Era of Convergence and Launching of the KCC

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Internet Era Begins: Web 2.0

**Internet revolution**
- Launch of the ARPANET ('69), TCP/IP ('73), WWW ('93)
- Years to reach 50 million users: Radio 40 yrs, TV 12 yrs, Internet 4 yrs
- Internet users worldwide (Korea): 14.6 billion (34.82 million) ’07

**Web 2.0**
- Openness, Sharing, Participation
- YouTube.com, acquired by Google for $1.6 billion
- “You” named Time magazine’s Person of the year 2006

Yes, you.
You control the Information Age.
Welcome to your world.
Internet Environment in Korea

**Internet Utilization**
- Internet utilization rate: 72.2% (5th),
- Broadband Internet subscription rate: 30.6% (8th)

**E-commerce**
- Volume of e-commerce: 413.6 trillion(’06) → 516.5 trillion(’07e)
- Proportion of Internet banking: 24.4% (First quarter, ’08)

**E-government**
- E-government preparedness index: 6th
- E-government participation index: 2nd (UN, ’08)
Digital Switching System
Telephone diffused to every household

CDMA
1996
Commercialization of CDMA
2G Mobile Service begins

xDLS
2000
High-speed Internet access service begins

WiBro/DMB
2004
“Mobile Internet” System
Terrestrial DMB System

Mobile WiMAX/DMB
2007
Commercial services
International standards
Convergence of Services, Devices, Networks

Service Convergence
- Broadband Internet
- VoIP
- Mobile Phone
- TV
- DMB Phone
- ICTV

Device Convergence
- PC
- Broadcast Network
- Telecom Network

Network Convergence

Digital Convergence
Digital Convergence is the Solution

**Technology**
- Wider network bandwidth
- Digital broadcasting
- Advanced information processing technology

**Market**
- Market saturation triggering
- New business model

**User**
- Sophisticated market demand
- Expanded user participation
- Greater consumer choice

**Regulatory Environment**
- Global deregulation trend lowering cross-entry barriers

**Broadcasting**

**New Growth Engine**

**Convergence**

Diagrams illustrating the relationship between technology, market, user, and regulatory environment, highlighting digital convergence as the solution.
Launching of the KCC

- To proactively respond to digital convergence by integrating policy-making and regulatory functions of telecommunications and broadcasting (Feb ’08)
## Major Functions

1. **Policy making on communications in general**
2. **Approval, re-approval, authorization, registration, cancellation of broadcasters' and telecos' licensing**
3. **Allocation and management of frequencies, Policy making on communications technologies**
4. **Establishment of fair trade environment in broadcasting program distribution**
5. **Dispute settlement of broadcasters and telecos, Protection of user information and privacy**
6. **Regulation on operation and scheduling of broadcasting programs and advertisements**
7. **International cooperation and trade of communications**
Policy Framework

- Improve communication environment
  - Strengthen privacy protection
  - Establish ubiquitous environment

- Promote Convergence
  - Facilitate service convergence
  - Develop communications technologies

- Develop resources
  - Cultivate new frequency resources
  - Upgrade communications network

- Improve market competitiveness
  - Level the playing field
  - Enhance public interest
Policy Effects

**Business**
- Strengthen technology & industrial competitiveness

**Communications**
- Improve diversity/competitiveness of service and contents

**User**
- Enhance quality of services and efficiency of society

**Generate new growth engines, jobs, and national wealth**

**Enhance user convenience and quality of life**
Major Projects

Convergence Promotion
1. Early facilitation of IPTV
2. Translation to digital broadcasting

Institutional Support
3. Regulatory regime for convergence

Market Oriented Commun. Policy
4. Stronger competition in the commun. market
5. Facilitation of new services

User Welfare Improvement
8. Strengthen universal service
9. Improve network security and privacy protection

Networks and Contents
6. Develop technologies and upgrade networks
7. Foster digital content development
Early Facilitation of IPTV

- **’07.12** “Internet Multimedia Broadcasting Business Act” passed
- **’08.7** Law & systems for IPTV service introduction completed
- **’08.10** IPTV operator licensing and service commercialization initiated

- Separation of accounting
- Equal access to network and contents
Transition to Digital Broadcasting

- Enactment of Special Act (Mar ’08); Complete digital transition by 2012
- Establish nationwide implementation agency; Organize joint promotional activity among government-broadcaster-manufacturer
- Improve digital reception by assisting the building of reception facilities
Due to separated broadcasting and telecommunication laws consistency lacking in regulation

Plans to shift from vertical to horizontal regulatory regime by year 2010
Develop fundamental communications technologies for future generation communications

Study for efficient use of frequency spectrum, such as CR/SDR, explore new frequency resources

Complete transition to 100Mbps Broadband-convergence Network (BcN) by 2010

Conduct research and pilot deployment for Giga-bit Internet
Jointly implement comprehensive contents development strategy that spans contents creation-distribution-utilization with other ministries including the Ministry of Culture.

Introduce competition evaluation system in the contents market.

Build clusters that support contents creation and distribution.

Support development of HD-resolution, high quality broadcasting programs.
Expand Universal Services

- Promote telecom tariff discount/exemption to subsidize low-income brackets
- Help marginalized citizens access broadcasting services by deploying broadcast reception support devices
- Improve wireless reception in remote areas of the nation
Network Security and Privacy Protection

- Minimize collection of private information such as resident registration number from the Internet
- Strengthen investigation and correction order against those who break privacy protection rule