

NOTIFICATION FORM

Section 1 Market definition

1.1 The relevant product/service market. Is this market mentioned in the Recommendation on relevant markets?

Wholesale market for call origination on the public telephone network provided at a fixed location in Lithuania which corresponds to market 2 of the Commission Recommendation 2007/879/EC of 17 December 2007 (hereinafter – the Recommendation).

This is the second notification as regards the wholesale market for call origination on the public telephone network provided at a fixed location in Lithuania. Previously this market was notified to the Commission in 2006 (registered under case LT/2006/0364) as market 8 which was included in the Annex of the Commission Recommendation of 11 February 2003 (2003/311/EC).

1.2 The relevant geographic market

The geographic scope of market 2 corresponds to the area of the Republic of Lithuania.

1.3 A brief summary of the opinion of the national competition authority and market players where provided.

The national public consultation ran from 16 July 2014 to 22 August 2014. RRT received comments from three operators (UAB “TELE2 FIKSUOTAS RYŠYS”, AB Lietuvos radijo ir televizijos centras and UAB “CSC TELECOM”) and the Competition Council of the Republic of Lithuania.

UAB “TELE2 FIKSUOTAS RYŠYS” informed RRT that it would cease to exist as of 1 September 2014 and therefore asked to be eliminated from the market analysis.

AB Lietuvos radijo ir televizijos centras expressed an opinion that the price set for call origination of LTL 2.11 ct/min. (without VAT) is too high and should not exceed LTL 1 ct/min. (without VAT).

UAB “CSC TELECOM” provided several comments. First of all, it noted that the price of call origination should be around LTL 0.005-0.01 ct/min. (without VAT) and should not exceed LTL 0.09 ct/min. (without VAT). Moreover, UAB “CSC TELECOM” stated that the prices of mobile call origination are also too high. Also, the operator complained that TEO LT, AB limited calls using carrier pre-selection (CPS) to certain numbers (short numbers, 800 and 700 series numbers, and special numbers). Finally, UAB “CSC TELECOM” noted that TEO LT, AB in some cases restricted calls from the subscribers of UAB “CSC TELECOM” to 800 series numbers in TEO LT, AB network.

The Competition Council of the Republic of Lithuania did not oppose the results of the market analysis; however, it stated that RRT should not rely on the Law on Competition of the Republic of Lithuania and its explanatory notes while conducting market analyses.

On 29 August 2014 a public hearing of the results of public consultation results was organized with the stakeholders. 5 fixed networks operators participated in the public hearing.

1.5 Where the relevant market is different from those listed in the Recommendation on relevant markets, a summary of the main reasons justifying the proposed market definition by reference to Section 2 of the Commission Guidelines on market analysis and the assessment of significant market power under the Community regulatory framework for electronic communications and services, and the three main criteria mentioned in recitals 5 to 13 of the Recommendation on relevant markets and Section 2.2 of the accompanying Explanatory Note.

Not applicable.

Section 2

Designation of undertakings with significant market power

2.1 The name of the undertakings designated as having, individually or jointly, significant market power.

TEO LT, AB is designated as having significant market power in the market for call origination on the public telephone network provided at a fixed location in Lithuania.

Where applicable, the name of the undertakings considered no longer to have significant market power.

Not applicable.

2.2 The criteria used to designate an undertaking as having significant market power, individually or jointly, or not.

The main criteria include market size and structure, bundled services, absence of countervailing buying power, barriers to entry, and absence of potential competition.

2.3 The name of the main undertakings (competitors) active in the relevant market.

Besides TEO LT, AB, 5 operators, which provided call origination services to themselves over their own network, include AB Lietuvos radijo ir televizijos centras, AB “Lietuvos geležinkeliai”, UAB “Nacionalinis telekomunikacijų tinklas”, UAB “Digitela” and UAB “CSC TELECOM”.

2.4 The market shares of the undertakings mentioned above and the basis for calculation of market share (e.g. turnover, number of subscribers).

The undertaking TEO LT, AB has 93.3 per cent share of market 2 on the basis of originated call minutes. The market share of the other 5 undertakings (AB Lietuvos radijo ir televizijos centras, AB “Lietuvos geležinkeliai”, UAB “Nacionalinis telekomunikacijų tinklas”, UAB “Digitela” and UAB “CSC TELECOM”) altogether totals to 6.7 per cent.

2.5 The opinion of the national competition authority, where provided.

The Competition Council of the Republic of Lithuania had no comments, remarks or proposals as far as the results of the market analysis are concerned. However, it mentioned that RRT should not rely on the Law on Competition of the Republic of Lithuania and its explanatory notes while conducting market analyses.

2.6 The results of the public consultation to date on the proposed designation(s) as undertakings having significant market power (e.g. total number of comments received, numbers agreeing/disagreeing)

The national public consultation ran from 16 July 2014 to 22 August 2014. RRT received comments from three operators (UAB “TELE2 FIKSUOTAS RYŠYS”, AB Lietuvos radijo ir televizijos centras and UAB “CSC TELECOM) and the Competition Council of the Republic of Lithuania.

The details of the comments are set out under point 1.3 of this notification form.

Section 3 **Regulatory obligations**

3.1 The legal basis for the obligations to be imposed, maintained, amended or withdrawn (Articles 9 to 13 of Directive 2002/19/EC).

The following obligations imposed on TEO LT, AB are maintained:

- Obligation to provide access – Article 12 of Access Directive; Article 21, paragraph 1 of the Law on Electronic Communications.
- Obligation of transparency – Article 9 of Access Directive; Article 18, paragraph 1 of the Law on Electronic Communications;
- Obligation of non-discrimination – Article 10 of Access Directive; Article 19, paragraph 1 of the Law on Electronic Communications.

The following obligation imposed on TEO LT, AB is amended:

- Price control and cost accounting obligation – Article 13 of Access Directive; Article 23, paragraph 1 of the Law on Electronic Communications.

The following obligation imposed on TEO LT, AB is withdrawn:

- Accounting separation obligation - Article 11 of Access Directive; Article 20, Paragraph 1 of the Law on Electronic Communications.

3.2 The reasons for which the imposition, maintenance or amendment of obligations on undertakings is considered proportional and justified in the light of the objectives laid down in Article 8 of Directive 2002/21/EC. Alternatively, indicate the paragraphs, sections or pages of the draft measure where such information is to be found.

The detailed reasoning is provided in Chapter 4 of the draft report on the wholesale market for call origination on the public telephone network provided at a fixed location in Lithuania.

3.3 Where the remedies proposed are other than those set out in Articles 9 to 13 of Directive 2002/19/EC, please indicate what « exceptional circumstances » within the meaning of Article 8 (3) of that directive justify the imposition of such remedies. Alternatively, indicate the paragraphs, sections or pages of the draft measure where such information is to be found.

Not applicable.

Section 4

Compliance with international obligations

4.1 Whether the proposed draft measure intends to impose, amend or withdraw obligations on market players as provided for in Article 8(5) of Directive 2002/19/EC.

Not applicable.

4.2 The name of the undertakings concerned.

Not applicable.

4.3 What international commitments entered into by the Community and the Member States are to be met.

Not applicable.