
Press Release

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The KCC decides on the 2014 framework plan for the reevaluation of general-programming and news-only cable channels

The Korea Communications Commission (KCC, Chairman Kyeong-jae Lee) reviewed and made a decision on the 2014 framework plan for the reevaluation of four general-programming cable channels including TV Chosun and one news-only channel (Yonhap News TV), whose licenses are set to expire in 2014.

The KCC selected three focused areas for the 2014 re-licensing review: increased diversity in public opinions; promotion of content industries; and responsibilities to the public as broadcasters.

To minimize any controversy over the results of the evaluation, the Commission included detailed evaluation criteria in the aforementioned framework plan.

In the process, the KCC referred to the re-licensing criteria established for terrestrial TV broadcasters but also took into account the characteristics of general-programming and news-only cable channels.

The evaluation committee will consist of a total of 15 persons including the chairman and 14 experts from each specialized field, such as broadcasting, law, business management, and accounting.

Evaluation criteria were drawn up based on the proposals from a task force study group, as well as items required by law, previous re-licensing and re-approval cases, and feedback from expert meetings.

The framework plan provides nine evaluation items, as per Article 10 and 17 of the Broadcasting Act.

Out of the full 1,000 points, 350 will be decided by the broadcasting evaluation committee with regard to broadcast programs and the remaining 650 points will be given after reviewing each broadcaster's business plans.

The KCC has carefully selected the evaluation categories and determined their respective points based on the report of the study group and feedback from expert meetings, among others.

With the aim of enhancing the public responsibilities to be borne by the cable channels concerned, the Commission has allocated relatively higher scores to two items: (1) Fulfillment of public responsibility, impartiality, and public interest nature of broadcasting along with the protection of audience rights; and (2) Compliance with the requirements stipulated at the time of licensing and other matters necessary for conducting business.

The Commission decided to issue a renewed licence to those scoring 650

points or more, and conditional renewal or rejection of renewal to those not.

Note, however, that those who have garnered a total of 650 points or more can also be issued conditional renewal, if they obtain less than 40% of the points assigned in any one of the individual evaluation items.

In particular, the KCC will issue conditional renewal or rejection of renewal to a broadcaster scoring less than 50% of the points assigned in either of the two: (1) Fulfillment of public responsibility, impartiality, and public interest nature of broadcasting along with the protection of audience rights; (2) Appropriateness of the planning, programming, and production plans of broadcast programs.

The Commission plans to conclude its reevaluation according to the framework plan it decided today and make its final decision by February 2014.

Note, however, that the reevaluation procedures for MBN will commence in May 2014, since the broadcaster's license expires in November 2014.

Attachment: (1) Summary of the 2014 framework plan for the reevaluation of general-programming and news-only cable channels

< Attachment >

Summary of the 2014 Framework Plan for the Reevaluation of General-Programming and News-only Cable Channels

□ **Broadcasters subject to re-licensing in 2014**

○ Four general-programming and one news-only cable channel

Description	Broadcaster	Channel	CEO	Expiration Date
General	Chosun Broadcasting Co.	TV Chosun	Ji-chul, Oh	03/31/2014
	Joongang Tongyang Broadcasting Company (JTBC)	JTBC	Su-gil, Kim	03/31/2014
	Channel A Corporation	Channel A	Jae-hong, Yoo	04/21/2014
	Maeil Broadcasting, Inc.	MBN	Yong-sung, Chang	11/30/2014
News	Yonhap News TV	News Y	Hyun-seung, Song	03/31/2014

※ Given the difference in the licensed term, reevaluation for MBN will proceed separately from that for the other four broadcasters.

□ **Composition of the Evaluation Committee**

○ The evaluation committee will be headed by the chairman - a KCC Commissioner or an outside expert - and 14 experts from each specialized field (15 including the chairman).

Description	Area of Expertise	Remarks
Evaluation committee members (15)	Chairman (1)	KCC Commissioner or outside expert
	Broadcasting (3)	professors or experts in the relevant areas
	Law (3)	professors of law or lawyers
	Management & accounting (3)	accountants, professors, or experts in the relevant areas
	Technology (2)	professors or experts in the relevant areas
	Audience & consumer advocacy (3)	professors or experts in the relevant areas

※ The chairman of the evaluation committee shall not participate in the evaluation procedures.

□ **Evaluation Criteria**

- o Evaluation shall be performed in nine categories as specified in Article 10(1) (Criteria and Procedures for Evaluation) and Article 17(3) (Renewed License, etc.) of the Broadcasting Act.

<Evaluation Items and Allocated Points>

Evaluation Categories (General PP/News PP)	Evaluation Items	Points		Value Index
		Gen.	News	
1. Evaluation by broadcasting evaluation committee (350/350)	· Broadcasting evaluation committee evaluates broadcast program	350	350	measured
2. Possibility of fulfilling public responsibility, impartiality, and public interest nature of broadcasting along with the protection of audience rights (230/280)	· Fulfilling public responsibility, impartiality, and public interest nature of broadcasting (achievements and plans)	140	180	not measured
	· Protection of audience rights (achievements and plans)	70	80	not measured
	· Appropriateness of license-applying corporations	20	20	not measured
	· Violations of the relevant laws	point deduction	point deduction	measured
3. Appropriateness of planning, programming, and production plans of broadcast programs (160/130)	· Appropriateness of planning and programming (achievements and plans)	70	60	not measured
	· Appropriateness of supply and demand (achievements and plans)	50	35	not measured
	· Appropriateness of production and cooperation (achievements and plans)	40	35	not measured
4. Financial and technical capability (80/50)	· Financial capability	65	40	measured
	· Technological capability	15	10	not measured
5. Appropriateness of management plans such as organizational and manpower operation (60/60)	· Accomplishments against business plans, and future strategies	30	30	not measured
	· Appropriateness of accomplishments and plans in organizational and manpower operation	15	15	not measured
	· Appropriateness of management transparency and efficiency accomplishments and plans	15	15	not measured
6. Support plans for the advancement of broadcasting and implementation records (30/20)	· Records and plans for the advancement of broadcasting	30	20	not measured
7. Contributions to regional development and regional, social, and cultural necessity and validity (20/40)	· Regional, social, and cultural contributions (achievements and plans)	20	40	not measured
8. Compliance with the requirements stipulated at the time of licensing and other matters necessary for conducting business (70/70)	· Compliance with the requirements stipulated at the time of licensing	70	70	not measured
9. Frequency of correction orders by KCC and examples of noncompliance with orders	· Frequency of correction orders by KCC and examples of noncompliance with orders	point deduction	point deduction	measured
Total		1000	1000	

□ **Decisions on renewal of license**

- The KCC will issue renewed license for those scoring 650 points or more and conditional renewal or rejection of renewal to those not.
- Those garnering 650 points or more can also be issued conditional renewal if they fail to get 40% of the points in any of the evaluation items.
- Note, however, that the KCC may issue conditional renewal or rejection of renewal to a broadcaster scoring less than 50% of the points assigned in either of the two: (1) Fulfillment of public responsibility, impartiality, and public interest nature of broadcasting along with the protection of audience rights; (2) Appropriateness of the planning, programming, and production plans of broadcast programs.
- Those garnering 650 points or more can also be given conditions that they have to fulfill, so as to ensure that they will implement what they have stated in their applications and attached documents (business plans and written oaths).

□ **Future Plan**

- Early Sept. 2013 Announcement of application procedures
for renewed licensing
(TV Chosun, JTBC, Channel A, & News Y)
- ~ Oct. 2013 Applications to be filed

※ Application deadline: six months prior to license expiration

- o Oct. ~ Dec. 2013 Application reviews & collection of audience opinions
- o Jan. ~ Feb. 2014 Composition and operation of the evaluation committee
- o Feb. 2014 Decision making on renewal
- o May 2014 Re-licensing procedures for MBN to start

※ The schedule above is subject to partial change depending on the progress of the evaluation procedures.