



THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA

RESOLUTION

ON THE APPROVAL OF THE RULES FOR INDEMNIFICATION OF THE LOSSES, ASSOCIATED WITH PROVISION OF UNIVERSAL ELECTRONIC COMMUNICATIONS SERVICES, SETTING THE PRICE CAP OF THE UNIVERSAL ELECTRONIC COMMUNICATIONS SERVICES AND HOLDING CERTAIN RESOLUTIONS OF THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA NULL AND VOID

27 October, 2011 No. 1248
Vilnius

Referring to Paragraph 1 of Part 1 of Article 5 and Part 2 of Article 31 of the Law on Electronic Communications of the Republic of Lithuania (Official Gazette Valstybės Žinios, 2004, No. [69-2382](#); 2011, No. [91-4327](#)) and implementing Directive 2002/22/EC of the European Parliament and of the Council of 7 March, 2002 on the universal services and users' rights relating to electronic communications networks and services (the Universal Service Directive) (OJ L 2004 *special edition*, Section 13, Volume 29, p. 367) hereby the Government of the Republic of Lithuania r e s o l v e s:

1. To approve the Rules for indemnification of the losses, associated with provision of universal electronic communications services (attached).

2. To set the price cap for the universal electronic communications services (according to the annex).

3. To hold the following documents null and void:

3.1. Resolution No. 699 of the Government of the Republic of Lithuania of 3 June, 2003 "On the Approval of the Rules for Provision of Universal Telecommunication Services and Setting the Price Cap for Universal Telecommunication Services" (Official Gazette Valstybės Žinios, 2003, No. [55-2439](#));

3.2. Resolution No. 1670 of the Government of the Republic of Lithuania of 23 December, 2003 "On the Amending of Resolution No. 699 of the Government of the Republic of Lithuania of 3 June, 2003 "On the Approval of the Rules for Provision of Universal Telecommunication Services and Setting the Price Cap for Universal Telecommunication Services"" (Official Gazette Valstybės Žinios, 2003, No. [122-5537](#));

3.3. Resolution No. 162 of the Government of the Republic of Lithuania of 15 February, 2006 "On the Amending of Resolution No. 699 of the Government of the Republic of Lithuania of 3 June, 2003 "On the Approval of the Rules for Provision of Universal Telecommunication Services and Setting the Price Cap for Universal Telecommunication Services"" (Official Gazette Valstybės Žinios, 2006, No. [23-749](#)).

The Price Minister

Andrius Kubilius

The Minister of Finance substituting for
the Minister of Transport and Communications

Ingrida Šimonytė

APPROVED by
Resolution No. 1248 of the Government of
the Republic of Lithuania
of 27 October, 2011

THE RULES FOR INDEMNIFICATION OF THE LOSSES, ASSOCIATED WITH PROVISION OF UNIVERSAL ELECTRONIC COMMUNICATIONS SERVICES

I. GENERAL PROVISIONS

1. The Rules for Indemnification of the Losses, Associated with Provision of Universal Electronic Communications Services (hereinafter referred to as these Rules) establish the procedure, conditions, ways and cases of indemnification of the losses, incurred when providing universal electronic communications services (hereinafter referred to as the universal services).

2. The definitions, used for the purpose of these Rules:

Intangible benefit means the indirect benefit, established by economic methods and expressed in value, which is received or will be received by the provider of universal services in the future due to the fact that it is designated to provide the universal services.

Losses of provision of universal services means the negative difference between the revenues for provision of universal services, received during a certain period of time and the costs for provision of universal services, incurred during the same period of time, reduced by the intangible benefit, received during the same period of time.

Revenues for provision of universal services means the increase of economic benefit of the provider of universal services, related with the execution of the obligations to provide universal services.

Costs for provision of universal services means the difference between the costs, incurred by the provider of universal services when executing the obligations to provide universal services and the costs, which the provider of universal services would incur in case of operation without the said obligations.

Other definitions, used in these Rules are defined in the Law on Electronic Communications of the Republic of Lithuania (Official Gazette Valstybės Žinios, 2004, No. 69-2382) and the Law on the Emergency Response Centre of the Republic of Lithuania (Official Gazette Valstybės Žinios, 2004, No. 90-3306).

II. THE PROCEDURE, CONDITIONS, WAYS AND CASES OF INDEMNIFICATION OF LOSSES, ASSOCIATED WITH PROVISION OF UNIVERSAL SERVICES

3. The losses, associated with provision of universal services, including estimation of intangible benefit shall be calculated according to the requirements, provided by the rules for calculation of losses, associated with provision of universal services, established by the

Communications Regulatory Authority of the Republic of Lithuania (hereinafter referred to as the Communications Regulatory Authority).

4. The losses, associated with provision of universal services can be indemnified only in case the provider of universal services, according to the procedure, established in Paragraph 5 of these Rules states that according to the obligations, associated with provision of universal services it can provide the universal services only in a loss-making way and such loss would be an unfair burden.

5. In case the provider of universal services, according to the procedure prescribed by legal acts, has performed accounting of costs according to the types of services provided and upon evaluating the results of one or more fiscal years, which have passed from the date of establishment of obligation to provide the universal services, established that further execution of the obligations to provide the universal services will result in a long-term loss in the future and will be an unfair burden, the provider shall have the right, till 30 June of the current fiscal year, to present to the Communications Regulatory Authority the request to indemnify the losses, associated with provision of universal services.

6. The request, furnished by the provider of universal services, containing, apart from other data, required by legal acts, telephone, fax numbers and electronic mail address of the provider of universal services, shall be accompanied by the following documents:

6.1. The grounding of the losses, incurred when providing the universal services, which are requested to be indemnified;

6.2. The documents, evidencing and giving the possibility to verify the grounding of the losses, incurred when providing the universal services;

6.3. The calculations and documents, evidencing that the losses, associated with provision of the universal services, requested to be indemnified come into existence only due to the designation to provide the universal services and such designation is an unfair burden on the provider;

6.4. Explanations, grounded by impartial criteria, indicating the users of electronic communications services or groups of such users, that would not be normally served and the electronic communications services, that would not be normally provided by the provider, however such users of electronic communications services or groups of such users are served and such electronic communications services are provided by the provider due to the designation to provide the universal services;

6.5. The report on the intangible benefit, calculated according to the rules for calculation of losses, associated with provision of universal services, established by the Communications Regulatory Authority.

7. When calculating the costs of provision of universal services, only the costs, attributed to the following aspects shall be reckoned:

7.1. The universal services, which can be provided only by incurring a loss;

7.2. Specific users of universal services or groups of users of universal services, to which, taking into consideration the costs of the designated network or universal services, the

revenues, received by the provider of universal services and the established price cap such services can be provided only by incurring a loss. This category covers the users of universal services and groups of users of universal services, to whom a provider would not provide the universal services should the operator not be designated to provide universal services.

8. The costs, incurred when providing the universal services shall not include the costs, incurred when servicing calls by single emergency response number 112 and/or other short telephone numbers of emergency services, as well as investments into upgrading of the electronic communications network, which should or would have been executed, notwithstanding whether there is an obligation to provide universal services and/or investments, executed prior to 31 December, 2002 inclusive.

9. The Communications Regulatory Authority, in observance of the principles of regulation of electronic communications activities, prescribed by the Law on Electronic Communications of the Republic of Lithuania shall have the right to detail the criteria for evaluation of an unfair burden, associated with a designation to provide universal services.

10. The Communications Regulatory Authority, upon receipt of the request to indemnify the losses, associated with provision of universal services, mentioned in Paragraph 5 of these Rules, in case of absence of the designated provider of universal services or in case, after publication of the proposal to providers of public electronic communications services (hereinafter referred to as the providers) to express their wish to provide the universal services by the Communications Regulatory Authority no providers, able to provide the universal services without compensation occur, shall, within the time period of 3 months from the date of receipt of the request, announce the tender for selection of a provider or several providers, who would agree to be designated to provide universal services or composite parts thereof and receive the minimum compensation. Any provider, able to provide universal services or composite parts thereof shall have the right to participate in the tender. The conditions of the tender and the qualification requirements for the providers shall be established by the Communications Regulatory Authority.

11. The Communications Regulatory Authority shall designate the providers, selected by the way of tender as providers of universal services or composite parts thereof. The results of the tender shall enter into effect not earlier than the date of entering into effect of the Resolution of the Government of the Republic of Lithuania on indemnification of losses, associated with provision of universal services, mentioned in Paragraph 18 of these Rules.

12. In case no provider, able to provide the universal services by receiving the minimum compensation is elected by way of tender, the Communications Regulatory Authority shall, within the time period of three months from the date, on which the provider of universal services presents all the necessary additional information and/or performs the audit, as prescribed in Paragraph 13 of these Rules and Part 4 of Article 31 of the Law on Electronic Communications of the Republic of Lithuania, examine the legitimacy of the request, mentioned in Paragraph 5 of these Rules.

13. When examining the legitimacy of the request, mentioned in Paragraph 5 of these Rules the Communications Regulatory Authority shall have the right to:

13.1. Request additional information, necessary for examination and detailing of the request and the accompanying information;

13.2. Examine the accounts of the provider of universal services and other information, according to which the amount of loss shall be established;

13.3. Order an independent investigation and/or audit of accuracy and comparability of the activity data of the provider of universal services at the expense of the provider of universal services, who presents the request;

13.4. Oblige the provider of universal services to present the conclusion and report of the audit.

14. The results of calculations of losses and the conclusion of investigation and/or audit, performed by the Communications Regulatory Authority, shall be public.

15. By order of the Director of the Communications Regulatory Authority the time periods, specified in paragraphs 10 and 12 of these Rules can be extended for the time period of no longer than two months, taking into consideration the scope of the works, necessary to be performed and in observance of the principles for regulation of electronic communications activities, provided in the Law on Electronic Communications of the Republic of Lithuania.

16. Upon evaluating the information, presented in the request, mentioned in Paragraph 5 of these Rules and deciding that the request is properly grounded the Communications Regulatory Authority shall present to the Ministry of Transport and Communications and to National Consumer Rights Protection Board its conclusions regarding the specific amount of losses, incurred by the provider of universal services. The aforementioned institutions shall, within the time period of 20 calendar days from the date of receipt of conclusions, present to the Communications Regulatory Authority their conclusions on the indemnification of the losses, associated with provision of universal services and/or changing the price cap for universal services and/or the scope of universal services and/or quality requirements, or transferring of the obligations to provide the universal services or composite parts thereof, or distribution of universal services and composite parts thereof among the providers. Within the time period of two months from the date of expiry of the time period for examination of the request the Communications Regulatory Authority, upon getting consent from the Ministry of Transport and Communications, National Consumer Rights Protection Board and the Ministry of Finance shall:

16.1. Prepare and, according to the established procedure, present to the Government of the Republic of Lithuania the draft of the Resolution of the Government of the Republic of Lithuania on indemnification of the losses, associated with provision of universal services, incurred by a specific provider of universal services, which resolution shall contain indications on the way and procedure for indemnification of losses and the sources of the funds, dedicated for indemnification of the losses, associated with provision of universal services;

16.2. And/or prepare and, according to the established procedure, provide to the Government of the Republic of Lithuania the draft of the Resolution of the Government of the Republic of Lithuania on the change of the price cap of universal services;

16.3. And/or change the scope of universal services and/or the quality requirements;

16.4. And/or resolve the issue of transfer of the obligations to provide universal services or composite parts thereof or distribution of universal services or composite parts thereof among the providers.

17. When preparing and presenting conclusions or, as prescribed in Paragraph 16 of these Rules, the draft of the Resolution of the Government of the Republic of Lithuania on indemnification of the losses, associated with provision of universal services, incurred by a specific provider of universal services, viability and costs of the proposed measures as well as other factors, which may influence the efficiency of implementation and functioning of the indemnification measures shall be taken into consideration.

18. The losses, associated with provision of universal services, incurred by providers of universal services, selected according to Paragraph 11 of these Rules shall be identified according to the conditions of tender and the results, according to which the Communications Regulatory Authority prepares and, according to the established procedure, presents to the Government of the Republic of Lithuania the draft of the Resolution of the Government of the Republic of Lithuania on indemnification of the losses, associated with provision of universal services, incurred by a specific provider of universal services, which resolution shall contain indications on the way and procedure for indemnification of losses and the sources of the funds, dedicated for indemnification of the losses, associated with provision of universal services. In such case no requirements, provided in paragraphs 12-14, 16 and 17 of these Rules shall be applicable.

19. The losses, associated with provision of universal services shall be indemnified in the following ways:

19.1. At the expense of providers of public telephone communication services;

19.2. By increasing the price cap of universal services;

19.3. By combining the ways for indemnification of the losses, associated with provision of universal services, specified in Paragraph 19.1 and 19.2 of these Rules.

20. In case the Government of the Republic of Lithuania makes the decision to indemnify the losses, associated with provision of universal services at the expense of providers of public telephone communication services, the Communications Regulatory Authority, referring to the rules for calculation of the losses, associated with provision of universal services, shall implement the mechanism for indemnification of the losses, associated with provision of universal services.

21. In case the losses, associated with provision of universal services are indemnified at the expense of providers of public telephone communication services, the losses, associated with provision of universal services, shall be indemnified from the account for indemnification of the losses, associated with provision of universal services, the funds of

which account are contributions from providers of public telephone communication services (hereinafter referred to as the account).

22. The funds of the account shall be used only for indemnification of the losses, associated with provision of universal services.

23. Providers of public telephone communication services shall not participate in implementation of the mechanism for indemnification of the losses, associated with provision of universal services, and their financial data shall not be used for calculation of amounts of contributions into the account, in case at least one of the following conditions is satisfied:

23.1. The revenues, received from provision of public telephone communication services for the time period, for which indemnification of the loss, associated with provision of universal services is calculated, do not reach 2000000 (two million) Litass;

23.2. The provider of public telephone communication services continuously has executed public telephone communication services provision activities for the time period shorter than 24 months prior to the expiry of the time period for which indemnification of the loss, associated with provision of universal services is calculated;

24. The amount of contributions of providers of public telephone communication services, participating in implementation of the mechanism for indemnification of the losses, associated with provision of universal services to the account shall be calculated according to the following formula:

$$L_i = \frac{PVTRP_i}{\sum_{i=1}^n PVTRP_i} \times UPN, \text{ where:}$$

L_i – contribution of a provider of public telephone communication services into the account;

$PVTRP_i$ – the revenues, received by a specific provider of public telephone communication services for provision of public telephone communication services for the time period, for which indemnification of the loss, associated with provision of universal services is calculated, with the exclusion of the revenues, received by the provider of public telephone communication services for provision of universal services, which that provider would not provide in case it had not been dedicated to provide universal services;

n – the number of providers of public telephone communication services, paying contributions into the account;

i – the index, indicating the specific provider of public telephone communication services, participating in implementation of the mechanism for indemnification of the losses, associated with provision of universal services; i varies from 1 to n ;

UPN – the loss, associated with provision of universal services, approved by the Communications Regulatory Authority.

25. The amounts of contributions from each separate provider of public telephone communication services, participating in implementation of the mechanism for indemnification of the losses, associated with provision of universal services, when the losses, associated with provision of universal services, indemnified to several providers of universal services for the same period, are calculated separately.

Annex to
Resolution No. 1248 of
the Government of the Republic of Lithuania
of 27 October, 2011

**THE PRICE CAP FOR UNIVERSAL ELECTRONIC COMMUNICATIONS
SERVICES**

| No. | Charge | Price cap (with the Value Added Tax), LTL |
|------|---|---|
| 1. | Telephone line installation fee | 250 |
| 2. | Monthly subscriber charge for a telephone line: | |
| 2.1. | For consumers | 23 |
| 2.2. | For other users of universal services | 28 |
| 3. | Sending of local calls when providing public telephone communication services at a fixed location: | |
| 3.1. | Call setup charge | 0.14 |
| 3.2. | Sending of calls business days from 7 a. m. till 8 p. m. (per minute) | 0.12 |
| 3.3. | Sending of calls from 8 p. m. till 7 a. m. business days and around the clock on rest-days and holidays (per minute) | 0.03 |
| 4. | Sending of national (long-distance) calls when providing public telephone communication services at a fixed location: | |
| 4.1. | Call setup charge | 0.14 |
| 4.2. | Sending of calls business days from 7 a. m. till 8 p. m. (per minute) | 0.4 |
| 4.3. | Sending of calls from 8 p. m. till 7 a. m. business days and around the clock on rest-days and holidays (per minute) | 0.12 |
| 5. | Sending of calls when providing public telephone communication services at a fixed location, when making calls to public payphones in Lithuania: | |
| 5.1. | Call setup charge | 0.14 |
| 5.2. | Sending of calls to public payphones in Lithuania (per minute) | 0.49 |
| 6. | Provision of information on subscribers of public telephone communication services: | |
| 6.1. | The charge for wholesale service of provision of information on subscribers of public telephone communication services, paid to the provider of universal services (per minute) | 1.18 |
| 6.2. | The charge for provision of information to users (per minute)* | 1.5 |
| 7. | Sending of international calls when providing public telephone communication services at a fixed location: | |
| 7.1. | Call setup charge | 0.14 |
| 7.2. | Estonia, Latvia (per minute) | 1.46 |

| No. | Charge | Price cap (with the Value Added Tax), LTL |
|-------|--|---|
| 7.3. | Belarus (per minute) | 1.88 |
| 7.4. | Ireland, Australia, Austria, Belgium, Denmark, the United Kingdom, Spain, Italy, Greece, Canada, Vatican, Hawaii, the USA, Poland, Liechtenstein, Luxembourg, New Zealand, the Netherlands, Portugal, Puerto Rico, France, Finland, Sweden, Germany (per minute) | 1.74 |
| 7.5. | Bulgaria, Czech Republic, Moldova, Croatia, Norway, Romania, Russia, Slovakia, Slovenia, Switzerland, Ukraine, Hungary (per minute) | 2.24 |
| 7.6. | Albania, Andorra, Armenia, Azerbaijan, Bosnia and Herzegovina, Iceland, Gibraltar, Georgia, Serbia and Montenegro, Canada, Kazakhstan, Cyprus, Kirghizia, Croatia, Malta, Macedonia, Monaco, San Marino, Tajikistan, Turkmenistan, Turkey, Uzbekistan (per minute) | 3.1 |
| 7.7. | Argentina, Bahamas, Brazil, Philippines, Hong Kong, Greenland, Japan, China, Columbia, Costa Rika, Mexico, the Republic of South Africa, South Korea, Singapore, Sri Lanka, Thailand, Taiwan, Venezuela (per minute) | 7.79 |
| 7.8. | Other states (per minute) | 10.03 |
| 7.9. | Inmarsat** A (per minute) | 33.04 |
| 7.10. | Inmarsat** B, Inmarsat** C, Inmarsat** M (per minute) | 25.37 |
| 7.11. | Inmarsat** Mini – M (per minute) | 18.88 |
| 8. | Public telephone communication services, provided by public payphones: | |
| 8.1. | Call setup charge | 0.16 |
| 8.2. | Sending of local calls (per minute) | 0.49 |
| 8.3. | Sending of national (long-distance) calls (per minute) | 0.49 |
| 8.4. | Sending of international calls (per minute) | *** |
| 9. | The charge for provision of information on subscribers of public telephone communication services by a public payphone (per minute)* | 1.85 |

* The charge shall include all the possible charges, payable by the user (call setup charge, the charge for local telephone communication (according to the corresponding tariffs), the charges for the service of provision of information on subscribers of public telephone communications services and the charges for other services, if any).

**Mobile radiocommunication satellite system.

*** When making calls by public payphone, the multiplier no greater than 1.32 may be applicable in regard to the valid prices of international telephone communications.
