

Press Release

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KCC to Launch Evaluation of Telecom Business Operators' User Protection Practices

The Korea Communications Commission (KCC, Chairman Kyeong-jae Lee) announced that it would launch "the Evaluation of Telecom Business Operators' User Protection Practices" with the aim of creating a competitive environment among telecom companies regarding their user protection practices in line with the ever-increasing use of telecom services by consumers and the proportionate increase in their complaints.

The evaluation will target mobile carriers and major high-speed Internet service providers in the country.

※ Telecom companies subject to the 2013 user protection practice evaluation

- Three mobile carriers: SKT, KT, and LGU+ (combined market share in terms of subscription stands at 96.6% as of June 2013)
- Eight broadband Internet service providers: KT, SK Broadband, LGU+, CJ Hellovision, Tbroad, C&M, CMB, and HCN (combined market share in terms of subscription is 96.6% as of June 2013)

※ Complaint shares filed with the government customer service center during the past five years: 54.8% - mobile telephony; 22.6% - broadband Internet services; 9.6% - fixed telephony; 4.6% - Internet telephony; 4.3% - additional/special services; 4.1% - others

For the evaluation, the KCC will place focus on the following: (1) Whether telecom service operators have set up -- and operate -- effective systems to deal with the complaints of users and promote their interests; (2) Whether they comply with the various "guidelines" prepared through consultations between the KCC and operators to protect user interests, and; (3) Whether they actively tackle the complaints filed with the government against t

their services.

※ The evaluation will be carried out according to general regulations regarding user protection such as the Act for the Establishment and Operation of the Korea Communications Commission. Note, however, that the KCC submitted an amendment to the Telecommunications Business Act in September 2012 to the National Assembly to specify requirements further and enhance the effects of law enforcement.

The evaluation will be made against 40 items in the following three categories: (1) how user protection is managed in the field (top customer service management's commitment to user protection; user protection system at the headquarters; managing system at retail outlets and customer centers, etc.); (2) Preemptive user protection activities (provision of information to users on the damage prevention measures; compliance with the government guidelines for damage prevention); (3) Handling of complaints filed through the government (number of cases handled, time spent to address them, and degree of the complainant's satisfaction).

For fair evaluation, an evaluation board will be set up, which will largely consist of outside experts from academia, consumer advocacy groups, and other related organizations. The board will be required to prepare detailed evaluation criteria and carry out field evaluation as well.

According to the evaluation results, the KCC plans to urge those with shortcomings to make improvements in their processes involved, while offering incentives including awards and penalty reduction to entities showing excellence in user protection in each service area, with the aim of boosting morale and encouraging further efforts toward user protection.

"We expect this year's evaluation of telecom operators' user protection practices and subsequent regular evaluations that we hope to follow will eventually boost voluntary competition among the operators for better user protection services and consequently contribute to the enhancement of user interests," a KCC official said.