

**Press
Release**

Please do not publish this information until 14:00 on Monday 09/16/2013.

[Resolution Items]

- a. Heon Lee (1370), Team Director, Financial Team
- b. Dae-ho Jang (1530), Director, Telecommunications Market Investigation Division
- c. Bong-jin Jang (1420), Director, Radio and Television Policy Division
- d. Yong-mil Kim (1430), Director, Broadcasting Promotion Policy Division

[Report Items]

- a. Sang-kwon Ban (1520), Director, Privacy Protection and Ethics Division

Briefing on the 34th KCC Commission Meeting 2013

□ The 34th KCC Commission Meeting 2013 was held, tackling four resolutions and one report agenda items.

[Resolution Items]

1. Proposal for partial amendment of the "Enforcement Ordinance of the Basic Act on the Development of Broadcasting and Communications" (Refer to Attachment 1.)

- o The KCC Commission Meeting reviewed the proposal for partial amendment of the "Enforcement Ordinance of the Basic Act on the Development of Broadcasting and Communications." The amendment largely dealt with the specification of who will decide how much each broadcasting business operator will have to contribute to the Korea Broadcasting Development Fund and who will be exempted from the obligation. The meeting reached a resolution.
- o KCC plans to have the amendment bill go through reviews by the Ministry of Government Legislation and the cabinet in September 2013

and have it proclaimed as law in October 2013.

2. Proposal for corrective measures against the violation of the Telecommunications Business Act by SK Telecom Co., Ltd., KT Corporation, and LG U-Plus Corp., in the process of their wholesale provision of telecommunication services to retailers (Refer to the attached press release.)

- o KCC reviewed the proposal for corrective measures against the violation of the Telecommunications Business Act by SKT, KT, and LGU+ in the process of their supply of wholesale telecommunication services to retail budget phone business operators. The allegations included their execution of unreasonable or discriminatory agreements with their retailers and/or their settlement of accounts with the retailers in violation of the agreements between the telecom carriers and retailers.
- o It was resolved that KT and LGU+ should revise their unreasonable or discriminatory clauses in the agreements with budget phone business operators, and that all three telecom carriers must stop committing violations and publish the fact that they were ordered to take corrective actions as per Article 52 of the Telecommunications Business Act.

3. Change in the plan to establish an auxiliary station for Terrestrial Digital Multimedia Broadcasting (T-DMB)

- o On July 12, 2013, Andong MBC and Taegu Broadcasting Corporation jointly requested approval for a change (from 1~2kW to 250W output) in their plan to set up an auxiliary T-DMB station in Mt. Ilwol. The

review process included referring to the result of a radio wave analysis (August 23, 2013) conducted by the Ministry of Science, ICT, and Future Planning (National Radio Research Agency).

- It was discovered that the output change of the Mt. Ilwol T-DMB auxiliary station from 1kW to 250W would not result in any significant reduction in the area coverage rate (4.74% for Andong MBC and 2.59% for Taegu Broadcasting). Neither will there be any electric wave interference with other broadcasting stations nearby.
 - It was also considered at the meeting that regional broadcasting business operators were facing difficulties in business management because of their shrinking advertising revenues. The KCC Commission Meeting approved of the change from 1~2kW to 250W.
- 4. Basic plan for the selection of the 2014 public interest channels and accreditation of welfare channels for the handicapped (Refer to the attached press release.)**
- o Pursuant to Article 70 (3) & (8) of the Broadcasting Act and Articles 54 and 56-2 of its Enforcement Decree, the KCC Commission Meeting reviewed the basic plans for the selection of public interest channels and accreditation of welfare channels for the handicapped.
 - Evaluation councils were formed with the head of each council and seven members for public interest channels and eight members for the welfare channel for the handicapped.
 - The basic criterion for a public interest channel was for the business to obtain more than 65% in the overall evaluation and at least 40%

in any one of the evaluation areas. The meeting resolved to select up to three channels in the order of points received by the applicants.

- The basic criterion for a welfare channel for the handicapped was for the business to receive higher than 70% in the overall evaluation and at least 60% in any one of the evaluation areas. The meeting resolved to select up to three channels in the order of points received by applicants.

[Report Item]

1. Proposal for partial amendment of the "Law on the Protection and Use of Location Information" (Refer to Attachment 2.)

- o The KCC Commission Meeting received a report on the proposal for the partial amendment of the **"Law on the Protection and Use of Location Information."** **The amendment focused on easing restrictions imposed on access to the location information market and relaxing the regulation requiring an "immediate notice" every time an individual's location information is supplied to a third party in a bid to boost the development of the local location information industry.**
- o KCC plans to conclude consultations with the relevant agencies and serve advance legislation notice (September ~ October 2013), have a meeting to reach a conclusion (October 2013), and submit the amendment bill to the National Assembly.

<Attachment 1>

□ **Major contents of the partial amendment of the "Enforcement Ordinance of the Basic Act on the Development of Broadcasting and Communications"**

- ① Clarification of who makes decisions on the broadcasting business operators' share of contribution to the Korea Broadcasting Development Fund [Article 12 (1)]
 - KCC shall make decisions on the share of terrestrial broadcasters, total TV programming channels, and news program providers, whereas the Ministry of Science, ICT, and Future Planning determines the shares of cable television system operators, satellite broadcasters, IPTVs, and home shopping program providers.
- ② Clarification of who permits exemption from the obligation to make contributions to the Korea Broadcasting Development Fund [Article 13 (1)]
 - Now, the Ministry of Science, ICT, and Future Planning is responsible for the supervision of satellite broadcasters and IPTVs exempted from the obligation to contribute to the fund (3 years). Therefore, the relevant stipulation must change from the "Minister of Science, ICT, and Future Planning and KCC" to the "Minister of Science, ICT, and Future Planning."
- ③ Addition of stipulation regarding the filing of formal objections to the payment obligation of shares and remedy for the violation of private rights [Article 13 (2)]
 - A notice titled "Matters related to the collection and imposition of contribution to the Korea Broadcasting Development Fund cites the filing of formal objection to the payment of shares and requests for

refund of overpaid or erroneously paid amount of shares. Now, the same stipulation will be included in the enforcement decree.

- The Ministry of Strategy and Finance requested KCC to "stipulate the remedy for the violation of private rights in an enforcement decree" during the ministry's evaluation of KCC's 2012 operation of funds collected from broadcasters.
- ④ Changes in the qualifications for the chairmanship of the Fund Operation Council [Article 15]
 - Previously, every council member was eligible to be a candidate for chairmanship. Now, only "ex officio members from KCC and Ministry of Science, ICT, and Future Planning" are eligible for the position. The head of the organization entrusted with fund management shall be added to the list of ex officio members.
 - The term of members of the Fund Operation Council is two years. Previously, nothing was mentioned about their serving consecutive terms. Now, the law stipulates that they can serve consecutive terms once.
 - ⑤ Improvements in the appointment procedures of the employee in charge of fund management for KCC at the fund management institution [Article 17 (3)]
 - Previously, the Minister of Science, ICT, and Future Planning and chairman of KCC "jointly" appointed the employee in charge of fund management for KCC at the fund management institution. Now, the minister appoints the employee in consultation with the chairman of KCC.

<Attachment 2>

□ **Major contents of partial amendment of the "Law on the Protection and Use of Location Information"**

① Easing restrictions on access to the location information business [Article 5(1) & Article 9(1)]

- Previously, all businesses dealing with location information needed to get a license (location information business) or submit a report (location-based service business) regardless of whether the location information they were handling dealt with people or things.
- Now, the law has changed, and businesses that do not deal with personal information (people's location) and which consequently are less likely to infringe on people's privacy shall be exempted from any obligation to obtain permits or submit a report (e.g., businesses dealing with information on bus location or offering information on expected bus arrival times). Such amendment is intended to boost the domestic location information industry.

② **Introduction of a negative regulation scheme for business licensing, etc. [Article 5(8); second part of Article 7(1); Article 8(4)]**

- In case of business licensing, business takeover, corporate merger or division, and business suspension or closure, permits are issued automatically unless the applicant fails to meet the terms and conditions in the relevant evaluation standards.

③ **Easing the requirement of "instant notice" for the supply of personal location information to a third party [Article 19(3)]**

- Previously, a business wishing to supply a user's "location information" to a "third party" designated by the user had to inform the user of the supply of information immediately every time it engages in information

supply.

- Now, the law has changed; if users request in advance, businesses can serve the notice periodically.

④ **Improvements in legislation for faster emergency relief [Article 30(2)]**

- Previously, an emergency relief organization wishing to check location information had to ask for documentation such as proof of family relationship to verify the relationship between an "incident reporter" and a "person waiting for emergency relief services."
- Now, through legislative amendment, the organization can directly access the information on family relationship online at the website of the Office of Court Administration.

⑤ **Legal basis set for requests for document submission or corrective measures [Article 36(2) & (3)]**

- **The legal basis has been set for KCC to ask a business to turn in documents when it needs to investigate the company's alleged violation of the Law on the Protection and Use of Location Information. KCC can request the violator to stop violations and take corrective measures.**