

Press

Release

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[Resolution Items]

a. Yong-mil Kim (1430), Broadcasting Promotion Policy Division

[Report Items]

a. Han-yeol Yang (1410), Broadcasting Policy Planning Division

b. Yeong-min Jeon (1510), Consumer Policy Coordination Division

c. Ki-cheol Yang (1560), Internet Ethics Division

Briefing on the 36th KCC Commission Meeting 2013

□ The 36th KCC Commission Meeting 2013 was held, tackling one resolution and three report agenda items.

[Resolution Item]

1. Prior approval for three corporate mergers by three system operators (SO) including T-Broad Dobong Gangbuk Cable TV Broadcasting and for two cases of ownership transfer for two relay operators (RO) including Sineui Cable Distributor Corporation
 - o The 36th KCC Commission Meeting reviewed the request (August 27, 2013) of the Ministry of Science, ICT, and Future Planning (MSIP) for prior consent on the changes in the management structures of three SOs and two ROs as per Article 15(1) and Article 9(2) of the Broadcasting Act.
 - o The meeting resolved to agree on the respective mergers of a few subsidiary system operators by three main SOs (T-Broad Dobong Gangbuk, T-Broad Hanbit, and CJ Hellovision Ara Broadcasting) on

the grounds that the mergers would take place between the main SOs and their subsidiary SOs. With respect to Article 10 of the Broadcasting Act, which cites the potential of broadcasters to fulfill their public duties, the Commissioners saw no particular reason to object to the mergers.

- Nonetheless, common to all three mergers was the fact that the regional characters of the SOs — particularly in areas that had been covered by the broadcasters taken over by the mergers — could weaken as a result of the mergers. Therefore, the meeting resolved to ask the MSIP to make sure that all three system operators will fulfill their promises to make investments in their respective local channels.
- o With regard to the two relay operators (RO), Sineui and Haeui Cable Distributor Corporations, the meeting resolved to issue prior approval for their transfer of ownership from current representatives to other individuals who were cleared of any accountability based on the background check conducted by the MSIP.

[Report Items]

1. Partial amendment of 「KCC regulations on the enforcement of the Broadcasting Act」 (Refer to Attachment 1.)
 - o A report was presented to the meeting regarding the proposed changes in the enforcement regulations of the Broadcasting Act to reflect the amendment to the Broadcasting Act followed by the government restructuring, and improve its procedures for broadcasting dispute

conciliation - expanding the scope of broadcasters subject to the conflict conciliation obligation and giving KCC authority to request additional documentation to the parties involved in conciliation.

- o Consultations with the relevant agencies will be held, advance legislation notice will be issued (September ~ October 2013), and KCC resolution will be made (November 2013) before the results are published in Gwanbo ("Gazette") for full implementation.

2. Enactment of "KCC Regulations on Applications for Adjudication and Conciliation" (Refer to Attachment 2.)

- o A report was presented to the meeting regarding the proposed "KCC regulations on applications for adjudication and conciliation" including the methods and procedures for dispute conciliation. The regulations were largely intended to stipulate the necessary changes as KCC Notification following the amendment of the Telecommunications Business Act (August 13, 2013).
- o KCC plans to hold consultations with the relevant agencies, serve advance administration notice (October ~ November 2013), and make a resolution (November 2013) before publishing the results in Gwanbo and implementing them.

3. Partial amendment of the "Indicating Methods of Harmful Media Content for the Youth" (Notification) (Refer to Attachment 3.)

- o A report was presented to the meeting regarding the partial amendment of the "Indicating Methods of Harmful Media Content for the Youth" (Notification) including changes in the method of verifying one's age and identity. The

revision was necessary to reflect the amendment of the Juvenile Protection Act and its enforcement decree.

- o KCC plans to serve advance administration notice, go through a prior regulation evaluation process (September ~ October 2013), and make a resolution (November 2013) before publishing the change in Gwanbo and implementing the amended rule.

<Attachment 1>

□ **Major amendments of KCC regulations on the enforcement of the Broadcasting Act**

1. Changes in matters related to broadcasting dispute conciliation

① Expansion of those subject to mandatory conciliation

- (Reason for amendment) The amended Broadcasting Act stipulates that IPTV businesses and telecom carriers are subject to conflict conciliation.
- (Amendment Details) IPTV businesses and telecom carriers shall also be subject to conflict conciliation by the KCC.

② **Request for supplementary measures for dispute conciliation applications**

- **(Reasons for Amendment)** The KCC needed to secure the option to request additional documentation should it see the need to do so for faster and more accurate progress of dispute conciliation efforts.
- (Amendment Details) KCC can ask for additional documentation regarding conciliation applications. The period required for additional document submission shall be excluded from the conciliation period (90 days).

③ Abolishment of procedures related to disobedience to dispute conciliation

- (Reasons for Amendment) Currently, there is a stipulation that allows a party against whom dispute conciliation has been requested to reject and suspend KCC conciliation procedures. The KCC will delete the stipulation because conciliation should proceed based on the principle that both parties faithfully

engage in efforts to reach an agreement.

- The current regulation does not meet the legislative intention of Article 35(3) - Broadcasting Dispute Conciliation Committee - of the Broadcasting Act, which allows one party or two parties to initiate the conciliation procedure.

- Moreover, the fact remains that either party is allowed to question the conciliation results after conciliation is concluded.

※ Article 35(3) of the Broadcasting Act (Broadcasting Dispute Conciliation Committee):
The conciliation of any dispute shall commence with an application by one party or both parties, and the establishment of conciliation shall have the same effect as a composition in court.

※ Only one (Electronic Transaction Dispute Conciliation Committee) out of nine dispute conciliation committees including the Consumer Dispute Conciliation Committee and Environment Dispute Conciliation Committee in Korea establishes the procedures for a requested party's disobedience to conciliation.

- (Amendment Details) The provision allowing the requested person not to respond to conciliation efforts will be deleted.

④ **Abolishment of the authority of the chairman of the Broadcasting Dispute Conciliation Committee to make the final decision**

- (Reasons for Amendment) The current regulation stipulates that the chairman of the Broadcasting Dispute Conciliation Committee shall hold the right to make the final decision in case of a tie in addition to his/her exercise of his/her own voting right.

- Such is tantamount to the chairperson exercising two votes, which runs counter to the principle of democratic decision making. The KCC intends to rectify the situation (recommendation by the Ministry of Government Legislation on May 1, 2013).

※ The Dispute Conciliation Committee (7 persons) resolves through the majority vote of those present who make up the majority (more than four persons) of the members.

- (Amendment Details) The provision authorizing the chairman to exercise the right to make the final decision in case of a tie shall be deleted.

2. Exclusion of copy of resident registration from the application for approval of changes in status of biggest investor

- (Reason for Amendment) A copy of resident registration is required for the application for approval of changes in status of biggest investor. Article 36 of the E-Government Act, however, classifies the paper as the Korean government's administrative information to be shared by various government offices. Therefore, the KCC wishes to abolish the paper submission obligation (recommendation by the Ministry of Government Legislation on November 2, 2012).

※ Article 36 (Effective Management and Use of Administrative Information) of the Electronic Government Act: ① The heads of government agencies, etc., shall share the administrative information that they have collected and gathered with other government agencies in need of such information and, when they can receive administrative information from other administrative agencies that they can rely on, shall refrain from collecting the same information from others.

- (Amendment Details) The KCC shall check an applicant's resident through the government website devoted to the sharing of public information. Only when the applicant does not agree to the search of his/her personal information at the government site will KCC ask him/her for a copy of resident registration.

3. Reflection of changes on upper laws

- (Reasons for Amendment) The provision of "Disaster Broadcast" in the Broadcasting Act (Article 75) has been moved to the Basic Act on the Development of Broadcasting and Communication Industries. The KCC intends to abolish the relevant subordinate regulations accordingly.
- (Amendment Details) The KCC intends to delete Article 28 of its Implementation

Regulations, which stipulates the obligation to make disaster broadcast.

※ The previous stipulation in Article 28 of the Implementation Regulations is now set forth in Article 40 (Disaster Broadcast, etc.) of the Basic Act on the Development of Broadcasting and Communication Industries and Article 28 (Disaster Broadcast, etc.) of its enforcement decree.

<Attachment 2>

□ Major contents of the "KCC Regulations on KCC Adjudication and Conciliation"

① Methods and Procedures for Adjudication Application

- An applicant shall submit an adjudication application — specifying the application purposes and consultation processes — to the KCC by mail, in person, by fax, or via e-mail.
- * Telecom carriers or users can apply for adjudication when they cannot avail themselves of consultations concerning damages, execution of agreement, or implementation of agreements in connection with telecommunication services (Article 45 of the Telecommunications Business Act).
- An applicant can change the purposes or reasons for adjudication application or drop all or part of his/her adjudication application pending approval by the KCC before adjudication decisions are made.

② Methods and Procedures for Adjudication Decisions

- The KCC shall make a decision on an adjudication application within 90 days of receiving the application (KCC can approve the extension of the period once for 90 days).
- **If either party files a lawsuit in connection with the adjudication case,**

the adjudication procedures shall be suspended immediately.

- The KCC shall provide adjudication parties or interested persons with opportunities to present their opinions in writing or verbally.
- A KCC adjudication decision shall be made with the approval of more than three Commissioners. The decision can be dismissal or rejection of the case concerned.
 - * A case is dismissed when the case in question is not related to telecom services or when a double request is made for a single case. A case is rejected when the case in question is groundless; otherwise, decisions mandate the payment of damages, execution of agreements, implementation of mutual agreements, and so on.
- The KCC shall mail an adjudication award to both parties as soon as it has reached an adjudication decision.
- If a lawsuit is not filed within 60 days of delivery of an adjudication decision, or if a clear indication of agreement is made, both parties shall be considered to have reached an agreement on the contents of the adjudication.

3] Dispute conciliation methods and procedures

- The KCC can organize and run the "Conciliation Subcommittee" for voluntary and quick dispute resolution between the parties.
 - The subcommittee shall consist of experts in telecommunications, laws, and consumer advocacy (not more than seven persons).
 - The subcommittee convenes for cases wherein less than 10 million won

is involved and both parties wish to reach dispute resolution fast on their own.

- The conciliation procedures shall conclude when both parties have reached an agreement on the settlement of disputes within the conciliation period (30 days).
 - An adjudication process shall resume when a party refuses to participate in conciliation or there is low probability of dispute settlement through conciliation.

<Attachment 3>

□ Major contents of the partial revision of the "Indicating Methods of Harmful Media Content for the Youth"

- Article 7(4) of the "Juvenile Protection Act" has changed to Article 2(2).e; therefore, the KCC regulations sought to reflect such change.
- With the addition of Article 17 (Age and Identity Verification Methods) of the "Enforcement Decree of the Juvenile Protection Act," a change needs to be made as to the way one's age and identity are verified as indicated below.

(Altered age and identity verification procedure)

