methods are provided by mobile communication companies. They include network blocking which automatically blocks the access using the system of a mobile communication company when juveniles access a harmful website using 3G and LTE networks, and blocking through a filtering app when accessing a harmful website and apps. More details about blocking harmful information to juveniles are also available at [www.wiseuser.go.kr](http://www.wiseuser.go.kr) and other major portal sites.

**Table III-50 | Promotional Activities for Preventing Harmful Information for Teenagers**



### 3. Enhancing Access to Broadcasting Services for Marginalized Groups

#### a. Distributing TVs for People with Visual/Hearing Impairment

The Commission developed a customized TV set for the people with visual/hearing impairment, and donated them preferably to those in the low-income bracket, and launched demonstration broadcasting with smart sign language services, thereby providing a platform to improve the viewing convenience of the disabled and the non-disabled. To this end, it worked with local governments to expand the donation of TV sets to low-income people with hearing impairments, and expanded promotional campaigns using community centers, websites, and broadcasters. Since 2015, it has been implementing the project jointly with the local governments to expand the distribution of TV sets to low-income people with hearing impairments by signing agreements with 17 local government including an MOU signed with North Jeolla province at the Jeonju Sound Culture Center in March 2017.

In accordance with the MOU, the Commission is responsible for promoting overall projects such as project planning, producing promotional materials, and producing and distributing TVs, while local governments are in charge of distributing promotional materials and receiving applications for low-income people with hearing impairments in local communities.

By donating 12,014 TV sets to the people with visual and hearing impairments, it contributed to narrowing the information gap of the underprivileged.

The 12,000 TV sets donated for the disabled in 2017 has enlarged the display size with 28 inches (69.5 cm). The TV set comes with a voice command feature for those with visual impairment and the subtitle size and location adjustment feature for those with hearing impairments.

Applications were received from low-income and hearing-impaired people through the community centers in cities and provinces starting in June 2017.

For creating a consensus with the disabled, the Commission visited the Welfare Center for the visually impaired in North Jeolla province to experience the 'On-site Media

Education’ for those people. It has been also providing ‘On-site Media Education’ at seven media centers nationwide (Seoul, Incheon, Daejeon, Busan, Gwangju, Gangwon, and Ulsan).

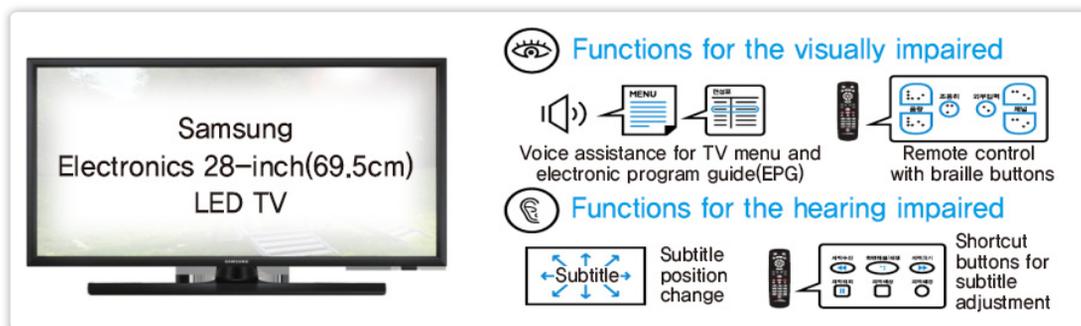
**Figure III-51 |** Signing an MOU with Local Governments



By joining forces with local governments, the Commission distributed 10,600 TV sets to those selected as qualified applicants based on the applications received from the needy, and about 12,000 units were distributed until December 2017.

The TV sets with a display size of 28 inches (69.5 cm) are equipped with specific functions for the disabled. For people with hearing impairments, subtitle can be moved to different positions, and color, font, and the size of the subtitles is adjustable. Supplied with a remote controller featuring shortcut buttons and braille, the TV sets have been enhanced with a voice guide such as channel change, program title, and TV menu for those with visual disabilities.

**Figure III-52 |** TV sets distributed for the disabled in 2017



In 2018, the Commission plans to further improve the functions of the TV sets based on a satisfaction survey. For further details regarding the TV distribution project, please call 1688-4596 or visit [tv.kcmf.or.kr](http://tv.kcmf.or.kr).

## b. Improving the Quality of the Broadcasting Service for the Disabled

The Commission announced its plan to prepare and enforce the ‘Guidelines for Providing Broadcasting Programs for the Disabled’ in 2017 to ensure the rights of the people with hearing impairment to broadcasting services and to improve the quality of broadcasting for the disabled. To collect opinions, it held public hearings and launched the ‘Research Group for Broadcasting for the Disabled’ composed of related experts such as academics, representatives of broadcasting companies, broadcasting associations, and the Korea Disabled People’s Development Institute.

The guidelines, composed of matters regarding the provision of the broadcasting, guidelines for the production of the broadcasting by type, and other recommendations, specify the standards and methods for producing broadcasting programs for the disabled and are designed to improve the quality of broadcasting for persons with disabilities by allowing the broadcasting companies to adhere to the standards.

The matters regarding the provisions of the broadcasting are as follows: programming the TV program for prime time; avoiding excessive rebroadcasting of audio-explained broadcasting; displaying the fact that the program was produced for the disabled; and indicating the program is for the disabled when the broadcast program starts.

Also, the guidelines for the production of broadcasting for the disabled specify the following. In the case of closed caption broadcasting, the minimum qualification requirements for caption stenographers, captioning method, the speaker identification method were suggested. As for audio-explained broadcasting, the minimum requirements for the writers of audio-explained broadcasting, and the inserting point for the audio- explanation were suggested, while at the same time specifying the minimum qualification requirements for the sign language interpreter, and providing sign language services for election and disaster broadcasting were all suggested for sign language broadcasting.

Other recommendations include encouraging each broadcaster to comply with the regulations on disaster broadcasting so that vulnerable groups can receive information on emergency situations in the event of a disaster, and to notify detailed information on how to use the broadcasting for disabled users.

The Commission expects that the guidelines will contribute to the enhancement of broadcasting for the disabled that have long been requested by organizations for disabled persons.

Meanwhile, the Commission has increased the ratio of mandatory broadcasting for the disabled and made public the performance assessment of broadcasting for the disabled for the year 2016 in order to enhance access to broadcasting for the marginalized. The performance assessment of 139 broadcasting operators' broadcasting services for the disabled in terms of subtitles, description broadcasting, and sign language showed that 133 out of 139 broadcasting business operators, or 95.7 %, met the ratio in 2016.

Six broadcasting business operators including Wonju MBC, MBC Gangwon-Youngdong, Chuncheon MBC, Channel A, Yonhap News TV, CJ E&M failed to meet their target ratio. The Commission will conduct administrative guidance to the six broadcasters that have failed to meet their programming target for the disabled in 2016, deduct points from the broadcasting evaluation, and cut government's subsidies for the production of programs for the disabled.

The Commission increased the ratio of mandatory broadcasting for the disabled on a gradual basis from 2012 to 2016. The mandatory ratio for the main and local terrestrial broadcasting business operators and general service and news specialized PPs is as follows: subtitled broadcasting 100 %; audio-explanation broadcasting 10 %, and sign language 5 %.

The Commission evaluates that the mandatory broadcasting for the disabled is relatively well established and will continue its efforts to improve the quality and quantity of broadcasting for the disabled.

Table III-46 | Mandatory programming of broadcasting for the disabled in 2016 (Unit : Number of operators)

Classification		Operator subject to mandatory programming	Achieved	Failed to achieve	Ratio
Operators subject to mandatory programming (56)	Central terrestrial broadcasters	4	4	-	100.0 %
	Local terrestrial broadcasters	45	42	3	93.3 %
	Satellite broadcasting	1	1	-	100.0 %
	General programming, news specialized PP	6	4	2	66.7 %
	Sub total	56	51	5	91.1 %
Operators designated for notice (83)	SO	68	68	-	100.0 %
	PP	15	14	1	93.3 %
	Sub total	83	82	1	98.8 %
Total		139	133	6	95.7 %

### c. Improving the Broadcasting Environment for the Disabled

The Commission launched the demonstration broadcasting of smart sign language in July 2017 to improve access to the broadcasting of the people with a disability. It is a newly introduced service for the handicapped (subtitle, screen audio explanation, and sign language). It provides video and video with sign language to the broadcasting network and internet network respectively. By showing two videos on one screen, the size and position of the sign language is adjustable.

It is a consumer-oriented and customized service reflecting both the demand of the hearing impaired persons for enlarging and adjusting the sign language screen for the better understanding of the broadcasting contents and the request of the general viewers to improve the video with sign language.

KT Skyclife, SK Broadband subscribers who wish to experience the service can watch the demonstration broadcast of smart sign language broadcasting provided by YTN and JTBC by installing a test receiver at home.

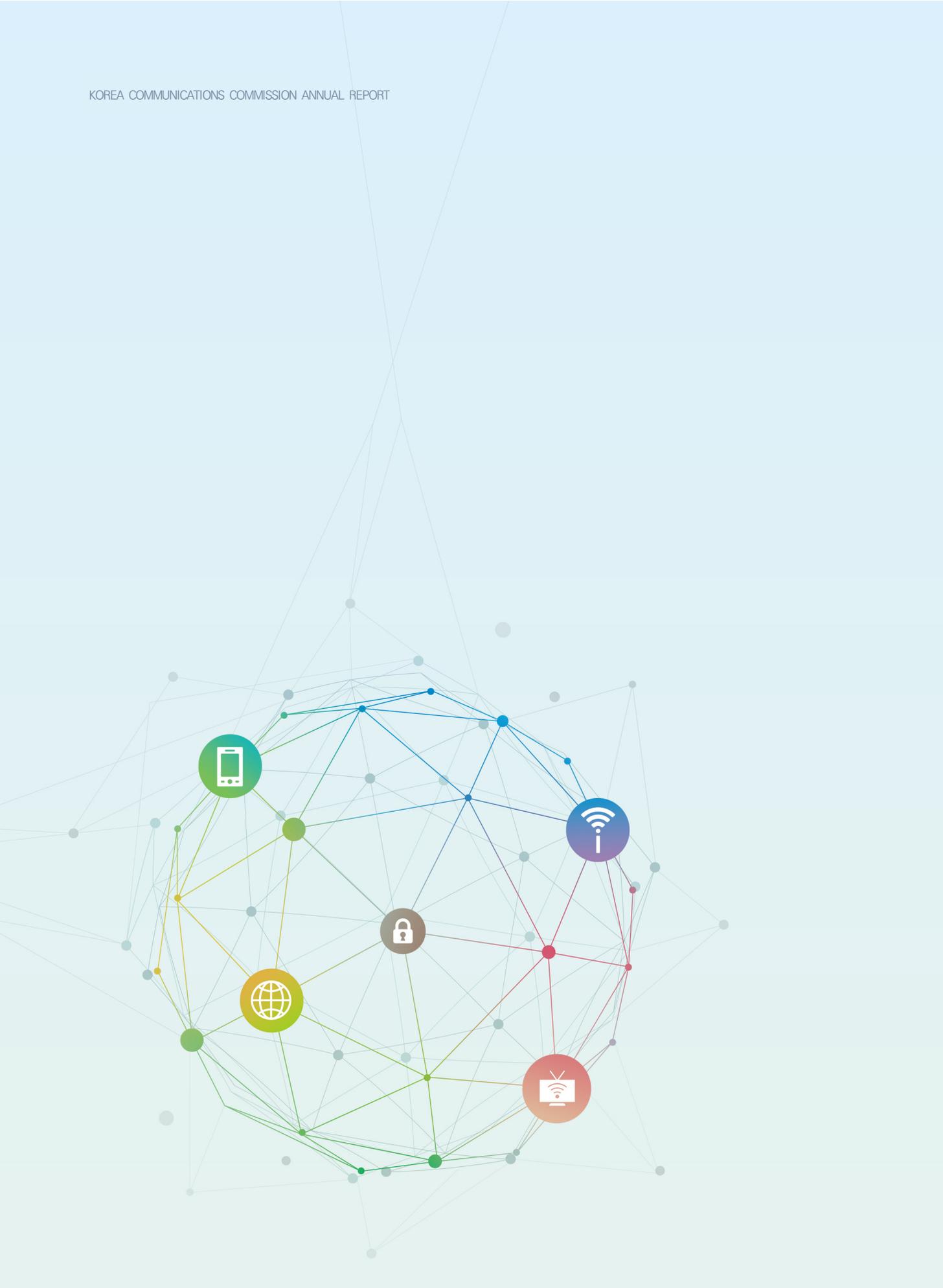
YTN<News N Issue>, <News Wide>, JTBC<JTBC News Morning> were included as a demonstration program. KBS, TV Chosun and CJ Hello Vision jumped on the bandwagon in September 2017.

The demonstration broadcast of the broadcasting service of smart sign language was provided for 210 households in the Seoul Metropolitan Area in 2016. In preparation for the second demonstration broadcast, the Commission worked with the 'Korea of the Deaf' from April, 2017 to recruit 300 homes to experience the service. In addition, the Commission has expanded the opportunity for a service experience by installing additional receivers at 22 sign language interpretation centers that provide counseling and rehabilitation services for the hearing and speech impaired people.

The Commission plans to provide a more stable smart sign language broadcasting service by collecting the opinions from the disabled, organizations for the disabled, and business operators who have experienced the service and to commercialize the service in 2019.

Figure III-53 | Improved smart sign language broadcasting







# Appendix





# Appendix

## 1. Financial Statements of 2017

### Execution of the Budget

Appendix Table-1 | Execution of the Budget in 2017

(Unit : KRW 1 million, %)

	Category	Budge(A)	Real Budget(B)	Actual(C)	Execution rate(C/B)
Income	Total	1,014,602	1,014,602	973,628	96.0
	General accounting	31,183	31,183	22,953	73.6
	Broadcast Communications Development Fund	983,419	983,419	950,675	96.7
Expenses	Total	239,347	239,347	238,350	99.6
	General accounting	54,528	54,528	53,555	98.2
	Broadcast Communications Development Fund	184,819	184,819	184,795	99.9

Note ) The income of the Broadcast Communications Development Fund is the total amount and its expenses exclude the services, internal expenditure, and surplus fund related to the Ministry of Science and ICT(MSIT)

### Budgets and Expenses by Program

Appendix Table-2 | Budgets and Expenses by Program

(Unit : KRW 1 million)

Program	Budget	Expenses
Total	239,347	238,350
<General Accounting>	54,528	53,555
Item 2100: Establishment of a fair and secure market environment	16,707	16,703
Item 2300: Improvement of the broadcasting infrastructure	13,688	13,688
Item 7100: Administrative support for broadcasting and communications	24,133	23,164
<Broadcast Communications Development Fund>	184,819	184,795
Item 3100: Establishment of the broadcasting and communications environment boosting satisfaction and convenience	176,070	176,046
Item 3200: Establishment of the broadcasting and communications environment boosting fair and secure	8,749	8,749

## ● Broadcast Communications Development Fund

### (1) Asset and Liabilities

Appendix Table-3 | Assets and liabilities of the broadcast communications development fund (Unit : KRW 1 million, %)

Classification	2017(A)	2016(B)	Change (A - B)	
			In amount	In % rate
Assets	486,620	625,571	△138,951	△22.2
Liabilities	633,214	790,354	△157,140	△19.9
Net assets	△146,594	△164,783	18,189	11.0

Note) The financial statement table is the total amount of the fund as of Dec. 31, 2017. △: reduction

### (2) Income and Expenses

Appendix Table-4 | Income and expenses of the broadcast communications development fund (Unit : KRW 1 million, %)

Classification	2017(A)	2016(B)	Change (A - B)	
			In amount	In % rate
Net program costs(I)	692,167	703,453	△11,286	△1.6
Operation expenses(II)	3,738	3,733	5	0.1
Non-distribution costs(III)	1,659	194	1,465	755.2
Non-distribution revenue(IV)	533,803	373,170	160,633	43.0
Net financial management costs (V= I + II + III - IV)	163,761	334,211	△170,450	△51.0
Non-exchange revenue(VI)	181,330	172,695	8,635	5.0
Result(VII=V - VI)	△17,569	161,516	△143,947	△89.1

Note) The fiscal management table refers to the total amount of the fund as of Dec. 31, 2017. △: reduction

## 2. The List of General Meetings and Agenda Items of the Commission

Appendix Table-5 | List of general meetings and agenda items of the Commission

Session	Date	Type	Agenda item
1st	Jan. 5(Thu)	Reporting	Awarding the plan for the 「2017 Korea Communications Commission Award」(draft)
2nd	Jan. 11(Wed)	Voting	Prior consent for permission for change by cable television broadcasting business operator – 11 companies including CMB Hangang cable TV –
		Voting	Partial amendment to the regulation on the banned activities of broadcasting and communications service operators
3rd	Jan. 24(Tue)	Voting	Prior consent to the re-permission and change of permission for CATV relay broadcasting business operators
		Voting	Agreement on member appointment for the Viewer Rights Protection Commission
		Voting	Administrative measures on business operators for violating broadcasting commercial regulations
		Voting	Partial amendment to the 「Principles of Sponsoring Notification」 – SBS and five other companies –
		Voting	Matters regarding submitting the opinion of business operators who violate broadcasting commercial regulations – nbn TV and three others –
4th	Jan. 26(Thu)	Voting	Matters on the basic plan for permission of a new radio broadcasting station (proposal) resolved
		Voting	Approval of programming ratio for multi-language broadcasting of eFMtbs-eFM
		Voting	Correction order for personal information violation to business operators
		Reporting	Partial amendment to the 「Enforcement decree of the Mobile Device Distribution Improvement Act
5th	Feb. 7(Tue)	Voting	Correction order for the violation of personal information validity period system
		Voting	Partial amendment to the 「Act on the Promotion of Information and Communications Network Utilization and Information Protection, etc」
		Reporting	Enactment of the 'guideline on privacy of online customized advertisements'
		Reporting	Partial amendment to the 「Telecommunications Business Act」
		Reporting	Evaluation of the performance of the general service PP in 2016
6th	Feb. 8(Wed)	Voting	Approval of foreign capital contributions to the FEBC
		Voting	Prior consent for permission for facility change by a cable television broadcasting business operator – CJ Hellovision, Kumjung broadcasting and four others –
		Voting	Retrial of the matters regarding the broadcasting review – TvChosun < Park Jong-jin's Liveshow > –
7th	Feb. 15(Wed)	Voting	Matters to change the date of commencing with the operation of a new terrestrial UHD broadcasting station in the capital area
		Voting	Matters on the basic plan for the approval of changing the largest investor (draft) – G1 –
		Voting	Basic plan on new permission for a radio broadcasting station (draft) – BBS Jeju FM –

Session	Date	Type	Agenda item
8 <sup>th</sup>	Feb. 28(Tue)	Voting	Consent to the appointment of Broadcasting Evaluation Commission members who are filling the vacancy
		Reporting	Partial amendment to the 「Regulations on work handling on prohibited acts of broadcasting and communications business」
9 <sup>th</sup>	Mar. 3(Fri)	Voting	Basic plan on permission for a new terrestrial UHD broadcasting station in the metropolitan area, Pyeongchang and Gangneung
		Voting	Detailed plan of permission renewal to terrestrial and community radio broadcasting business operators in 2017 (draft)
10 <sup>th</sup>	Mar. 7(Tue)	Voting	Prior consent for re-permission and change of permission for CATV relay broadcasting business operators - re-permission for Dongil Cable and 6 other companies -
11 <sup>th</sup>	Mar. 9(Thu)	Voting	Matters on re-approval of a news specialized broadcasting business operator in 2017 (proposal)
		Voting	Licensing new location information business operator
		Reporting	Matters on high-definition TV broadcasting program recognition criteria(draft)
		Reporting	Enactment of the 'guideline on the appointment of public evaluator and operation'
12 <sup>th</sup>	Mar. 13(Mon)	Voting	Administrative measures on business operators for violating broadcasting commercial regulations
		Voting	Administrative measures on business operators for violating sponsoring notification regulations
13 <sup>th</sup>	Mar. 15(Wed)	Voting	Evaluation plan of user protection by telecommunications business operators in 2017 (draft)
		Voting	Correction order for personal information violation
		Reporting	Appointment of an operator of alternative means to the social security number
14 <sup>th</sup>	Mar. 21(Tue)	Voting	Basic plan for broadcasting assessment in 2016
		Voting	Correction order on KT for violating the 「Telecommunications Business Act」
		Voting	Correction order on SKT, KT, LGU + and distribution stores for the violation of the 「Mobile Device Distribution Improvement Act」 regarding foreign customers
		Voting	Fines on telecommunications distributors for rejecting and interfering with an investigation
		Voting	New permission for a radio broadcasting station - CBS Daegu music FM, BBS Jeju FM
		Voting	Matters on the basic plan for the approval of changing the largest investor (draft) - G1 -
		Voting	Prior agreement of the partial amendment to the 「Broadcasting Act」-「Enforcement Decree of the Broadcasting Act」and cable television broadcasting area (notification)
		Voting	Prior consent for permission for change by a cable television broadcasting business operator - CJ Hellovision and 35 others
Reporting	「Detailed plan on the criteria of unfair and discriminatory conditions, limits of telecommunications operators (proposal)」		

Session	Date	Type	Agenda item
15 <sup>th</sup>	Mar. 22(Wed)	Voting	Approval of foreign capital contributions to FEBC
		Voting	Prior consent for re-permission and change of permission for CATV relay broadcasting business operators
		Voting	Retrial of the matters regarding the broadcasting review - Hankook economy TV OTC 4989 -
		Voting	Matter regarding imposing fees for violating the broadcasting law - Home and shopping Chunho -
		Voting	Administrative measures regarding the submission of the opinion of the operator violating the broadcasting advertisements - MBC -
		Voting	Consent to the appointment of Media diversity Commission members who are filling the vacancy
		Voting	Consent to the appointment of Broadcasting Evaluation Commission members who are filling the vacancy
		Voting	Partial amendment to the 'Regulations on work handling on the prohibited acts of broadcasting and communications business'
		Reporting	Partial amendment to the 'Regulations on the finance of broadcasting and communications Commission'
16 <sup>th</sup>	Mar. 24(Fri)	Voting	Detailed plan for the re-approval of general service broadcasting business operators in 2017 (proposal)
		Voting	Matters of the re-licensing of broadcast advertising sales agencies in 2017
		Reporting	Partial amendment to the 「Enforcement Decree of the Broadcasting Act」
		Reporting	Enactment of the guidelines on personal information access rights on the smartphone application
17 <sup>th</sup>	Mar. 24(Fri)	Reporting	Checking the stenographic records of the Commission meeting
18 <sup>th</sup>	May 23(Tue)	Voting	Administrative measures on the business operator for the violation of broadcasting advertisement regulations - MBC and 7 others -
		Voting	Administrative measures on the business operator for the violation of sponsoring notification - KBS and 8 others-
19 <sup>th</sup>	May 29(Mon)	Voting	The 2018 budget and management plan for the Broadcast Communications Development Fund
20 <sup>th</sup>	Jun. 7(Wed)	Voting	Partial amendment to 「the Enforcement decree of the Mobile Device Distribution Improvement Act」
		Reporting	Partial amendment to 「the Enforcement decree of the Broadcasting Act 」
21 <sup>st</sup>	Aug. 3(Thu)	Voting	Matters for the mutual election of the vice chairman of the Commission
		Voting	Prior consent to the re-permission and change of permission for cable TV broadcasting business operators (Tbroad, Sejong and 26 others)
22 <sup>nd</sup>	Aug. 8(Tue)	Voting	Matters on the basic plan for the approval of changing the largest investor (draft) - Korea DMB -
		Voting	Correction order for personal information violation by business operators
		Voting	Correction order for personal information violation by business operators

Session	Date	Type	Agenda item
23 <sup>rd</sup>	Aug. 10(Thu)	Voting	Plan to appoint the CEO of EBS
		Voting	「Detailed plan on the criteria of unfair and discriminatory conditions, limits of telecommunications operators (proposal)」
		Voting	Matters to approve new privacy information operators
		Voting	Matters to assess the market share of 2016 broadcasting operators
		Voting	Evaluation of the performance of mandatory broadcasting for the disabled in 2016
		Reporting	Partial amendment to the 「Collecting and imposing a share of the Broadcast Communications Development Fund」 (notification)
		Reporting	Matters regarding the plan on the investigation on outsourcing production between broadcasters and outsourcing companies
24 <sup>th</sup>	Aug. 11(Fri)	Voting	Partial amendment to 「The Enforcement decree of the Broadcasting Act」
		Voting	Partial amendment to the 'regulations on finance and brokerage of the Broadcasting communications commission'
		Voting	Matters regarding forging a contract between Bomkorea-LG U+ in terms of the telecommunications service
		Voting	Matters to claim compensation against LG U+ in the Telecommunications Act
		Reporting	Partial amendment to the regulations of the 「Enforcement Decree of the Broadcasting Act」
25 <sup>th</sup>	Aug. 24(Thu)	Voting	Administrative measures on business operators for violating broadcasting commercial regulations
		Voting	Administrative measures on business operators for violating broadcasting sponsoring notification regulations
26 <sup>th</sup>	Aug. 25(Fri)	Voting	Matters to the agreement on the supplementary member of the legal committee
		Reporting	Matters for the Mobile Device Distribution Improvement Act (proposal) to ease the burden of mobile costs
		Reporting	Matters to abolish the notification to the Mobile Device Distribution Improvement Act
27 <sup>th</sup>	Aug. 29(Tue)	Voting	Selection of president candidate for EBS, etc.
28 <sup>th</sup>	Aug. 31(Thu)	Voting	Correction order for the violation of the Broadcasting Act by Dong-a ilbo
		Voting	Basic plan on the 2018 public interest channel and the disabled welfare channel (proposal)
		Reporting	Improvement plan on the public interest channel and the disabled welfare channel (proposal)
		Reporting	Basic plan on the assessment on the content production competence of the broadcasting program
29 <sup>th</sup>	Sep. 7(Thu)	Voting	Corrective order for violation conducted by the TV home shopping channel
		Reporting	Partial amendment to the 「Notification on support for the combined sales of broadcasting advertisements」
30 <sup>th</sup>	Sep. 8(Fri)	Voting	Appointment of the president to EBS
		Voting	Correctional order on business operators for personal information leakage by Withinnovation
		Voting	Impose penalty on broadcasters for not airing disaster broadcasting for the 1 <sup>st</sup> quarter of 2017
		Reporting	'Beautiful Internet World 2022(proposal)'

Session	Date	Type	Agenda item
31 <sup>st</sup>	Sep. 12(Tue)	Voting	Partial amendment to the 「Rules of the Commission on the Implementation of the Broadcasting Act」
32 <sup>nd</sup>	Sep. 14(Thu)	Voting	Approval on changes of the largest investor of Korea DMB
		Voting	Corrective order for violation conducted by TV home shopping channel
33 <sup>rd</sup>	Sep. 20(Wed)	Voting	Administrative measures on the general service broadcasting channel business operator for failure to comply with correction order – Meil Broadcast –
		Voting	Signing of an MOU between BomKorea and LG U+ on providing telecommunications service
		Voting	Abolishment and amendment to the notification of the 「Mobile Device Distribution Improvement Act」
		Voting	Lower the ratio of broadcasting for the disabled for OBS TV
		Reporting	Partial amendment to the 「Enforcement Decree to the Broadcasting Act」
		Reporting	Partial amendment to the notification to the area of broadcasting publicity
		Reporting	Partial amendment to the 「Telecommunications Business Act」
34 <sup>th</sup>	Sep. 26(Tue)	Voting	Partial amendment to the 「Collecting and imposing a share of the Broadcast Communications Development Fund」 (notification)
		Voting	Prior consent to the permission for facility change by cable television broadcasting business operators
		Voting	Prior consent to the change of permission for general service and CATV relay broadcasting business operators
		Voting	Administrative measures on business operators for violating broadcasting commercial regulations
		Voting	Administrative measures on business operators for violating the notification on broadcasting commercial sponsoring
		Voting	Appointment on the member of the Broadcasting Assessment Committee
35 <sup>th</sup>	Sep. 28(Thu)	Voting	Grant a new license to terrestrial UHD in metropolitan, Pyeongchang and Ganrung
		Voting	Impose a penalty on broadcasters for not airing disaster broadcasting for the 1 <sup>st</sup> quarter of 2017
36 <sup>th</sup>	Oct. 12(Thu)	Voting	Correction order for personal information violation
		Reporting	Plan on the designated review for the identity verification institution
37 <sup>th</sup>	Oct. 26(Thu)	Voting	Appointment of a supplementary member on the Foundation for Broadcast Culture
38 <sup>th</sup>	Oct. 30 (Mon)	Voting	Partial amendment to the Regulation to the ‘Emergency Resource Management Act’ (notification)
		Voting	Administrative measures on business operators for violating broadcasting commercial regulations
		Voting	Administrative measures on business operators for violating the notification on broadcasting commercial sponsoring
		Voting	Partial amendment to the ‘Notification on support for the combined sales of broadcasting advertisements’

Session	Date	Type	Agenda item
39 <sup>th</sup>	Nov. 2 (Thu)	Voting	Recommendation for the supplementary board member of KBS
		Voting	Acknowledgment of the 2018 public interest channel and the disabled welfare channel
		Voting	Partial amendment to the notification to the area of broadcasting publicity (proposal)
		Reporting	Institutional improvement on cable TV contract of apartment complex
40 <sup>th</sup>	Nov. 15 (Wed)	Voting	Grant license to position information operators
		Reporting	Designation of APEC CPBR as a domestic certificate authority
		Reporting	Partial amendment to the 'Standard on Disaster and Civil Defense Broadcast'
		Reporting	Partial amendment to the 'Notification to the Organization of Broadcasting Programs'
41 <sup>st</sup>	Nov. 27 (Mon)	Voting	Exemption of TV reception fee for Pohang after being designated as a disaster affected area
		Voting	Detailed plan for the re-approval of a general service broadcasting business operator in 2017
		Voting	Re-approval of MBN Media rep
		Voting	2016 Assessment results on Broadcasts
42 <sup>nd</sup>	Nov. 28 (Tue)	Voting	Prior consent to the permission for facility change by cable television broadcasting business operators
		Voting	Administrative measures on business operators for violating broadcasting commercial regulations
		Voting	Administrative measures on business operators for violating the notification on broadcasting commercial sponsoring
43 <sup>rd</sup>	Dec. 6 (Wed)	Voting	Vision and key policy measures for the 4 <sup>th</sup> term Commission
		Voting	Partial amendment to the 「Enforcement Decree to the Broadcasting Act」(proposal)
		Voting	Corrective order on the violation of users interest upon canceling the combined internet service (proposal)
44 <sup>th</sup>	Dec. 11 (Mon)	Voting	Administrative measures on business operators for violating the notification on broadcasting sponsoring by KBS
		Voting	Administrative measures on business operators for violating the notification on broadcasting sponsoring by DGMBC
		Reporting	Partial amendment to the 「Management of the Broadcast Communications Development Fund」 (notification)
45 <sup>th</sup>	Dec. 12 (Tue)	Voting	Correction order for personal information violation to business operators
		Voting	Correction order for personal information violation to business operators by BCTKorea
		Reporting	Amendment to the 'Guidelines on the Protection of Bio information'
46 <sup>th</sup>	Dec. 19 (Tue)	Voting	Administrative measures on business operators for violating broadcasting commercial regulations
		Voting	Administrative measures on business operators for violating the notification on broadcasting sponsoring

Session	Date	Type	Agenda item
47 <sup>th</sup>	Dec. 20 (Wed)	Voting	Matters on the re-approval of a community radio operator in 2017
		Voting	Matters on re-approval of a broadcasting business operator
		Voting	The 2 <sup>nd</sup> regional broadcast development support plan
		Voting	Partial amendment to the notification of the broadcasting program organization
		Reporting	Enactment of the 'detailed on the standard on discrimination of unfair users such as economic gains'
48 <sup>th</sup>	Dec. 21 (Thu)	Voting	Correction order for personal information violation to 24 telecom distributors
		Reporting	Assessment on the protection affair competence of the telecommunication operator 2017
		Reporting	Assessment on the content production competence of broadcasting programs 2017
49 <sup>th</sup>	Dec. 26 (Tue)	Voting	Re-approval of license for terrestrial broadcasters in 2017
		Voting	Appoint institution of identity verification
		Reporting	Matters for the guidelines on broadcasting for the disabled
50 <sup>th</sup>	Dec. 27 (Wed)	Voting	Partial amendment to the 'Regulation on the Operation and Management of the Broadcast Communications Development Fund' (notification)
		Voting	Partial amendment to the 'Standard on the Disaster and Civil Defense Broadcast'
		Voting	Partial amendment to the 'penalty on the violation of sponsoring notification by business operators'
51 <sup>st</sup>	Dec. 27 (Wed)	Voting	Dismissal of a board member of KBS

### 3. Monthly Major Achievements of 2017

#### Appendix Table- 6 | Monthly Major Achievements of 2017

##### January 2017

Date	Events
Jan. 5	The Commission and 5 other agencies make a work report 「Securing growth momentum for creative economy」
Jan. 6	Major work plan for 2017 announced
Jan. 6	License plan on the position information operator for 2017 announced
Jan. 17	Commissioner Lee Ki-joo held a meeting with consumers
Jan. 17	2017 New year assembly for broadcasting and communications community
Jan. 24	Selected as an excellent agency for the Government 3.0
Jan. 24	Chairman Choi Sung-joon visits traditional markets and welfare centers on New Years' Day
Jan. 24	Commission –management·union, visited a children welfare center and made a donation
Jan. 24	Member of the 9 <sup>th</sup> term Viewer Rights Protection Commission appointed
Jan. 26	The effects of 'Internet ethics education at home' announced

■ 2017 New Year assembly for the broadcasting and communications community



■ Commission –management·union, visited a children welfare center and made a donation



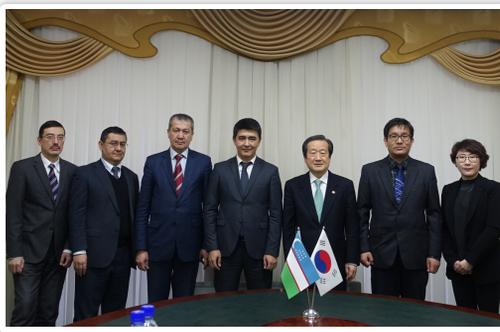
■ Chairman Choi Sung-joon visits traditional markets and welfare centers on New Years' Day



## February 2017

Date	Events
Feb. 6	The results of the operation of 2016 Cyber Safety Zone Service announced.
Feb. 7	Guidelines on protecting privacy regarding online tailored advertisements announced.
Feb. 10	Chairman Choi Sung-joon attended a meeting with the CEOs of telecommunication companies.
Feb. 13	Vice Chairperson Kim Jae-hong held a meeting with the Ministry of Development of Information Technologies and Communications of the Republic of Uzbekistan to discuss ways to cooperate.
Feb. 20	Chairman Choi Sung-joon signed an MOU with the Thai National Broadcasting and Telecommunications Commission (NBTC).
Feb. 21	2016 Outcome for the broadcasting advertisement production support for innovative SME announced.
Feb. 22	Chairman Choi Sung-joon attended an international conference (IBRAF).
Feb. 22	Chairman Choi Sung-joon signed a bilateral MOU with Indonesian Broadcasting Commission (KPI).
Feb. 23	Chairman Choi Sung-joon signed a bilateral MOU with Turkish Radio and Television High Commission (RTUK).
Feb. 23	Director, An Keon-young appointed as a vice-president of APEC(DPS).

■ Vice Chairperson Kim Jae-hong held a meeting with the Ministry of Development of Information Technologies and Communications of the Republic of Uzbekistan to discuss ways to cooperate.



■ Chairman Choi Sung-joon attended an international conference of the Islamic Broadcasting Regulatory Authorities Forum (IBRAF).



■ Chairman Choi Sung-joon signed a bilateral MOU with Turkish Radio and Television High Commission (RTUK).



■ Director, An Keon-young appointed as a vice-president of APEC(DPS).



🌸 March 2017

Date	Events
Mar. 7	Chairman Choi Sung-joon attended an agreement ceremony for broadcasting advertisement production support for innovative SMEs.
Mar. 20	2017 Korea Communications Commission Awards held
Mar. 20	Village media education through the Community Media Center pursued
Mar. 21	Commission and NIA hosted the 8 <sup>th</sup> term Group of Korea Internet Dream Star launching ceremony.
Mar. 22	MOU on providing TVs for the disabled with the local government signed
Mar. 23	Chairman Choi Sung-joon visited 2018 Pyeongchang Winter Olympic venues for the opening and closing ceremony and IBC construction site.
Mar. 23	Meeting on the 2018 Pyeongchang Winter Olympic cooperative efforts held
Mar. 24	Guidelines on privacy regarding the rights to access smartphone applications announced
Mar. 28	Outcome of spam circulated for the second half of 2016
Mar. 30	Government 3.0 meeting with customer representatives held
Mar. 31	Chairman Choi Sung-joon attended the opening ceremony of Media Nanum Bus.

■ Chairman Choi Sung-joon attended the agreement ceremony for broadcasting advertisement production support for innovative SMEs.



■ 2017 Korea Communications Commission Awards held



■ 8<sup>th</sup> term Group of Korea Internet Dream Star launching ceremony



■ MOU on providing TVs for the disabled with the local government signed



■ Chairman Choi Sung-joon visited 2018 Pyeongchang Winter Olympic venues for the opening and closing ceremony and IBC construction site.



■ Government 3.0 meeting with broadcasting and telecommunication customer representatives held



■ Chairman Choi Sung-joon attended the opening ceremony of Media Nanum Bus.



April 2017

Date	Events
Apr. 3	Chairman Choi Sung-joon held a meeting with the CPOs of 12 companies on privacy issues.
Apr. 3	Briefing session on smartphone application access rights of privacy and online tailored advertisements held
Apr. 6	Jeonam education agency signed an MOU with MOIBA on the Cyber safety zone.
Apr. 13	Launching ceremony of teachers of the Broadcasting Class was held and an MOU on education with Korea Blind Union was signed.
Apr. 13~14	Joint workshop to prepare Happiness·Communication·Hope Committee held
Apr. 24	Artistic performance education to prevent cyber bullying promoted (~Nov.)
Apr. 26	Investigation outcome of privacy infringement case by Withinnovation announced
Apr. 28	Public campaign to raise awareness on the roaming service

Chairman Choi Sung-joon held a meeting with the CPOs of 12 companies on privacy issues.



Launching ceremony of teachers of the Broadcasting Class was held and an MOU on education with Korea Blind Union was signed.



Launching ceremony of teachers of the Broadcasting Class was held and an MOU on education with Korea Blind Union was signed.



Joint workshop to prepare Happiness·Communication·Hope Committee held



■ Joint workshop to prepare Happiness·Communication·Hope Committee held



■ Artistic performance education to prevent cyber bullying promoted



■ Artistic performance education to prevent cyber bullying promoted



■ Public campaign to raise awareness of the roaming service



🌟 May 2017

Date	Events
May 1	Outcome of the review on the operation of 'floating ads' that blocks the Internet contents announced
May 4	2016 Media diversity research published
May 12	Ensure PIMS meet the international standard
May 20	Launching ceremony of the 1 <sup>st</sup> Internet Dream Star held
May 23	Expert meeting on broadcasting and telecommunication policy held

■ Launching ceremony of the 1<sup>st</sup> Internet Dream Star held



■ Expert meeting on broadcasting and telecommunication policy held



## June 2017

Date	Events
Jun. 1	Commissioner Ko Sam-seog, acting Chairman attended the 30 <sup>th</sup> ceremony of information and culture month.
Jun. 2	Commissioner Ko Sam-seog, acting Chairman participated in a panel session of broadcasting society.
Jun. 7	Commission and Ministry of Interior and Safety registered the global privacy certificate system.
Jun. 7~16	Commission and Financial Supervisory Service sent alarm text messages regarding the financial scam of a fake banking account.
Jun. 15	Commission held the 2017 agreement ceremony of a privacy campaign with telecom operators.
Jun. 22	Commissioner Kim Suk-jin visited the National Center for Veterans and met people of national merit and the bereaved of patriots in Suwon.
Jun. 30	2016 disclosure on the financial status of broadcasting business operators
Jun. 30	Commissioner Ko Sam-seog attended the '4th Industrial Revolution and ICT' conference.

Commissioner Ko Sam-seog, acting Chairman attended the 30<sup>th</sup> ceremony of information and culture month.



Commission held the 2017 agreement ceremony of a privacy campaign with telecom operators.



Commissioner Kim Suk-jin visited the National Center for Veterans and met people of national merit and the bereaved of patriots in Suwon.



Commissioner Ko Sam-seog attended the '4th Industrial Revolution and ICT' conference.



July 2017

Date	Events
Jul. 21	Notification service for parents about their children's information implemented
Jul. 25~26	Public campaign to raise awareness on roaming service promoted
Jul. 26~27	2017 Korea Internet Dream Star summer camp held
Jul. 26	Smart sign language broadcasting started for test driving

Public campaign to raise awareness on roaming service promoted



Public campaign to raise awareness on roaming service promoted



2017 Korea Internet Dream Star summer camp held



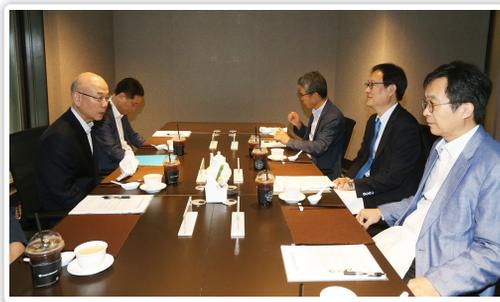
## August 2017

Date	Events
Aug. 3	Commissioner Hur wook appointed as Vice Chairman
Aug. 3	TV for the disabled from working families began to be distributed.
Aug. 6	Chairman Lee Hyo-seong visited the KT Heawha branch office to encourage employees and conducted a safety check.
Aug. 8	Vice Chairman Hur wook hosted a meeting with the independent PD association.
Aug. 9	Meeting with heads of consumer groups held
Aug. 10	The assessment results of the 2016 media exchange rate and 2016 audience rate of broadcasters revealed
Aug. 10	The assessment results of the broadcasting for the disabled
Aug. 11	Chairman Lee Hyo-seong held a meeting with the president of the broadcasting related department.
Aug. 18	Chairman Lee Hyo-seong held a meeting with the CEOs of MVNO.
Aug. 22	Commission and Ministry of Science and ICT hosted a policy discussion presided by President Moon Jae-in.
Aug. 25	Training on reforming regulations for public officials conducted
Aug. 28	Public campaign on privacy waged with telecommunication operators(-Sep.)
Aug. 28	Commission, Chungbuk education agency and MOIBA signed an MOU on the Cyber Safety Zone.
Aug. 28	Chairman Lee Hyo-seong held an advisory meeting on telecommunications policy.
Aug. 30	Vice Chairman Hur wook, Commissioner Kim Suk-jin and Pyo Chul-soo visited the KT convergence technology center to listen to their opinions.
Aug. 30	Chairman Lee Hyo-seong held a meeting with the head of the outsourcing production related association and others.
Aug. 31	2017 basic plan on the Assessment of Broadcasting Contents Production Capability announced
Aug. 31	Door-to-door broadcasting and telecommunication education implemented
Aug. 31	Vice Chairman Hur wook attended the 2017 Daejeon Media Festival.

■ Meeting with heads of consumer groups held



■ Chairman Lee Hyo-seong held a meeting with the president of the broadcasting related department.



■ Commission, Chungbuk education agency and MOIBA signed an MOU on the Cyber Safety Zone.



■ Chairman Lee Hyo-seong held an advisory meeting on telecommunications policy.



- Chairman Lee Hyo-seong held a meeting with the head of the outsourcing production related association and others.



- Vice Chairman Hur wook, Commissioner Kim Suk-jin and Pyo Chul-soo visited the KT convergence technology center to listen to their opinions.



- Vice Chairman Hur wook attended the 2017 Daejeon Media Festival.



- Door-to-door broadcasting and telecommunication education implemented



- Chairman Lee Hyo-seong visited the KT·Heawha branch office to encourage employees and conducted a safety check.



- Chairman Lee Hyo-seong held a meeting with the CEOs of MVNO.



## September 2017

Date	Events
Sep. 1	Award ceremony of the government prize in broadcasting promotion to celebrate the 54 <sup>th</sup> Broadcasting Day
Sep. 3	Five civil complaints on online privacy announced
Sep. 4	2017 Beautiful Internet World launching ceremony held
Sep. 4	Chairman Lee Hyo-seong visited Seoul Samsung elementary school and met with parents.
Sep. 6	Chairman Lee Hyo-seong invited three major telecommunication company's CEOs.
Sep. 7	Chairman Lee Hyo-seong held a meeting with local and global companies to come up with measures on illegal videos like hidden camera.
Sep. 8	Jang Hea-ryang was appointed as CEO of EBS.
Sep. 13	2017 Policy Advisory Committee on Internet Culture held
Sep. 13	Chairman Lee Hyo-seong lectured on the importance of an active Commission where people can interact with one another.
Sep. 13	Meeting on setting a standard on the position information of the self-driving vehicle held
Sep. 18	2017 public campaign on protecting my information on the Internet (-Nov.)
Sep. 18	Conference on enhancing cooperation between Korea and the pacific region on broadcasting contents exchange and co-production
Sep. 18~23	Commissioner Kim Suk-jin visited IBC, the Netherlands and Portugal
Sep. 20	2017 Internet Dream Song Festival hosted
Sep. 22~23	2017 World excellent advertisement screening held
Sep. 26	Meeting with people related to Korea TV and the Radio Writers Association
Sep. 27	Commissioner Kim Suk visited the education center on privacy protection.
Sep. 27	Public campaign on roaming service promoted
Sep. 28	Survey outcome of the 2016 N-screen viewer trend announced
Sep. 28	Brief meeting on preventing illegal videos that compromise human rights from being distributed with a webhard operator
Sep. 28	Chairman Lee Hyo-seong visited mobile retails ahead of the Chusuk holidays.
Sep. 29	Status on 1 <sup>st</sup> half of 2017 spam distribution was unveiled.
Sep. 29	Seminar on fair trade between broadcasters and outsourcing companies was held.

■ 2017 Beautiful Internet World launching ceremony held



■ Chairman Lee Hyo-seong lectured on the importance of an active Commission where people can interact with one another.



■ Chairman Lee Hyo-seong invited three major telecommunication company's CEOs.



■ 2017 Policy Advisory Committee on Internet Culture held



- Conference on enhancing cooperation between Korea and the pacific region on broadcasting contents exchange and co-production



- 2017 Internet Dream Song Festival hosted



- Meeting with people related to Korea TV and the Radio Writers Association



- Chairman Lee Hyo-seong visited mobile retailers ahead of the Chusuk holidays.



- Brief meeting on preventing illegal videos that compromise human rights from being distributed with the webhard operator



- Seminar on fair trade between broadcasters and outsourcing companies was held.



## October 2017

Date	Events
Oct. 16~17	Commissioner Pyo Chul-soo attended the International Contents Market.
Oct. 18	Chairman Lee Hyo-seong inspected the 2018 Pyeongchang Winter Olympics opening and closing ceremony venue and IBC and talked about the promotion plan.
Oct. 19	2017 Internet Dream Children's Song Festival held
Oct. 19	Committee on the Development of Future Broadcasting was organized and a meeting was held to enhance broadcasting independence.
Oct. 23	Direction of regulation reform suggested and the 2017 Plan on regulation reform unveiled
Oct. 26	Supplementary board member of the Foundation for Broadcast Culture appointed
Oct. 27	Discussion on the 4 <sup>th</sup> term Commission's policy direction and measures held
Oct. 31~Nov. 3	8 <sup>th</sup> broadcasting and communications user week held

Chairman Lee Hyo-seong inspected the 2018 Pyeongchang Winter Olympics opening and closing ceremony venue and IBC and talked about the promotion plan.



Committee on the Development of Future Broadcasting was organized and a meeting was held to enhance broadcasting independence.



Discussion on the 4<sup>th</sup> term Commission's policy direction and measures held



## November 2017

Date	Events
Nov. 1	Chairman Lee Hyo-seong visited SBS HQ and checked on the disaster broadcasting response drill.
Nov. 2	The Commission and KOBACO hold the 2017 public interest advertisement festival.
Nov. 9	The Commission and KISA hold the 2 <sup>nd</sup> mock trial competition of personal information protection.
Nov. 13	Award ceremony of 2017 viewer's media award was held.
Nov. 13~17	2017 Community Media Festival was held.
Nov. 14	Commissioner Kim Suk-jin visited the 2018 Pyeongchang Winter Olympics opening and closing ceremony venue and IBC for inspection.
Nov. 15	The 5 <sup>th</sup> member of the Committee for the Promotion of Inter-Korean Broadcasting and Communications Exchanges was appointed.
Nov. 17	Media Education Conference held
Nov. 20	The 2 <sup>nd</sup> public hearing on the regional broadcast development plan held
Nov. 20	Joint declaration on cooperative efforts in protection of privacy between Korea and the EU announced
Nov. 21	Chairman Lee Hyo-seong visited CPP in Belgium and enhanced joint efforts in privacy protection.
Nov. 22	Chairman Lee Hyo-seong met with the Commissioner of CNIL in France.
Nov. 23	2017 International Conference on the Promotion of Media Diversity
Nov. 27	2016 Assessment Results of Broadcasting
Nov. 28	Chairman Lee Hyo-seong inspected the disaster broadcasting reception facilities in a tunnel in Seoul.
Nov. 29	Award ceremony of broadcasting and telecommunications policy ideas contents competition hosted
Nov. 30	2017 Internet ethics competition was held.
Nov. 30	International forum on broadcasting content exchange

- Chairman Lee Hyo-seong visited SBS HQ and checked on the disaster broadcasting response drill.



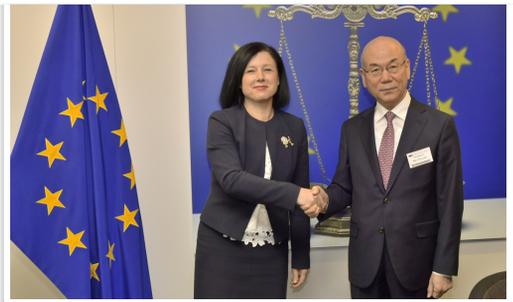
- Award ceremony of 2017 viewer's media award was held.



- The 5<sup>th</sup> member of the Committee for the Promotion of Inter-Korean Broadcasting and Communications Exchanges was appointed.



- Joint declaration on cooperative efforts in protection of privacy between Korea and the EU announced



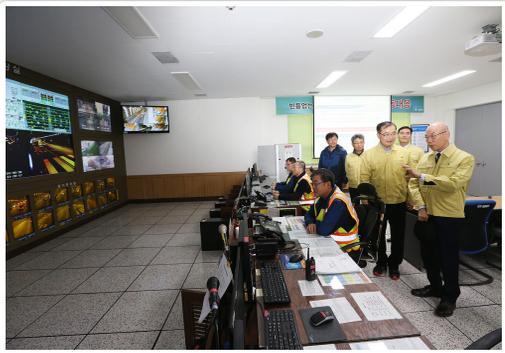
- The Chairman visited CPP in Belgium and enhanced joint efforts in privacy protection.



- Chairman Lee Hyo-seong met with the Commissioner of CNIL in France.



- Chairman Lee Hyo-seong inspected the disaster broadcasting reception facilities in a tunnel in Seoul.



- Hosted the Award ceremony of broadcasting and telecommunications policy ideas contents competition



- 2017 Internet ethics competition held



- International forum on broadcasting content exchange



December 2017

Date	Events
Dec. 5	2017 International Conference on Inter-Korean Broadcasting and Communications was held.
Dec. 6	The 4 <sup>th</sup> term Commission announced four goals and 10 policy tasks.
Dec. 6	Launching ceremony of Clean Internet Broadcasting Council and seminar on self-regulatory measures on one-person Internet broadcasts was held.
Dec. 8	The 5 <sup>th</sup> Universal Access Rights Guarantee Commission was held.
Dec. 12	Guidelines on the Protection of Bio Information were announced.
Dec. 12	Inspection outcome of BCT Korea was announced.
Dec. 12	Hosted the 2017 Personal Information Night
Dec. 13	Commissioner Ko Sam-seog visited Chinese counterpart.
Dec. 13	Meeting with the CEOs of Internet companies held
Dec. 14	Chairman Lee Hyo-seong visited the SKT customer center and had a meeting with employees.
Dec. 14	Chairman Lee Hyo-seong visited the KT network control tower and conducted a site inspection.
Dec. 15	The 4 <sup>th</sup> term CEO meeting of broadcasting and telecommunications policy customers was held.
Dec. 15	Chairman Lee Hyo-seong visited the EBS HQ and conducted a site inspection.
Dec. 19	The Commission and five agencies announced 'comprehensive measures to prevent unfair practice in the outsourced broadcasting production market'.
Dec. 20	The 2 <sup>nd</sup> Regional Broadcasting Development Plan unveiled
Dec. 20	'Detailed standard on the discrimination of unfair users such as economic gains' was announced.
Dec. 21	Assessment results of 2017 broadcasting contents production capability announced
Dec. 21	Assessment results of telecommunication operators' performance on protecting users
Dec. 22	The Commission and the National Assembly hosted a discussion session on improving temporary measures to encourage freedom of speech on the Internet.
Dec. 26	Chairman and the three directors of Community Media Foundation were appointed.
Dec. 27	The activity of the 1 <sup>st</sup> term Korea Internet Dream Star announced
Dec. 27	Webfax spam report service was started.
Dec. 28	Combined ISMS and PIMS certification was announced.
Dec. 28	Anonymous report system on the prohibited act in the broadcasting area was launched.

■ 2017 International Conference on Inter-Korean Broadcasting and Communications held



■ Launching ceremony of the Clean Internet Broadcasting Council and seminar on self-regulatory measures on one-person Internet broadcasts was held.



■ Hosted the 2017 Personal Information Night



■ Meeting with the CEOs of the Internet companies was held.



■ Chairman Lee Hyo-seong visited the SKT customer center and had a meeting with employees.



■ Chairman Lee Hyo-seong visited the KT network control tower and conducted a site inspection.



■ The 4<sup>th</sup> term CEO meeting of the broadcasting and telecommunications policy customers was held.



■ The Commission and the National Assembly hosted a discussion session on improving temporary measures to encourage freedom of speech on the Internet.



## 4. Acronyms

Appendix Table-7 | Acronyms

Acronyms	Descriptions
<b>5G</b> (5th Generation)	5 <sup>th</sup> generation mobile communication (mobile communication technology to use Extreme bandwidth frequency at 28GHz)
<b>AFC</b> (Asian Football Confederation)	Asian Football Confederation
<b>AGCOM</b> (Autorita per le Garanzie nelle Comunicazioni)	Italian communications regulatory authority
<b>AIBD</b> (Asia-Pacific Institute of Broadcasting Development)	Asia-Pacific Institute of Broadcasting Development
<b>AM</b> (Amplitude Modulation)	Radio broadcasting technology which employs amplitude modulation (AM) transmissions
<b>AP</b> (Application Processor)	Memory chip for mobile devices. Core semiconductor to process applications and graphics
<b>APEC</b> (Asia-Pacific Economic Cooperation)	Asia-Pacific Economic Cooperation
<b>ARS</b> (Automatic Response System)	Auto response programmed to recognize people's voice
<b>AS</b> (After-Sales Service)	Service provided to customers after selling products to boost sales
<b>ATF</b> (Asia Television Forum)	Asia Television Forum
<b>BCM</b> (Busan Contents Market)	Busan Contents Market
<b>BCWW</b> (Broadcast Worldwide)	Broadcast Worldwide
<b>CATV</b> (Community Antenna Television)	A cable television system that receives television broadcasts by antenna and relays them by cable to paying subscribers in areas where direct reception is either poor or not possible.
<b>CBPR</b> (Cross Border Privacy Rules)	Cross Border Privacy Rules
<b>CDMA</b> (Code Division Multiple Access)	Code Division Multiple Access(one of the multiple access of telecommunications)
<b>CEO</b> (Chief Executive Officer)	Highest ranking executive in a company whose responsibilities include high-level strategy, major corporate decisions, and overall operations to achieve corporates' goal
<b>CMF</b> (Community Media Foundation)	Community Media Foundation
<b>CNIL</b> (Commission Nationale de l'Informatique et des Libertés)	Conseil Supérieur de l'Audiovisuel of France
<b>CoE</b> (Council of Europe)	Council of Europe
<b>CPO</b> (Chief Privacy Officer)	Senior level executive within a business or organization to manage the policy to protect user's personal information from cyber crime
<b>CPP</b> (Commission for the Protection of Privacy)	Commission for the Protection of Privacy, Belgium
<b>CSA</b> (Conseil Supérieur de l'Audiovisuel)	Conseil Supérieur de l'Audiovisuel, France
<b>CvdM</b> (Commissariaat voor de Media)	Commissariaat voor de Media, Netherland
<b>DB</b> (Database)	Data or framework of data
<b>DMB</b> (Digital Multimedia Broadcasting)	Broadcasting service to send multimedia such as TV, radio and signals to mobile devices such as mobile phones, laptops and GPS navigation systems

Acronyms	Descriptions
<b>DPS</b> (Double Play Service)	Service to combine two or more products such as broadband Internet or Internet telephone
<b>EAFF</b> (East Asian Football Federation)	East Asian Football Federation
<b>ECSG-DPS</b> (Electronic Commerce Steering Group - Data Privacy Subgroup)	Electronic Commerce Steering Group, Data Privacy Subgroup
<b>EEA</b> (European Economic Area)	European Economic Area
<b>EPG</b> (Electronic Program Guide)	A system to allow viewers to search and select broadcasting programs or additional services from a menu on the TV screen
<b>ERC</b> (Entidade Reguladora para a Comunicação )	Entidade Reguladora para a Comunicação, Portugal
<b>EU</b> (European Union)	Political and economic union of 28 member states that are located primarily in Europe such as Germany, France, Ireland, Belgium, and more
<b>FCC</b> (Federal Communications Commission)	The regulatory agency in the US to regulate the information and communication industry
<b>FIFA</b> (Fédération Internationale de Football Association)	International organization to govern soccer matches the world over
<b>FM</b> (Frequency Modulation)	Encoding of information in a carrier wave by varying the instantaneous frequency of the wave, while the frequency remains constant
<b>FTA</b> (Free Trade Agreement)	Agreements between at least two countries to increase the trade of goods and services with each other
<b>FTC</b> (Federal Trade Commission)	An independent agency of the United States government to promote consumer protection and the elimination and prevention of anti-competitive business practices, such as coercive monopoly.
<b>GDP</b> (Gross Domestic Product)	Monetary measure of the market value of all final goods and services produced in a period by households, businesses, government and all economic players
<b>GDPR</b> (General Data Protection Regulation)	General data protection regulation
<b>GPS</b> (Global Positioning System)	Global navigation satellite system that provides geolocation and time information to a GPS receiver
<b>GSR</b> (Global Symposium for Regulators)	Global Symposium for Regulators
<b>GZDOC</b> (Guangzhou International Documentary Film Festival, China )	Guangzhou International Documentary Film Festival, China
<b>HD</b> (High Definition)	High Definition
<b>IBC</b> (International Broadcasting Convention)	International Broadcasting Convention
<b>IBRAF</b> (Islamic Cooperation Broadcasting Regulatory Authorities Forum)	Islamic Cooperation Broadcasting Regulatory Authorities Forum
<b>ICDPPC</b> (International Conference of Data Protection and Privacy Commissioners )	International Conference of Data Protection and Privacy Commissioners
<b>ICT</b> (Information and Communications Technology)	Information and communications technologies (technology to form the basis for a highly advanced society by combining communications and the computer)
<b>ID</b> (Identification)	Unique name(mark) given to each user sharing the internet network or computer
<b>IIC</b> (International Institute of Communications)	International Institute of Communications
<b>IMF</b> (International Monetary Fund)	International Monetary Fund

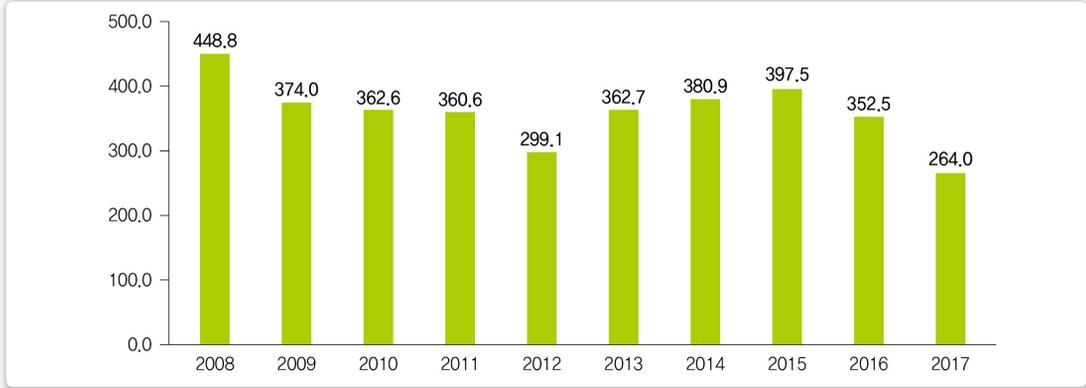
Acronyms	Descriptions
<b>IoT</b> (Internet of Things)	Internet of Things (An environment to share information by connecting objects in a wired or wireless network)
<b>IP</b> (Internet Protocol)	Internet Protocol. The principal communications protocol in the Internet to relay datagram across network boundaries(Packet Switching Network)
<b>IPTV</b> (Internet Protocol Television)	Internet Protocol Television. Two-way television service provided via a broadband network
<b>ISMS</b> (Information Security Management System)	Information Security Management System
<b>JOP</b> (Joint Oversight Panel)	Joint Oversight Panel
<b>KABC</b> (Korea Audit Bureau of Certification)	Korea Audit Bureau of Certification
<b>KISDI</b> (Korea Information Society Development Institute)	Korea Information Society Development Institute
<b>KNN</b> (Korea New Network)	Korea New Network. Regional private broadcasting company providing service in the Busan and Gyeongnam area
<b>KOMINFO</b> (Kementerian Komunikasi dan Informatika )	Ministry of Communication and Information Technology, Indonesia
<b>LBS</b> (Location Based Service)	Location Based Service. Location-based system and service to use the mobile communication network and information technology
<b>LED</b> (Light Emitting Diode)	Light Emitting Diode. Semiconductor light source that emits light when activated by a suitable voltage that is applied to gallium arsenide.
<b>LTE</b> (Long Term Evolution)	Wireless communication technology for high-speed wireless communication for mobile devices and data terminals
<b>MCN</b> (Multi Channel Network)	Multi Channel Network. A project to support and manage marketing IP rights, and contents distribution in partnership with individual or small content creators
<b>MIC</b> (Ministry of Information and Communication)	Ministry of Information and Communication, Vietnam
<b>MIPCOM</b> (Marche Internationale de Programmes Communications)	International broadcasting contents market
<b>MITC</b> (Ministry of Development of Information Technologies and Communications)	Ministry of Development of Information Technologies and Communications
<b>MMS</b> (Multi Mode Service)	Multi Mode Service. Service or technology to transmit multiple channels such as high definition, standard definition, audio, or data via one channel
<b>MOU</b> (Memorandum Of Understanding)	Memorandum Of Understanding. A bilateral or multilateral agreement between two or more parties before signing a legally enforceable agreement as a result of diplomatic relations.
<b>MPTC</b> (Ministry of Posts and Telecommunication)	Ministry of Posts and Telecommunication, Cambodia
<b>M-RBL</b> (Mobile Real-time Blocking List)	Real time spam text or call prevention system for the mobile phone
<b>MSO</b> (Multiple System Operator)	Multiple System Operator. General service cable broadcasting business operator to own or operate two or more cable TV stations
<b>NBTC</b> (National Broadcasting and Telecommunications Commission)	National Broadcasting and Telecommunications Commission
<b>OECD</b> (Organization for Economic Co-operation and Development)	Organization for Economic Co-operation and Development
<b>OTT</b> (Over The Top)	A service to provide broadcasting programs, films, and video via the Internet

Acronyms	Descriptions
<b>P2P</b> (Peer to Peer)	A service to exchange and share data and information by connecting to other user's computer via the Internet
<b>PIMS</b> (Personal Information Management System)	Personal Information Management System
<b>PP</b> (Program Provider)	Business operator who signed an exclusive contract for either whole or part of certain channels with general service PPs or satellite broadcasting companies and use the channels
<b>QPS</b> (Quadruple Play Service)	Service to provide combined products of broadband Internet, household telephone, IPTV, and mobile phone
<b>RUTK</b> (Radyo ve Televizyon Üst Kurulu)	Radio and Television Supreme Council, Turkey
<b>SFN</b> (Single Frequency Network)	Single Frequency Network, One of DSB. SFN is a broadcast network where several transmitters simultaneously send the same signal over the same frequency channel
<b>SNS</b> (Social Network Services)	Social Network Services, Online platform that is used by people to build social networks or social relations with other people who share similar personal or career interests, activities, backgrounds or real-life connections
<b>SO</b> (System Operator)	System Operator. Broadcasting business operator to transmit cable TV
<b>TF</b> (Task Force)	Task Force
<b>TM</b> (Tele-Marketing)	A form of marketing via the telephone or CATV
<b>TPS</b> (Triple Play Service)	Service to combine broadcasting, broadband Internet, and Internet telephone
<b>TTS</b> (Text To Service)	A technology to convert text to voice
<b>UCC</b> (User-Created Contents)	User created contents
<b>UCENet</b> (Unsolicited Communications Enforcement Network)	Unsolicited Communications Enforcement Network
<b>UHD</b> (Ultra High Definition)	Ultra High Definition. Resolution that is 16 times as sharp as HDTV
<b>URL</b> (Uniform Resource Locator)	Standardized logical address to locate file, news group, and other resources on the Internet
<b>VC</b> (Venture Capital)	Venture Capital, a form of financing that is provided by firms or funds to small, early-stage, emerging firms that are deemed to have high growth potential
<b>VOD</b> (Video On Demand)	Interactive video service which allows users to select and watch/listen to video or audio content such as movies and TV shows when they choose to
<b>VR</b> (Virtual Reality)	Computer technologies to generate the realistic images, sounds and other sensations that replicate a real environment or create an imaginary setting.
<b>WCDMA</b> (Wideband Code Division Multiple Access)	Wideband Code Division Multiple Access, standard technology that employs the direct-sequence code division multiple access channel access method to provide high-speed and high-capacity service
<b>Wi-Fi</b> (Wireless Fidelity)	A technology for the wireless local area networking with devices based on High fidelity

## 5. Status of the Broadcasting and Communications Industry by Sector

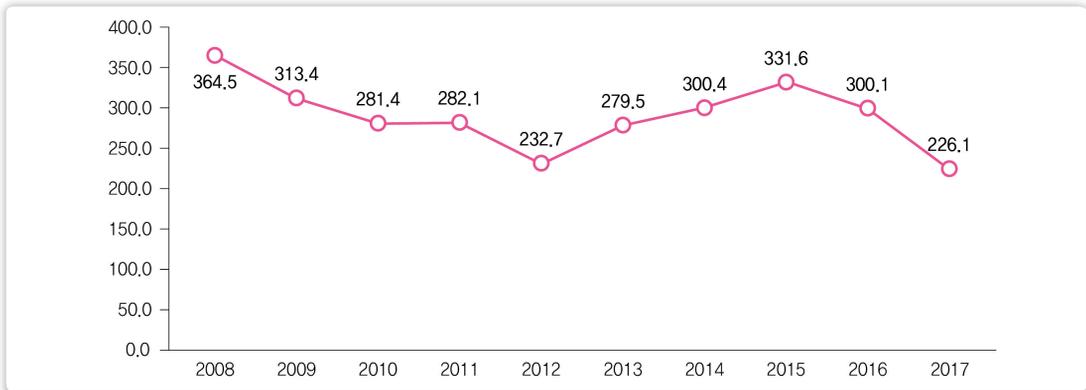
| Total Broadcasting and Communications Device Exports

(Unit : USD 100 million)



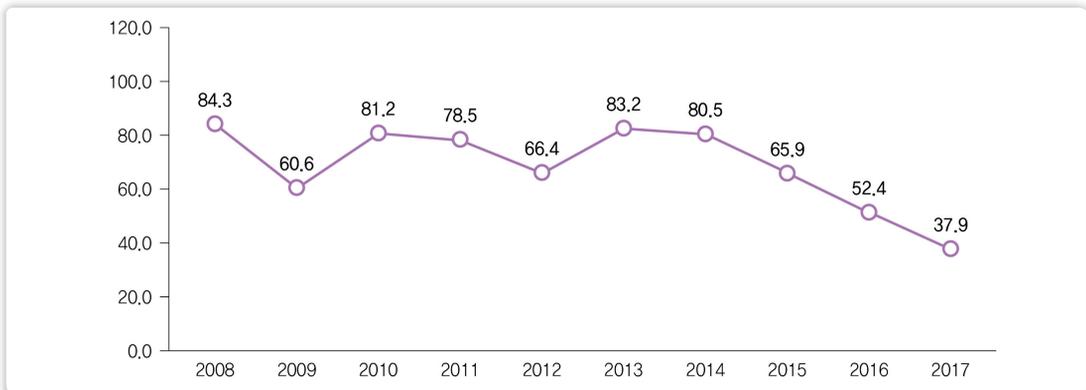
| Communications Device Exports

(Unit : USD 100 million)



| Broadcasting Device Exports

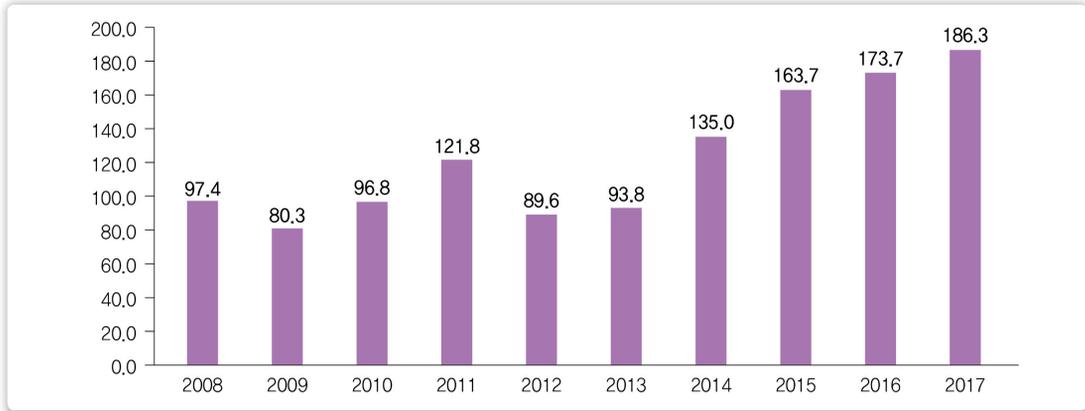
(Unit : USD 100 million)



Note) Korea Association for ICT Promotion (2017)

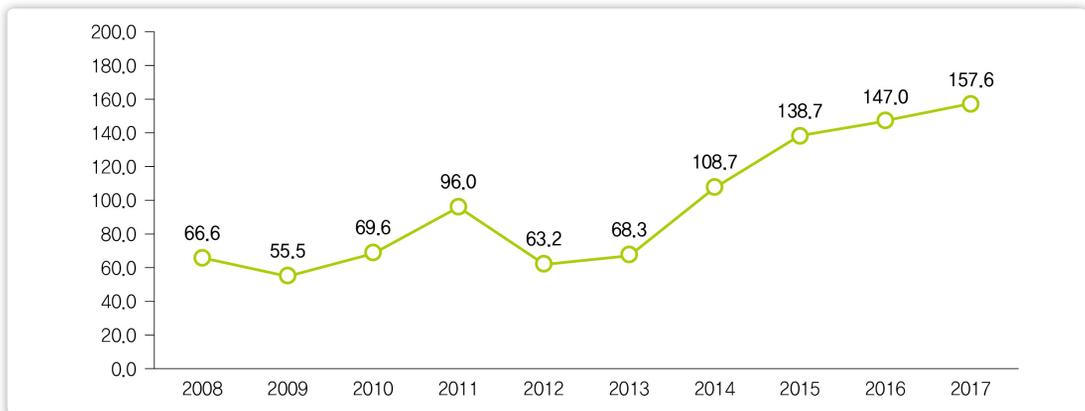
| Total Broadcasting and Communications Device Imports

(Unit : USD 100 million)



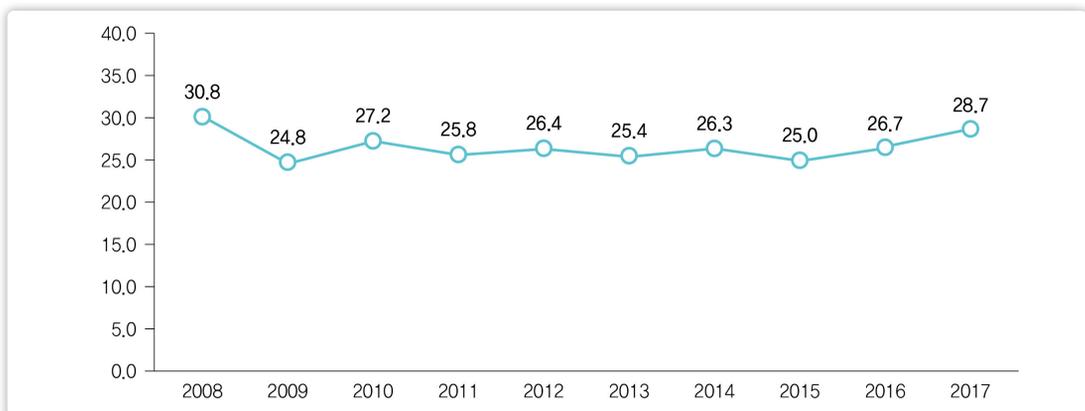
| Communications Device Imports

(Unit : USD 100 million)



| Broadcasting Device Imports

(Unit : USD 100 million)



Note) Korea Association for ICT Promotion (2017)

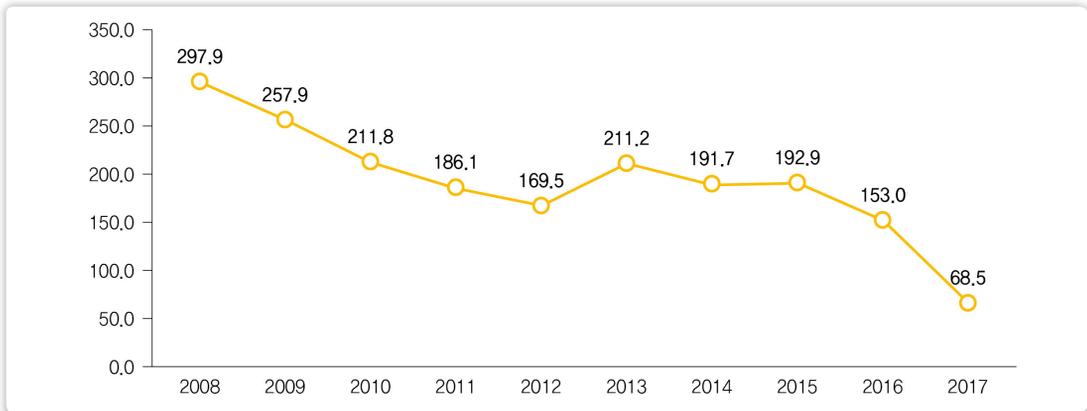
| Total Broadcasting and Communications Device Trade Balance

(Unit : USD 100 million)



| Communications Device Trade Balance

(Unit : USD 100 million)



| Broadcasting Device Trade Balance

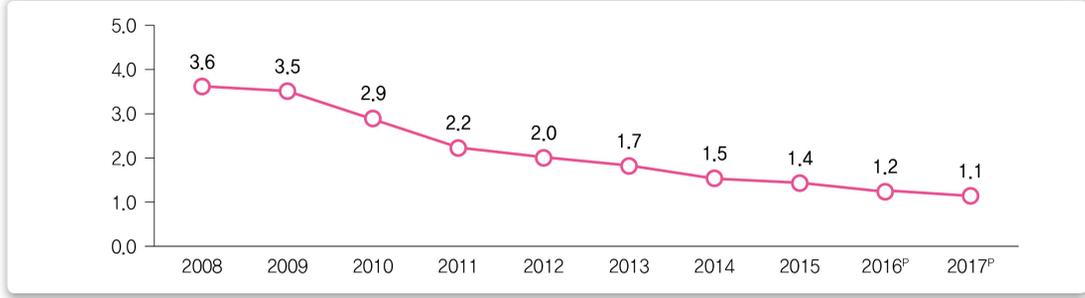
(Unit : USD 100 million)



Note) Korea Association for ICT Promotion (2017)

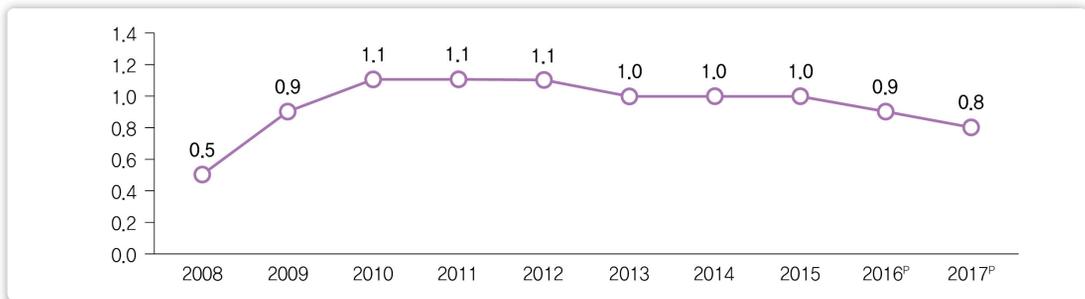
Local Telephone Service Sales

(Unit : KRW 1 trillion)



Internet Telephone Service Sales

(Unit : KRW 1 trillion)



Broadband Internet Access Service Sales

(Unit : KRW 1 trillion)



Mobile Service Sales

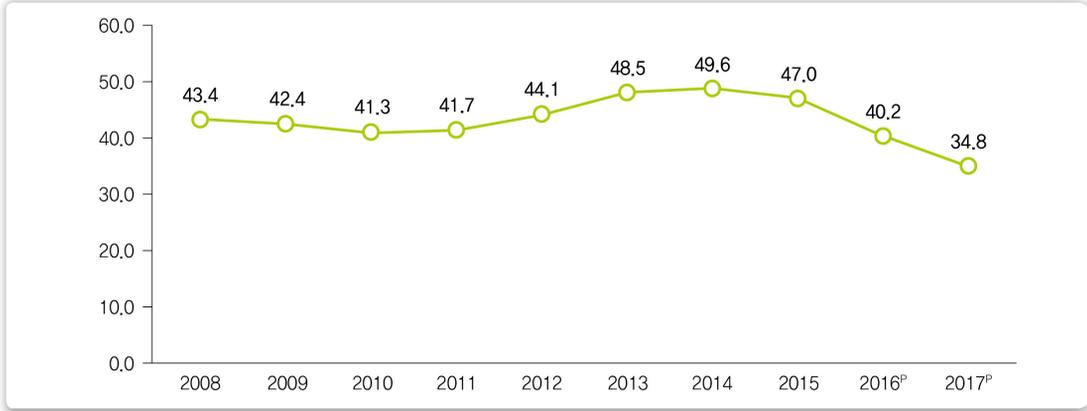
(Unit : KRW 1 trillion)



Note) P: Preliminary, the wireless network connection charge has been excluded from the mobile service revenue, Korea Association for ICT Promotion (2017)

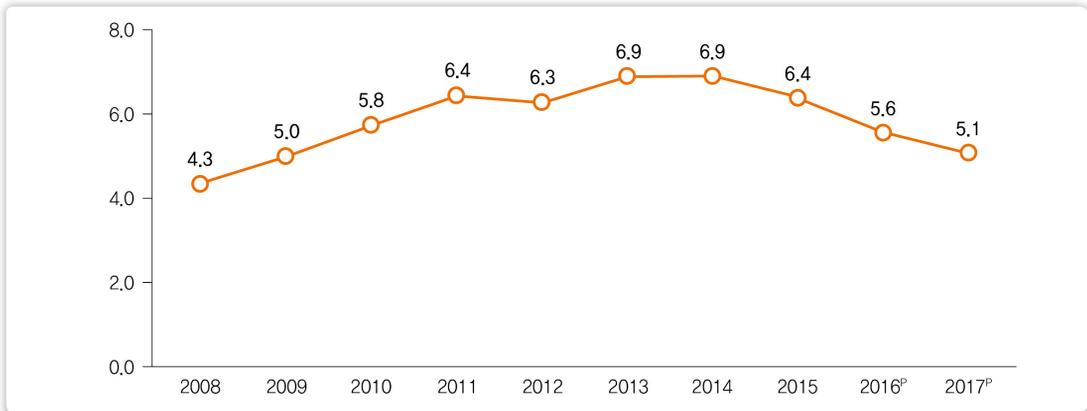
| Mobile Phone Device Sales

(Unit : KRW 1 trillion)



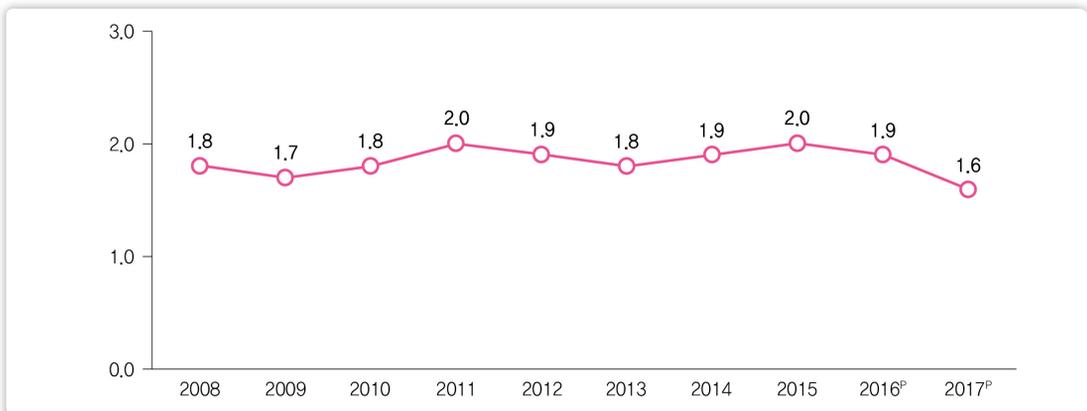
| DTV Sales

(Unit : KRW 1 trillion)



| Total Set-top Box Sales

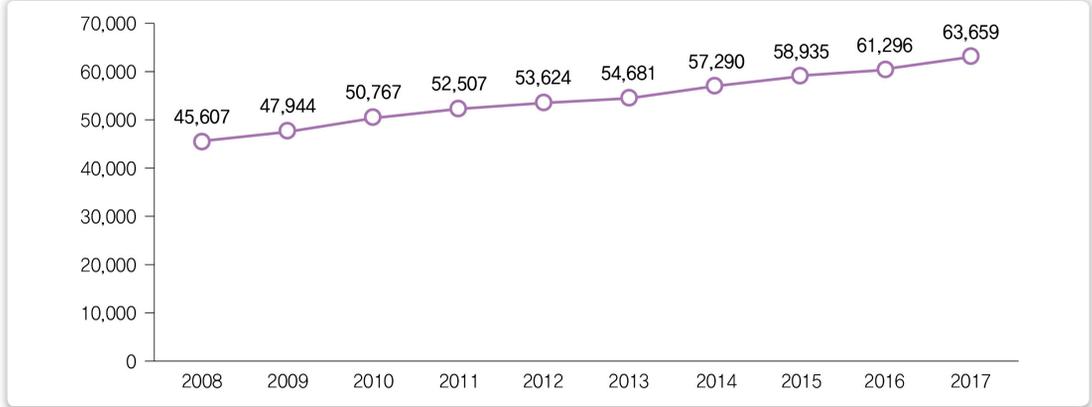
(Unit : KRW 1 trillion)



Note) P : Preliminary, Korea Association for ICT Promotion (2017)

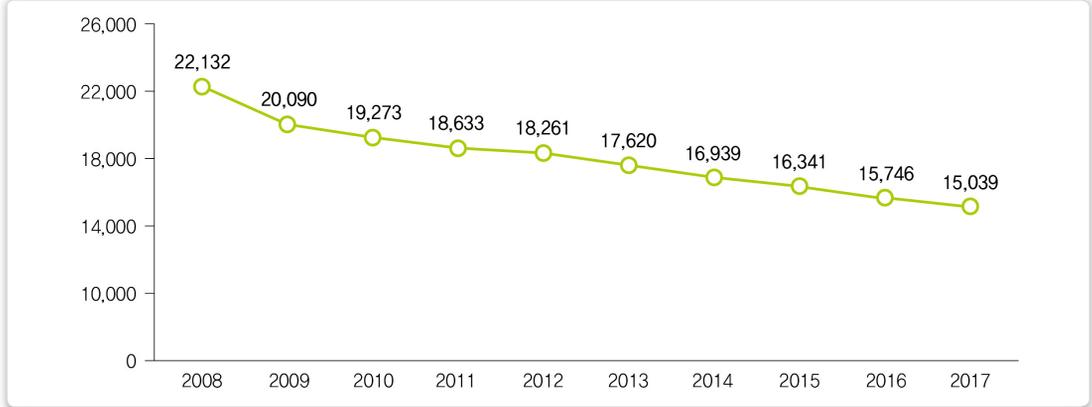
| Number of Mobile Subscribers

(Unit : A thousand people)



| Number of Local Telephone Subscribers

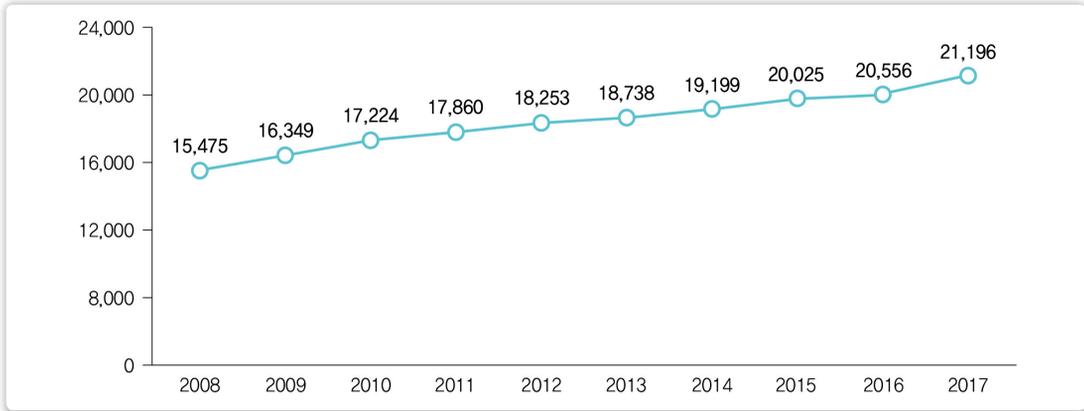
(Unit : A thousand people)



Note) Ministry of Science and ICT (2018)

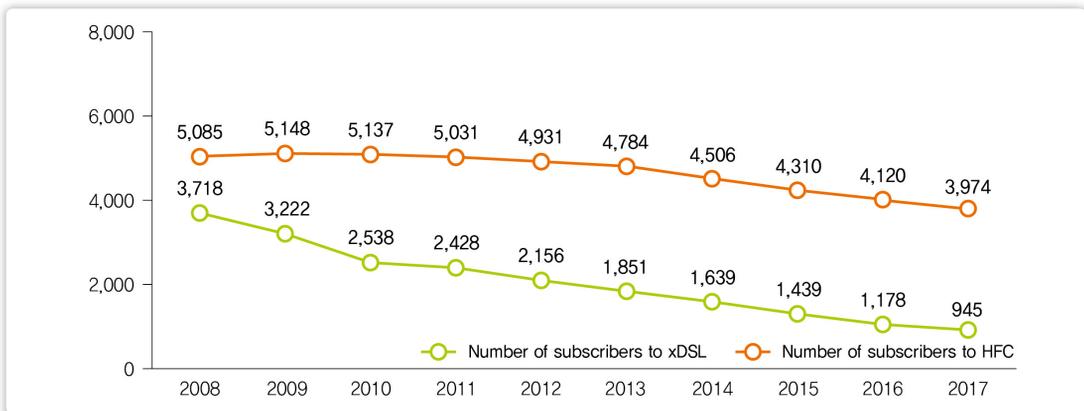
| Number of Broadband Internet Subscribers

(Unit : A thousand people)



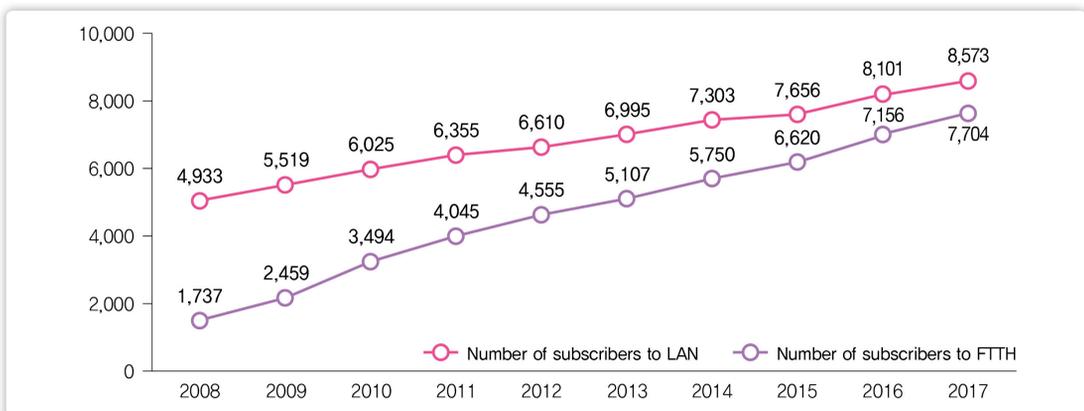
| Number of xDSL, HFC Subscribers

(Unit : A thousand people)



| Number of LAN, FTTH Subscribers

(Unit : A thousand people)



Note) Ministry of Science and ICT (2018)

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