

2005, and nationwide in 2006 along with data broadcasting service.

To promote digital broadcasting service, the government has encouraged development of a variety of low-priced TV sets, increased the minimum number of mandatory HDTV broadcasting hours, and improved digital TV broadcasting reception. The government is considering whether to discontinue analog broadcasting in 2010 when the take-up rate of digital television in Korea reaches 95 percent.

Nationwide terrestrial digital TV broadcasting is projected to create KRW167 trillion in production-inducing effects to the Korean economy by 2010. Terrestrial digital TV service will improve the quality of life by easing access to information and various kinds of entertainment, and playing a key role in a digitized home environment.

VIII. Internet Telephony Service(VoIP)

Internet telephony service such as VoIP is likely to play a leading role in the creation of convenient communications environment by integrating video, multimedia, payment and other value-added services.

The high broadband penetration and completion of the Internet backbone networks contributed to creating Internet telephony service(VoIP) that offers inexpensive phone services. The VoIP service converts voice signals into packet data to provide a phone service over the Internet. This Internet telephony service is likely to play a leading role in the creation of a convenient communications environment by integrating video communications, multimedia, payment settlement and other value-added services. For this reason, Internet telephony emerges as a key application for the All-IP based BcN. In 2004, the government overhauled classification of the service and regulation on market entry and exit, and set a policy direction for Internet telephony service which includes interconnection system and SLA. By 2010, for All-IP telephony systems, the government plans to classify VoIP as a facilities-based telecom service, allocate call numbers, and guarantee telephone call-level voice quality. The government also hopes to promote the Internet telephony industry including equipment and S/W in parallel with the development of VoIP service, which is based on advanced broadband infrastructure.