

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

OECD COMMUNICATIONS OUTLOOK 2001
Broadcasting Section

Country: Korea

BROADCASTING

Broadcasting services available

(as of april 2000)

1. Please provide details of the broadcasting and cable television services available in your country.

Infrastructure provision for following service	Number of licensed operators (2000)	Number of privately owned companies ¹	Number of public service organisations ²
Terrestrial TV (National coverage ³)	3	0	3
Terrestrial TV (Local coverage ⁴ only)	28	9	19
Terrestrial radio (National coverage)	3	0	3
Terrestrial radio (Local coverage only)	34	26	8
Cable television service ⁵	77	77	0
Analogue direct broadcast satellite (DBS) service	0	0	0
Digital DBS service*	3	0	3

*. Digital DBS service : 3 operators have been licensed as Development Test Station

¹ Defined as private sector companies holding one or more licences for service provision.

² Including state-owned corporations or institutions holding one or more licences for service provision.

³ A service with national coverage is defined as a service by a group of television or radio stations distributing a majority of the same programming, that are licensed on a national or regional basis but collectively provide nation-wide coverage. Affiliating companies of the nation-wide broadcast network are included in this category. If new operators have been licensed to provide national coverage in the last three years but are at the stage of rolling out networks please include these operators in the total.

⁴ A service with local coverage is defined as a service by a group of television or radio stations that are licensed on a national or regional basis but distribute the programming in the local area only. If new operators have been licensed to provide local coverage in the last three years but are at the stage of rolling out networks please include these operators in the total.

⁵ Please indicate if more than one organisation is permitted to own and operate cable television infrastructure in the same area.

2. Please provide details on the major terrestrial TV broadcasting companies which have national coverage in your country⁶.

Name of national terrestrial broadcaster	Ownership status (private or public)	Analogue or digital service or both	If digital		Relationship with transmission network owner ⁷
			Free to Air (FTA) ⁸ or subscription	Number of channels	
KBS	Public	Analogue			(A)
MBC	Public	Analogue			(A)
EBS	Public	Analogue			(D)

⁶ A service with national coverage is defined as a service by a group of television or radio stations distributing a majority of the same programming, that are licensed on a national or regional basis but collectively provide nationwide coverage. Affiliating companies of the nation-wide broadcast network are included in this category. If new operators have been licensed to provide national coverage in the last three years but are at the stage of rolling out networks please include these operators in the total.

⁷ Options include:

- (a) broadcaster owns network
- (b) broadcaster has a commercial relationship with a privately owned network
- (c) broadcaster has a commercial relationship with state owned network
- (d) broadcaster has non-commercial relationship with state owned network
- (e) other; please describe.

⁸ A free to air (FTA) service is one which is available to viewers without paying a direct fee.

3. Please provide details on the major cable and satellite broadcasters and transmission networks in your country.

	Name of broadcaster	Number of channels in premium service		Does the broadcaster own the transmission network? If not, who does?	Is the transmission network used to deliver more than one broadcasting service?
		Analogue service	Digital service		
CABLE	Seocho Cable System ¹	1		No. Power Comm Corporation.	YES
	Nowon Cable System ²	1		No. Korea Telecom	YES
SATELLITE	None(3 operators have been licensed as Development Test Station)				

1. Seocho Cable System is a constituent of the MSO(consisted of 8 SO) whose the largest shareholder is Daiho Construction Co, Ltd.
2. Nowon Cable System is a constituent of the MSO(consisted of 10 SO) whose the largest shareholder is Josun Trade.

4. What was the price of a subscription service in the largest city of your country on 1st January 2000? Basic service corresponds to the least expensive option to a customer and premium service the most expensive option. (Local currency, current prices)

	Name of operator	Connection fee ³	Basic service		Premium service	
			Monthly subscription fees	Number of cable channels included in the basic option (excluding free services)	Monthly subscription fees	Number of cable channels included in the premium option (excluding free services)
Cable Television services	Seocho Cable System	40,000-60,000Won ²	15,000Won ¹	28	7,800Won	1
Satellite television	None					

service						
Digital terrestrial television service	None					

1. 39 system operators which give Basic service operate channel tiering.
2. 2,000Won of monthly converter rental fee is charged additionally
3. 30,000Won of security money is charged st subscription.

Communication services available on broadcasting networks

5. Please provide details on the communication services available from broadcasting transmission networks in your country.

	Terrestrial	Cable	Satellite
<p>Services provided over the network, e.g. FTA broadcasting, Subscription broadcasting, Telephony, New digital services, Internet access</p>	FTA broadcasting	-Subscription broadcasting - internet access services	Satellite Broadcasting services have not been launched yet, while public television stations run satellite channels on trial basis.
How many cable and satellite operators are providing telephony and internet access services?	NA	As of now about 51(including Hanaro Telecommunication, Thrunet, Dreamline) of 77 cable system operators are providing Internet access services. Two of them are Internet access service providers.	NA
<p>Regulatory restrictions Does the owner/manager of the transmission network face regulatory requirements in the following areas. If so, please give details. -Access to infrastructure or transmission services -Providing access to conditional access systems -Ownership restrictions -Restrictions on services which can be provided</p>	Details in Cross media and cross sector provisions	.Access to infrastructure or transmission services - no requirement .Providing access to conditional access systems - none .Ownership restrictions (details in 12 question). .Restrictions on services which can be provided - none	No service until now

Digital television

6. (a) Please indicate on which transmission networks digital television is (or will be) available and whether it is provided as a subscription service or FTA. Also indicate the year in which the service first became available (or will become available).

	Terrestrial	Cable	Satellite
FTA	2001		2001
Subscription		2002 ¹	2001 ¹

1. It is operated for a limited time only.

(b) Please provide data indicating the take-up rate of digital television by consumers, such as percentage of households with a digital television receiver.	No service until now(as of January 2000)
(c) Do regulations restrict the type of services which digital broadcasters can provide? If so, please provide details.	No service until now(as of January 2000)
(d) Are digital terrestrial broadcasters required to provide a simulcast service in analogue and digital? If so, please describe the requirement.	It is considered that digital terrestrial broadcasters should simulcast service in analogue and digital for five years at least after the beginning of regular digital terrestrial broadcasting.

*The plan of digital television is tentative.

Broadcasting regulatory framework

7. Which organisation(s) administer the following services (carriage and content) in your country and what are their main responsibilities? Please mention agencies dealing with spectrum allocation and management, and providing licences.

Terrestrial Broadcasting service	<input type="checkbox"/> The Korean Broadcasting Commission, a statutory independent body of the government, is in charge of overall broadcasting policies(regulating programming management and advertising, recommendation of broadcasting licensees, deliberation of broadcasting contents, administration of broadcasting development funds). <input type="checkbox"/> Ministry of Information and Communication is in charge of allocating broadcasting channels and management of broadcasting spectrum. MIC is in charge of policy for broadcasting technology and facilities, and grants broadcasting licenses within its function under The Broadcasting Act and The Radio waves Act (to whom The KBS recommends).
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<p>Cable Television service</p>	<p>Korean cable television industry is composed of three groups, a cable system operator(SOs), a network operator(NOs), and the program provider(PPs) The Korean Broadcasting Commission is in charge of overall broadcasting policies(broadcasting management and content policy, recommendation of SO licensees, deliberation of broadcasting contents.). Ministry of Information and Communication sets technological standards for facilities of cable system operators and licenses the network operators among applicants. MIC grants the license to SO on the recommendation of KBC</p>
<p>Direct broadcast satellite (DBS) service</p>	<p>The new Broadcasting Act effective as of March 13. 2000, has stipulated the legal basis of DBS service. . The same thing as said about terrestrial broadcasting service above is also applicable to the regulation of DBS services .The KBC is scheduled to recommend the satellite broadcaster for the license. After granting license by the MIC, regular satellite broadcasting service will be operated in 2001. * The three operators(KBS, EBS and OUN) have been licensed as Development Test Station as of January 2000</p>

8. How would a carriage network which delivered television, telephony and internet services be regulated in your country?

Please provide details: System operators who deliver television services over their networks, such as cable and satellite networks, would extend their business to the Internet services. For some reasons, however, they would have some difficulties in entering into telephony service. On the other hand, operators of telephony service networks seem to be interested in extending their business to the Internet and broadcasting services and would be able to do so. As of now it is hard to predict how such a carriage network in question would be regulated.

9. Please provide a description of significant recent policy changes affecting the provision of broadcasting services, as well as any draft laws, or regulatory proposals to be implemented in 2000-2001.

Please provide details:

- . Under the new Broadcasting Act effective since March 13, 2000, The Korean Broadcasting Commission, independent of the government, is in charge of broadcasting policies(terrestrial, cable, satellite).
- The Korean Broadcasting Commission is in charge of overall broadcasting policy(broadcasting management and content policy, recommendation of broadcasting licensees, deliberation of broadcasting contents, administration of broadcasting development funds).
- Ministry of Culture and Tourism is in charge of policy for promotions of broadcasting content industry.
- Ministry of Information and Communication is in charge of the policy for broadcasting technology and facilities.
- the new Broadcasting Act has stipulated the legal basis of satellite broadcasting service.
- .The major industrial groups(the "Chaebol" in Korea), domestic newspaper companies and foreign investors are allowed up to 33% in the satellite broadcasting(excluding general or news program providers) by new Broadcasting Act.
- .Foreign company are allowed to invest up to 49% in cable transmission network business by new Broadcasting Act
- .To some extent, horizontal and vertical integration among terrestrial, cable and satellite broadcasters are allowed.(details in question 12)
- .To some extent, Horizontal and vertical integration among cable broadcasters, program providers and network operators are allowed.(details in question 12)

10. Please indicate whether public service obligations in broadcasting regulations have changed since 1998 and provide details of any changes.

Please provide details:

The new Broadcasting Act stipulated following paragraphs.

- . Terrestrial broadcasters should exert effort to use dactylogy and an closed caption about some programs for handicapped person.
- .Cable TV operators and satellite broadcasters shall compose and perform the channels to embody diversity of broadcasting program and may not be partial to specific sphere of broadcasting.
- .Cable TV operators and satellite broadcasters shall provide three channels for public and for missionary work respectively
- .KBS shall broadcast the program made by audience over 100 minutes a month.
- . Broadcaster which performs general or news program should schedule programs of audience evaluation , the transmission time of which amount to more than 60 minutes a week.

11. Please indicate whether regulations concerning content have changed since 1998. Please provide details of any changes in relation to:

<p>Local content requirements</p>	<p>1. Broadcasters shall broadcast programs made domestically over the ratio (within the scope of following paragraphs) notified by The Korean Broadcasting Commission</p> <p>1) Terrestrial Broadcaster : the 80 % of monthly broadcasting time 2) Broadcasters exclusive of Terrestrial : the 50% of monthly broadcasting time.</p> <p>2. Broadcasters shall broadcast film, animation, popular song made in domestic over the ratio (within the scope of following paragraphs) notified by The Korean Broadcasting Commission</p> <p>1) In case of Terrestrial Broadcasters</p> <p>(i) The ratio does not exceed 20/100-40/100 for total broadcasting time for film</p> <p>(ii) The ratio does not exceed 30/100-50/100 for total broadcasting time for animation</p> <p>(iii) The ratio does not exceed 50/100-70/100 for total broadcasting time for popular song.</p> <p>2) In case of broadcasters exclusive of Terrestrial</p> <p>(i) The ratio does not exceed 30/100-50/100 for total broadcasting time for film</p> <p>(ii) The ratio does not exceed 40/100-60/100 for total broadcasting time for animation</p> <p>(iii) The ratio does not exceed 50/100-80/100 for total broadcasting time for popular song</p> <p>3. Broadcasters (including terrestrial broadcasters, satellite broadcasters, system operators, program providers) shall not broadcast foreign programs of film produced in one foreign country exceeding the ratio notified by The Korean Broadcasting Commission. The ratio does not exceed 60/100 for monthly total foreign broadcasting time of film. Above obligation is applied to both of animation and popular song. This obligation becomes effective on January 1, 2002.</p>
<p>Must-carry requirements</p>	<p>The new Broadcasting Act stipulated that cable broadcasters, satellite broadcasters and relay only cable operators should simultaneously retransmit the programs of terrestrial broadcaster which The Presidential Decree designates, unless those stations are out of the business area of the concerned those broadcasting operators.</p>
<p>Community standards</p>	<p>The new Broadcasting Act stipulated that broadcasting operator should classify and mark rates of program considering harmful degree of violence and obscenity with a view to protecting children and adolescents.</p> <p>The Korean Broadcasting Commission deliberates the program taking into consideration the protection of children and adolescents and their formation of sound personality.</p>

12. Please indicate whether regulations concerning ownership and market entry (for terrestrial, cable and satellite) have changed since 1998. Please provide details of any changes in the following areas:

Limitations on number of stations	Details in Cross media and cross sector provisions .
Foreign ownership	<p>.Foreigners are barred from investing terrestrial broadcasting service, general or news program providing business and relay - only cable operating business</p> <p>o Foreign investors are allowed to invest up to 33% in program providers(excluding universal or news program providers), the cable system operators and the satellite broadcasting operators by the new Broadcasting Act.</p> <p>o Foreign investors are allowed to invest up to 49% in cable transmission network business by new Broadcasting Act.</p>

*Since 1995 cable television (CATV) broadcasting has been split into three sectors (i.e., programme providers, stations or system operators, and network operators.

<p>Cross media and cross sector provisions</p>	<p>.Broadcasters(terrestrial broadcasters, cable system operators and satellite broadcasters)can manage and acquire stocks or shares among themselves(under the condition of following four paragraphs)</p> <ul style="list-style-type: none"> - A terrestrial broadcaster and a cable TV system operator are banned from owning each other. - It is forbidden to manage or own the stocks among themselves in case of that the sum of sales of a certain broadcaster (a terrestrial broadcaster, a cable system operator and a satellite broadcaster) exceeds 33% of the sum of sales of total broadcasters . - A terrestrial broadcaster should not own more than 33% of stocks or shares of a satellite broadcaster. -A satellite broadcaster should not own more than 33% of stocks or shares of a cable system operator. <p>*The regulations for Cable TV broadcasting is in the following paragraphs</p> <ul style="list-style-type: none"> . Cable system operators, program providers and network operators can manage and acquire stocks or shares one another(under the condition of following three paragraphs). - A cable system operator should not manage or acquire stocks or shares of program providers in case of that the number of program providers exceeds one-fifth of numbers of total program providers. - A program provider should not manage or acquire stocks or shares of cable system operator in the areas exceeding one-fifth of total cable broadcasting areas. - A network operator should not manage or acquire stocks or shares of cable system operator in the areas exceeding one-tenth of total cable broadcasting areas. . Cable system operators can manage and acquire stocks or shares of others under the condition of following two paragraphs. - The sum of sales of a cable system operator should not exceed 33% of the sum of sales of total cable system operators. - A cable system operator should not manage or acquire stocks or shares of others in the areas exceeding one-fifth of total cable broadcasting areas. .A program provider can manage and acquire stocks or shares of others unless the sum of sales of which exceeds 33% of the sum of sales of total program providers.
<p>Other restrictions on ownership</p>	<ul style="list-style-type: none"> .Anyone cannot own more than 30% of the total stocks or shares of general or news channels.(Exceptions include when the state or local government invest in a broadcasting company or when a broadcaster is licensed and founded by a juridical person under a special Act, or for the missionary purpose) . The major industrial groups (the “Chaebol” in Korea) or newspaper companies are prohibited from managing general or news channel or acquiring stocks of it. . The major industrial groups or newspaper companies can own no more than 33% of the total stocks or shares of cable system operators and satellite broadcasting operators

Convergence

13. Under the communication regulation existing in your country how would services provided over the Internet, which some have likened to broadcasting services (e.g. audio and video services transmitted over the Internet) be defined and treated?

Please provide details: Web-casting or the Internet broadcasting hosts abound in Korea - the number of such hosts are over 300 as of now. In so far as they remain to be as moderate in terms of content, they would benefit from the present laissez-faire stance of regulators as to Internet and IT (Information Technology) industry in general. And the minimal regulation on the broadcasting-like services over the Internet is :

- . According to the newly legislated Broadcasting Act, The KBC can deliberate the content of Internet broadcasting which is transmitted by broadcasters (including relay only cable operators, electronic billboard operators after the air) named "broadcasting", "TV" or "Radio" and distributed under a pre-scheduled plan
- . Generally Information Communication Ethics Committee deliberates content provided over the Internet.

14. Would a video-on-demand service be treated differently in terms of regulations, according to the transmission methods (for example, PSTN, cable or satellite)?

Please provide details:

- . VOD-like service (NVOD) would be available once DBS or digital cable television services start up. However, as for VOD service itself, consumer would have to wait for a longer while. That is, it is hard to predict whether VOD service would be treated differently according to transmitting media.

15. Under the communication regulation existing in your country how would conditional access services, such as in digital DBS services, be treated?

Please provide details:

- . There is no regulation of conditional access services until now.
- . When satellite broadcasting service begins, standard and legal regulation of conditional access services in digital DBS services will be conceived considering SCN.
- . Nonetheless, it can be said that the CAS service, a crucial technological component in pay TV system, would be regulated in terms of technological compatibility and standard-setting.
- . Cable broadcasting is being serviced with analogue system and one cinema channel is in the form of pay TV but strictly speaking it is not analogue conditional access service. An additional fee is charged at subscription for that cinema channel.