LIETUVOS RESPUBLIKOS RYŠIŲ REGULIAVIMO TARNYBOS

2014 METŲ VEIKLOS ATASKAITA

COMMUNICATIONS REGULATORY AUTHORITY OF THE REPUBLIC OF LITHUANIA

ANNUAL REPORT 2014

www.rrt.lt

Lietuvos Respublikos ryšių reguliavimo tarnyba
Algirdo g. 27A
Vilnius

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1. Foreword

Activities of the Communications Regulatory Authority (hereinafter - the RRT) conducted in 2014 could be described by such solid and significant words as continued, analysed, created, initiated, adopted, granted, publicized, cooperated and shared good practice. The works performed were substantiated with numbers. What are those numbers? I kindly invite you to evaluate them presenting the annual RRT activity report for 2014.

How do we look like in the global context? According to the data of the study conducted by FTTH Council Europe and iDate in 2014, Lithuania continued to lead in Europe in terms of penetration of broadband internet via fiber lines - Lithuania ranked 8th in the world according to this indicator giving way to such countries as the United Arab Emirates, South Korea, Hong Kong, Japan and Uruguay, which was among the leading countries in 2014.

It is important to note that the number of users of data transmission via 2G, 3G and 4G mobile communication networks increased by 10 percent during the year. A smart phone is no longer surprising to anyone, because today more than half of adults have a smart phone, while a study conducted by the United Kingdom marks that in 2020 this number will account for up to 80 percent. Year 2014 was associated with a rapid deployment of 4G LTE networks: 80 percent of residents of Lithuania could use the services of data transmission via 4G network at the end of the year. 1 145 LTE base stations were registered in Lithuania at the end of 2014, thus there is no doubt that the fourth generation mobile communications network is a highway having turned wherein a user will receive more services and a better quality. Also, a time is approaching when M2M (Machine-to-machine) technologies will reach our households. Experience of other countries shows that they will also positively affect gross domestic product.

Evolving new technologies not only enrich our life, facilitate it, but, unfortunately, are also alarming. Disclosure of personal data - of a child or an adult - is a dangerous phenomenon. By taking part in the project for safer internet, the RRT has coordinated the website www.draugiskasinternetas.lt and presented some free of charge filtering apps, also has contributed to social promotion campaigns.

Another phenomenon is cyber-attacks. 43 percent - this is a figure illustrating an increased number of notifications **on possible violations in cyberspace**. Another large problem faced by Lithuanian Internet users in 2014 is the fact that many devices, such as routers, PCs, servers and smart phones, owned by natural persons had some security vulnerabilities.

The approval of the **Law on Cyber-security of the Republic of Lithuania** at the end of 2014 establishing that the RRT shall carry out the supervision of the security electronic information hosting services was an important step. In cooperation with the Lithuanian cloud computing service providers we published and distributed recommendations for cloud computing service users. Currently, we are preparing recommendations on websites. We have conducted intensive prevention in this area - we have promptly

informed users of fake websites appeared online or e-mail spam, provided recommendations on what to do and how to eliminate the consequences of such incidents.

In order **to promote competition in electronic communications markets,** we conducted 5 market researches in 2014. The researches revealed that service regulation was mandatory, but it could be reduced. Having performed a transit service market research, we determined that the market had characteristics ensuring competition, and further regulation applied by the RRT was not necessary. Regulation was also eliminated in the broadcast transmission services market applied for radio broadcast transmission services. The market of services of the provision of broadcast transmission tools is a new market the regulation whereof was necessary in the opinion of RRT. The market of call termination on mobile networks is a natural monopoly, thus regulation was left in this market. The regulation of call origination in fixed networks was also appropriate, because the conducted research revealed that there still were problems existent in the market and they were best resolved by RRT regulation.

In recent years, the postal market of Lithuania, just like that of the entire Europe, experienced some major changes encouraged by advances in technology and increasing competition, liberalization of the postal market as well as development of information technologies and alternative information transmission channels.

Year 2014 was the first year of functioning of a liberal postal service market. In recent years, a trend has prevailed where postal parcels not only form an increasing part of all postal items, but the number thereof has also been increasing. The number of domestic parcels increased by 12.8 percent. This impact was mainly driven by increasing popularity of e-commerce and self-service postal terminals in the country.

We are proud of our contribution **at the international level.** The International Telecommunication Union ITU commended the work of eight years performed by the RRT representative Dr. Mindaugas Žilinskas on the ITU Radio Regulations Board. This Board did great work in solving conflicts between different countries on the use of radio frequencies and geostationary orbital positions. Another great news is the election of Lithuania to the Board of the International Telecommunication Union for the first time in 2014. Being a member of the ITU Board, Lithuania will constructively contribute to solving radio frequency management problems, seek for an efficient planning and use of resources, share its achievements in the areas of promoting the development of modern broadband communications networks, reliability of services and other related areas.

In 2014, RRT made significant efforts to **develop the cooperation of the Eastern partnership**, being a Vice President of the network electronic communications regulatory authorities of the Eastern Partnership countries, initiating the signing of a cooperation agreement between electronic communications regulators of the European Union and Eastern Partnership counties in the area of electronic communications.

In 2015, the challenge faced by the RRT was its presidency of the European Regulators Group for Postal Services ERGP, being a part whereof we will actively participate in the implementation of the main goal of the ERGP - to form and to exchange best practice of regulation of the postal market in Europe, develop best regulation experience and provide expert assistance to the European Commission on postal issues in the creation of a common market.

Priorities set in 2014 remain valid in 2015. We will seek together with our RRT colleagues, collegues from other state, science and private sector institutions and market participants to have a framework laid in

2014 to allow us to continue seeking for good results in the area of the protection of consumer rights, ensuring cyber security, promoting investments into the development of next-generation networks and advanced technologies.

Sincerely yours,

Feliksas Dobrovolskis

2. MISSION, OBJECTIVES, TASKS

MISSION

To ensure a wide range of technologically advanced, high-quality, secure and affordable ICT and postal services (products) for each and every resident of the Republic of Lithuania; to create possibilities for the development of information and communications technologies and postal business, accelerating the development of information and knowledge society.

THE MAIN OBJECTIVE

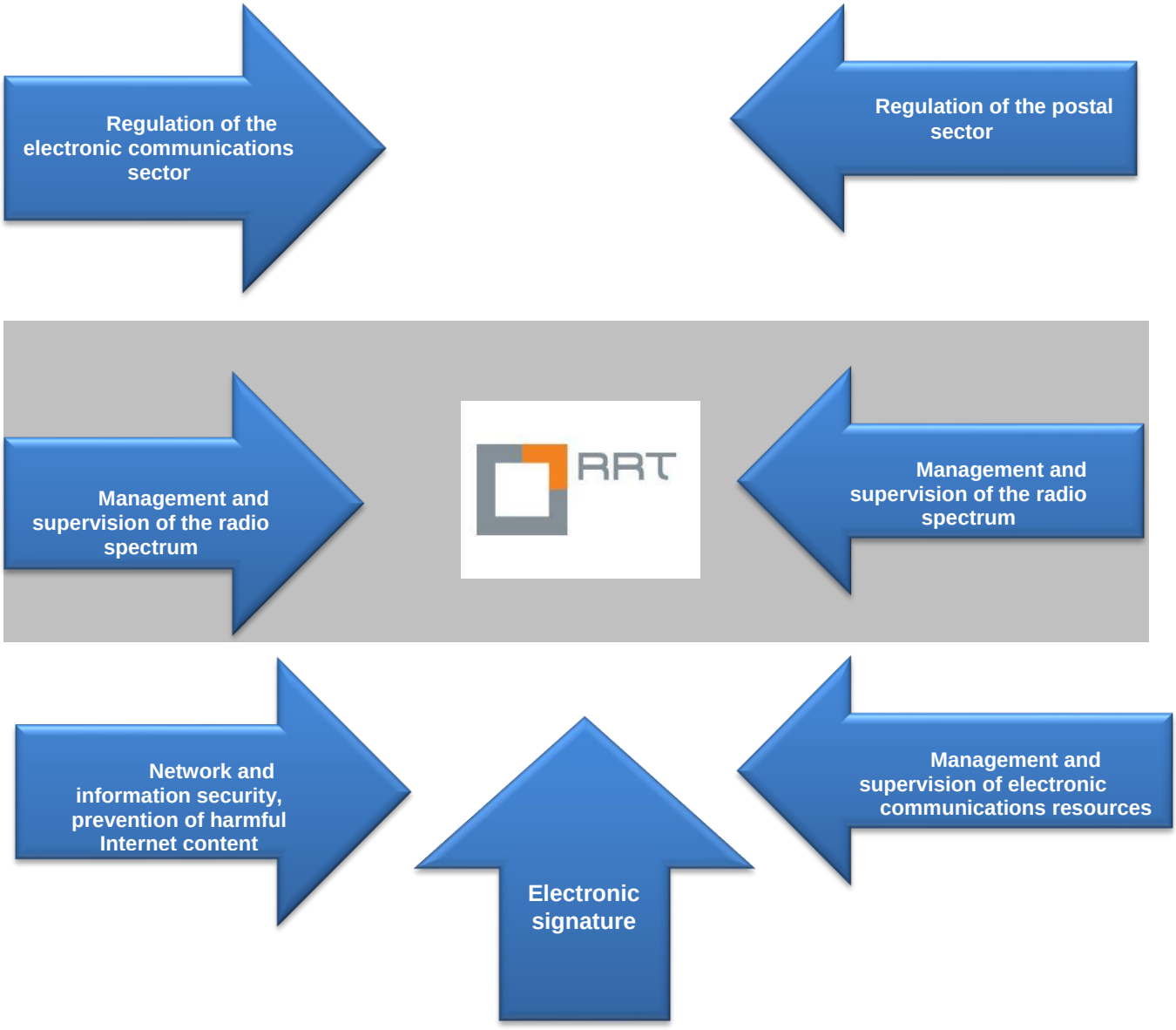
To ensure a wide range of technologically advanced, high-quality, secure and affordable ICT and postal services (products) for each and every resident of the Republic of Lithuania, to allow the development of ICT and postal business, influencing the supply of the services on the market on the basis of a flexible regulatory framework harmoniously functioning in the single EU market.

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4	OBJECTIVE 5
Ensuring efficient and transparent competition on the ICT and postal service markets	Ensuring the protection of rights and legitimate interests of ICT and postal service recipients according to the competence of RRT	Creation of conditions for long-term investments into electronic communications infrastructure and advanced development of ICT	Integration into the EU and international regulatory space and efficient activities of RRT	Ensuring performance of obligations that may be imposed on operators and providers of electronic communications services in the interests of national defence, national security and maintenance of public order as well as in cases of extraordinary circumstances

TASKS

1.1. To ensure the absence of distortion and limitations of competition in electronic communications and postal sectors	2.1. To reinforce security of electronic communications networks and information, as well as reliability and resistance of electronic communications networks	3.1. To perform radio frequency (channel) management, supervision of the use thereof, including monitoring and management of other electronic communications resources	4.1. Efficient integration into the EU decision making process	5.1. To ensure that operators and providers of electronic communications services perform their obligations that may be imposed on them in the interests of national defence, national security and maintenance of public order as well as in cases of extraordinary circumstances
1.2. Supervision of electronic communications and postal activities conducted by economic undertakings ensuring the efficiency of these activities	2.2. Supervision of the provision of the ICT and postal services, including universal services		4.2. Efficient organization, publicity and control of RRT activities	
	2.3. Ensurance and supervision of the compliance of radio equipment and telecommunications terminal equipment on the market of the Republic of Lithuania with mandatory requirements and electromagnetic compatibility requirements			
	2.4. Performance of functions of electronic signature supervisory authority			

3.FUNCTIONAL AREAS OF ACTIVITIES



4. CHARACTERISTICS OF RRT ACTIVITIES

4.1. Management of RRT

RRT is an independent state institution, acting according to the Law on Electronic Communications, the Postal Law, the Law on Electronic Signature, the Law on Cyber Security, the Law on the Protection of Minors against the Detrimental Effect of Public Information and other laws and its own regulations.

Feliksas Dobrovolskis[1] has been the Director of RRT since 2011. The Director of RRT has been appointed by the President of the Republic of Lithuania, upon an offer of the Prime Minister, for a term of 5 years. The Director of RRT represents RRT in the Republic of Lithuania and abroad, confirms the strategic activity plan of RRT, issues orders, approves legal acts by his orders, exercises other powers conferred to him by laws and other legal acts (Article 7(6) of the Law on Electronic Communications).

The Director of RRT has three deputies appointed by the RRT Director in the procedure set by the Law on Public Service. In the absence of the Director, he is temporarily substituted by one of his appointed deputies (Article 7(7) of the Law on Electronic Communications).

The Council of RRT (hereinafter referred to as the Council) is a collegial body of RRT, comprised of seven members, who are also appointed for the time period of five years by the President of the Republic of Lithuania following an offer of the Prime Minister. The Rules of Procedure of the Council approved by the Council establishes the working procedure of the Council and the procedure of holding meetings and making decisions. The Council members are representatives of public administration institutions and academic society, and they are not remunerated for their work.

In 2014, **9 Council meetings were held**, where amendments to the estimate of the 2014 RRT programme “Communications Management and Control”, the expense estimate of the 2015 RRT programme “Communications Management and Control”, changes in the RRT structure and regulations of its organizational units, amendments to the Rules of Procedure of RRT as well as draft orders of the RRT Director were approved[2].

In 2014, the Council **considered and consented to** amending the Plan for the Development of Digital Terrestrial TV, amending the Plan for Radio Communication Development in the 2500–2690 MHz radio frequency band, amending the Plan for Radio Communication Development in the 2300–2400 MHz radio frequency band, the Plan for Radio Communication Development in the 3410–3600 GHz radio frequency band and the draft Strategic Action Plan of RRT for 2015–2017; it also heard the RRT’s Annual Report 2013 and approved the submission thereof to the Seimas and the Government of the Republic of Lithuania, listened to the 2013 Report on the Implementation of the Law on Electronic Signature, considered and made proposals on the Council’s financing model, on the ensurance of the subscriber’s right to retain his subscriber number when changing the public telephone communications service provider, place and method

[1] Decree No. 1K-751 of the President of the Republic of Lithuania of 8 July 2011 *On the Appointment of the Director of The Communications Regulatory Authority*.

[2] On charges for services provided and works performed by RRT, on the Rules for Publication of Information Related to the Implementation of the Law on Electronic Communications, the Postal Law and Other Laws, on public consultation on RRT decision rules, on the conditions and procedure for the ensurance of the right of a subscriber to retain a subscriber number when changing the provider of public telephone communications services, the place of method of service provision, on the supervision of the use of radio frequencies (channels), including the radio monitoring, and setting tariff coefficient therefor, on the description of general conditions for engaging in electronic communications activities.

of service provision, and on the regulation of the election of a central database administrator in an open tender procedure.

4.2. Planning and organization of RRT activities

RRT implements its mission in observance of strategic action plans approved by the Director of RRT, establishing the main activity objectives for three years as well as tasks and measures for the implementation of these objectives. RRT strategic action plans are prepared referring to the programme and priorities of the Government, the State Long-Term Development Strategy, the Strategy for the Development of Corresponding Management Area, the Strategy for Assignment of Radio Frequencies for Radio and Television Programme Broadcasting, other strategic planning documents, which are implemented in participation of RRT, and to the functions to be performed by RRT.

For the purpose of the implementation of strategic targets, in 2014, RRT **executed a special continuing Telecommunications Management and Control Programme** (code 01 81). The programme executed by RRT is financed from RRT income generated for the provided services and performed works, paid according to the tariffs agreed upon with the Council of RRT and contributed to the state budget.

The Programme is aimed at harmonious development of information and communications technologies (ICT) and postal sector of the country, in order to create favourable conditions for the development of the ICT and postal business and services, competition and innovations in these areas, to increase security of electronic communications networks and information, to raise the knowledge level of the society and culture in this area, and to draw attention of the society to harmful content in public computer networks.

The Telecommunications Management and Control Programme conforms to provisions of the section “Information and Knowledge Society” of Chapter VIII “Education and Science” of the Programme of the Government of the Republic of Lithuania 2012-2016 – to seek for the Lithuanian society to actively use information and communications technologies, to ensure that the broadband network was well-developed throughout the country and to implement the electronic signature programme. It also conforms to paragraphs 143, 144, 145, 146 of the priority measures for the implementation of the Programme of the Government of the Republic of Lithuania 2012–2016.

Every quarter the activities of RRT divisions are controlled by analysing the execution of action plans of the divisions. Summarized information on the performance of the action plans is prepared and provided to the management of RRT.

Each year RRT prepares and submits the annual RRT activity and financial report for the previous calendar year to the Seimas and the Government of the Republic of Lithuania, and publishes it.

Detailed information on the implementation of the measures of the 2014 strategic action plan programme and the results of compliance with the evaluation criteria is presented in Annex 3 to the Report “Annual Report on the Strategic Action Plan”.

4.3. RRT activity priorities for 2015

The following key RRT activity priorities are planned in 2015:

1. protection of rights and legitimate interests of users of electronic communications and postal services as well as of telecommunications terminal equipment.

2. ensuring security of electronic communications networks and services provided thereby, and prevention of cyber-attacks.
3. promoting investments into broadband wireless communication networks of next generation, sustainable development of advanced technologies and services.

1. Protection of rights and legitimate interests of users of electronic communications and postal services as well as of telecommunications terminal equipment

In order to ensure the possibility for the recipients of electronic communications services, including the users thereof, as well as users of postal services to use various electronic communications and postal services under favourable conditions in light of technological developments in the market and change in the needs of the users and business, also seeking to ensure that the users of radio communication equipment would use quality radio communications devices meeting safety and other requirements, one of RRT activity priorities set for 2015 is the protection of rights and legitimate interests of users of electronic communications and postal services as well as of telecommunications terminal equipment.

Protection of rights and legitimate interests is one of the key tasks of RRT related to the examination of the complaints of service recipients, supervision of the provision of universal services, etc. In order to ensure the right of service recipients, including users, to receive services of appropriate quality, RRT also performs quality control of public electronic communications services.

Since 1 January 2013 the Lithuanian postal sector has been liberalised, cancelling the reserved area, and now all providers of postal services can compete without any restrictions. With expanding e-commerce, parcel delivery market has undergone radical transformation with new service providers entering it, emerging new types of services and increasing competition. Innovative solutions, which will be as a response to the needs of e-retailers and consumers, are likely to become one of the most important competition factors. Since the provision of e-services is still not properly regulated at both national and the EU level, one of the areas of RRT operations will be to closely monitor changes in the area of e-services. In order to ensure efficient functioning of postal infrastructure, RRT will place a greater focus on continuous supervision of access to the postal network to enable providers of the postal service to use the network of Lietuvos Paštas AB under transparent and non-discriminatory conditions.

When solving the consumer rights-related issues, the plan is to focus most on the quality of broadband wireless communication services, including problems of data transmission by mobile telephone networks and on the improvement of cooperation with companies providing services and other consumer rights protection institutions.

In order to carry out the regulation and supervision of electronic communications and postal markets, the RRT plans to continue (complete) the works of the development and installation of several information systems in 2015: communications activity information system (CAIS), electronic information system for broadband communication services, electronic information system for cable communications channels and interfaces with the Lithuanian municipalities, information system for the management and analysis of the examination of complaints and inquiries of service recipients and users, information system for the management and supervision of telephone numbers and the system for the management of the radio frequency spectrum.

2. Ensuring security of electronic communications networks and services provided thereby, and prevention of cyber-attacks

Another priority of RRT operations for 2015 is the ensurance of the security of electronic communications networks and services provided thereby as well as the prevention of cyber-attacks. In 2015, RRT will place a special focus on the Cybersecurity Strategy "Open, Safe and Reliable Cyberspace" published by the European Commission and the Commission's proposal on the Directive concerning measures to ensure a high common level of network and information security across the Union. The Cybersecurity Strategy is a comprehensive EU vision on the prevention of threats and attacks in cyberspace and counter-measures to be taken. Specific actions are aimed at protecting information systems from electronic crimes and ensuring secure growth of digital economy.

RRT has a CERT-LT (Computer Emergency Response Team) division in place, which seeks to ensure security and integrity of public electronic communications services, prevent spreading of security incidents to have the damage incurred by public communications networks and/or public electronic communications service providers and services recipients due to security incidents to be as little as possible.

One of a more important tasks is to conduct the prevention of cyber-attacks. The system of monitoring of the infrastructure of the Lithuanian Internet network (LITIS), which allows establishing the topology of the Lithuanian Internet network and critical elements of the Lithuanian Internet network infrastructure, analysing the accessibility thereof, network usage and other parameters, is being improved.

The Law on Cyber Security of the Republic of Lithuania (hereinafter - CSL) was adopted in 2014. It establishes the system for the ensurance of cyber security: identifies state authorities responsible for the formation of the cyber security policy and the implementation thereof, sets forth their powers in the area of cyber security and enshrines duties and responsibility of managers of information infrastructure of particular importance, managers and/or administrators of state information resources as well as of public communications networks and/or public electronic communications service providers to the extent they are not governed by the ECL, and duties and responsibility of electronic information hosting service providers.

The concept of cloud computing has become more popular in the area of information and communication technologies, upon the employment whereof an increasing number of advanced electronic information hosting services (such as web hosting, information storage in virtual data repositories, virtual document management systems) has been developed and provided. In light of the importance of such services, the security of cloud computing services is planned to become one of the most pressing cyber security issues in the nearest future.

Issues related to the security of cloud computing services are important to both the providers of these services, their users as well as participants in the common cyber security ensurance system. Having consulted with the market in 2014, RRT plans to draw up and publish recommendations for users on cloud computing security in 2015. Moreover, in the implementation of the provisions of the CSL, RRT will draw up and approve organizational and technical requirements applicable for the ensurance of security and integrity of electronic information hosting services (cloud computing is a part of electronic information hosting services).

3. Promoting investments into broadband wireless communication networks of next generation, sustainable development of advanced technologies and services

The World Radiocommunication Conference 2015 (WRC-15) will be held in 2015, at the time of which additional radio frequency bands suitable for the provision of terrestrial broadband wireless connection services will be identified. During this conference, a final decision on prospects of further use of the 694–790 MHz radio frequency band for broadband wireless connection will be made. With emerging new radio communication technologies, operators are intensively developing next generation public mobile radio communication systems, and with the operation of these systems, electromagnetic compatibility issues are constantly arising, also, problems related to the compatibility of new technologies with the existing digital terrestrial television networks, UMTS and GSM networks are arising, which need to be solved immediately.

The plan is to have broadband wireless access mobile radio communication (UMTS, WIMAX, LTE) networks cover about 97 percent of the territory of the Republic of Lithuania by 2017. The development of mobile communication networks will also contribute to increasing growth of the use of broadband internet connection. The plan is to have the penetration of broadband internet connection increase to 45 percent in 2015 and 49 percent in 2017.

Allowing for the development of **next generation broadband wireless communication networks, especially those, which will be able to use advance technology, RRT will contribute to** the implementation of the Information Society Development Programme 2014 - 2020 “Digital Agenda of the Republic of Lithuania” and the Lithuania’s Next Generation Internet Access Development Plan 2014 - 2020. According to the strategic action plan approved by the Council for 2015 - 2017, the plan is to have the wireless broadband access mobile radio communication (UMTS, WIMAX, LTE) networks cover 95 percent of the territory of the Republic of Lithuania in 2015 and about 97 percent in 2017; penetration of the broadband internet connection will increase to 45 in 2015 and 49 in 2017 calculating the number of subscribers per 100 residents; in 2015, 40 percent of the Lithuanian residents will use 30Mbps and faster Internet, and in 2017 their share is expected to reach 43 percent.

In order to ensure the transposition of mandatory EU legislation provisions into the national law of the Republic of Lithuania and the proportionality, efficiency, clarity and systematic treatment of legal regulation enshrined in national legislation, the national legal regulation, the supervision and implementation whereof falls under the responsibility of RRT, will be improved in 2015 - 2017.

Regulation (EU) No. 910/2014 of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the internal market repealing Directive 1999/93/EB[3] (hereinafter - Regulation 910/2014) **was adopted** on 23 July 2014. Key aspects of the implementation of the Regulation 910/2014, which will require new legislative incentives, mainly deal with three aspects:

- expanded scope of regulated electronic services;
- set mandatory mutual recognition of electronic identification measures in the EU using electronic public and administrative services;
- increased scope of functions of the institution supervising electronic services.

[3] OJ 2014 E 257, p. 73

Provisions of the Regulation 910/2014 will apply as from 1 July 2016, therefore the current national legal electronic signature regulation will be improved in 2015 - 2016.

Regulation 2014/30/EU **of the European Parliament and the Council** on the harmonization of the laws of the Member States relating to electromagnetic compatibility[4] (hereinafter – Directive 2014/30/EU) was adopted on 26 February 2014 and Directive 2014/53/EU **of the European Parliament and the Council** on the harmonization of laws of the Member States relating to the making available on the market of radio equipment and repealing Directive 1999/5/EB[5] (hereinafter – Directive 2014/53/EU) was adopted on 16 April 2014. In order to transpose provisions of the Directive 2014/30/EU and Directive 2014/53/EU into the national legal system of the Republic of Lithuania, the existing national regulation of making available on the market free radio communications equipment and electromagnetic compatibility of radio communications equipment will be assessed, the necessary draft amendments to legislation governing these areas and/or new draft laws will be prepared and adopted.

Also, draft laws aimed at transposing the provisions of the Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks[6] to the extent they are related to providers of public communication networks and/or public electronic communication services will also be drawn up in 2015 - 2017.

Decision No. 585/2014/EU **of the European Parliament and the Council** on the **deployment of** the interoperable EU-wide **eCall** service[7] providing for the obligation of the Member States to ensure a possibility to use the eCall in-vehicle system on their territory free of charge was adopted on 15 May 2014. In light of this, the national legal regulation related to the possibility of subscribers and/or public electronic communication service users to use the services of institutions providing emergency call services and the provision of location data to the Public Safety Answering Point will be improved in 2015 - 2017.

In order to achieve efficient and harmonized control and use of radio frequencies (channels) at the EU and international level, draft legislation aimed at the implementation of the Decision No. 243/2012/EU of the European Parliament and of the Council of 14 March 2012 establishing a multiannual radio spectrum policy programme[8], Decision of 2 May 2014 of the Commission partially amending Decision 2008/411/EC on the harmonization of the 3400 - 3800 MHz frequency band for terrestrial systems capable of providing electronic communications services in the Community[9] and Commission Implementing Decision of 1 September 2014 on harmonized technical conditions of radio spectrum use by wireless audio programme making and special events equipment in the Union[10] will be drawn up and legal acts related thereto will be adopted in 2015 - 2017.

Given the Commission Recommendation of 9 October 2014 on relevant product and service markets within the electronic communications sector susceptible to *ex ante* regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic

[4] OJ 2014 E 96, p. 79
[5] OJ 2014 E 153, p. 62
[6] OJ 2014 E 155, p. 1
[7] OJ 2014 E 164, p. 6
[8] OJ 2012 E 81, p. 7
[9] OJ 2014 E 139, p. 18
[10] OJ 2014 E 263, p. 29

communications networks and services[11] (hereinafter – Recommendation 2014/710/EU), amendments to legislation governing market analysis procedure will be made.

Once the EU institutions complete the examination of the proposal made by the European Commission for a regulation of the European Parliament and of the Council laying down measures concerning the European single market for electronic communications and to achieve a Connected Continent and partially amending Directives 2002/20/EC, 2002/21/EC, 2002/22/EC and Regulations (EB) No. 1211/2009 and (EU) No. 531/2012, and approve the necessary legal acts, the required draft legislation ensuring the compliance of the national legal framework of the Republic of Lithuania with the provisions of the said regulation will be prepared and legal acts related thereto will be adopted.

In the preparation of draft legislation, in 2015 - 2017, a large focus will be placed on efficient management and use of electronic communications resources, creation of favourable technological conditions and the harmonization of legislation with the EU regulatory legal framework.

Pursuant to Recommendation 2014/710/EU of 9 October 2014, RRT plans to conduct the analysis of the following markets in 2015:

- the market of wholesale local access provided at a fixed location;
- the market of wholesale central access provided at a fixed location for mass market products;
- the market of the minimum set of leased lines;
- the market of the national trunk segments of leased lines;
- the market of the wholesale high quality access provided at a fixed location;
- markets of access to the public communications network provided to users and service recipients, except for consumers, at a fixed location;
- markets of call termination on individual public communications networks provided at a fixed location.

[11] OJ 2014 E 295, p. 79

4.4. Human resources

In 2014, RRT had 163 civil servant and employees[12] working under employment contracts, of which 154 employees had a university degree. 73 employees held a degree in engineering and technical sciences, 19 - in physics, 10 - in mathematics and informatics, 21 - in economics, 16 - in law, 10 - in public administration and 14 - in other areas (see Figure 1). 7 of them were doctors of science.

- The average age of RRT employees was **44 years**.
- RRT employed **96** men **and 67** women.

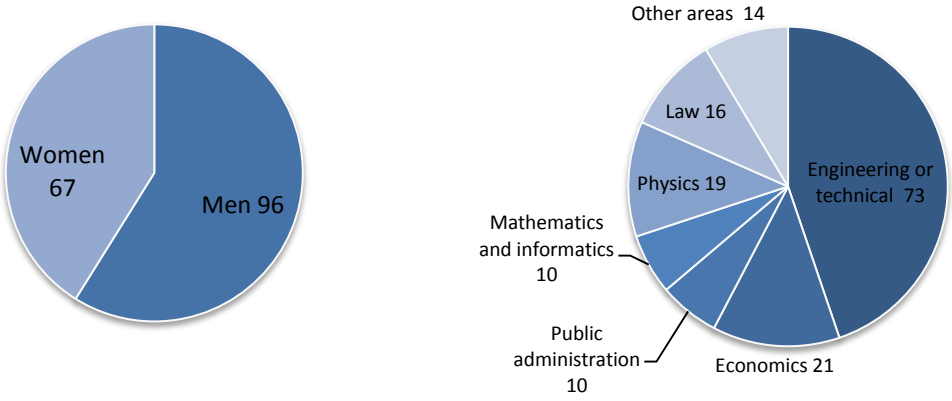


Figure 1. **Composition and education of RRT staff in 2014**

RRT has a functional structure. The following structure of RRT was approved by Order No 1V-1051 of the Director of RRT of 9 July 2013 "On the Approval of the Structure of the Communications Regulatory Authority of the Republic of Lithuania": the Director, 3 Deputy Directors, Advisor to the Director, Administrative Department, Electronic Communications Department, Infrastructure and Device Control Department, Postal Department, Radio Communication Department, Radio Spectrum Control Department (which has control divisions in Vilnius, Klaipėda, Kaunas, Šiauliai and the Panevėžys subdivision of the Šiauliai control division), Strategic Department, Legal Department, Network and Information Security Department, Finance and Accounting Division, Inspection Division and EU Support Project Administration Division.

RRT social activities

RRT started year 2014 commemorating the 24th anniversary of the Freedom Defenders' Day. By lighting a candle of remembrance in windows, RRT employees participated in the campaign "Memory Alive, because it Witness" together with other institutions and residents of Lithuania.

In spring of 2014, RRT staff participated in the annual environment cleaning project DAROM (English: Let's do it!) for the third time. A park in Pilaitė neighbourhood was cleaned in 2014.

[12] Director of RRT is a civil servant.

Around Christmas time, RRT staff implemented a campaign “Our small works - big joy to others”. RRT employees chose dreams of 5 children from the charity and support foundation website www.algojimas.lt and made those dreams come true by purchasing gifts.

4.5. Improvement of skills

In order to improve staff skills related to the implementation of the strategic goals of the Authority and development of their special knowledge of the area of RRT regulation, **151 RRT employees** participated in training events held in 2014**.**

- *In order to develop the staff's competence in the area of ICT*, trainings “Development Trends of Telecommunications Technologies” (attended by 60 employees), “Terahertz Physics” (attended by 27 employees) were held, while 31 employee took part in other trainings arranged in this field.
- *In order to improve staff's general competences in the area of regulation and supervision over the market of the communications sector,* 55 employees attended various seminars*.*
- 32 participants *intensified their analytical skills* and 26 employees improved their skills in trainings for *the improvement of abilities and skills of focusing on the customer for servants engaged in service provision to residents*.

6 civil servants attended the introductory training programme for civil servants, 15 employees took part in trainings for the improvement of managerial, leadership and change management skills, 8 employees refreshed their knowledge in the area of professional ethics and corruption prevention.

65 employees improved their knowledge of the EU working languages, 82 employees attended trainings “Recognizing Personal Stress and Overcoming it from the Perspective of Health Psychology”.

In order to ensure the spread of skills of employees, the following trainings were held for employees under the internal RRT programme “**RRT employees to RRT employees**” (where employees shared their experience and acquired knowledge with each other): “Lithuanian Presidency of the EU Council in Half 2 of 2013 from the inside”, “Consumer Rights in the Area of E-Communications”, “The Euro is coming to Lithuania”, “Supervision over compliance with the Electromagnetic Compatibility (EMC) Regulation, harmonised standards, EMC tests”, “Preparation of Electronic Documents Compliant with the ADOC specification and Signing them by an Electronic Signature”, “Application of Sanctions for the Violation in Use of Radio Frequencies”.

5. BRIEF OVERVIEW OF THE DEVELOPMENT OF THE COMMUNICATIONS SECTOR

5.1. Communications sector

Revenue from the communications sector, which comprises electronic communications and postal services, totalled EUR 714.2 million (LTL 2 466.1 million) in 2014 and was EUR 8.7 million (LTL 29.9 million), or 1.2 percent, lower than in 2013. Even though the revenue from the sector declined in 2014, the rate of decline slowed down and was the lowest since 2009 (see Figure 2). In 2014, revenue from the electronic communications sector accounted for 84.8 percent of the total revenues from the communications sector, while revenue from the postal sector made up 15.2 percent. In 2013, this proportion was 85.9 and 14.1 percent, respectively. Such changes were determined by a 6.7 percent increase of postal sector revenue in 2014 compared to 2013 and a 2.5 percent decrease in revenue from electronic communications sector.

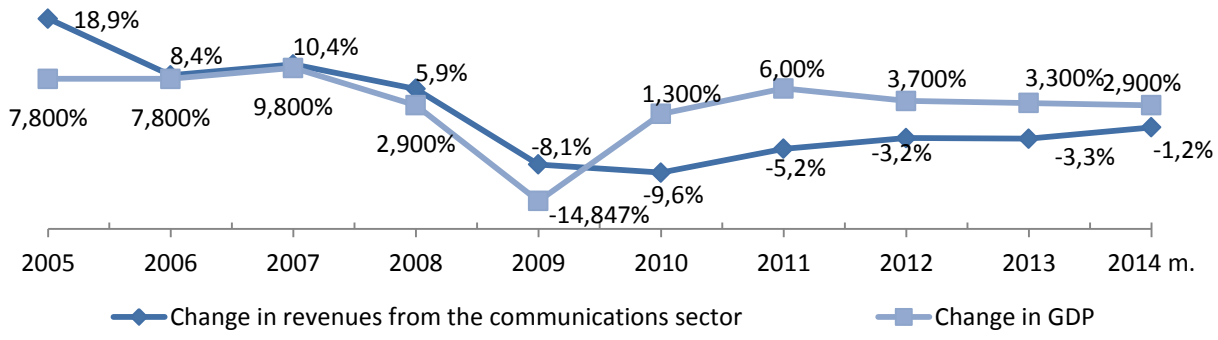


Figure 2**. Changes in the Lithuania GDP and revenues of the communications sector in 2005–2014, percent**.
Source: The Bank of Lithuania, RRT

5.1. Electronic communications sector

In 2014, the total revenue from the electronic communications sector amounted to EUR 605.7 million (LTL 2 092 billion). The trend of the reduction of revenue in the electronic communications sector continuing for the sixth consecutive year persisted in 2014. In 2014, compared to 2013, revenue from the electronic communications sector decreased by 2.5 percent (see Figure 3), or EUR 15.5 million (LTL 53.4 million).

Revenue received from the provision of mobile telephone communication services comprised the largest share of revenues from this sector (36.6 percent). Revenue generated from the Internet access services ranked 2nd and accounted for 19.6 percent of the total revenues earned in the electronic communications sector. Network connection revenue accounted for 18.2 percent of the total revenues generated in the electronic communications sector. Revenue from other electronic communications services accounted for the following shares of the total revenues from the electronic communications sector: revenue from pay TV services - 10 percent, revenue from fixed telephone services - 9 percent, revenue from data transmission services - 4 percent, revenue from leased lines services - 0.9 percent, revenue from dark optical fiber leased line services - 1 percent and revenue from radio and television transmission services - 0.7 percent.

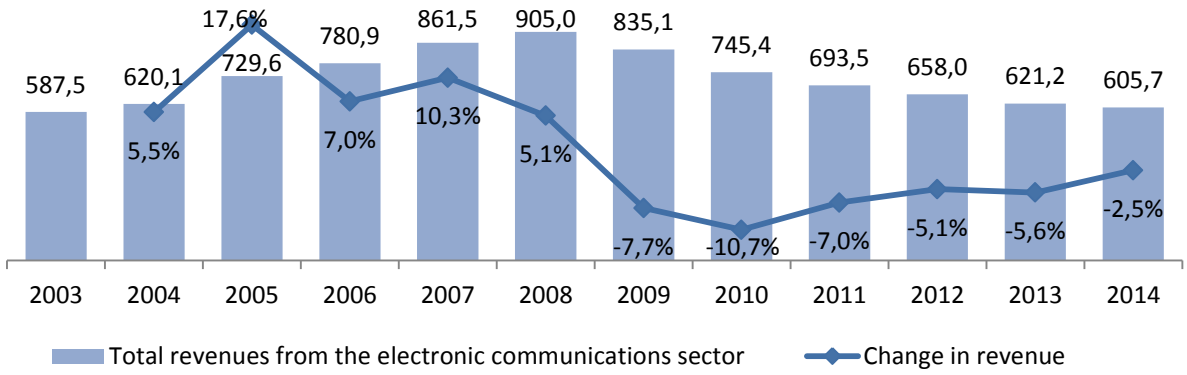


Figure 3. **Revenues from the electronic communications sector (million EUR) and changes thereof (percent), in 2003–2014**
Source: RRT

In 2014, compared to 2014, revenue from only two electronic communications services increased: revenue from interconnection services increased by EUR 17.8 million (LTL 61.5 million), or 19.3 percent, and revenue from retail Internet access services grew by EUR 0.2 million (LTL 0.8 million) or 0.2 percent. In 2014, compared to 2013, revenue from mobile telephone services (EUR 21.6 million or LTL 74.6 million) and revenue from fixed telephone services (EUR 9.1 million or LTL 31.4 million) experienced the biggest drop. The decrease in revenue from mobile telephone services can be explained by strong competition among service providers and continuously decreasing service prices. Revenue from fixed telephone services decreased due to the falling demand, competition among service providers and competitive pressure from providers of mobile telephone services. Changes in revenue from public and mobile telephone services are presented in Figure 4.

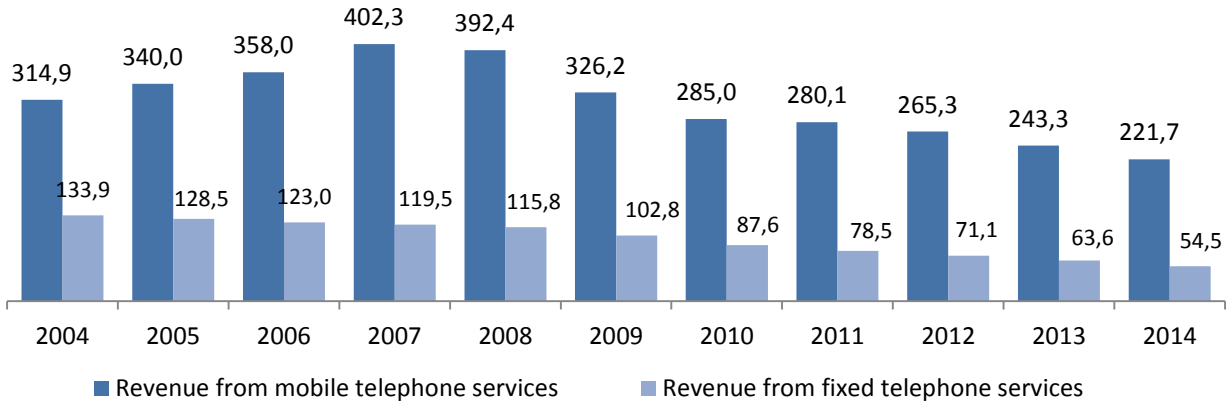


Figure 4. **Revenue from the provision of fixed and mobile telephone services in 2004-2014, million EUR**
Source: RRT

In terms of relative indicators, in 2014, compared to 2013, revenue from leased line services (decrease of 15.5 percent, or EUR 1 million (LTL 3.5 million)) and revenue from fixed telephone services (reduction of 14.3 percent, or EUR 9.1 million (LTL 631.4 million)) decreased the most.

When it comes to the use of electronic communications services, similar trends prevailed in 2014 as those in 2013. In 2014, the duration of calls originated in the fixed telephone network, compared to the total duration of calls originated in 2013, decreased by 14.4 per cent or 160.8 million minutes. The duration of

calls originated in the mobile telephone networks in 2014 was 6.3 percent or 481.6 million minutes longer than in 2013 (see Figure 5).

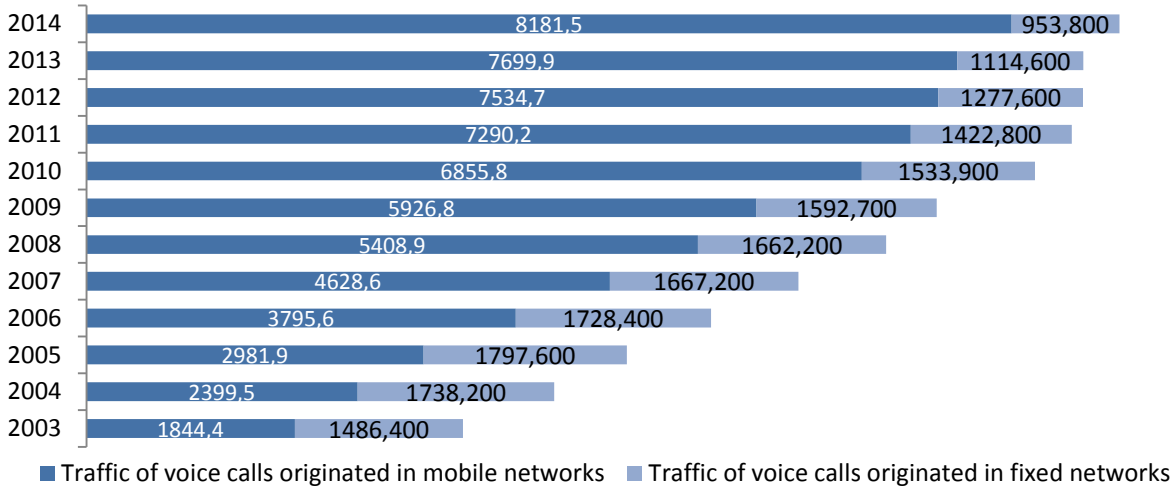


Figure 5. **Duration of calls in 2003–2014, million minutes.**
Source: RRT

Compared to 2013, the number of fixed telephone users decreased from 624 779 to 585 515 or by 6.3 percent in 2014. The number of mobile telephone subscribers in 2014, compared to 2013, decreased from 4 565 976 to 4 466 654, or by 2.2 percent. The number of subscribers of mobile telephone communication services decreased for the second consecutive year.

In 2014, compared to 2013, revenue from Internet access services increased but the recorded increase accounted for a mere 0.2 percent (Figure 6). Revenue from Internet access comes from two service groups: retail Internet access services and wholesale Internet access services. It should be noted that compared to 2013, revenue from retail Internet access services increased by 1.7 percent in 2014, while revenue from wholesale Internet access services decreased in 2014, as in previous periods, and this decrease was 17.4 percent.

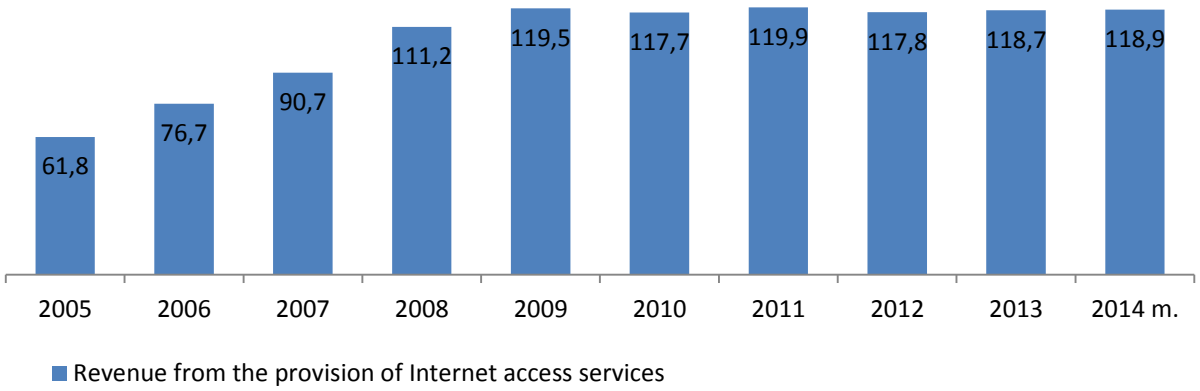


Figure 6. **Revenue from the Internet access services in 2005–2014, million EUR**
Source: RRT

One of the indicators revealing the scope of the use of electronic communications is the number of subscribers and penetration of the Internet access services. Compared to 2013, the number of broadband Internet access subscribers increased by 122.6 thousand, or 10.8 percent, and amounted to 1.257 million in Lithuania in 2014. The penetration of the broadband Internet access services, i.e. a number of Internet

access subscribers per 100 residents was equal to 43 in 2014. The number of subscribers using Internet access services has been constantly increasing since 2005 (see Figure 7).

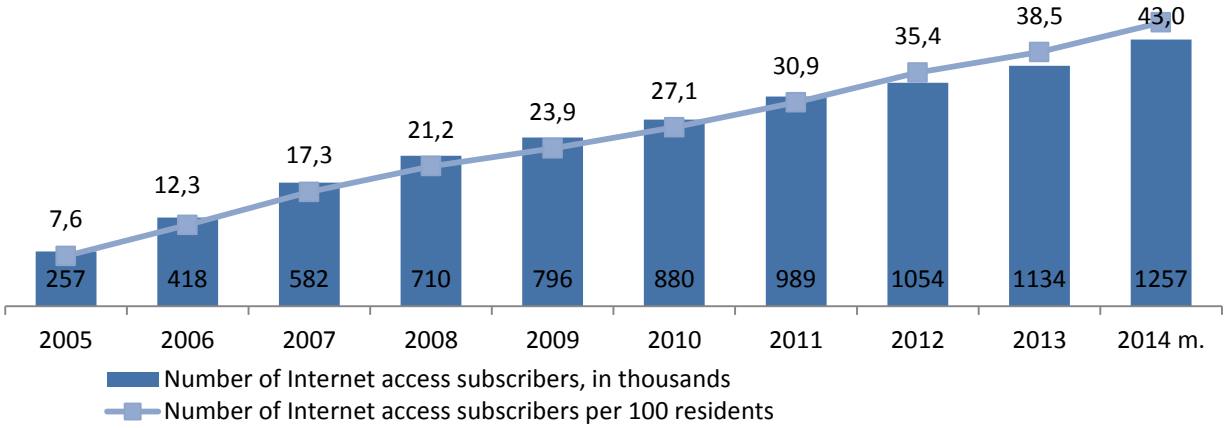


Figure 7. **The number of Internet access service subscribers (in thousands) and penetration of Internet access service subscribers in 2005–2014.**
Source: RRT

Even though the number of subscribers having received Internet access services via mobile communication technologies has been increasing, their relative share in the total number of the recipients of Internet access services decreased: it decreased by 0.6 percentage point in 2013 and 1.5 percentage point in 2014. Such a change was determined by the fact that the number of subscribers having received Internet access services via mobile communication technologies increased by 4.3 percent during the year, while the number of subscribers having received Internet access services by fixed communication technologies increased by 11.6 percent (see Figure 8).

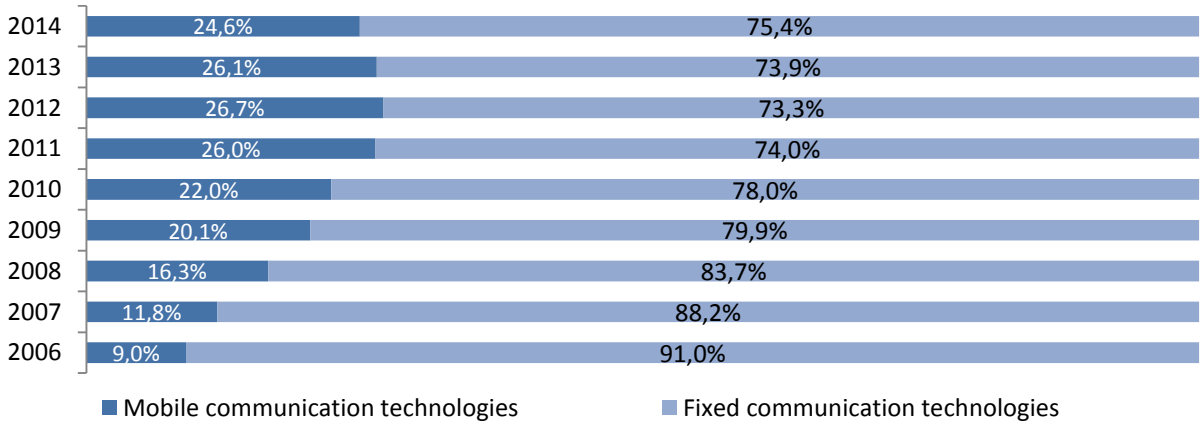


Figure 8. **Distribution of users of Internet access services by technologies used in 2006–2014, percent**
Source: RRT

In 2014, **optical fibre communication lines** (FTTx) **have remained the main technology for the provision of** broadband communication **services in Lithuania** (see Figure 9). According to data of 2014, there were 476.8 thousand optical fibre communication (FTTx) lines in Lithuania, i.e. 40 thousand lines, or 9.1 percent, more than in 2013. Out of 476.8 thousand optical fibre communication (FTTx) lines 192.3 thousand lines were built to the premises of the service recipient and 285.6 thousand - to the building of the service recipient.

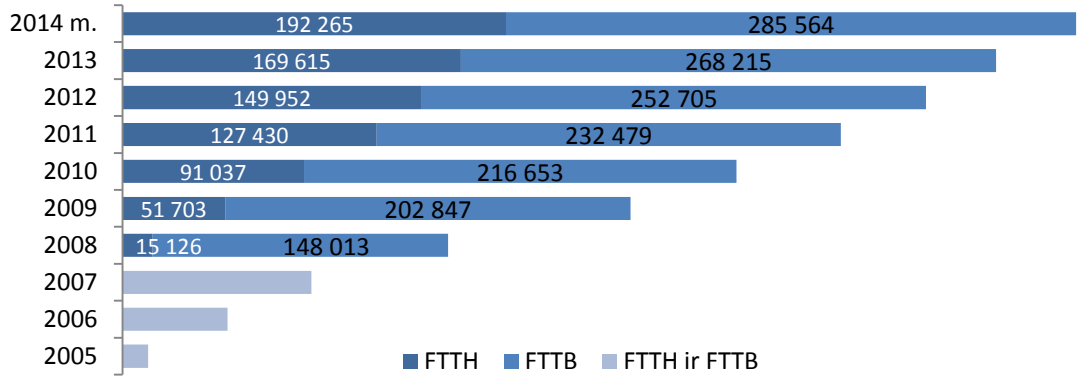


Figure 9**. Provision of broadband Internet access services using the FTTx technology (number of communication lines) in 2005–2014.**
Source: RRT

In 2014, 38 percent of all retail Internet access service recipients received internet access services via fibre lines (see Figure 10). The second most popular technology for receiving Internet access services was mobile connection, with wireless lines being the third most popular type of technology.

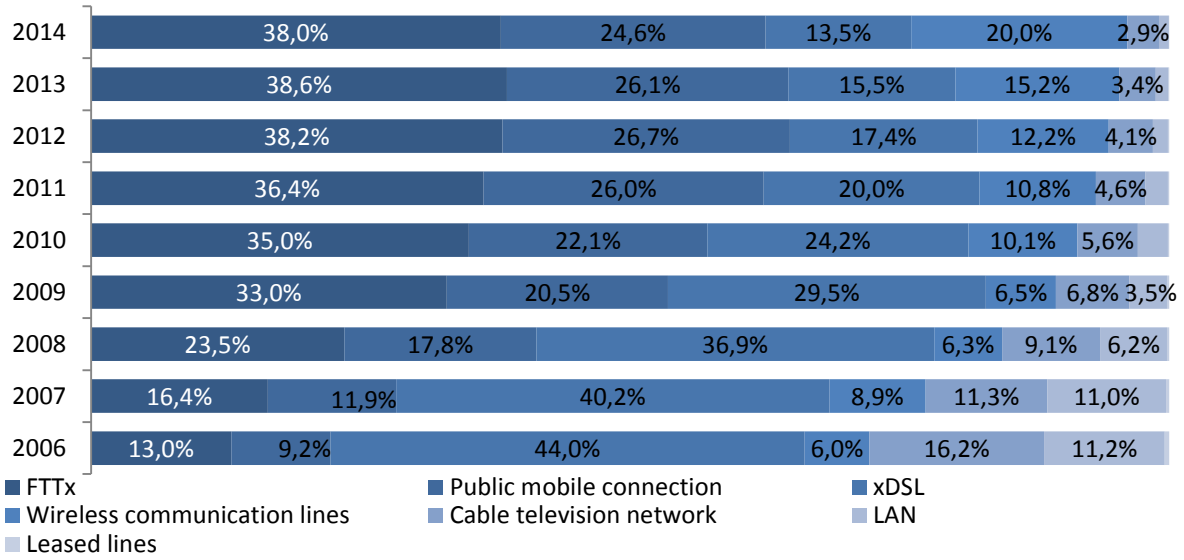


Figure 10**. Provision of broadband Internet access services by technologies in 2006–2014**
Source: RRT

High-speed broadband communication internet access services (30 Mb/s and higher) were usually provided over optical fibre communication lines (FTTx), cable television networks, using DOCSIS 3.0 and other technologies (local networks (LAN), leased lines). In light of new services provided, internet access service providers have been constantly increasing broadband internet speed. The number of subscribers receiving 30 Mb/s and higher data upload speed increased by 15.8 percent during the year. On 31 December 2014, **35.1 percent of households could use 30 Mb/s and higher Internet speed, including 7.5 percent, who used** the digital communication technology service capable of transmitting data at a **speed greater than 100 Mb/s.**

Next generation broadband communication networks successfully expanding in Lithuania determine the uptake of rebroadcasting of television programmes applying IPTV (Internet Protocol Television) technologies. At the end of 2014, there were 16 companies providing the IPTV services, and 145.8 thousand

subscribers viewed television programmes in the said way and, compared to the data of 2013, the number of subscribers increased by 22.6 percent. Even though the number of IPTV service subscribers grew the fastest, television services provided by cable television networks remained the most popular pay TV service. In 2014, 57.3 per cent of all pay TV subscribers chose this television, but this was 1.3 percentage point less than in 2013 (see Figure 11).

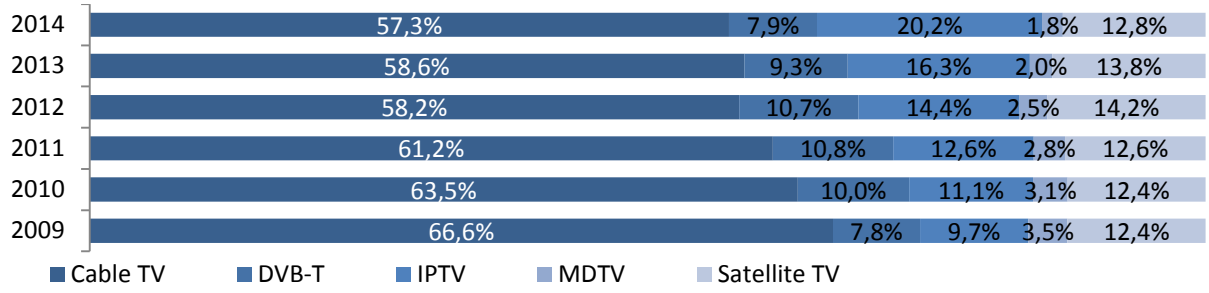


Figure 11. **Distribution of pay TV subscribers by ways of providing television services in 2009–2014, percent.**
Source: RRT

On 28 October 2012, analogue terrestrial television was switched off in Lithuania and this impacted revenue from television broadcasting transmission services. Compared to 2012, the revenue decreased significantly in 2013, while in 2014, compared to 2013, revenue from television broadcasting transmission decreased by EUR 0.25 million (LTL 0.86 million), and revenue from radio broadcasting transmission decreased by EUR 0.13 million (LTL 0.44 million) (Figure 12).

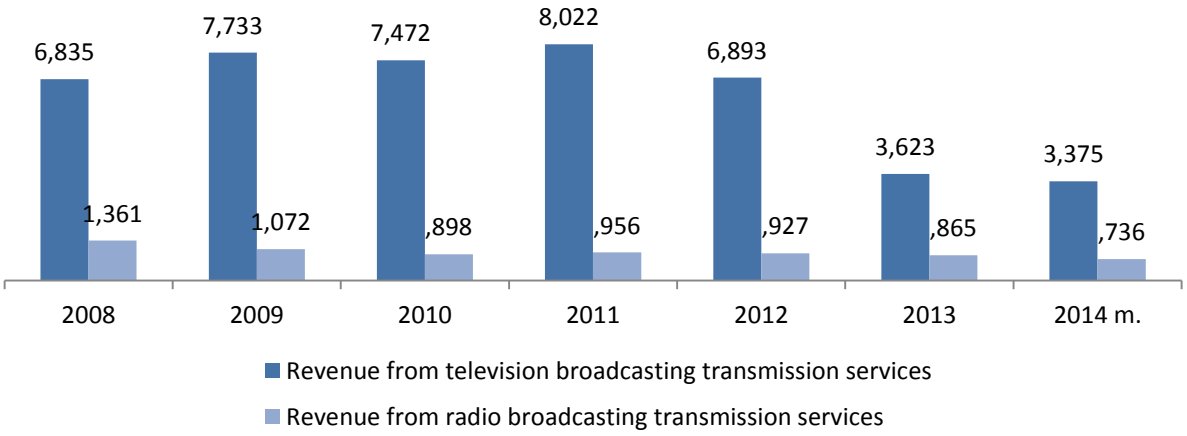


Figure 12. **Dynamics of revenue from television and radio broadcasting transmission services in 2008–2014, million EUR**
Source: RRT

In 2014, electronic communications market participants invested into the electronic communications network infrastructure less than in 2013. These investments totalled UR 82.3 million (LTL 284.1 million) in 2014 and, compared to 2013, decreased by EUR 4.4 million (LTL 15.2 million) or 5.1 percent (see Figure 13). Operators invested most in the development of fiber optic access network, modernization of main networks of fixed and mobile connection and improvement of 3G, 4G and mobile communication network infrastructure, whereby data transmission services are provided.

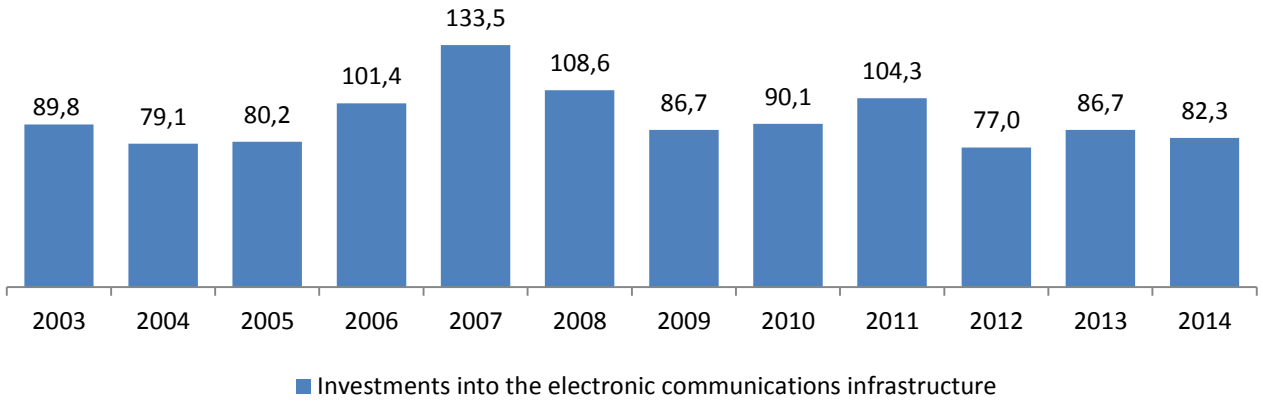


Figure 13**. Dynamics of investments into the electronic communications infrastructure in 2003–2014, million EUR**
Source: RRT

5.2. Postal sector

Since the effective date of a new version of the Postal Law of the Republic of Lithuania on 1 November 2013, services of this sector have no longer been divided into postal services and courier services. Taking this into account, all undertakings operating in the postal sector are called postal service providers and their services are called postal services. At the end of 2014, there were 69 natural or legal persons entitled to engage in the provision of postal services, which is 9 persons less than at the end of 2013.

In 2014, revenue from the provision of postal services increased by 7.1 percent compared to total revenues from postal activities generated in 2013, and amounted to EUR 109.0 million (LTL 376.5 million) (see Figure 14).

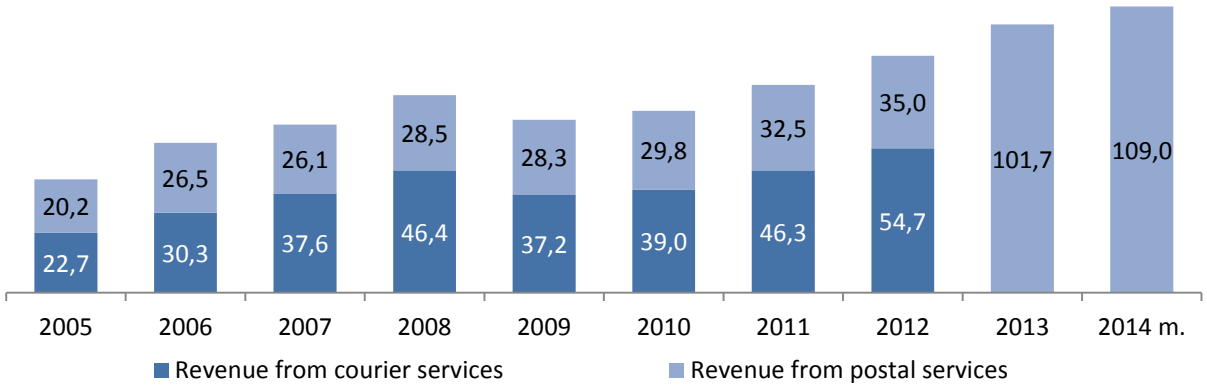


Figure 14. **Revenues from postal and courier service in 2005–2014, million EUR.**
Source: RRT

In the evaluation of postal services in terms of physical units of services, it is noteworthy that both the number of postal parcels and items of postal correspondence increased in 2014 compared to 2013. In 2013, 7.9 million of postal parcels were sent, while in 2014 - 8.7 million, or 10.1 percent more than in 2013. The growth rate of the number of items of postal correspondence was more moderate - it increased by 3.6 percent from 69.1 million pieces in 2013 to 71.6 million pieces in 2014.

6. SUPERVISION OF ACTIVITIES OF UNDERTAKINGS

In 2014, following the principle that **a supervisory authority must be a consultant rather than a punisher** of business and implementing an administrative burden reduction measure, the RRT gave priority to providing consultations and methodological assistance to undertakings. In 2014, RRT implemented and continued the following activities:

- A plan of inspections of undertakings (providing postal services and entities engaged in electronic communications activities) for 2014 (currently the plan for 2015 has already been published) and checklists of routine inspections are published on the RRT website under the section “Supervision of Undertakings”.
- Detailed inspection results of each quarter of 2014 are published on the website.
- A list of legislation governing supervision of undertakings is published on the website.
- Undertakings are also able to submit an inquiry on the RRT website in the section “Frequently Asked Questions”. Here summarized consultations provided by RRT on submitted issues are published. According to the Law on Public Administration of the Republic of Lithuania, all RRT replies are granted the status of a public consultation.
- Notifications on planned inspections and checklists were sent to all undertakings at least 10 days before the start of an inspection.
- In order to facilitate the burden borne by undertakings of the submission of periodic reports on the conducted electronic communications activities, the RRT has cooperated with Statistics Lithuania and transferred the available statistical data thereto.
- Consultations and necessary information are provided by calling the free of charge helpline **8 800 20030.**
- In 2014, undertakings were advised on the issues related to legislation governing their activities, market regulation and completion of statistical reports, publication of information subject to mandatory publication, interconnection, also, on problems related to inappropriate delivery of parcels, parcel labelling and other issues.

In 2014, RRT **complied** with the obligations provided for in the **Declaration on the First Year of Business** whereto it has been acceded for three years now.

The following information is published on the RRT website under the section “Undertakings”:

- Declaration on the First Year of Business,
- Information publication (booklet) for guidance drawn up by the Ministry of Economy of the Republic of Lithuania “All about Inspection for Entrepreneurs. Main Rights and Obligations of the Entrepreneur”.

6.1. Application of a common feedback model

Pursuant to paragraph 7.2 “Improving Activities in Light of the Opinion of Undertakings” of Resolution No. 511 “On the Optimization of Supervisory Functions Carried out by Institutions” of the Government of the Republic of Lithuania of 4 May 2010, RRT **joined the Common Feedback Model System** in December of 2014.

The system allows businesses to anonymously assess inspections carried out by supervisory authorities and quality of work of the inspectors, while the supervisory authority can improve its activities in light of the evaluations and proposals received. Upon the presentation of information in the system - website http://inspect.ukmin.lt/ - by undertakings on inspections conducted in their companies, RRT received 11 positive feedback messages from 26 inspected undertakings.

In order to have a risk assessment-based supervision system (model) of operations of undertakings successfully implemented in RRT, it will implement the necessary measures in 2015, i.e. will register data on all the inspections under performance and will analyse opinion of undertakings on routine and non-routine inspections in greater detail.

6.2. Preparation for the introduction of the euro

With Lithuania preparing to adopt the euro, RRT implemented the following measures pursuant to the Law on the Adoption of the Euro of the Republic of Lithuania and other legislation:

- Informed undertakings about the requirements for dual display of prices in both the euro and litas: informed 198 undertakings engaged in the provision of electronic communications and postal services on the requirements to publish the prices of services and goods in litas and the euro, and asked to indicate specific places of publication of these prices.
- Conducted 199 inspections in 2014: information accessible in service provision places (110), websites of service providers, their price lists and leaflets (89) was analysed.
- Having conducted 199 inspections, 49 violations were identified, which were immediately rectified. Most common violations included the following: failure to display prices in two currencies, inappropriate exchange rate was applied in price conversion, rounding up of prices was done in breach of legislation requirements.
- The new section “Preparation for Euro Introduction” was created on the RRT website, where relevant euro introduction-related information was published.
- Tariff rates for services provided and works performed by RRT were converted into the euro at the irrevocably fixed euro to litas conversion rate and published online at www.rrt.lt.

RRT did not receive any appeals and did not examine any disputes related to the introduction of the euro.

6.3. Supervision of undertakings engaged in electronic communications activities

RRT advises market players on the issues of provision of wholesale and retail electronic communications services, interconnection of electronic communications networks and provision of access in order to ensure that legal acts regulating electronic communications activities are not violated and that the undertakings, having a significant market power, perform their obligations.

According to the plan approved by the Director of RRT5[13], 25 undertakings providing electronic communications services were inspected in 2014 (just like in 2013) (see Figure 15). **Violations were detected in activities of 20 undertakings** during the routine inspections. Most frequent violations included non-conformity of standard terms and conditions of typical agreements with service users to requirements of legal acts. After relevant warnings, all the remarks made by authorised officials of RRT were taken into account and all violations were rectified by the end of the inspection.

68 undertakings were warned due to a failure to submit reports on conducted activities in due time. After a verbal warning by phone, 58 reports were submitted. As for the remaining 10 unsubmitted reports, companies possibly performing the activities were searched for, but RRT was not able to find them according to the addresses or contacts known thereto. Some of these companies were withdrawn from the list of service providers after stating that such companies declared the intention to perform electronic communications activities but failed to do so or terminated their activity.

For the failure to periodically submit reports on conducted activities of one undertaking, a non-routine activity inspection was initiated and conducted, the aim whereof was to determine whether the said undertaking was engaged in electronic communications activity and had to submit reports to RRT. Having determined during the inspection that the undertaking was engaged in the provision of electronic communications services, it was provided with a methodological assistance after which the undertaking submitted the reports following the deadlines set.

In 2014, during the routine inspections, 5 cases were identified when electronic communications service providers provided services (internet access, IPTV), but did not submit reports to the RRT, thus they were not included in the lists of service providers drawn up by the RRT. Having provided the said undertakings with a methodological assistance, they started submitting reports to the RRT.

Inspections on how telecommunications operators or public telecommunications service providers publish technical specifications of interfaces used for the provision of their services were conducted in 2014. Operators were determined to have published links to the technical specifications used.

There were no economic sanctions imposed on undertakings engaged in electronic communications activities in 2014 (see Figure 16), all cases of nonconformity to legislation requirements were eliminated after the provision of methodological assistance to undertakings.

[13] Order No. 1V-77 of the Director of RRT of 20 January 2014 “On the Approval of the Plan for the Inspections of Activities of Entities Engages in the Provision of the Postal Service and Entities engaged in Electronic Communications Activities Planned to be Performed by the Communications Regulatory Authority of the Republic of Lithuania in 2014”.

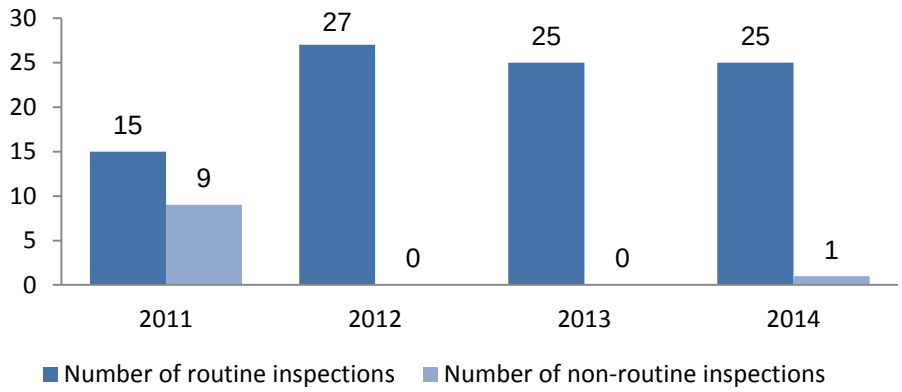


Figure 15. **Number of inspections of providers of electronic communications services in 2011–2014**
Source: RRT

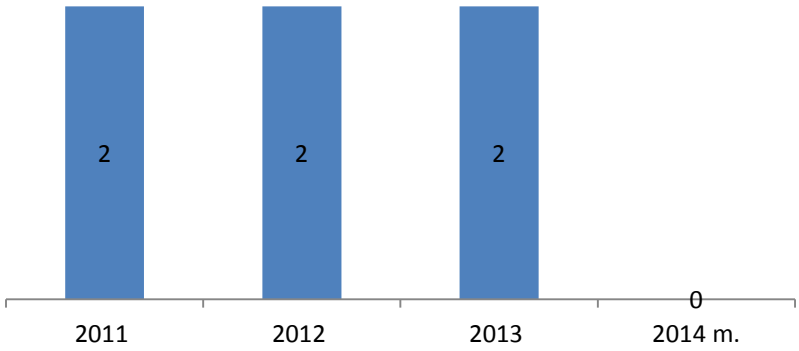


Figure 16. **Number of sanctions imposed for electronic communications activity violations in 2011−2014**
Source: RRT

6.4. Supervision of the postal service market

According to the plan approved by the Director of RRT, [14] RRT conducted 25 (in 2013 - 30) routine inspections of activities of undertakings in 2014 (see Figure 17).

10 violations were determined in activities of undertakings during routine inspections in 2014 (the nature of violations included the following: failure to comply with requirements for labelling postal items, absence of documents the preparation whereof is mandatory under the legislation governing activities of postal service providers, absence and failure to publish information necessary for a user to decide on the use of the service). Having providing methodological assistance, all the said violations were eliminated by the end of routine inspections.

In order to have precise information on postal service providers, RRT inspected during its routine inspections the companies which were included into the list of postal service providers but periodically presented information to RRT that they did not perform such activities or provided no information of the

14 Order No. 1V-77 of the Director of RRT of 20 January 2014 “On the Approval of the Plan for the Inspections of Activities of Entities Engages in the Provision of the Postal Service and Entities engaged in Electronic Communications Activities Planned to be Performed by the Communications Regulatory Authority of the Republic of Lithuania in 2014”

performance of such activities. Main problems faced when supervising the postal market include the following: a failure to comply with deadlines for the submission of mandatory quarterly and annual reports on the conducted activities, failure to announce the start or the end of postal activities, or to notify of the changed point of execution of activities.

Investigations were conducted based on customer complaints and other information received, however, no non-routine inspections were carried out.

There were no economic sanctions imposed on postal service providers **in 2014**

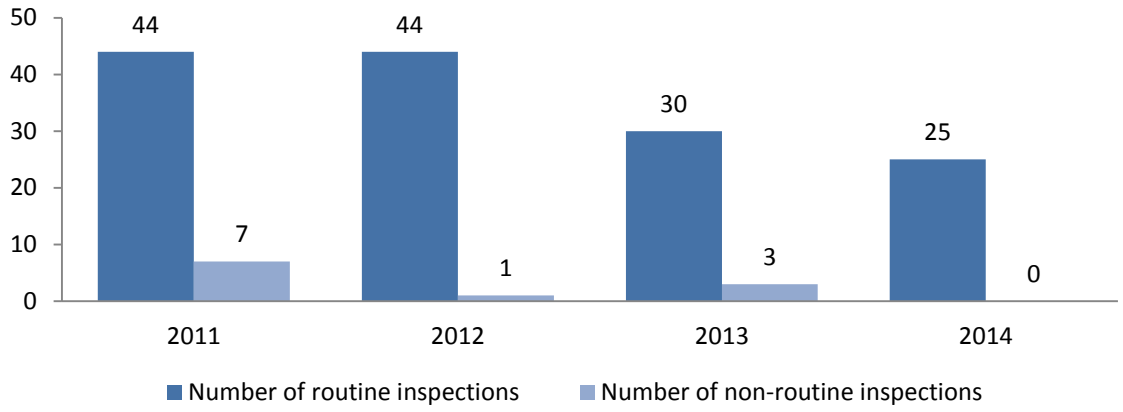


Figure 17**. Number of inspections of postal service providers in 2011–2014**
Source: RRT

82 undertakings were warned of the failure to submit mandatory quarterly and annual activity reports. After warning by phone or at service provision points, postal service providers submitted 65 reports. The remaining undertakings, which did not submit their reports, were not found at any addresses known to RRT or it was determined that they were not engaged in activities and the majority of them were crossed out from the lists of postal service providers drawn up by RRT having determined that having informed of the start of the provision of the postal service, they have not started the performance of actual activity or terminated it.

6.5. Supervision of radio equipment and telecommunications terminal equipment market

RRT conducts ensurance and supervision of the compliance of radio equipment and telecommunications terminal equipment with mandatory requirements of the Technical Regulation of Radio Equipment and Telecommunications Terminal Equipment[15] (hereinafter – the **RTTE** Regulation). In the performance of supervision of the said equipment, RRT has been cooperating with the Customs Department.

[15] Technical Regulation of Radio Equipment and Telecommunications Terminal Equipment, establishing the conditions for free movement, placement on the market and use of radio equipment and telecommunications terminal equipment, as well as the essential requirements and obligations relating to the information on interface specifications, etc. The Regulation implements Directive 1999/5/EC of the European Parliament and the Council of 9 March 1999 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity (OJ 2004 special edition, section13, volume 23, p. 254) in Lithuania.

In 2014, data on 6 140 types of radio equipment and telecommunications terminal equipment imported from third countries were analysed (see Figure 18). It should be noted that mobile communications equipment (handsets and their parts) form the major part of imported equipment.

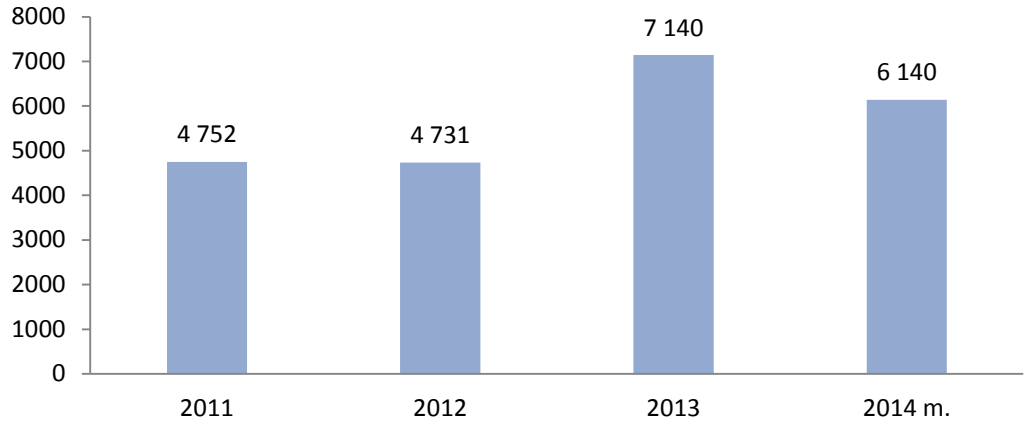


Figure 18. **Number of types of equipment imported from third countries in 2011–2014, pcs.**
Source: RRT

Compliance with administrative requirements of the RTTE Regulation

70 types of radio equipment and telecommunications terminal equipment were examined for compliance with **administrative** requirements of the RTTE Regulation (see Table 1) in 2014. 25 types of equipment did not comply with Regulation requirements, of which 8 types did not have the CE marking and declarations of conformity.

Table 1. **Results of the supervision of radio equipment and telecommunications terminal equipment market in 2012–2014**

Inspection results	Number in 2012	Number in 2013	Number in 2014
Total number of inspected equipment types	**125**	**77**	**70**
Non-compliant with the requirements	49	30	**25**
CE marking and declaration of conformity missing	6	9	8
Only declaration of conformity missing	19	18	17
Placement on the market suspended	13	9	8
Notification is obligatory	**44**	**35**	**30**
Notifications presented	18	30	30
Notifications not presented	26	5	3

Source: RRT

17 types of equipment did not have declarations of conformity. Importers delivered all declarations of conformity of all types of equipment. Placement of 3 types of equipment on the market without a prior notification to RRT in due time, as prescribed by the Regulation, was determined. All importers provided their notifications having been warned thereof.

Compliance with requirements of the RTTE Regulation by testing

35 pieces of equipment of 25 types were taken from the market for laboratory testing in 2014. Non-compliance of 15 types of equipment with the RTTE Regulation requirements was determined.

8 types of connection dampers were determined to be non-compliant with RTTE Regulation requirements, of which 6 units were confiscated in cooperation with the Economic Crime Investigation Service of Vilnius region: these were GSM, GPS, 3G and Wi-Fi connection dampers, the trade whereof is prohibited without a separate permit wherefor under laws of Lithuania. Having conducted an inspection in the RRT laboratory, all equipment was determined to interfere with GSM/UMTS, 3G, GSM/LTE, UMTS satellite radio navigation services and services provided in RLAN frequency ranges. A person having illegally supplied connection dampers to the Lithuanian market was imposed a monetary fine, while illegal equipment was destroyed.

Other devices, which were captured as non-compliant with the requirements included the following: GSM power amplifiers (deficiencies were eliminated by manufacturers themselves) of 5 types and 2 types of short range devices (remotely controlled toys), with regard whereto a dialogue with importers is taking place. The main non-compliance parameter is the fact that secondary radiation of the transmitter did not comply with requirements set in the standards. Having failed to eliminate the deficiencies, the placement of these devices on the market will be prohibited, informing the European Commission about that.

6.6. Compliance of equipment and devices with electromagnetic compatibility requirements

RRT conducts supervision of compliance of equipment and devices placed on the market of the Republic of Lithuania with requirements of the Technical Regulation of Electromagnetic Compatibility (hereinafter - the EMC Regulation).

In 2014, 30 types of equipment were inspected for the compliance with administrative (marking, declaration of conformity) EMC Regulation requirements (see Figure 19), of which 15 types of equipment were taken for laboratory tests. 6 types of equipment did not comply with the EMC Regulation requirements, which accounts for 40 percent of the inspected equipment. Such a large non-compliance percent comes as a result of a targeted selection of LED lighting fixtures and voltage converters in accordance with the EMC inspection programme.

Main reason for non-compliance with the EMC Regulation requirements was interferences in power access. The placement of all equipment non-compliant with the EMC Regulation requirements on the market was suspended until the elimination of all deficiencies.

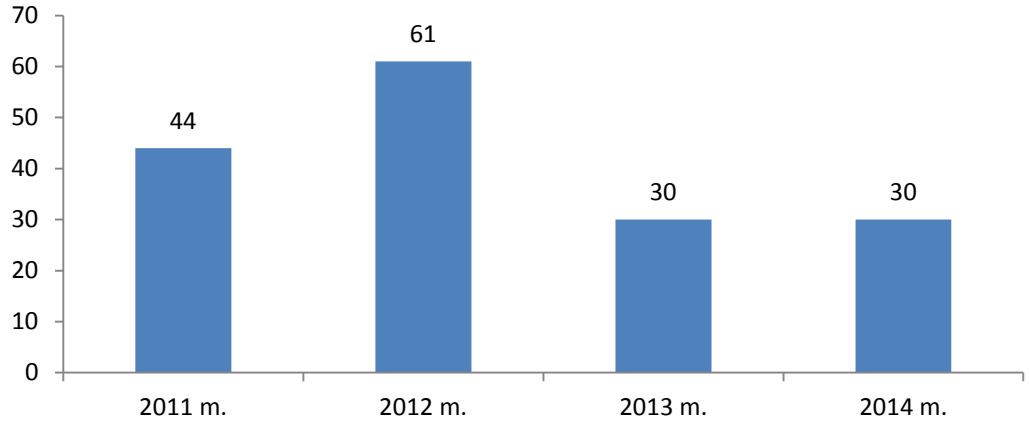


Figure 19. **Number of types of devices checked for compliance with administrative requirements of the EMC Regulation in 2011–2014.**
Source: RRT

6.7. Supervision of electronic signature

Since 2011, RRT has been authorized by the Government to conduct the functions of an electronic signature supervisory authority. The aim of the supervision of electronic signatures is to control the compliance of certification service providers with the set requirements at the same time seeking for conformity of electronic signature equipment in Lithuania and internationally, also for recognition of certification service providers operating in Lithuania at the international level.

There were three qualified certification service **providers** under the **supervision** of RRT in Lithuania in 2014: UAB Skaitmeninio sertifikavimo centras, state enterprise Centre of Registers and Residents' Register Service.

According to the data of certification service providers, there were 894 672 valid qualified certificates drawn up at the end of 2014. Compared to 2013 (when there were 997 919 qualified certificates), the number thereof decreased by 10.35 percent. This came as a result of a decreased number of valid qualified certificates issued by the Residents' Register Service entered in personal identity cards and certificates of civil servants - the number of qualified certificates, which expired, the validity whereof was suspended or terminated, exceeded the number of newly issued qualified certificates in 2014. The number of qualified certificates issued by other certification service providers increased.

Upon the **effective date of a new** version of the Description of the Procedure for the Provision of Time- Stamping Services **on 1 May 2014** (hereinafter - the Description), a possibility for including providers of time-stamping services, who are willing and comply with requirements of the Description, as well as services provided whereby in a trusted list of certification service providers drawn up, administered by RRT and published on the RRT website, emerged. After the evaluation of the submitted applications, time-stamping services provided by one service provider were included into the trusted list as meeting the requirements of the Description in 2014. Inclusion into the trusted list ensures that a greater number of users of time-stamping services will be informed about the services provided by a specific service provider and confidence in them.

RRT certification service provides information and methodological guidance to service providers on the termination of the provision of certification services, formation of time-stamping and issues related to the

trusted list. In 2014, a meeting was held with stakeholders and market participants for the discussion of issues related to the implementation of the Regulation of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ 2014, version 257, page 73) (hereinafter - eIDAS Regulation). In order to prepare for the implementation of the eIDAS Regulation, RRT analysed provisions of the eIDAS Regulation and related standards, was involved in the activities of working group of eIDAS experts and eIDAS Committee supervised by the Commission.

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7. PROTECTION OF CONSUMER RIGHTS AND LEGITIMATE INTERESTS

7.1. Measures for improvement of quality of consumer information and service

In 2014, as in 2013, the priority of RRT activities was protection of consumer rights and legitimate interests. RRT implemented the following measures:

- Better quality of consumer information and service was ensured by the free of charge helpline 8 800 20030, operating since 2013. 1,794 calls in total were received in 2014.

It should be noted that through the helpline **8 800 20030** RRT received and investigated 149 requests and complaints regarding the use of terrestrial digital television receiving equipment and the possibilities of receiving television programs in various geographical areas of the country.

- Information on the RRT's website was constantly updated and supplemented.
- 60 press releases (in 2013 – 58) and 37 news updates (in 2013 – 46) were published.
- The Frequently Asked Questions (FAQ) section of the RRT's website was supplemented with new questions and answers.

RRT, in order to inform users, to ensure better quality of electronic communications services and bigger and more transparent competition in the market, *ipso facto* indirectly promoting business self-regulation, created and in 2014 continued to administer the following websites:

www.skaičiuok.lt – This is a website for comparison of prices of telephone services, helping consumers to choose the service providers' offers which suit their needs best in terms of the most favourable prices of telephone communication services. Taking in consideration changes in the electronic communications market, when service providers are more and more frequently offering new payment plans to consumers, in 2014 RRT supplemented the price calculator database with new payment plans offered by service providers and with the reduced tariffs for international roaming services which changed as of 1 July 2014. Approximately 30,000 users visited the website in 2014 (in 2013 – 32,000).

www.elektroninisparasas.lt – It is the RRT's electronic signature remote training system. The remote training system gives exhaustive information about the electronic signature, areas of its use, enterprises issuing qualified certificates. There are detailed instructions with explanations how to sign with the electronic signature.

In 2014, additional information was provided on how to prepare a computer for work with electronic signatures, specifying the software tools required in order to sign an electronic document with a qualified certificate of a natural person, located on an USB cryptographic token, personal identity card or any other smart card.

On the website **www.matuok.lt** Internet users can themselves measure the speed of Internet services provided to them, by use of available hardware and software. Since the website's upgrade in 2012, it was visited by over 132 thousand users who performed more than 294 thousand Internet access speed measurements. The www.matuok.lt service was used most by the residents of Vilnius and Kaunas, users of the Internet access services provided by AB TEO LT and Lietuvos Radijo ir Televizijos Centras.

www.esaugumas.lt is a specialized RRT website where detailed information regarding security in cyberspace is provided. On this website people can find information about computer and mobile phone viruses, spyware, spam, learn about most frequent fraudulent activities on the Internet, gaps in security. The website gives recommendations and advice on how to avoid possible incidents, provides the main rules for safe use of e-banking services, advice how to choose passwords, etc.

The website **www.cert.lt** contains advice on how to behave in case of an electronic communications network and information security incident, provides the relevant information and legal acts pertaining to electronic communications networks and information security as well as the statistics of incidents. In addition, users, by filling in a special form at www.cert.lt/pranesti.html, can report malware, DoS attacks, unauthorised access, and electronic data manipulations.

RRT has been administering the website **www.e-infrastruktura.lt** for the third year. It is a common project of RRT and Lithuanian municipalities. On this website, undertakings designing, providing and/or planning to provide electronic communication networks and/or services may access spatial data systems of the infrastructure administered by municipalities. Information about engineering lines (communication cable ducts) is stored in these systems.

In 2014 Panevėžys city municipality also joined the infrastructure spatial data system of RRT, Vilnius, Klaipėda and Kaunas city municipalities.

In 2014, RRT provided recommendations for the website **www.draugiskasinternetas.lt** (this website is administered by the Centre of Information Technologies in Education), advice for children and parents on harmful content on the Internet. By filling in a special report form at http://www.draugiskasinternetas.lt/lt/main/report, Internet users can report illegal or harmful content on the Internet, i.e. pornography, sexual abuse of children, incitement of racial or ethnic hatred, as well as violence or other

information having a negative impact on minors.

7.2. Electronic communications sector

7.2.1. Supervision of the universal electronic communications services

As established in the Rules for Provision of Universal Electronic Communications Services (hereinafter referred to as the Rules)[16], provision of universal services must be ensured to all the electronic communications service (hereinafter referred to as Services) users on the entire territory of the Republic of Lithuania.

TEO LT, AB is identified as an undertaking having significant power on the market of public fixed telephone communication networks and services and is obliged to provide the universal services[17].

The provider of universal services must ensure that one is able to send and receive local, national long-distance and international telephone calls, fax messages and data over a public communications network, provided at a fixed location at the capacity, able to ensure an efficient Internet access taking into consideration the technologies, used by the majority of subscribers, and the technological possibilities and ensure no less than 144 kbps upstream and downstream speed rate.

In observance of the Rules, in 2014 RRT announced a public proposal for service providers to express their wish to provide universal services; however, none of them expressed a wish to provide universal services without any compensation.

In 2014, there were no breaches of the requirements set in the Rules (including the requirements for the price cap set for the universal electronic communications services) by TEO LT, AB, the provider of universal services.

In 2014 RRT announced a Report on the Provision of Universal Electronic Communications Services and the Price Changes Observed in 2013. The changes which occurred in the provision of universal electronic communications services and prices in 2014 are to be published by 1 May 2015.

By commission of RRT, in 2014 a representative survey of residents of the Republic of Lithuania was performed for the purpose of establishing the needs of the users of universal electronic communications services. The main results of the survey are the following:

- Almost a third (30 per cent) of the survey participants stated that at home they used the public fixed telephone communication services provided by TEO LT, AB (in 2012 – 33 per cent, 2011 – 36 per cent). The majority of respondents (73 per cent) stated that the services were satisfactory.
- Half (50 per cent) of fixed telephone communication service users stated that they also used the Internet over communication lines of TEO LT, AB (in 2012 – 48 per cent, 2011 – 53 per cent).
- 31 per cent of respondents, who used the Internet over a fixed telephone line, stated that the Internet data upstream and downstream speed rate was up to 10 Mbps: 7 per cent – up to 144 Kbps, 3 per cent – from 144 Kbps up to 512 Kbps, 8 per cent – from 512 Kbps up to 2 Mbps, 13 per cent – from 2 Mbps up to 10 Mbps. 26 per cent of respondents stated they had the possibility to access the

[16] The Rules for Provision of Universal Electronic Communications Services were approved by the Order No. 1V-889 of the Director of RRT of 20 September 2011

[17] Connection to a public communications network provided at a fixed location and public telecommunication services; public telecommunication services provided by public payphones; services of information provision about the subscribers to public telecommunication services; possibility for the persons with disability or special needs to use electronic communication services.

Internet at the speed rate over 10 Mbps. About half (45 per cent) of the surveyed respondents could not indicate the Internet speed rate.

To summarize the results of the survey, the conclusion can be made that in 2013 universal electronic communications services were accessible to consumers and satisfied their needs, and public telephone communication services, provided at a fixed location, were provided on the entire territory of the Republic of Lithuania.

7.2.2. The quality of public fixed telephone communication services

The indicators of the quality of services do not exceed the threshold values imposed on providers of universal services.

Executing the monitoring of provision of universal electronic communications services and compliance with the obligations to provide universal electronic communications services, during the second to fourth quarter of 2014 RRT performed control measurements of the quality indicators of public fixed telephone communication services in the networks of the provider obligated to provide universal services.

In the second quarter of 2014 RRT performed more than 19 thousand test calls in the fixed telephone communication network of **TEO LT, AB**. The unsuccessful national call ratio (0.47 per cent) and the average national setup time (0.40 s) did not exceed the threshold values of service quality indicators imposed on providers of universal services (no more than 5 per cent and no more than 10 s).

In the fourth quarter of 2013 RRT performed more than 18 thousand test calls in the fixed telephone communication network of **TEO LT, AB**. The measured unsuccessful national call ratio (0.52 per cent) and average national setup time (0.40 s) values also did not exceed the threshold values imposed on providers of universal services.

It was established that other service quality indicators declared by **TEO LT, AB during the second to fourth quarter of 2014** also did not exceed the threshold values imposed on providers of universal services.

7.2.3. The quality of wireless Internet access services

More than 34 thousand data transmission tests were executed

In 2014 RRT continued the monitoring of the quality of wireless Internet access services. The developed wireless Internet access monitoring system provides operators with information about the quality of their services, and service users can themselves at any time evaluate and compare the quality of Internet access services provided by different operators.

During 2014, more than 34 thousand tests of the quality of data transmission[18] (in the networks of the operators AB Lietuvos Radijo ir Televizijos Centras, Bitė Lietuva UAB, Omnitel UAB and Tele2 UAB) were

[18] The results of the measurements can be found on the RRT's website at http://epaslaugos.rrt.lt/matavimai.

executed in various cities and towns of Lithuania. The measuring equipment was placed in the selected divisions of Lietuvos Paštas AB on the entire territory of Lithuania.

Figures 20 and 21 show the values of the Internet access quality indicators – the average data receipt speed rate and the average browsing speed rate – collected through the monitoring system in 2014.

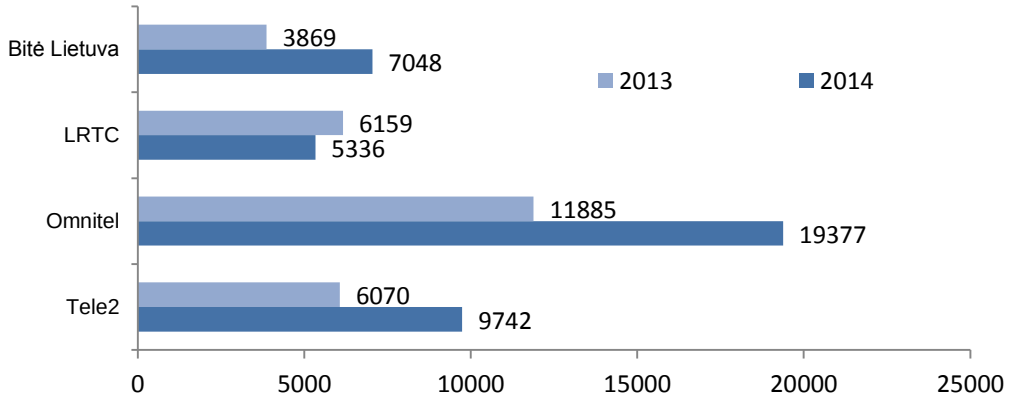

Figure 20. **The average data receipt speed rate in 2013 and 2014, kbps**
Source: RRT

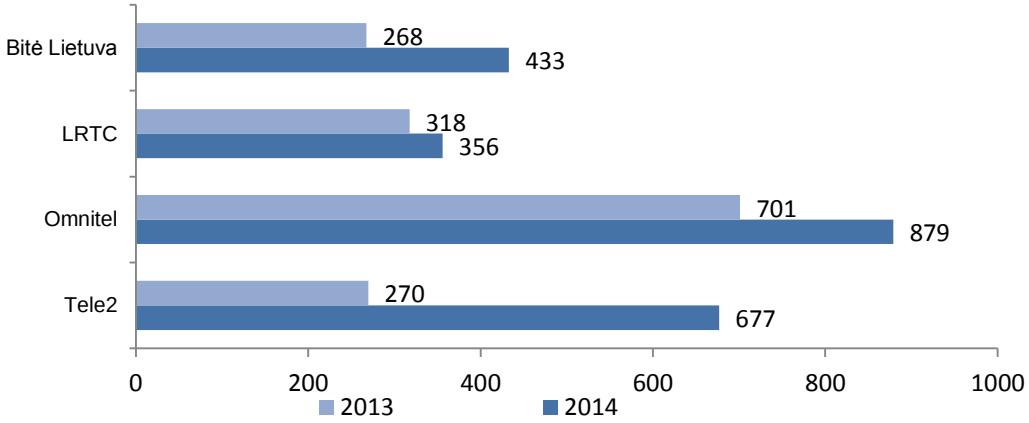

Figure 21. **The average browsing speed rate in 2013 and 2014, kbps**
Source: RRT

7.2.4. The quality of public mobile telephone communication services

2,300 test voice telephony calls were made and 2,100 SMS text messages were sent

During 2014, measurements of the quality indicators of voice telephony and SMS services were assessed in the networks of public mobile telephone communication operators. In 2014, more than 2,300 voice telephony (VT) calls were made and more than 2,100 SMS text messages were sent by using mobile telephone communication services provided by Bitė Lietuva UAB, Omnitel UAB and Tele2 UAB.

Figures 22, 23 and 24 show the comparison of the quality indicators (VT call setup time, VT voice transmission quality, and SMS delivery time) with the results registered last year[19].

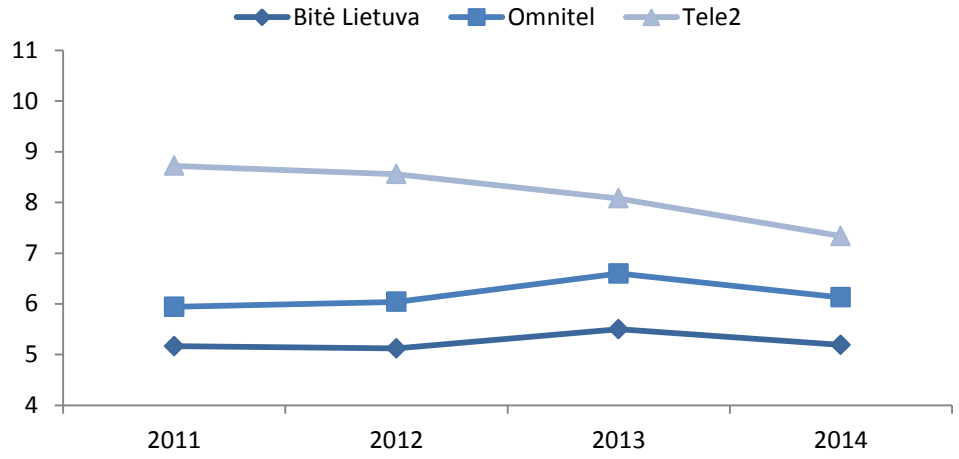

Figure 22. **Comparison of the average values of VT call setup time in 2011–2014, s**
Source: RRT

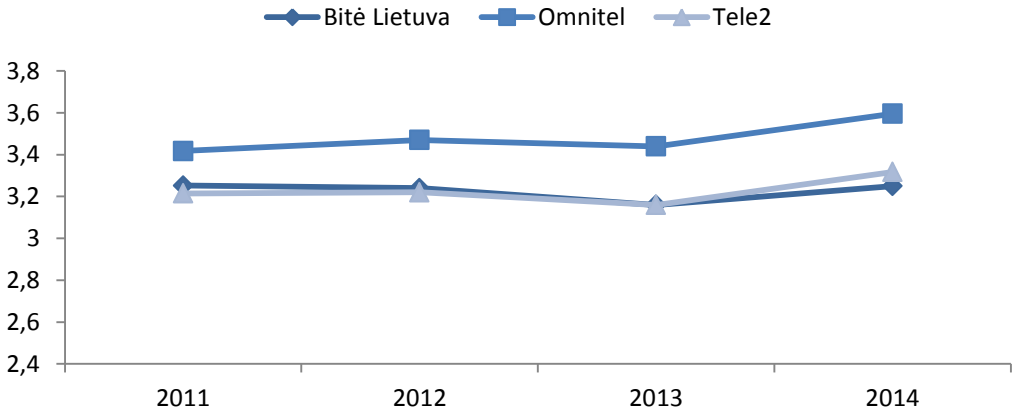

Figure 23. **Comparison of the average values of VT voice transmission quality in 2011–2014, MOS-LQO score**
Source: RRT
Note: The higher the MOS-LQO score, the better the voice transmission quality. The highest value of voice transmission quality, registered during a test call in 2014 was 3.84 MOS-LQO. The measurements did not use any such terminal equipment that would support high-definition voice transmission technology (HD Voice).

[19] The quality indicators of public mobile telephone communication services were measured in accordance with the technical specifications ETSI TS 102 250-2 V1.6.2 (2008-09) of the European Telecommunications Standards Institute (ETSI) and the Methodology for Measurement of the Indicators of Quality of Public Mobile Telephone Communication Services, approved by Order No. 1V-260 of the Director of RRT of 3 March 2009.

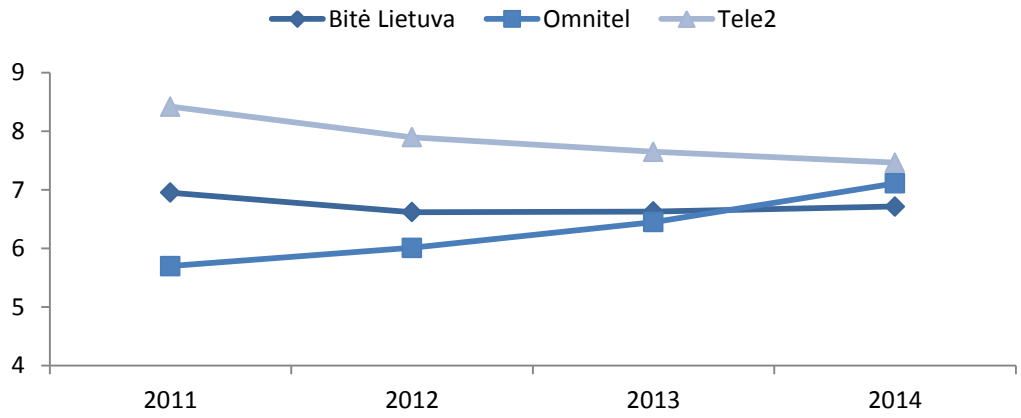

Figure 24. **Comparison of the average values of SMS delivery time in 2011–2014, s**
Source: RRT

7.2.5. Cable television networks

20 examinations of the technical parameters of CTV networks were performed

In order to ensure that the users of the services, provided over cable television (hereinafter referred to as CTV) networks, receive high quality services, RRT performs planned examinations of the technical parameters of CTV networks, which show whether the main technical parameters of CTV networks, determining the quality of radio and television signal transmission, are compliant with the mandatory requirements, provided in the Specification of the Requirements for Technical Parameters of Radio and Television Signals in Wire Distribution Networks (hereinafter referred to as the Specification).

In 2014 RRT performed 20 examinations of technical parameters of CTV networks (in 2013 – 20). **Two** technical parameters of radio and television signals in wire distribution networks of the examined CTV networks **were found failing to comply with the mandatory requirements, provided in the Specification**.

When investigating the complaints received from users of CTV network services, the main technical parameters of 2 CTV networks were examined. During the investigation, the technical parameters of all of the examined CTV networks were found compliant with the mandatory requirements, provided in the Specification.

7.2.6. Investigation of end users' requests (complaints) and disputes

RRT investigates requests, complaints and disputes between the end service users and providers of electronic communications services.

If the consumer requests RRT, within the limits of its competence, to help clarify the situation, to provide information about consumer rights and other issues, RRT investigates such application as **a request (complaint)**[20].

[20] **The request** shall be examined in accordance with the Rules for Examination of Applications Submitted by Individuals and Services Provided to Them in Public Administration Institutions, Agencies and Other Public Administration Entities approved by **Resolution** No. 875 of the Government of the Republic of Lithuania of 22 August 2007 "On the Approval of the Rules for Examination of Applications

If the consumer complains of the specific act/omission or decision of a person or undertaking, and also has sufficient evidence that the consumer rights and interests protected by laws have been violated, asks to protect his/her violated rights or legitimate interests, and requests a binding decision, RRT investigates such request as **a dispute**[21].

If the consumer wishes to receive RRT's official position, he/she must apply to RRT in writing.

Investigation of end service users' requests (complaints)

In 2014 RRT investigated 245 requests and complaints from end service users regarding the acts or omissions of electronic communication service providers and answered them in accordance with the established procedure[22].

The majority of requests (223 requests) came from natural persons – consumers, using electronic communications services for personal, family or household needs. Investigation of 14 complaints, received in 2014, is continued in 2015 (this is not reflected in the statistics).

The distribution of the requests and complaints, received and investigated by RRT in 2014, by the reasons for requests and complaints of end service users and RRT decisions is shown in Table 2.

Table 2. **The reasons for requests and complaints of end service users and RRT decisions**

Requests and complaints from natural persons (consumers)	2014	Requests and complaints from legal persons	2014
Number of received requests and complaints in total:	223	Number of received requests and complaints in total:	22
The reasons for requests and complaints:		**The reasons for requests and complaints:**	
With regard to quality of services	30	With regard to quality of services	1
With regard to prices and tariffs	58	With regard to prices and tariffs	4
With regard to issuance of VAT invoices and billing	22	With regard to billing	2
With regard to agreements	31	With regard to agreements	2
With regard to other issues	74	With regard to other issues	13
With regard to service credit limits	8		
Decisions:		**Decisions:**	
Peacefully settled disputes	61	Peacefully settled disputes	4
Answered according to the procedure, established by the legal acts, or forwarded to other institutions for investigation within their competence	162	Answered according to the procedure, established by the legal acts, or forwarded to other institutions for investigation within their competence	18

Source: RRT

Submitted by Individuals and Services Provided to Them in Public Administration Institutions, Agencies and Other Public Administration Entities".

[21] **The dispute** shall be examined in accordance with the Rules for Investigation of Disputes between the End Service Users and Providers of Electronic Communications Services and Disputes between the Providers and Users of Postal and/or Courier Services approved by Order No. 1V-1015 of the Director of RRT of 21 October 2011 "On the Approval of the Rules for Investigation of Disputes between the End Service Users and Providers of Electronic Communications Services and Disputes between the Providers and Users of Postal and/or Courier Services".

[25] In accordance with the procedure established by the Rules for Examination of Applications Submitted by Individuals and Services Provided to Them in Public Administration Institutions, Agencies and Other Public Administration Entities.

The majority of requests and complaints received in 2014 were with regard to the prices and tariffs of electronic communications services (62) and the performance of agreements with providers of electronic communications services (33) (the terms and conditions of agreements and the termination of agreements prior to the expiry of the minimum period of use of electronic communications services, stipulated in such agreements).

Service users also frequently applied to RRT with regard to inappropriate informing of the terms and conditions and agreements for provision of selected electronic communication services, inadequate quality of mobile Internet access services (64) and other issues relating to the quality of services and the terms and conditions of agreements.

In 2014 RRT received no complaints with regard to changing the service provider and (or) improperly performed portability of telephone numbers.

It should be noted that a large portion of the complaints were related to data transmission (mobile Internet) services. In most cases, users disputed the amounts of data specified in invoices for the relevant services, i.e. they stated that they had not transmitted/received as much data as specified in invoices, or complained that the recorded data amounts exceeded the data amounts agreed in the payment plans with service providers, due to which the users had to pay extra.

In 2014 RRT provided replies to more than **400 inquiries from service users received by email**, most of which were with regard to the terms and conditions of agreements of electronic communications service providers and the prices and tariffs established. Also, RRT answered approximately **900 calls received to the helpline**.

RRT seeks that the procedures laid down in in the Rules for Provision of Electronic Communications Services are complied with as consistently as possible; therefore it cooperates with providers of electronic communications services. In 2014 RRT provided them, according to their needs, with methodological guidance with regard to issuance of invoices, application of credit limits, unilateral amendment of the maturity terms of agreements, roaming on ships, and provision of information on roaming tariffs.

Resolution of end service users' disputes

In 2014 RRT received **166 requests to resolve disputes** (also completed examination of 26 requests to resolve disputes that were received in 2013). Most of the requests were submitted by natural persons – consumers, using electronic communications services for personal, family or household needs.

The legal acts provide that RRT shall resolve a dispute within 20 working days. Pursuant to principle of concentration of proceedings, it is attempted to resolve each dispute as soon as possible (the average dispute resolution term in 2014 was 18.7 working days). Although RRT is entitled, for objective reasons, to extend the term of the dispute resolution, this right was exercised only in exceptional cases, such as the need to request additional information not only from the parties to the dispute, but also from national regulatory authorities of other countries, etc.

It can be seen from the statistical data below (Figure 25) that most of the disputes were settled peacefully, i.e. after the service provider recognized the end service user's claim or offered a peaceful solution to the dispute, the end service user either agreed with the service provider or did not express disagreement with such solution to the dispute. In 6 cases, disputes were left uninvestigated because of the

applicants' failure to eliminate deficiencies in their requests or refusal to accept their requests (repeatedly applied to RRT requesting to investigate disputes, etc.).

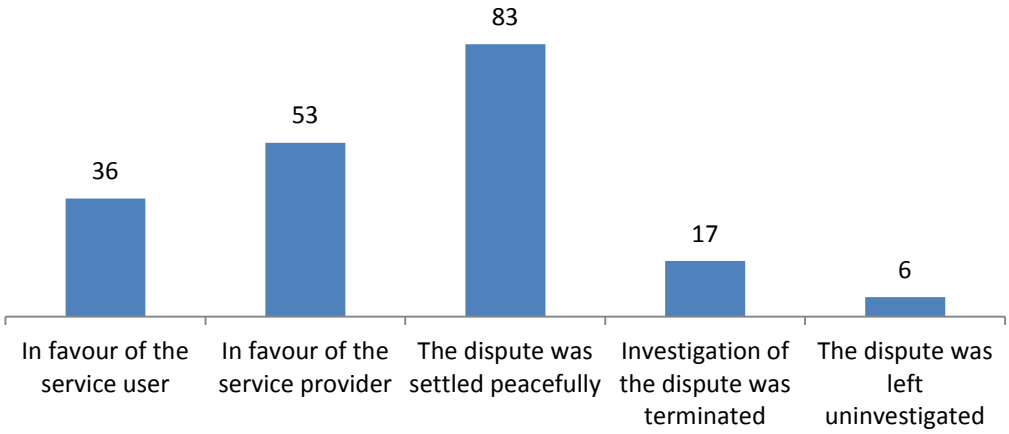

Figure 25. **RRT decisions with regard to the disputes investigated in 2014**
Source: RRT
Note: RRT has adopted complex decisions, so the number of decisions may be at variance with the number of received requests to resolve disputes. Investigation of 4 requests to resolve disputes, received in 2014, is continued in 2015, therefore they are not reflected in the statistics in terms of decisions taken in their respect.

In terms of the types of electronic communications services, in 2014, as in the previous year, end service users applied to RRT, as a pre-trial dispute settlement authority, predominantly (71 per cent) with regard to telephone communication services (Figure 26).

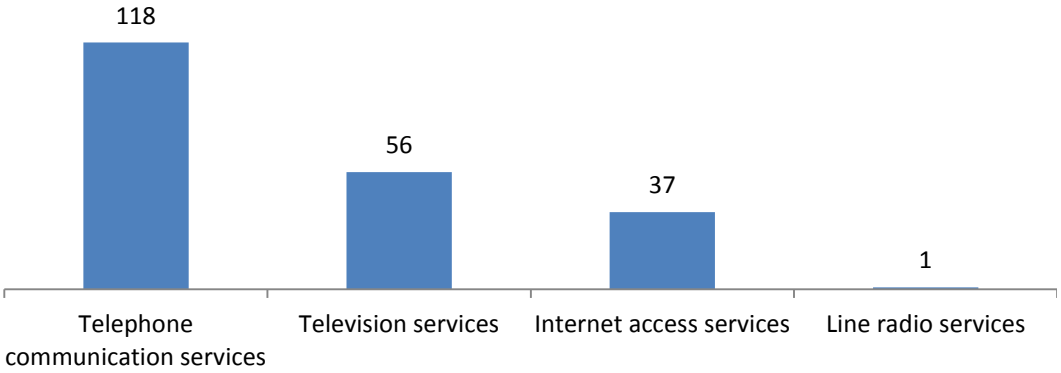

Figure 26. **The distribution of the requests to resolve disputes, received and investigated by RRT in 2014, by type of services**
Source: RRT
Note: RRT received requests with regard to several electronic communications services, therefore their number may be at variance with the number of received requests to resolve disputes.

In 2014, most (53 per cent) of the requests to resolve disputes were related to the accuracy, validity and (or) increasing of fees specified in invoices, the disputed quantity of services provided or fees charged for them, etc. The issue of termination of the agreement prior to the expiry of the minimum period of use of electronic communications services, stipulated in the agreement and, consequently, the penalties charged by the provider of electronic communications services (about 40 per cent) also remained relevant. More detailed statistical data are presented below (Figure 27).

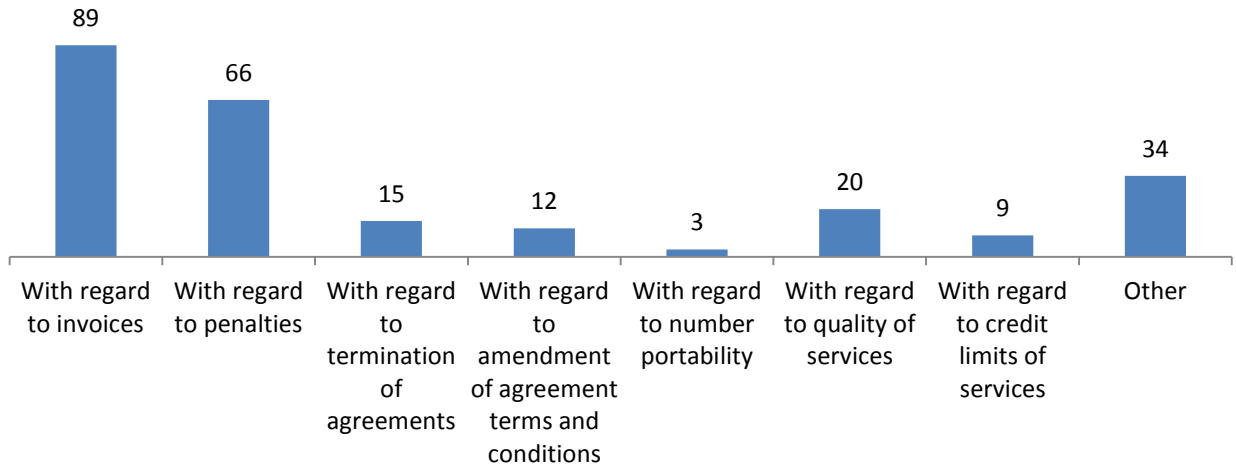

Figure 27. **The nature (the reasons for applying) of the disputes investigated by RRT in 2014**
Source: RRT
Note: RRT received requests with regard to several reasons, therefore their number may be at variance with the number of received requests to resolve disputes.

In order to encourage providers of electronic communications services to improve the quality of electronic communications services provided to consumers, RRT repeatedly provided methodological assistance in writing to electronic communication service providers, as well as cooperated with other institutions (for example, the State Consumer Rights Protection Authority) in the field of protection of consumer rights.

In order to raise public awareness of the out-of-court resolution of disputes between electronic communications service users and service providers executed by RRT and to encourage service users to defend their rights by such means, RRT prepared and distributed a leaflet **"Know your rights! Out-of-court resolution of disputes in the field of electronic communications"**, as well as published information on consumer rights, alternative means for dispute resolution, information on other issues relevant to consumers on the website of RRT.

7.3. Postal sector

Following the entry into force of the Law, Amending the Postal Law of the Republic of Lithuania, whereby the postal market was completely liberalised, as of 1 January 2013, an important field of RRT's activities in 2014 was encouragement of transparent and effective competition in the postal services market, forming the postal services market regulation practices under the liberal market conditions, in order to ensure provision of good quality postal services to users for an affordable price and protection of users' interests and rights.

Postal services are one of the oldest and most widespread means of communication; however, they are also one of the most rapidly and extensively changing services. Electronic commerce increasingly becomes the focus of attention. The popularity of user-friendly parcel self-service terminals is growing. Recently there has been a rapid growth in the volumes of e-commerce both domestically and internationally, which is directly related to the postal sector. It is likely that this trend will continue in the future, which will allow the postal sector to develop evenly. At the same time, uninterrupted provision of universal postal

services[23] (hereinafter – UPS) to all domestic users of postal services on the same conditions remains one of the most important objectives of the legal regulation of the EU and Lithuanian postal sector.

After RRT was assigned to perform a new function of approving tariff ceilings for UPS, which was previously performed by the Government of the Republic of Lithuania, in 2014 tariff ceilings for UPS were reviewed. By Order No. 1V-102 of the Director of RRT of 29 July 2014 "On the Approval of Tariff Ceilings of Universal Postal Service", **new tariff ceilings for UPS were approved**. The new tariff ceilings were established by taking into account not only the weight steps of postal items, but also the dimensions of letter-post items. The new tariffs for UPS entered into force as of 1 August 2014.

Upon receipt by RRT of an application from Lietuvos Paštas AB regarding compensation of the loss-making service of delivery of periodical publications to subscribers in rural areas for 2013 and the first half of 2014, RRT **submitted its conclusions** to the Ministry of Transport and Communications of the Republic of Lithuania **regarding** the legitimacy and conformity of the losses of **the loss-making service of delivery of periodical publications provided by Lietuvos Paštas AB** with the requirements set forth in the Rules on Cost Accounting of the Provider of Universal Postal Services approved by Order No. 1V-55 of the Director of RRT of 11 January 2013.

On 4th November 2014 RRT organized the meeting/discussion about the Perspectives of Universal Postal Service Obligation with postal market players and other stakeholders. The meeting was focused on UPS implementation issues, such as changing the scope of the UPS obligation, distortion of competition and market entry barriers for postal service providers, UPS provider's appointment and financing mechanisms, possible amendments to the Postal Directive requirements regarding UPS that would better ensure the accessibility of postal services to different user groups. Topical issues relating to effects of changes in the postal market on the scope of UPS were discussed with postal service providers. During the meeting/discussion, opinion of postal market players and stakeholders was heard on the UPS obligation issues which had been initiated by the European Regulators Group for Postal Services (ERGP) after publishing the Discussion Paper on the Implementation of Universal Service in the Postal Sector and the Effects of Recent Changes in Some Countries on the Scope of the USO for international public consultation. RRT published the above document on its website for public consultation and invited the postal sector stakeholders (representatives of consumer associations, postal business associations, trade unions, and e-shops) to take active participation in the workshop on the subject, to be held in November 2014 in Bucharest, Romania.

By commission of RRT, during the period from 15 October to 15 November 2014 a representative survey of residents of the Republic of Lithuania was performed for the purpose of establishing the needs of UPS users and to assess the quality and accessibility of UPS in urban and rural areas. 601 respondents (301 urban and 300 rural users of the services of Lietuvos Paštas AB) were questioned during the survey. The survey was conducted by public opinion and market research company Spinter Tyrimai (Spinter Research). According to the data of the survey, the quality of the services provided by Lietuvos Paštas AB according to different parameters was positively assessed by from 75 per cent to 87 per cent of the survey participants. Half (50 per cent) of the users of postal services indicated that they used the services of

[23] After liberalisation of the postal market, the obligation on a UPS provider to ensure uninterrupted provision of UPS on the territory of the Republic of Lithuania not less than five working days a week and ensure provision of UPP at least once a day, five days a week on equal terms for all users in the country. Lietuvos Paštas AB is obligated to provide UPS until 31 December 2019 and is responsible for quality provision of UPS in accordance with the procedure laid down in the Postal Law.

Lietuvos Paštas AB once a month. About one-fifth (19 per cent) of the respondents indicated that they used the services more often, and 31 per cent of the respondents indicated that they used the services less often. The survey revealed that the services of the UPS provider most frequently used by Lithuanian residents were sending / receiving of letter-post items (63 per cent), sending / receiving of registered letter-post items (52 per cent), and sending / receiving of postal parcels within Lithuania (50 per cent). The less frequently used services were the following: sending / receiving of postal parcels to / from foreign countries (37 per cent), sending / receiving of letter-post items to / from foreign countries (34 per cent), and courier services (33 per cent). The least often used service was sending / receiving of insured letter-post items (6 per cent).

7.3.1. Quality control of universal postal services

Lietuvos Paštas AB, the provider of UPS, is obliged to implement Standard LST EN 13850 "Postal Services. Quality of Services. Measurement of the transit time of end-to-end services for single piece priority mail and first class mail"[24]. An independent internal monitoring of the transit time of end-to-end services for ordinary priority mail items carried out in 2014, during which 6,600 test letter-post items were sent, revealed that 85.40 per cent (in 2013 – 90.03 per cent) of priority letter-post items were delivered on the business day following the dispatch (D+1) and on the third business day following the dispatch (D+3) – 98.40 per cent (in 2013 – 99.56 per cent) of priority letter-post items (see Table 3). These indicators are better than those in the requirements for quality of UPS, established by the Ministry of Transport and Communications of the Republic of Lithuania, i.e. **85 per cent** of priority letter-post items must be delivered on the business day following the dispatch (**D+1**) and **97 per cent** – **D+3**.

Table 3. **Results of measurement of the transit time of end-to-end services for priority letter-post items, qualitative indicators (per cent) in Lithuania in 2012–2014**

Year	D+1	D+2	D+3
2012	**85.86**	98.05	**99.71**
2013	**90.03**	98.10	**99.56**
2014	**85.40**	96.20	**98.40**

Source: Europos Tyrimai UAB (2012) and Spinter Tyrimai UAB (2013 and 2014)
Note: D is the date of the acceptance of the postal item for sending.

According to the Postal Law, RRT shall supervise how a UPS provider organises a monitoring of the quality of UPS. In 2014 RRT had a meeting with the representatives of Lietuvos Paštas AB and Spinter Tyrimai UAB during which the issues, related to the implementation of Standard LST EN 13850:2013 "Postal Services. Quality of Services. Measurement of the transit time of end-to-end services for single piece priority mail and first class mail", adopted by the European Committee for Standardization and transposed by the Lithuanian Standards Board, were discussed. Lietuvos Paštas AB was given comments regarding the requirements provided for in Standard LST EN 13850:2013 related to the confidentiality of the data of monitoring participants and submission of reports to RRT.

According to the data of the representative survey of residents of Lithuania conducted in 2014 by commission of RRT, the country's residents quite positively assess the quality of the universal postal

[24] Order No. 3-128 of the Minister of Transport and Communications of the Republic of Lithuania of 28 February 2013 "On the Approval of the Description of the Requirements for Quality of Universal Postal Services"

services provided by the UPS provider according to all analysed parameters, i.e. the speed of delivery, quality, condition of received postal items, and availability of information about services provided – the share of positive answers ("Strongly agree" and "More agree than disagree") ranges from 75 per cent to 87 per cent. However, 12 per cent of the survey participants indicated that letter-post items and postal parcels had been delivered damaged, 14 per cent stated that the items contained in them had been lost, and 19.5 per cent could not agree with the statement that letter-post items and postal parcels were delivered quickly.

7.3.2. Investigation of user complaints

In 2014, RRT received and investigated 58 requests or complaints of users of postal services, 34 of them with regard to provision of UPS and 24 – with regard to the services provided by other postal service providers. Compared to 2013, the number of requests or complaints received by RRT regarding provision of UPS decreased by 1.5 times, while the number of requests or complaints regarding the services provided by other postal service providers decreased by 1.2 per cent (see Table 4).

In total, RRT replied to 134 inquiries received by e-mail, and to 92 – by telephone. A total of 19 complaints were investigated in accordance with the pre-trial dispute resolution procedure. The majority of users of postal services applied to RRT regarding the loss of, damage to, or delayed delivery of postal items.

Table 4. **Complaints of users of postal services, received and investigated by RRT, and the decisions of RRT in 2011–2014**

Complaints	2011	2012	2013	2014
Complaints with regard to the provision of postal services:	**28**	**30**	**29**	24
Resolution of the dispute in favour of service users or a good-will way for resolution of the dispute	6	6	9	4
Answered according to the procedure prescribed by legal acts, providing explanations	19	22	22	14
Unsubstantiated	3	2	1	6
Complaints with regard to provision of universal postal services:	**48**	**26**	**53**	34
Resolution of the dispute in favour of service users or a good-will way for resolution of the dispute	4	2	8	4
Answered according to the procedure prescribed by legal acts, providing explanations	36	7	31	25
Unsubstantiated	0	2	4	5

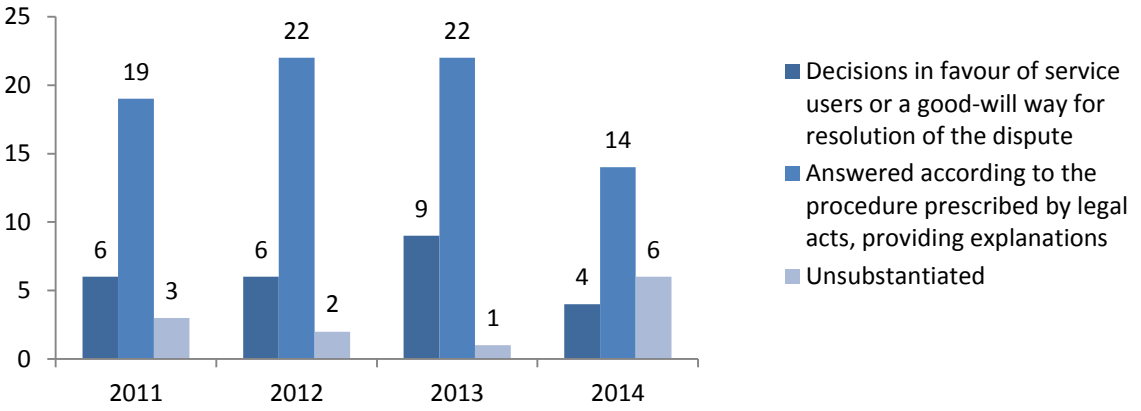

Figure 28. **Dynamics of the number of complaints of users of postal services investigated by RRT in 2011–2014, units**

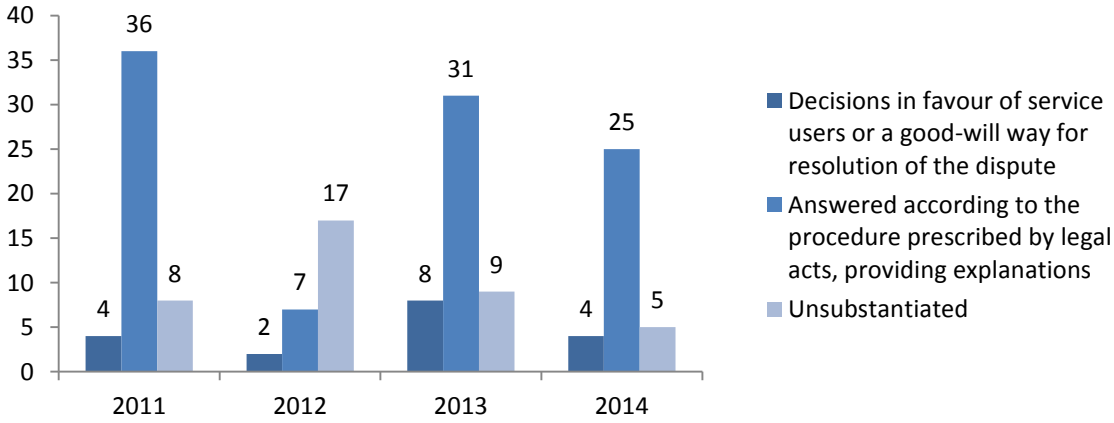

Figure 29. **Dynamics of the number of complaints of users of universal postal services investigated by RRT in 2011–2014, units**
Source: RRT

7.4. Protection of consumer rights and legitimate interests in the equipment sector

7.4.1. The activities of RRT in ensuring free movement and provision of equipment to the EU market

Conformity assessment of radio and telecommunications terminal equipment (RTTE)

RRT has contracts with suppliers, who regularly provide products for laboratory testing (before placing a new product on the market, it is obligatory to assess its conformity with the essential requirements[25] of Directive 2014/30/EU of the European Parliament and of the Council). Under the contracts with suppliers, **29 units of radiocommunication equipment of 24 types** were received for testing. Tests were performed and

[25] Equipment shall be so designed and manufactured, having regard to the state of the art, as to ensure that:
(a) the electromagnetic disturbance generated does not exceed the level above which radio and telecommunications equipment or other equipment cannot operate as intended;
(b) it has a level of immunity to the electromagnetic disturbance to be expected in its intended use which allows it to operate without unacceptable degradation of its intended use.

24 test records were prepared. 6 types of equipment were found non-compliant with the requirements of the RTTE Regulation.

At the requests of other institutions to perform expert examination of radiocommunication equipment, RRT examined the technical parameters of 39 units of equipment and prepared 39 records of testing of the main parameters of electronic communications, as well as provided written answers to the questions asked by the applicants in relation to the equipment provided.

In the first to second quarter of 2014, RRT participated in the sixth radio equipment market surveillance campaign of the ADCO group (Group of Administrative Co-operation under R&TTE Directive) carried out in the EU Member States. During the campaign, conformity assessment of 5 types of GSM communication amplifiers with the requirements of the relevant standards was performed. All information was provided to the coordinator of the ADCO group's campaign.

Compliance of equipment and devices with electromagnetic compatibility (EMC) requirements

In 2014 the accredited Equipment and Devices EMC Control Division of RRT tested compliance of **113 new devices (98 types)** and vehicles, supplied to the market by suppliers, with the essential requirements for electromagnetic compatibility according to EU Directive 2004/108/EC (Electromagnetic Compatibility (EMC)) and 93/42/EEC (Medical devices) and the United Nations Regulation No. 10 concerning the approval of vehicles with regard to electromagnetic compatibility. When assessing compliance of electric and electronic devices and vehicles supplied to the EU market with the harmonised standards, a total of 602 electromagnetic compatibility tests were performed (of which 320 – disturbance radiation tests, 282 – disturbance resistance tests). 138 test records were issued, of which 37 per cent stated non-compliance with the EU requirements for electromagnetic compatibility, thus the entry of such products, failing to comply with the harmonised standards, into the EU market was prevented.

In cooperation with the State Road Transport Inspectorate (hereinafter referred to as the SRTI), electromagnetic compatibility tests and verifications of conformity to type were performed on vehicles and their component parts. In 2014, 9 electromagnetic compatibility tests on vehicles were performed.

According to the concluded long-term bilateral agreements, RRT cooperated with certification centers, equipment manufacturers and performed compatibility tests on the equipment supplied by them:

- certification center Sertika – compatibility evaluation of medical devices;
- Certification Center for Electrical Appliances EGSC – evaluation of electromagnetic compatibility of electrotechnical equipment;
- cooperation with electric and electronic equipment manufacturers Snaige AB, Elgama-Elektronika UAB.

It should be noted that the scope of accreditation of the accredited Equipment and Devices EMC Control Division of RRT is the largest among all accredited conformity assessment institutions in Lithuania – in 2014 it included 169 national, regional and international electromagnetic compatibility standards, and the controlled radio frequency band was from 0 to 40 GHz.

Due to the broad scope of accredited electromagnetic compatibility tests and the unique technical base used for testing, practically all of the country's manufacturers and importers of electric and electronic devices as well as vehicles could check compliance of their new products with the EU mandatory

requirements for electromagnetic compatibility prior to placing them on the market. Figure 30 shows distribution of perfomed tests by groups of electric and electronic products.

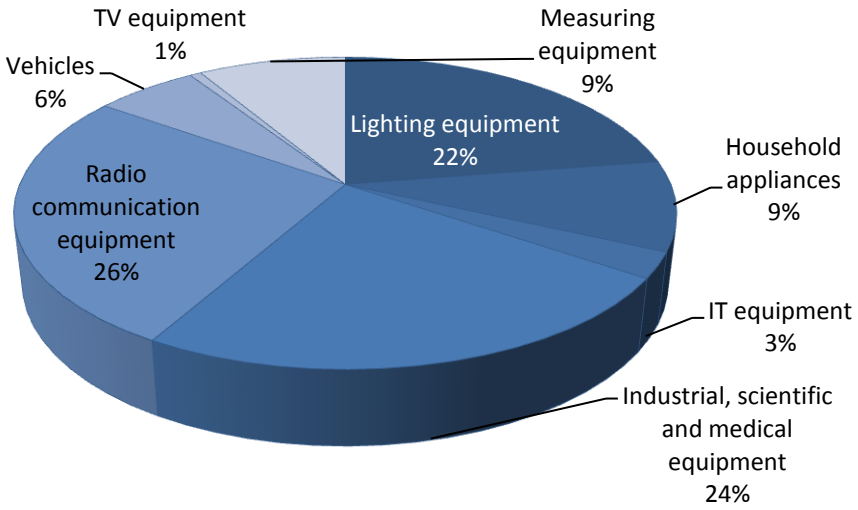

Figure 30. **Equipment, tested according to electromagnetic compatibility requirements in 2014, by groups of equipment, units**
Source: RRT

7.4.2. Elimination of radio interference

In order to ensure electromagnetic compatibility of equipment radiating and receiving radio waves, avoid inconvenience to customers caused by radio interference or disruptions of the operation of radio communication systems, in 2014, as before, the detection and elimination of radio interference was an important part of RRT's activities.

During 2014, RRT received and examined 189 requests and notifications from natural and legal persons regarding radio interference (Figure 31). 77 cases of radio interference investigation were successfully completed and the reasons were detected and eliminated. In 61 cases, radio interference disappeared prior to identifying their source. 51 complaints were unsubstantiated.

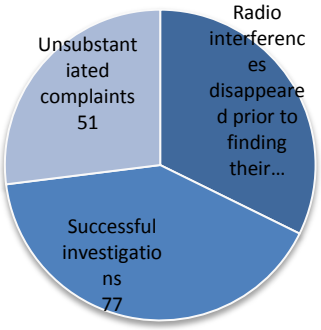

Figure 31. **The number of complaints regarding radio interference investigated in 2014, units**
Source: RRT

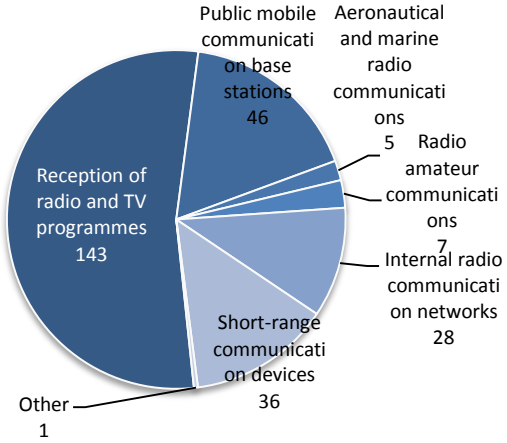

Figure 32. **The nature of received notifications on interference in 2014, units**
Source: RRT

In 2014, following the launch of deployment of LTE-800 public mobile communications base stations in Lithuania, they started causing radio interference to digital terrestrial television. 15 such cases were recorded in 2014. All of them were resolved by changing the direction of TV signal reception antennas or by upgrading TV signal reception equipment. Since the deployment of LTE-800 public communication has been just started, it is forecasted that, due to communication development, in 2015 the number of cases of this type of interference to terrestrial television will increase. Complaints about radio interference to radio and television broadcasting stations during the reporting year accounted for a significant part of the total number of received requests (Figure 32). The rest were requests and reports on interference to public mobile communication base stations, internal radio communication networks, short-range devices, such as radio-controlled vehicle security systems, and to other objects.

Public mobile communication equipment accounted for the majority of the reasons of the radio interference identified in 2014. In 6 cases, interferences were caused by the repeaters used in public mobile communication networks. It should be noted that compared to 2013, in 2014 the number of interference complaints caused by active TV antennas decreased. It can be concluded that after the switch-off of analogue television and the switch-over of some digital television transmitters to operate at lower frequencies, television viewers replaced their previously used antennas with higher-quality ones. In previous years, the aforementioned active TV antennas often caused interference to public mobile communication base stations or other nearby located TV viewers. Among unauthorized users of radio frequencies, 3 cases of the use of radio communication blocking devices, disrupting the operation of public mobile communication base stations, were identified in 2014.

7.4.3. Supervision of electronic communications infrastructure

34 notifications regarding installation of electronic communications infrastructure were examined

In 2014 RRT continued the activities on state supervision and control of installation and use of electronic communications infrastructure. RRT examined 34 notifications regarding installation of electronic communications infrastructure (most of them were due to non-compliance with the requirements for

installation of electronic communications infrastructure: the requirements of the rules for installation, marking, supervision and use of electronic communications infrastructure).

7.4.4. Encouragement of usage of electronic signatures and infrastructure development

When promoting the development of electronic signature infrastructure and the usage of electronic signature, RRT raises public competence and consults persons regarding the issues of electronic signature usage, publishes information about certification service providers issuing qualified certificates in Lithuania, thus seeking to increase the trust of electronic signature users in the services provided by certification service providers.

- In 2014 the supervision of the remote training system for the use of electronic signatures and electronic documents, available at www.elektroninisparasas.lt (hereinafter referred to as the Training System) was carried out. Additional information was provided on how to prepare a computer for work with electronic signatures, specifying the software tools required in order to sign an electronic document with a qualified certificate of a natural person, located on an USB cryptographic token, personal identity card or any other smart card.
- To promote the Training System and to encourage people to communicate with public administration authorities electronically, a circular was sent to public bodies, businesses, municipal administrations, asking to place a promotional banner of the Training System on their web sites. The objective was to give people practical information on signing electronic documents and submitting them to the above institutions.
- In 2014 RRT 93 times provided consultations (by e-mail, telephone and during meetings) on the issues of electronic signature to persons not providing certification services.

It should be pointed out that, according to the data of the Lithuanian Department of Statistics, **the use of qualified electronic signatures** by Lithuanian business enterprises **is increasing** – in 2014 they were used by 87.1 per cent of the country's production and service enterprises employing 10 and more persons (in 2013 – 85.8 per cent). It is likely that the demand for secure means of electronic signing is due to the fact business enterprises can carry out part of their mandatory business procedures only electronically.

It should be noted that RRT cooperated with the Office of the Chief Archivist of Lithuania regarding legalisation of electronic documents' specifications, requirements for electronic documents' specifications and the need of the specifications of electronic documents in PDF format, participated in the activities of the working group, established by the order of the Chief Archivist of Lithuania, for preparation of the specifications of electronic documents in PDF format. When the working group developed the specifications of electronic documents in PDF format PDF-LT-V1.0 (hereinafter – the Specification), the Specification was approved. Non-governmental organizations, private legal or natural persons already now can exchange the documents drawn up according to the aforementioned Specification, while state institutions will have to adopt the electronic documents conforming to the Specification only from 1 January 2017.

RRT representatives participated in the following:

- The activities of the Electronic Document Management Commission regarding the issues pertaining to the use of electronic signatures. This Commission is a permanent advisory body to the Chief Archivist of Lithuania which provides proposals regarding the adoption or amendment of legal acts regulating further protection of the management and transfer of electronic documents, application of electronic document specifications, transposition of best practices, as well as participates in the preparation of specifications for electronic documents and assessing draft specifications, and considers other issues related to the management of electronic documents and the use of electronic signatures.
- The meeting of the Technical Working Group for implementation of Directive 2006/123/EB of the European Parliament and of the Council of 12 December 2006 on services in the internal market (OL 2006 L 376, p. 36) regarding Trusted-service Status List (TSL).
- The activities of the working group, established by the Order of the Chief Archivist of Lithuania, for updating and preparation of version ADOC 2.0 (an updated version of ADOC 1.0) of the electronic document format specification and in the activities of the working group for preparation of the specification of electronic documents in PDF format.

7.5. The activities of RRT in the area of ensuring network and information security

7.5.1. Activities of the national CERT-LT team

CERT-LT[26], a structural unit of RRT, is the national electronic communications network and information security incident response team of the Republic of Lithuania. Its mission is to ensure the investigation of incidents of public electronic communications networks and information security incidents, coordinate the actions for the purpose of stopping the spread of incidents and prevent incidents.

In 2014 CERT-LT investigated **36,136** reports on potential breaches in the electronic space, received from providers of electronic communications services, foreign CERT teams, performing international incident investigations, and from the Internet users in Lithuania (see Figure 33). Compared to 2013 (**25,337** reports), the number of reports increased by 43 per cent. In view of the growing number of incidents and in order to more effectively coordinate the actions required for stopping cyber-attacks and cyber security breaches, CERT-LT performs its functions uninterruptedly 7 days a week, 24 hours a day[27]. The analysis of the reports received is presented below.

[26] The unit was given the status of CERT-LT on 9 July 2008 when the Government of the Republic of Lithuania adopted a resolution to assign the functions of national CERT to RRT.
[27] CERT-LT has been uninterruptedly performing its functions since 1 July 2013.

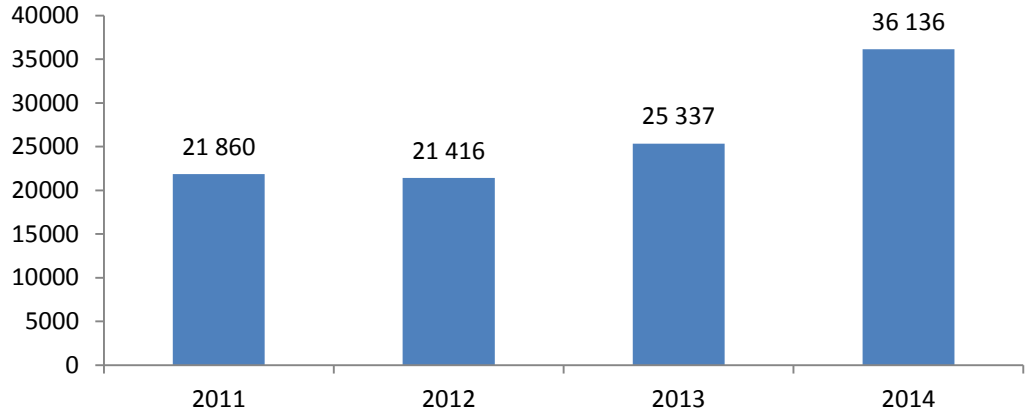

Figure 33. **The number of incidents investigated by the national CERT-LT team in 2011–2014**
Source: RRT

Security gaps in equipment. A new tool created for users is available on the website of CERT-LT

The major problem (**13,827 reports**), which, according to the data of CERT-LT, was experienced by Internet users in Lithuania in 2014 (Figure 34), were security gaps in equipment owned by natural persons (for example, routers, computers, servers, smart phones). In most cases, such gaps do not pose any immediate threat to the security of the data of equipment owners; however, they allow evil-minded persons to use such equipment for Distributed Denial of Service (DDoS) attacks as attack boosters.

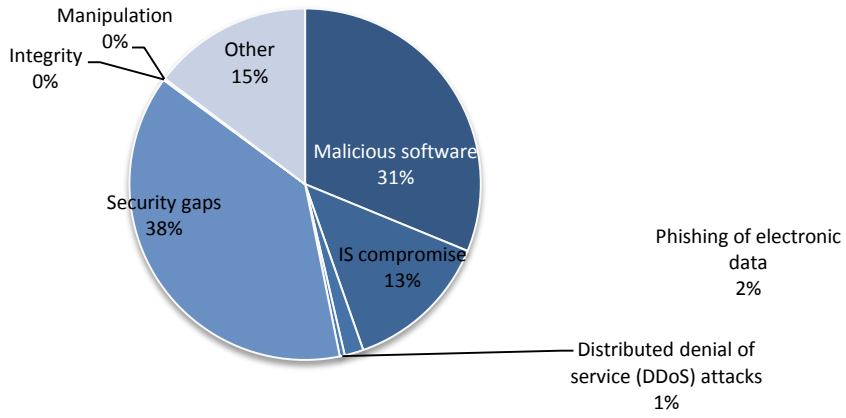

Figure 34. **The nature of the reports on network and information security incidents, investigated by CERT-LT in 2014, per cent**
Source: RRT

Taking into account that CERT-LT records more and more incidents related to security gaps in user network equipment, in 2014 CERT-LT created an additional tool for Internet users on its website. At https://www.cert.lt/irankiai one can check whether a user's network equipment does not have any security gaps resulting from certain flaws in SSDP, NTP, SNMP, DNS, NetBIOS protocols.

All CERT-LT incident statistics reports are available on the website at https://www.cert.lt/statistika.html.

Malicious software and botnets

In 2014 RRT investigated **11,276** (in 2013 – 11,125) cases of using malicious software. Malicious software was most often used for undermining computer control, in order to involve it into a botnet. Computer users may be long unaware of their computers being involved in botnets (usually computers work without problems, sometimes the Internet connection may become slow).

CERT-LT forecasts that in 2015 virus creators will be even more active creating malicious codes for smart phones and tablet computers.

Denial of service (DoS) attacks

During the reporting year, CERT-LT investigated **165** (in 2013 – 130) reports on denial of service (DoS) attacks. Compared to 2013, the number of such reports increased by 27 per cent. Generally, such attacks are carried out by automated means, using botnet resources. In order to terminate ongoing DoS attacks, CERT-LT gave recommendations to website owners or companies providing electronic information hosting services on how to stop such attacks, coordinated actions with Internet service providers and CERTs operating in other countries.

Reports on phishing

In 2014 CERT-LT investigated **630** (in 2013 – 558) reports on phishing. Evil-minded persons create false websites in order either to obtain online account details or derive benefit from that.

The most frequent fake or phishing websites are those of payment systems (for instance, PayPal), social networking websites, such as Facebook, Gmail, Yahoo, VK.com. At the end of 2014, fake websites of law enforcement institutions – Interpol, Europol or local police – were identified. Such fake websites are dangerous because they look and work in such a way that it is difficult for the user to close the browser window and it looks like the computer has been "blocked". If the website's text is in the Lithuanian language and it is referred to some article of the Criminal Code of the Republic of Lithuania and the alleged threat of a prison sentence, stating that you will not be prosecuted if you pay a fine, and this "fine" must be paid in a special way (in coupons, vouchers) within the specified time frame.

Compromise of information systems

In 2014 CERT-LT investigated **4,853** (in 2013 – 10,924) cases of compromise of information systems. As a result of the active steps taken by CERT-LT, the number of IS compromise cases decreased by more than double.

The data of the investigations, performed by CERT-LT, showed that most of the detected compromise cases had been carried out by automated means through botnets, by inserting a malicious code into poorly secured websites.

7.5.2. The activities of CERT-LT in the area of incident prevention

"CERT-LT alerts about dangerous fake websites"

"Attention: an email scam that spreads a computer virus"

"Users can check, free of charge, whether their computers are not involved in malicious activities"

Promotion of **CERT-LT** activities (distribution of press releases with headlines, examples of which are given above) is one of the main tools to prevent potential violations in cyberspace or to reduce their scope.

In 2014 consumers were promptly informed about of false websites, viruses spread through e-mails, security gaps, Internet worms, etc. In its notices, RRT provided alerts and recommendations on how to avoid large-scale risks and eliminate the consequences of incidents.

Detailed recommendations for computer users are published on specialized websites at www.cert.lt and www.esaugumas.lt. CERT-LT regularly publishes the following information on its website:

- information about IT security threats;
- information on the operation of the computers detected in botnets;
- cyber-attacks detected by CERT-LT sensors;
- the quantity of unsolicited emails (spam) and the like, detected by CERT-LT sensors in email servers in Lithuania.

On the website of CERT-LT, users can also check the following:

- check whether or not their routers have Open resolver type security gaps;
- check whether their computer Internet protocol (IP) addresses are not registered in the database of CERT-LT as participating in malicious activities;
- check suspicious files using 5 different antivirus software applications;
- check the network device's IP address.

On the website of CERT-LT, users can report on network and information security problems by filling in a special form at https://www.cert.lt/pranesti.

For two years already, the website of CERT-LT has been accessible also over the IPv6 protocol.

It should be noted that in 2014 CERT-LT organized meetings with Internet service providers, during the current situation was presented, obstacles in the fight against security gaps in equipment were discussed, proposals were considered, and experiences were exchanged.

7.5.3. National cyber training X14, organized by CERT-LT

In 2014 CERT-LT organized a national cyber training X14 for the second time already. The training involved 25 state institutions of Lithuania, 8 banks, 4 national security incident investigation CERT groups (of Latvia, Ukraine, Bulgaria, Romania) and 5 CERT groups of Lithuania (LITNET, SVDPT, Ministry of National Defence, TEO LT and NRD).

The training was aimed at checking the effectiveness of inter-institutional cooperation, possibilities to find contact information of responsible representatives of relevant institutions in critical situations and respond to cyber incidents. The training included testing of skills to quickly exchange information during

possible cyber incidents, and of readiness to use easily available encryption means for data transmission via public networks, and of competence of institutional IT administrators to perform simple tasks, for example, conduct a quick automated event log analysis.

It is planned to organize this kind of practical training in the future as well, because joint actions, quick communication and properly selected tools can help respond appropriately to cyber-attacks.

7.5.4. Reliability study of the Internet network infrastructure in Lithuania

For six years already, RRT has been performing periodical assessments of reliability of Lithuania's Internet infrastructure[28]. CERT-LT has created the Lithuanian Internet Network Infrastructure System (LITIS)[29]. In 2014 **CERT-LT incorporated additional functions into the System** allowing to assess the objects of Lithuania's Internet infrastructure and the operation of critical objects, to perform their continuous, real-time monitoring. LITIS monitors actual routes, their accuracy and changes, collects data about the accessibility of critical objects of the Internet infrastructure. CERT-LT identified 765 critical information systems and related objects of the Internet infrastructure.

7.5.5. Other activities related to ensuring cyber security

With a view to enhancing cyber security and promoting the development of cyber security culture:

- RRT prepared **recommendations for users of cloud computing services. The recommendations** are aimed at ensuring that **reliable** cloud computing services are provided to users. In the recommendations, RRT draws the attention of users of cloud computing services to risks, which should be evaluated when selecting providers of cloud computing services and types of offered cloud computing services.
- RRT **actively participates** in the activities of the European Network and Information Security Agency (ENISA) – RRT represents Lithuania in the work of the ENISA Management Board and is a contact person for ENISA in Lithuania.
- RRT **chairs** the international working group for network and information security of the Independent Regulators Group (IRG), organizes annual meetings. During the meetings held in 2014, the following relevant issues of network and information security within the competence of regulatory authorities were considered: network and information security incident management, implementation of the EU directives in national legislation, challenges raised by new legal acts, reliability of electronic communications networks. National regulatory authorities exchanged their developed measures with a view to making progress on cyber security issues.
- In 2014 RRT, together with the Ministry of National Defence of the Republic of Lithuania, by joining the ENISA's European Cyber Security Month initiative, **organized the discussion-**

[28] The main aim of such assessments is to analyse the reliability of the national Internet infrastructure of Lithuania and identify the potential risks.
[29] The LITIS system analyses the objects (Internet names, addresses, Internet address spaces, routes, autonomous systems, etc.) of Lithuania's Internet infrastructure that have essential functionality in providing critical electronic services to the society.

workshop aimed at ensuring cyber security on SCADA systems. During the aforementioned discussion, specialists of state institutions responsible for cyber security, private sector representatives engaged in installation and (or) management of data collection, monitoring, control and management software systems (SCADA), discussed the issues of ensuring cyber security on such systems.

7.5.6. Internet content monitoring through implementation of the Safer Internet project

It has been for eight years that RRT participates in implementing the EU Safer Internet programme[30] and, in cooperation with other partners, executes the Safer Internet project in Lithuania.

In 2012 RRT joined the European Commission and the Centre of Information Technologies in Education (ITC) agreement concerning the implementation of a new project "SIC LT II" and continued the project works. ITC is a coordinator of this Project and RRT is responsible for the implementation of the Internet hotline functions.

When implementing the aforementioned project, in 2014 RRT regularly provided information for the website www.draugiskasinternetas.lt of the Safer Internet project administered by ITC, where children and parents can find relevant information about safety on the Internet, Safer Internet project, Safer Internet Day events, activities of international organizations Insafe and INHOPE, etc. The website also informs about the hotline, which accepts Internet users' reports on harmful and fraudulent content on the Internet, also, gives the information about the helpline, which provides emotional and psychological support for children and which can be contacted on the free of charge phone number 116 111 (the common European number for the helplines responding to children in need in many European countries).

The website of the Safer Internet project provides online child protection tools – free content filtering applications. The section "For Parents – Content Filtering Applications" of the website at www.draugiskasinternetas.lt contains advice for parents regarding the usage of control and (or) filtering applications. Teenagers are constantly fighting for their independence and freedom to do everything their own way. Secret control or blocking of information without their consent may have an opposite effect. It is recommended to teach teenagers how they can accumulate their online experience in a responsible manner by blocking unwanted websites and content, develop necessary skills in order to become good citizens in cyber space and browse the Internet safely and conveniently.

For the purpose of public awareness raising, in 2014 a social campaign was traditionally organized to celebrate the international Safer Internet Day (hereinafter referred to as the SID 2014), which was celebrated throughout the world on 11 February 2014.

The main highlight of SID 2014 – a national Safer Internet conference[31], entitled "Let's create a better internet together", for children, young people and adults that was organised in the Lithuanian exhibition and congress centre Litexpo. The conference saw participation of more than 1,000 school students from different

[30] Objectives of the Safer Internet project are to increase public awareness about harmful content conduct on the Internet; promote safer usage of the Internet and new technologies, especially among children; provide public with a contact point to anonymously report illegal and harmful content, and provide help to children, who faced cyber-bullying, sexual grooming, harmful content or other bad or intimidating experience over the Internet.

[31] The organisers of the conference – RRT, ITC, Child line Vaikų Linija, association Langas į ateitį, the Ministry of Education and Science, Lietuvos Radijas ir Televizija, Lithuanian Academic and Research Network LITNET, Lithuanian Human Rights League, Microsoft Lietuva UAB, Teo LT, AB and others.

regions of Lithuania, including those who participated over the Internet through a live stream connection. The culmination of the event was a non-traditional lesson, led by Marijonas Mikutavičius. The event was visited by famous Lithuanian people, who shared their experiences of how to behave safely online.

7.5.7. The activities of the hotline

When performing the Internet hotline functions, during 2014 RRT received **733** reports on illegal or harmful content on the Internet. Compared to 2013 (650 reports), in 2014 the number of such reports increased by 12 per cent. Internet users sent reports on the information found of the Internet relating to incitement of racial or ethnic hatred, violence, pornography, sexual abuse of children, as well as unauthorized publication of personal information.

Following investigations, further actions were taken in 373 cases, which accounted for 37 per cent of the total number of the reports – 5 percentage points more than in 2013 (207 reports, i.e. 32 per cent of all the received reports) (see Figure 35).

Having investigated all the received reports, RRT:

- forwarded **38 reports** to Police Department for further investigation. Suspected illegal content: sexual abuse of children (19 reports), pornography (19).
- forwarded **39 reports** to the Office of the Inspector of Journalist Ethics for further investigation. Suspected dissemination of information having a negative impact on minors.
- forwarded **105 reports** concerning possible sexual abuse of children to the hotlines of other countries, the members of international hotline association INHOPE.
- **in 91 cases** applied, along with NTD (Notice and Take Down), directly to Internet service providers in Lithuania and abroad, hosting service providers or network administrators informing them about illegal online content present in their networks in order to remove such content as soon as possible.

No action was taken with regard to the remaining 460 reports, since the content was not available (e.g., password protected), repetitive, inactive, as well as content which was not illegal or was placed in other countries' servers, where such content is considered legal according to the laws of those countries (for instance, pornography in most of the countries is legal).

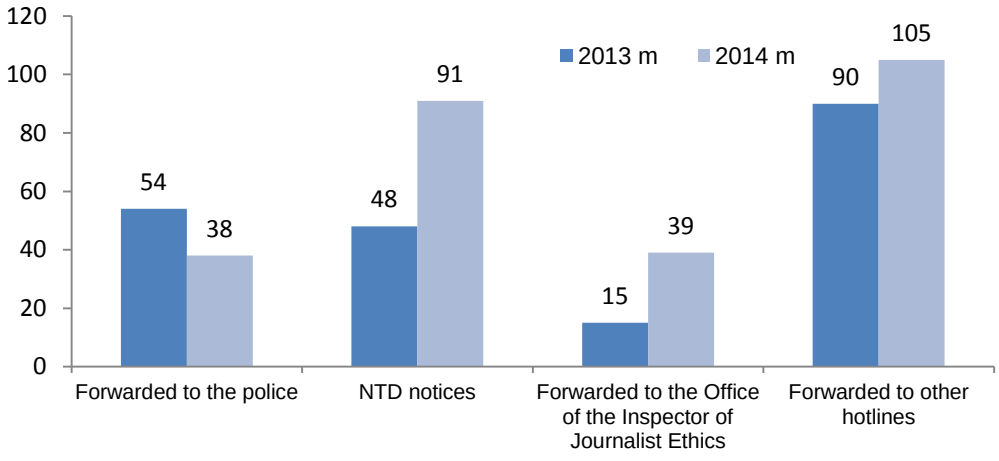

Figure 35. **The statistics of reports to the Internet hotline in 2012–2014**
Source: RRT

7.5.8. Raising awareness of the public about the hotline

RRT encourages the Internet users to use the Internet hotline to report illegal or harmful content they find on the Internet, i.e. pornography, sexual abuse of children, incitement of racial or ethnic hatred, as well as violence or other information having a negative impact on minors, by filling in a special report form at http://www.draugiskasinternetas.lt/lt/main/report.

In order to create preconditions for the Internet users to exercise their rights more actively and fight against harmful content, RRT published press releases about the activities of the hotline and the statistics of the reports received, participated in radio programmes, gave interviews to the press regarding the activities of the Internet hotline.

4 playful videos, encouraging people to report harmful content to the hotline, were created. The video clips were broadcast on the Lithuanian national television, as well as disseminated on partner websites and on YouTube. A new promotional banner of the Internet hotline was created and made available on the website at www.draugiskasinternetas.lt as well as on the project partner websites. RRT also participated in the exhibition "School 2014"', where the activities of the Internet hotline were also presented.

8. PROMOTION OF COMPETITION IN ELECTRONIC COMMUNICATIONS AND POSTAL SECTORS

8.1. Competition in the electronic communications sector

In terms of revenues from the sector, the electronic communications sector of decreased in 2014, compared to 2013. The sector's revenues in 2014 dropped by EUR 15.5 million (LTL 53.4 million) or 2.5 per cent compared to 2013. During 2014, compared to 2013, there was an increase only in revenues from network interconnection services (an increase by 19.3 per cent) and Internet access services (an increase by 0.2 per cent). In 2014, the biggest drop in revenues was in mobile telephone communication services (a decrease by EUR 21.6 million or LTL 74.6 million) and fixed telephone communication services (a decrease by EUR 9.1 million or LTL 31.4 million).

In 2014, compared to 2013, investments in electronic communications networks decreased similarly to the decrease seen in the revenues of the electronic communications sector. During 2014, the amount of investments in electronic communications infrastructure was by EUR 4.4 million (LTL 15.2 million) or 5.1 per cent lower than in 2013. Operators invested mostly in the development of fiber-optic communication access networks, upgrades of fixed and mobile communication core networks, and in the development of infrastructure of 3G, 4G networks and mobile communication networks (for provision of data transmission services).

In 2014 the trends of changes in the number of electronic communications service subscribers were similar to those in 2013. In 2014 there was a growth in the number of broadband Internet access subscribers and in the number of subscribers of pay TV services provided over IPTV: respectively, 10.8 per cent and 22.6 per cent. However, during 2014 the number of mobile telephone communication service subscribers decreased by 2.2 per cent and that of fixed telephone communication service subscribers – by 6.3 per cent.

8.1.1. Market tendencies and participants

At the end of 2014, 144 operators and service providers were engaged in the provision of electronic communications services (public fixed telecommunications network and services, mobile telecommunications network and services, leased line services, Internet access and other data transmission services, dark fibre access services, television (CTV, MMDS, IPTV, terrestrial DVB-TV, satellite TV) services, and radio and television programmes broadcasting transmission services.

In 2014, 5 undertakings submitted their notifications on the intent to engage in the provision of public fixed telecommunication network and/or services (the number of undertakings, actually engaged in the activities, increased from 45 (in 2013) to 46). 4 undertakings submitted notifications of their intent to engage in public mobile telecommunication network and/or service provision (the number of undertakings, actually executing the activities decreased from 16 (in 2013) down to 12). 6 undertakings had contracts with subscribers of public mobile telephone communications services, the other 6 undertakings were engaged in resale of the services provided by other providers of public mobile telephone communications services to subscribers.

In total, 8 undertakings submitted their notifications on the commencement of electronic communications activities in 2014. 7 undertakings were deleted from the list of providers engaged in the provision of public fixed telecommunications networks, used for provision of public fixed telephone communication services, and/or public fixed telephone communication services; 3 undertakings were deleted from the list of providers engaged in the provision of public mobile telecommunications networks, used for provision of public mobile telephone communication services, and/or public mobile telephone communication services.

8.1.2. Market analysis

In order to ensure efficient competition in electronic communication sector, and to prevent the undertakings having significant market power from abusing their power, the Authority performs electronic communication market analysis[32].

In 2014 RRT completed analyses of the following markets:

- The market of transit services provided on public telephone networks at a fixed location;
- The market of broadcasting transmission services to deliver broadcast content to end users;
- The market of services of providing broadcasting transmission means (previously, the market was deemed to be related to broadcasting transmission services, thus the aforementioned market was analysed as a separate market for the first time);
- The market of voice call termination on individual public mobile telephone networks;
- The market of call origination on the public telephone network, provided at a fixed location.

After performing the analysis of the market of transit services provided on public telephone networks at a fixed location, RRT found that there were no big market entry barriers on the above market, and the market also had characteristics favourable for development of effective competition in the future. Referring to this, RRT deregulated this market, i.e. withdrew the obligations that had been previously imposed on the undertaking TEO LT, AB which, after the analysis of this market conducted in 2006, was recognized as having significant market power.

After performing the analysis of the market of broadcasting transmission services to deliver broadcast content to end users, **RRT established** that, due to effective competition, the regulation of the markets of terrestrial radio programmes broadcasting transmission services to deliver broadcast content to end users was not necessary. On this basis, the above markets were deregulated (the obligations imposed on Lietuvos Radijo ir Televizijos Centras AB were withdrawn). However, RRT found that competitive constraints were still present in the markets of television programmes broadcasting transmission services over digital terrestrial television networks to deliver broadcast content to end users, where services were provided by Lietuvos Radijo ir Televizijos Centras AB and TEO LT, AB, therefore the above markets were

[32] During the analysis the main aim is to evaluate if competition in the determined markets is efficient and to determine undertakings having significant power on relevant markets. If competition is not efficient, certain obligations for undertakings having significant power on relevant markets are determined. The aforementioned obligations may be subsequently (if situation changes after market analysis) changed or withdrawn if competition becomes efficient.

not deregulated. The obligations, imposed on Lietuvos Radijo ir Televizijos Centras AB and TEO LT, AB during the market analysis performed in 2010, were maintained.

RRT completed the analysis of the market of services of providing broadcasting transmission means. After the analysis of this market, it became clear that there was no effective competition in the provision of services of providing the means of television and radio broadcasting transmission over terrestrial television networks, and the undertaking Lietuvos Radijo ir Televizijos Centras AB was recognized as having significant power on this market. In view of the above, obligation to provide access, transparency, non-discrimination, price control, cost accounting and accounting separation obligations were imposed on Lietuvos Radijo ir Televizijos Centras AB.

After performing the analysis of the market of voice call termination on individual public mobile telephone networks, **RRT found** that six persons had significant power on relevant markets (their own networks). After a comparative analysis of prices (comparing the prices applicable in the EU Member States), RRT established the call termination price – 1.04 euro cents per minute (excluding VAT).

Upon completing the analysis of the market of call origination on the public telephone network, provided at a fixed location, RRT found that competitive constraints were still present in the market; therefore the market was not deregulated. RRT imposed the obligation on the undertaking having significant market power, TEO LT, AB, that the prices of call origination services provided by the above operator should be no higher than EUR 0.61 per minute (excluding VAT).

The results of the aforementioned market analyses are available at www.rrt.lt.

At the end of 2014 RRT identified 13 undertakings having significant power on relevant markets. TEO LT, AB was identified as an undertaking having significant power on 9 markets, Lietuvos Radijo ir Televizijos Centras AB – on 3 markets, CSC Telecom UAB, Linkotelus UAB, Mediafon UAB – on 2 markets, Eurocom SIP UAB, Digitela UAB, Nacionalinis Telekomunikacijų Tinklas UAB, Telekomunikaciju Grupė UAB, Bitė Lietuva UAB, Omnitel UAB, Tele2 UAB and Lietuvos Geležinkeliai AB – on one market. The list of regulated markets and undertakings having significant power on them is provided in Annex 1 hereto.

The new Commission Recommendation[33] entered into force on 9 October 2014. This Recommendation identified relevant markets within the electronic communications sector which may be susceptible to *ex ante* regulation. Taking into consideration the markets which may be susceptible to *ex ante* regulation listed in the aforementioned Recommendation, in 2014 RRT initiated analyses of the following markets:

- The market of call termination on individual public telephone networks, provided at a fixed location;
- The market of access to public telephone network at a fixed location for non-residential customers; (2 markets to be analysed in one market analysis);
- The market of wholesale local access at a fixed location;
- The market of wholesale central access at a fixed location for mass market products;
- The market of the minimum set of leased lines, the market of trunk segments of national leased lines, and the market of wholesale high-quality access at a fixed location (3 markets to be analysed in one market analysis).

[33] Commission Recommendation of 9 October 2014 on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services (OJ 2014 L 295, p. 79)

The objective of market analyses is to determine whether competitive constraints are still present in those markets, i.e. to find out whether the obligations imposed on the aforementioned markets as a result of previous market analyses still remain relevant and whether undertakings still have significant power in these markets.

8.1.3. Supervision of execution of the obligations imposed on the undertakings having significant market power

In order to perform the entrusted supervision of implementation of the legal acts, regulating electronic communications activities, in 2014 RRT continued to devote much attention to supervision of the undertakings recognized as having significant power on relevant markets, i.e. the obligations imposed on them in order to limit the market power of such undertakings.

The observance of the imposed obligations helps reduce entry barriers in certain markets and increase freedom of business initiatives, ensure equal competition conditions for undertakings in electronic communications markets and greater competition in them. This results in lower prices, greater diversity and higher quality of services for consumers of electronic communications services, and also ensures consumers the freedom to choose a service provider who best meets their needs.

In 2014 RRT performed supervision of obligations of transparency, non-discrimination, price control, cost accounting and accounting separation, provision of access and the obligations, pertaining to the provision of services to end users, imposed on the undertakings having significant power on relevant markets.

The obligations are imposed referring to the EU legal acts regulating electronic communications activities, according to which, for the purpose of reaching a single EU market, market analyses are performed in all the Member States and the obligations are imposed on the undertakings having significant market power, the results of such analyses are coordinated with the European Commission.

When supervising the ways how the undertakings having significant power on relevant markets follow the obligation of transparency imposed on them, RRT analyses the reference offers (agreements) on provision of wholesale access (network interconnection, unbundled access, wholesale broadband access), lease of infrastructure, as well as wholesale local loop, wholesale leased lines and television broadcasting transmission services, made public and submitted to RRT by such undertakings having significant power on relevant markets. In 2014 TEO LT, AB updated its reference offers regarding networks interconnection and wholesale broadband communication access, and Lietuvos Radijo ir Televizijos Centras AB – reference offers regarding television and radio broadcasting transmission services. There were found deviations from the requirements of applicable legal acts in the above-mentioned reference offers. Upon notifying the said undertakings, the deviations were eliminated and the reference offers were correspondingly updated. All the submitted reference offers are available on the RRT website at www.rrt.lt in the section “Electronic Communications – For Business – Promotion of Competition – Standard Offers” and on the websites of undertakings.

When supervising the ways how the undertakings having significant power on relevant markets follow the obligation of transparency imposed on them, RRT analyses the agreements on provision of access (network interconnection, unbundled access, wholesale broadband access), lease of infrastructure,

wholesale local line, wholesale leased lines and television broadcasting transmission services and their amendments concluded by such undertakings with other undertakings, makes the corresponding decisions with regard to compliance of the provisions of the said agreements with the requirements, established by the legal acts and makes them publicly available on its website.

In 2014, RRT received and analysed a total of **36** agreements and their amendments (additional agreements): 2 agreements regarding wholesale broadband communication access and their amendments, 34 infrastructure lease agreements and their amendments.

All the provided agreements, apart from the confidential information, are available on the RRT website at www.rrt.lt in the section "Electronic Communications – For Business – Promotion of Competition – Agreements".

8.1.4. Supervision of wholesale and retail fixed telecommunication services

In 2014 RRT performed supervision of the obligations of transparency, non-discrimination, provision of access and price control obligations on the markets of fixed telephone communication services.

In 2014, no violations were observed by RRT when analysing the provision of wholesale fixed telephone communication services.

In 2013, after RRT finished the analysis of the markets of retail voice call services (the market of public local and (or) national telephone services and the market of public international telephone services) and established the presence of effective competition in the aforementioned markets, the obligations imposed on TEO LT, AB were withdrawn as from 1 January 2014. In 2014 RRT did not register any cases that the withdrawal of the above obligations would have had any negative effect on the provision of retail voice call services.

In 2014, the prices applied by undertakings, providing the services of call termination on fixed telecommunication networks[34], were no higher than the highest price limit of call termination on the public telecommunications network, provided at a fixed location, of TEO LT, AB to be effective from 1 April 2013 as approved by Order No. 1V–1900 of the Director of RRT of 18 December 2012 (see Table 5).

Table 5. **The changes in the prices of call termination on public fixed telecommunication networks, set by RRT, from 1 January 2013 to 31 March 2014**

No.	Service	Price from 01-01-2013 to 31-03-2013	Price from 01-04-2013
	TEO LT, AB		
1	National call termination during peak time, **euro ct/min**	1.23	0.61
2	National call termination during non-peak time, **euro ct/min**	0.34	
3	Call setup, **euro ct**	0.20	
4	National call termination, not differentiating according to the time of provision of the service, **euro ct/min**	0.95	
	Nacionalinis Telekomunikacijų Tinklas UAB, CSC Telecom UAB, Lietuvos Radijo ir Televizijos Centras AB, Telekominikaciju Grupa UAB, Mediafon UAB, Eurocom UAB, Lietuvos Geležinkeliai AB, Linkotelus UAB		
1	National call termination during peak time	Not higher than that for TEO LT, AB	Not higher than that for TEO LT, AB
2	National call termination during non-peak time		

[34] TEO LT, AB, Nacionalinis Telekomunikacijų Tinklas UAB, CSC Telecom UAB, Lietuvos Radijo ir Televizijos Centras AB, Telekomunikaciju grupa UAB, Mediafon UAB, Eurocom SIP UAB, Lietuvos Geležinkeliai AB, Linkotelus UAB, Cubio UAB

3	Call setup, **ct/euro ct**		
4	National call termination, not differentiating according to the time of provision of the service		
Note: The prices were set by Order No. 1V-101 of the Director of RRT of 31 January 2008 and show the costs, incurred by an operator, efficiently operating on the market, however, they do not show the precise costs, calculated according to the requirements, provided by the Recommendation.			

Source: RRT

8.1.5. Supervision of wholesale call origination services

In 2014 RRT performed the analysis of the market of call origination on the public telephone network, provided at a fixed location and recognized TEO LT, AB as having significant power on the aforementioned market and obligated TEO LT, AB to apply the price for call origination services that would be no higher than EUR 0.61 (LTL 2.11) (not differentiating according to the time of provision of the service) as from 1 November 2014.

The changes in the prices of the national call origination service from the beginning of regulation are provided in Figure 36.

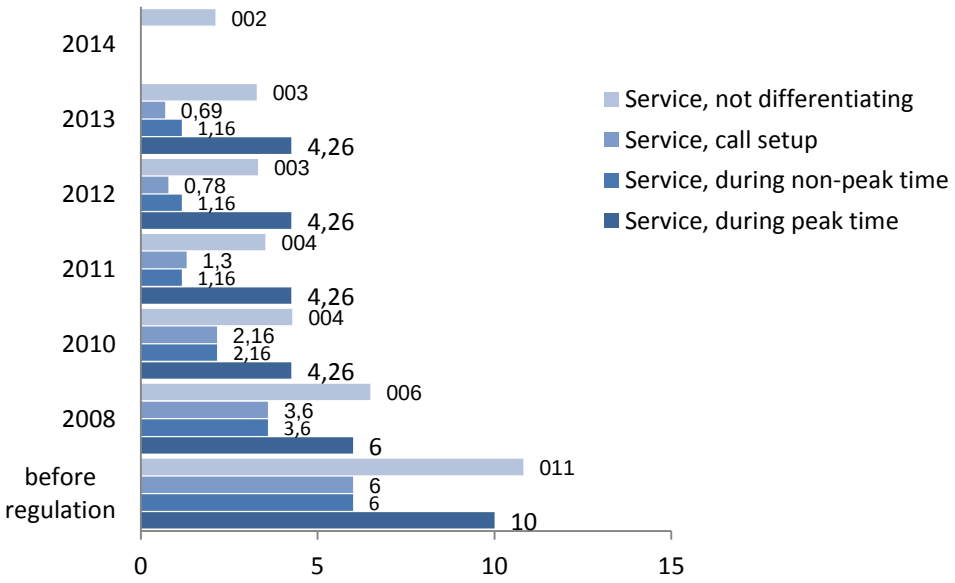

Figure 36. **The changes in the prices of the national call origination service from the beginning of regulation, LTL cents/min**

8.1.6. Supervision of wholesale mobile telecommunication services

The analysis of the market of voice calls termination on individual public mobile telecommunication networks, started by Order No. 1V-670 of the Director of RRT of 24 April 2013, was completed in July 2014 and from 1 August 2014 the obligations of price control were imposed on the following undertakings: Bitė Lietuva UAB, Omnitel UAB, Tele2 UAB, CSC Telecom UAB, Mediafon UAB, and Linkotelus UAB (see Table 6).

Table 6. **Regulatory changes of voice calls termination on individual public mobile telecommunication networks, set by RRT**

No.	Service	Price from 01-01-2012 to 31-03-2013, euro ct/min	Price from 01-04-2013, euro ct/min	Price from 01-08-2014*, euro ct/min
1.	Bitė Lietuva UAB	1.62	1.04	1.04
2.	Omnitel UAB			
3.	Tele2 UAB			
4.	CSC Telecom UAB, Mediafon UAB, Linkotelus UAB	Not regulated	Not regulated	Not higher than that for Bitė Lietuva UAB, Omnitel UAB, Tele2 UAB
Note: This price was set by taking into account the "net" BU-LRIC average cost, calculated by the European Union Member States in accordance with the requirements of Commission Recommendation No. 2009/396/EC of 7 May 2009 on the Regulatory Treatment of Fixed and Mobile Termination Rates in the EU.				

Source: RRT

8.1.7. Supervision of roaming services

In 2014 the prices of retail international roaming services and average wholesale prices, publicly announced by mobile communication operators, were in line with the prices established by Regulation (EU) No. 531/2012 of the European Parliament and of the Council. Inspections of retail service prices are performed each quarter, inspections of wholesale prices – each half-year. Following the provisions of the above Regulation, in 2014 the prices for wholesale and retail roaming services were reduced for the last time (see Table 7) – the reduced prices for retail roaming services will be valid until 30 June 2017, wholesale – until 30 June 2022. The above Regulation provides for regulation of prices of retail data roaming services and application of structural measures[35], which, in long term perspective, will provide the possibility to refuse the regulation of prices. The information on supervision of roaming services is made publicly available on the website of RRT[36].

Table 7. **The decrease in prices for retail and wholesale voice, SMS and data transmission services in 2011–2014**

Services	The highest price limit from 01-07-2011, Eur	The highest price limit from 01-07-2012, Eur	The highest price limit from 01-07-2013, Eur	The highest price limit from 01-07-2014, Eur
Retail services				
Tariff of voice call transmission in Europe, per minute (with VAT of 21 per cent)	0.42	0.35	0.29	0.23
Tariff of voice call reception in Europe, per minute (with VAT of 21 per cent)	0.13	0.10	0.08	0.06
SMS transmission in Europe, LTL per SMS (with VAT of 21 per cent)	0.13	0.11	0.10	0.07
SMS reception in Europe	free of charge	free of charge	free of charge	free of charge
Euro-data tariff, per Mb (with VAT of 21 per cent)	not regulated	0.85	0.54	0.24
Wholesale services				

[35] The structural measures include the following: provision of access to wholesale roaming services; separation of retail national and international roaming services, in order for the consumer to be able to select not the national but another international roaming service provider; access to the measures, allowing other service providers to provide international roaming services together with national service provider.

[36] http://www.rrt.lt/rrt/lt/vartotojui/telefono-r ysys/tarptautinis-tarptinklinis-rysys.html.

Wholesale voice service (origination, transit, termination), per minute (without VAT)	0.18	0.14	0.10	0.05
Wholesale SMS transmission services per SMS (without VAT)	0.04	0.03	0.02	0.02
Wholesale data transmission services, per Mb (without VAT)	0.50	0.25	0.15	0.05

Source: RRT

8.1.8. Promotion of competition based on infrastructure

In order to create better conditions for electronic communications providers to develop broadband communication networks using the existing infrastructure, RRT has created electronic access to the infrastructures spatial data system (infrastructure maps) administered by the municipalities of major cities of Lithuania.

In 2014 **Panevėžys city municipality also joined** the infrastructure spatial data system of RRT, Vilnius, Klaipėda and Kaunas city municipalities.

The access to the electronic database is available to all interested undertakings designing, providing and/or planning to provide electronic communications networks and/or services. Electronic access of communication operators to the effectively and constantly running digital spatial data system of terrestrial infrastructure is very important in order to improve conditions for investments into development of electronic communications networks and to reduce expenses of such development. More information on the project is available on the website at www.e-infrastruktura.lt.

8.1.9. Number portability service

The number portability service has been provided in Lithuania for ten years already (since 2004). This service gives the user a greater freedom to choose a service provider according to the quality and variety of services, prices, loyalty systems, attractiveness of servicing, etc.

According to the data of RRT, by 31 December 2014 consumers used the number portability service (i.e. migrated) 1 192 987 times, 1 145 729 of them were subscribers of mobile communications, 46 979 – fixed communication subscribers (geographic numbers) and 279 – fixed communication subscribers (not geographic numbers, i.e. service numbers). The number portability service has already been used by 23.58 per cent of all active service users (see Figure 37).

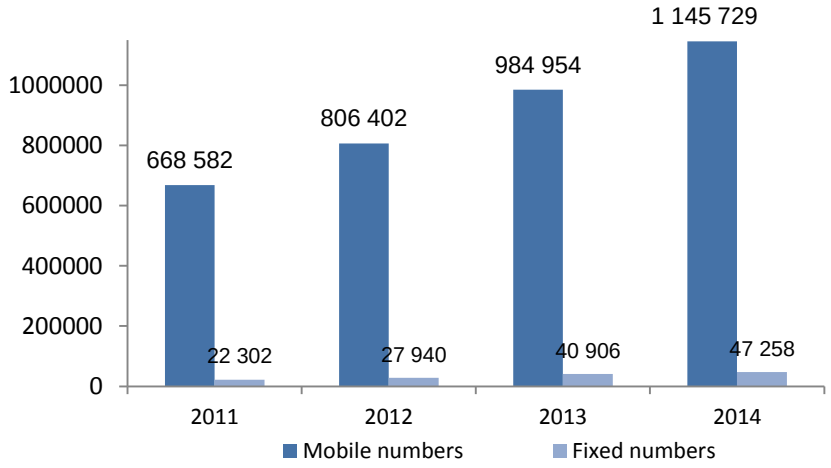

Figure 37. **Distribution of number portability amongst fixed and mobile communication numbers in 2011−2014**
Source: RRT

In 2014 RRT signed a new contract with the winner of the public tender for selecting the administrator of the central database, to ensure the telephone number portability – public institution Numerio Perkėlimas and its partner Mediafon UAB.

The winner of the tender will be obliged to ensure administration of the process of number portability among the service providers, if a subscriber decides to change a public telephone service provider, starting from 1 January 2016.

8.1.10. Selection of a service provider

The number of service providers, whose public telephone communication services could be selected by dialling an operator selection code, decreased from 17 in 2013 to 15 in 2014, because of revocation of two operator selection codes.

Since 2003, 20 operator codes from the short telephone number series of 10XX have been allocated to operators in total.

The possibility to select a service provider is aimed at encouraging competition in the electronic communications sector, while ensuring the right for subscribers of public telecommunication network and/or public telecommunication service providers having significant market power to choose any provider and to use the services provided by that provider.

8.1.11. Resolution of disputes between undertakings

The Commission for Resolution of Disputes between the Undertakings Providing Electronic Communications Networks and/or Services (hereinafter referred to as the Dispute Resolution Commission[37]), established by RRT, resolves, according to the mandatory preliminary out-of-court procedure, the disputes

[37] Information about the composition of the Dispute Resolution Commission is available on the website of RRT at http://www.rrt.lt/lt/verslui/gincu-sprendimas.html.

arising between the undertakings engaged in electronic communications activities in the area of social relations[38], regulated by the Law on Electronic Communications.

In 2014, the Dispute Resolution Commission **completed resolution of 2 disputes** and accepted **1 new dispute** for resolution.

In 2014 TEO LT, AB applied to the Dispute Resolution Commission with a request not to terminate the agreements, concluded with Lietuvos Radijo ir Televizijos Centras AB on *DVB-T transmitter placement and operation services* as well as the agreement *on the distribution of DVB-T ASI flows and the distribution of data transfer management channels* and to continue provision of DVB-T transmitter placement services to TEO LT, AB under the conditions provided for in the agreements.

The Dispute Resolution Commission decided to partly satisfy the request of TEO LT, AB to investigate and resolve the dispute by obligating Lietuvos Radijo ir Televizijos Centras AB not to terminate the agreement from 1 August 2013 regarding the placement of the DVB-T transmitters owned by TEO LT, AB in the objects of Lietuvos Radijo ir Televizijos Centras AB and operation services, as well as to continue provision of the aforementioned services to TEO LT, AB under the conditions provided for in the agreements.

In 2014 Tele2 UAB applied to the Dispute Resolution Commission with a request to resolve the dispute with Linkotelus UAB regarding the price of call termination on the network of Linkotelus UAB. The Dispute Resolution Commission, when making a decision regarding the dispute, decided to satisfy the request of Tele2 UAB and to obligate Linkotelus UAB to apply the prices for each call minute originated in the network of Tele2 UAB and transferred to the network of Linkotelus UAB to UAB Tele2 that would be no higher than 0.0360 LTL/min.

In 2014 Lietuvos Radijo ir Televizijos Centras AB applied to the Dispute Resolution Commission with a request to resolve the dispute between Lietuvos Radijo ir Televizijos Centras AB and TEO LT, AB regarding the establishment of prices for DVB-T transmitter placement services. The final resolution of the dispute was transferred to 2015.

Detailed information regarding disputes is available on the website of RRT at www.rrt.lt in the section “Electronic Communications – For Business – Resolution of Disputes”, where relevant information regarding resolution of disputes, activities of the Dispute Resolution Commission, accepted requests and decisions is available.

8.2. Competition in the postal services sector

8.2.1. Participants and tendencies of the postal services market

At the end of 2014, there were 69 registered undertakings having the right to provide postal services (see Figure 38). Compared to 2013, in 2014 the total number of the market participants slightly decreased:

[38] The undertakings in dispute, prior to applying to the court for resolution of a dispute, must apply to the Dispute Resolution Commission, whose resolutions, approved by the Director of RRT, are public to the extent that does not infringe the provisions on protection of state, service or commercial secrets or private life of a natural person and are obligatory to be executed by the parties to the dispute as of the moment of their entering into effect. The disputes are resolved according to the Rules for Resolution of Disputes between the Undertakings Providing Electronic Communications Networks and/or Services and between the Providers or Postal and/or Courier Services. When making its decisions, the Dispute Resolution Commission refers to the Law on Electronic Communications, the Civil Code and other legal acts, takes into consideration regulatory restrictions and obligations applicable to any of the parties to the dispute, the relative status of the parties to the dispute on the market and the need to encourage competition.

from 76 to 69 postal service providers, which was mostly related to increased competition after complete liberalization of the market from 1 January 2013.

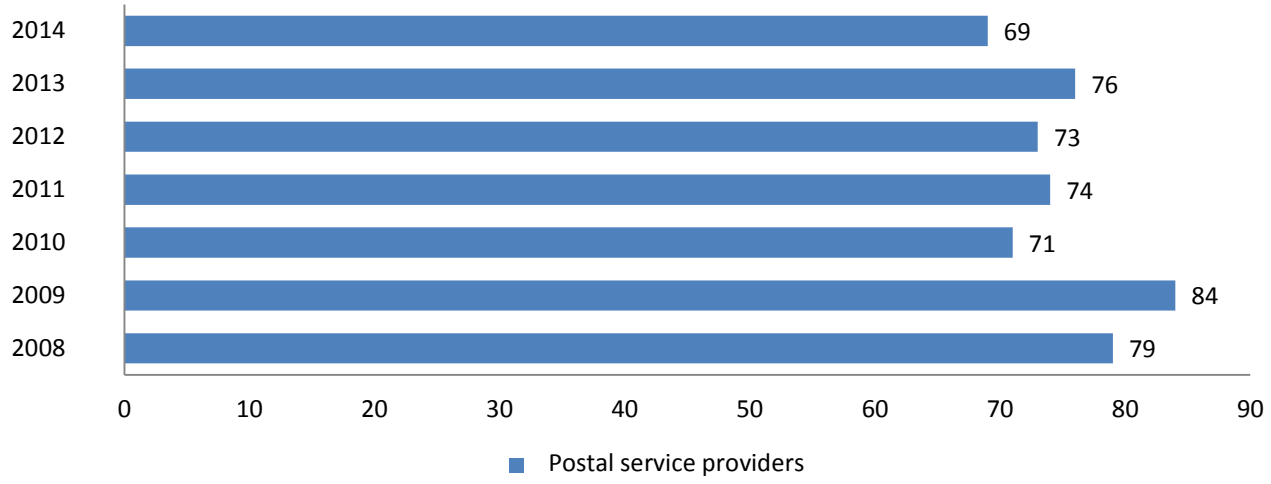

Figure 38. **Dynamics of the number of postal service providers in Lithuania in 2008–2014**
Source: RRT

In 2014, RRT received 8 applications of undertakings requesting to include them into the list of postal service providers, and 15 undertakings were deleted from the list of postal service providers. In accordance with the provisions of the Rules for Provision of Postal Services, undertakings shall be deleted from the list of providers of postal services, in case within one year they fail to deliver reports to RRT on the postal services provided. Referring to the said provision, 3 undertakings were deleted from the list in 2014. 9 undertakings were deleted from the list of postal service providers at their own request. 2 undertakings were deleted from the list due to bankruptcy, 1 – due to cessation of activities.

Compared to 2013, in terms of revenues, the overall postal services market, including the traditional postal market[39] and the market of the handing in of postal items in person with acknowledgement of receipt (through a courier), grew by 7.1 per cent in 2014 and reached LTL 376.5 million. The traditional postal market increased by 7.6 per cent in 2014 and amounted to LTL 160.7 million. In this market, in terms of revenues, the largest share was held by Lietuvos Paštas AB – 90.8 per cent. The market of the handing in of postal items in person with acknowledgement of receipt (through a courier), in terms of revenues and compared to 2013, grew by 6.7 per cent and reached LTL 215.8 million in 2014. The dominating operators remained the same as in 2013: DPD Lietuva UAB, DHL Lietuva UAB and Venipak LT UAB, they held the following market shares respectively: 31.5 per cent, 14.4 per cent and 13.6 per cent.

The total postal correspondence market, in terms of quantity, increased by 3.6 per cent in 2014. Recent years have seen a trend that postal parcels constitute an increasingly larger part of all postal items (in 2013 they accounted for 10.2 per cent and in 2014 – 10.8 per cent of all postal items), and there has also been an increase in their quantity. In 2014 in the postal parcels market, the number of sent and received parcels, compared to 2013, grew by 10.4 per cent. The number of international parcels increased by 2.3 per cent, and the number of domestic parcels increased by 12.8 per cent. This shows that the growth of the number of postal parcels is largely due to the increasing popularity of electronic commerce and parcel self-service terminals.

[39] Traditional postal services are universal postal services and the delivery of postal items to recipients to their incoming mail boxes.

In order to assess the current intensity of competition in the postal market, the ratio indicating market concentration[40] – Hirschman-Herfindahl index (HHI)[41] – was calculated. The ratio was calculated in terms of the volumes of letter-post items (the ratio in 2014 – 5,007.5) and of postal parcels (the ratio in 2014 – 2,178.4), and also in terms of the revenues of postal service providers (the ratio in 2014 – 2,544.2) (see Table 8). When evaluating competition in the postal market, the calculated HHI values changed slightly during the period of 2008–2014 and showed that the concentration level of both the market of letter-post items and the market of postal parcels remained high, and the structure of the market was similar to that of an oligopolistic market and that, despite the relatively high number of postal service providers operating in the market, the market was occupied and dominated by a few large postal service providers.

Table 8. Market concentration ratios in 2008–2014

Ratio	2008	2009	2010	2011	2012	2013	2014
HHI in terms of the volume of letter-post items	5,521.4	5,519.1	5,297.6	5,079.0	5,184.7	5,236.3	5,007.5
HHI in terms of the volume of postal parcels	3,952.2	2,627.4	2,009.2	2,164.5	2,038.6	2,163.1	2,178.4
HHI in terms of revenues	2,432.7	2,634.7	2,429.2	2,286.2	2,149.3	2,262.7	2,544.2

8.2.2. Tariffs and cost accounting of universal postal services

After RRT was assigned to perform, as of 1 January 2013, a new function of approving tariff ceilings for UPS, which was previously performed by the Government of the Republic of Lithuania, in 2014 tariff ceilings for UPS were reviewed. By Order No. 1V-102 of the Director of RRT of 29 July 2014 "On the Approval of Tariff Ceilings of Universal Postal Service", **new tariff ceilings for UPS were approved** and entered into force as of 1 August 2014.

The new tariff ceilings of UPS were approved upon evaluation of the cost-orientation of the tariffs of UPS as well as taking into account not only the weight steps of postal items as it was the case until 1 August 2014, but also the dimensions of postal items. Letter-post items were divided according to specific dimensions because of the costs of processing of postal items being dependent not only on the weight of postal items, but also on their dimensions, i.e. the costs of processing of larger letter-postal items being higher. Letter-post items were divided into the following two types of letter-post items: “letter-post item” and “large letter-post item”, their tariffs were established respectively based on costs. The established dimensions of letter-post items are in line with the maximum dimensions of letter-post items set out in the documents of the Universal Postal Union.

Some of the tariff ceilings of UPS remained in force without changes, i.e. those of priority and non-priority letter-post items sent within Lithuania and weighting up to 500 g and corresponding to the dimensions

[40] Concentration means a market situation in which economic activity is concentrated under the control of one or several firms, in other words, when a small number of firms occupy the largest share of a particular market.

[41] HHI shows an uneven distribution of market powers of all market players and is the best known and most important index of the intensity of competition in the market. HHI is directly proportional to concentration (i.e. when the latter increases, the former increases as well, and when the former decreases, the latter decreases). The lower the HHI, the higher the level of competition, and vice versa: the increase in the HHI indicates a decrease in competition and an increase in market power. HHI values:

- HHI < 1,000 indicates an unconcentrated market;
- HHI between 1,000 and 2,000 – moderate concentration;
- HHI above 2,000 – high concentration.

of small letter-post items[42], as well as those of non-priority letter-post items sent to non-EU countries, weighting up to 500 g and corresponding to the dimensions of small letter-post items. Part of the tariffs of UPS were **increased**, i.e. those of priority and non-priority letter-post items sent within Lithuania and weighting up to 2000 g and corresponding to the dimensions of large letter-post items[43], as well as those of non-priority letter-post items sent to the EU Member States and weighting up to 500 g and corresponding to the dimensions of small letter-post items, as well as those of priority and non-priority letter-post items sent to the EU Member States and to other countries, weighting up to 2000 g and corresponding to the dimensions of large letter-post items. The tariffs of two types of letter-post items were **reduced** – those of priority letter-post items sent to non-EU Member States, corresponding to the dimensions of large letter-post items and weighting from 500 g up to 1000 g, and those of letter-post items, weighting from 1000 g up to 2000 g.

As from 1 August 2014, the new tariff ceilings were approved for the following UPS services:

- domestic letter-post items of up to 2000 g, corresponding to the dimensions of large letter-post items;
- cross-border letter-post items of up to 500 g, corresponding to the dimensions of letter-post items;
- cross-border letter-post items of up to 2000 g, corresponding to the dimensions of large letter-post items.

As from 1 August 2014, the tariff ceilings of UPS did not change and remained in force for the following services:

- domestic letter-post items of up to 500 g, corresponding to the dimensions of letter-post items;
- cross-border letter-post items of up to 500 g, sent to other countries and corresponding to the dimensions of letter-post items;
- domestic and cross-border postal parcels;
- registration and insurance services.

In 2014 RRT received and analysed the detailed report on UPS costs of 2013, provided by Lietuvos Paštas AB, and determined that Lietuvos Paštas AB had calculated its costs of UPS for the reporting period in observance of the requirements established in the Rules on UPS Cost Accounting – the cost accounting system of the provider of UPS was found compliant with the principles for handling of cost accounting and other requirements, established in the above Rules.

Also, in 2014 additionally organized an independent audit of Lietuvos Paštas AB with the aim of establishing whether the cost accounting system, used by the provider of UPS in 2013, complied with the principles and requirements for handling of cost accounting, established in the Rules on Cost Accounting of the Provider of Universal Postal Services. During the audit, an analysis of the structure of the cost of the services provided by the company was performed, the verification of correctness of the annual report on cost accounting was prepared, as well as other works were executed for the purpose of verification of the cost accounting system. The auditor provided proposals of an advisory nature for optimizing the cost accounting system and the conclusions of the independent audit that in most important aspects the information and

[42] Maximum dimensions of a letter-post item: length 381 mm, width 305 mm, height 20 mm.
[43] Maximum dimensions of a large letter-post item: any of dimensions may not exceed 600 mm, and the sum of the length, width, and height may not exceed 900 mm; in roll form: any of dimensions may not exceed 900 mm, and the length plus twice the diameter may not exceed 1040 mm.

data, provided in the annual cost accounting report of 2013 by Lietuvos Paštas AB, was correct and the cost accounting report was prepared in observance of the requirements provided by legal acts.

According to the data of the representative survey of residents of the Republic of Lithuania conducted by commission of RRT during the period from 15 October to 15 November 2014, the postage price for letter-post items of up to 20 g, which was established after the entry into of the new tariffs of UPS, both within Lithuania and abroad was evaluated as average by the majority of UPS users: the price of posting such letter-post items within Lithuania was indicated as average by 67 per cent, to the EU countries – 73 per cent, to other countries – 69 per cent of the respondents. The postage price for large letter-post items was also most frequently perceived as average: the price of posting such letter-post items within Lithuania was indicated as average by 69 per cent, to the EU countries – by 64 per cent of the survey participants. The postage price for postal parcels to be sent within Lithuania was evaluated as average by 50 per cent and as high – by 39 per cent of the respondents. The price of posting postal parcels to the EU countries or other countries was more frequently indicated as high: the price of posting such parcels to the EU countries was indicated as average by 23 per cent and as expensive by 74 per cent of the respondents; to other countries – by 22 per cent and 76 per cent, respectively. The postage price for a postal parcel being as low as possible was indicated as an important factor (44 per cent of the respondents). The security of postal parcels was mentioned somewhat less frequently (40 per cent). The time period of delivery of postal parcels was ranked as the least important criterion – 16 per cent of the respondents mentioned this criterion as the most important.

As every year, in 2014 RRT also performed supervision of the loss-making service of delivery of periodical publications to subscribers in rural areas. In accordance with Decision No. 835 of the Government of the Republic of Lithuania of 11 July 2012 “On the Approval of the Rules on Compensation of Loss-Making Services of Delivery of Periodical Publications to Subscribers in Rural Areas”, periodical publications to subscribers in rural areas in Lithuania shall be delivered by the UPS provider Lietuvos Paštas AB. The aforementioned Decision also provides for the procedure for compensation for losses, which shall be calculated as the difference between the costs of the provision of the service of delivery of periodical publications to subscribers in rural areas and the tariff ceilings for the service of delivery of periodical publications approved by the Government. Upon receipt of an application from Lietuvos Paštas AB regarding compensation of the loss-making service of delivery of periodical publications to subscribers in rural areas for 2013 and the first half of 2014, RRT **submitted its conclusions to the Ministry of Transport and Communications regarding** the legitimacy and conformity of the losses of **the loss-making service of delivery of periodical publications to subscribers in rural areas provided by Lietuvos Paštas AB** with the requirements set forth in the Rules on Cost Accounting of the Provider of Universal Postal Services, approved by Order No. 1V-55 of the Director of RRT of 11 January 2013.

On 29 April 2014 RRT received an application from Lietuvos Paštas AB regarding compensation of loss-making universal postal services. Lietuvos Paštas AB pointed out that in 2013 the performance of the obligation to provide universal postal services was loss-making in rural geographic areas and represented an unfair financial burden. Lietuvos Paštas AB submitted to RRT the calculations of the losses incurred as a result of the provision of universal postal services in rural geographic areas, which in 2013 amounted to LTL 3,442.930. After having examined the information provided in the application of Lietuvos Paštas AB as well as other available data, RRT found that the application of Lietuvos Paštas AB regarding compensation of

loss-making universal postal services was not justified and, following the provisions of the Rules for Compensation of Loss-Making Universal Postal Services, approved by Resolution No. 310 of the Government of the Republic of Lithuania of 10 April 2013 “On the Approval of the Rules for Compensation of Loss-Making Universal Postal Services and Repealing Resolution No. 236 of the Government of the Republic of Lithuania of 12 March 2008 “On the Approval of the Rules for Compensation of Loss-Making Universal Postal Services”, presented the following arguments: in 2013 Lietuvos Paštas AB received profit from the provision of universal postal services amounting to LTL 3,262,655.61 and selectively estimated the losses incurred in an economically disadvantageous rural geographic area. The data, provided in the application of Lietuvos Paštas AB regarding compensation of loss-making universal postal services, confirmed only certain losses incurred as a result of providing only a part of universal postal services, but not total losses of all universal postal services. In this regard, RRT stated that the mere fact of Lietuvos Paštas AB being obligated to provide universal postal services and, as a result, incurring losses in a particular area, did not represent sufficient grounds to apply the mechanism of compensation for losses from the state budget, because Lietuvos Paštas AB had not taken into consideration the obligation to present a profit and loss statement for all universal postal services for 2013. In the light of the above arguments, RRT held that the application of Lietuvos Paštas AB regarding compensation of loss-making universal postal services could not be satisfied.

9. CREATING PRECONDITIONS FOR TECHNOLOGICAL DEVELOPMENT OF ELECTRONIC COMMUNICATIONS MARKET

9.1. Promotion of investments and development of advanced ICT technologies

In order to develop wireless broadband communication in Lithuania, in 2014 RRT performed the works of radio frequency planning and coordination of the conditions for allocation of radio frequencies. The increase of broadband radiocommunication penetration remains the priority in order to make services provided over next-generation radiocommunication networks available on the whole territory of the country. For the purpose of maximizing the efficient use of radio frequencies and avoiding harmful interferences and herewith promoting investments and assuring the development of advanced information and communication technologies (hereinafter referred to as ICT), it is important to harmonise the use of specific radio frequency bands on the widest level possible. In this respect, Lithuania has a special position being a border state of the European Union (hereinafter referred to as the EU). Decisions regarding harmonized radio frequency bands that are going to be adopted by international organizations and the European Commission (EC) are very important for Lithuania.

For already several years, the question of the second digital dividend (694-790 MHz) has remained relevant, i.e. to what extent and on what terms will the use of this frequency band be harmonized? If the EU Member States agree to free up this radio frequency band and allocate it for Broadband Wireless Access, (BWA), the re-planning of TV broadcasting in the 470-694 MHz radio frequency band and the related replacement of TV programme transmission and reception equipment will become very important. The position of non-Member States on this issue is no less important because, if there is no agreement on a joint action scenario, border territories might become buffer zones with very limited possibilities to use 694–790 MHz radio frequencies. Although there is no decision on the issue to date, RRT representatives are actively involved in the activities of the International Telecommunications Union (hereinafter referred to as ITU), working groups of the Electronic Communications Committee (ECC) of the European Conference of Postal and Telecommunications Administrations (hereinafter referred to as CEPT), and of the European Commission, where the issue is being addressed and a framework for future decisions is under preparation.

9.2. Implementation of modern technologies – LTE (4G) networks

Long Term Evolution (LTE) technology-based networks are currently the main means of access to 4G mobile radio communication services for residents of Lithuania.

The year 2014 is associated with the deployment of 4G LTE networks. Mobile radio communication operators, who, by way of the auction held in 2013, were granted the right to use radio frequencies (channels) from the 800 MHz radio frequency band, began to intensively deploy the above technology-based radio communications networks and to provide next-generation mobile data services. At the end of 2014 there were already 613 registered LTE base stations operating in the 800 MHz radio frequency band (see Figure 39), which were mainly installed in cities and larger towns and near major roads. 4G LTE networks

were also deployed in the 1800 MHz and 2.1 GHz radio frequency bands, though not yet as intensely as in the 800 MHz radio frequency band: at the end of 2014, there were 487 registered base stations operating in the 1800 MHz radio frequency band and 48 base stations – in the 2.1 GHz radio frequency band. In 2014 Lietuvos Radijo ir Televizijos Centras AB was issued permits to use the 2310–2390 MHz, 2560–2570 MHz, 2680–2690 MHz and 2570–2620 MHz frequency bands. From the point of view of technologies and services, the above permits are neutral, so these radio frequency bands are also suitable for the deployment of 4G LTE mobile radio communication networks; however, it should be noted that, due to radio frequency propagation characteristics, the coverage of such base stations will be significantly lower than that of those operating on 800 MHz radio frequencies.

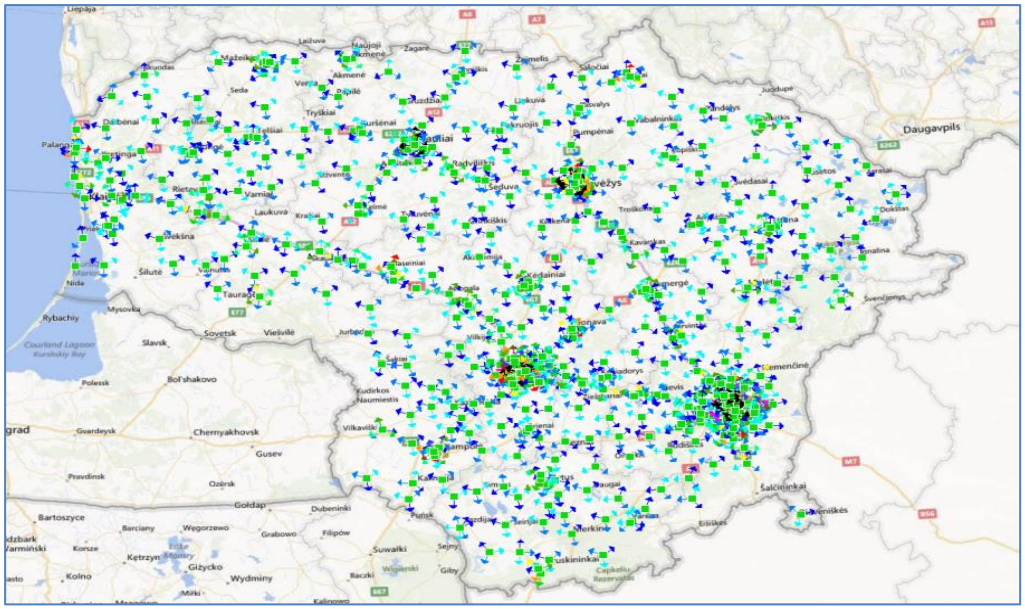

Figure 39. **LTE (4G) base stations, registered in the 800 MHz radio frequency band (at the end of 2014)**

In 2014, attempts were made to regulate the use of radio frequencies (channels) as little as possible: the use of any technology and the provision of any service were permitted in all of the EU-harmonized radio frequency bands. Therefore, at the request of operators, the conditions for the use of GSM and UMTS radio frequency bands were amended, indicating other technologies were also permitted to be used in the above radio frequency bands.

9.3. Digital TV and radio

In 2014 Lithuanian digital terrestrial television network operators were not active in developing digital terrestrial television networks and improving possibilities for reception of digital terrestrial television signals. There were a total of 91 stations (installed in previous years) operating in digital terrestrial television networks: 34 – in the first digital terrestrial television network, 27 – in the second one, 24 – in the third one and 6 – in the fourth one. In 2014 the holder of the permit to use radio frequencies in the first and second digital terrestrial television networks – Lietuvos Radijo ir Televizijos Centras AB – and the holder of the permit to use radio frequencies in the third and fourth digital terrestrial television networks – TEO LT, AB – applied to RRT with a request to extend, for a further seven years, the term of the use of radio frequencies (channels) on the aforementioned networks to expire on 31 August 2015. RRT satisfied the above request

and on 5 December 2014 issued the necessary permits to use radio frequencies on digital terrestrial television networks until 31 August 2022.

In 2014 the accessibility of the signals of two local digital terrestrial television stations was improved: the power of the transmitter of the station operating in Šiauliai was increased by almost 4 times, a new station was installed in the village of Papliauškos, Elektrėnai municipality. Nevertheless, the two permit holders, using radio frequencies for transmission of the programmes of local and regional broadcasters and for transmission of television programmes in Raseiniai and Panevėžys, ceased their operations, and there remained 16 operational local digital terrestrial television stations in Lithuania.

The permit to use the 25th television channel for rebroadcasting of high definition television programmes (National Geographic HD, Discovery HD Showcase and Eurosport HD) in Kaunas was extended until 31 May 2015. This television channel was allocated in 2010 for temporary use until the switch-off of analogue terrestrial television. However, since the operators of digital terrestrial television networks did not establish any new networks, where the use of 25th television channel had been provided for, the opportunity was seized to extend the use of the 25th TV channel in Kaunas on condition that it would be switched off after the establishment of new networks.

When implementing the development of local and regional digital terrestrial television, **RRT coordinated a new 41st television channel** in Utena and decided to assign it to Rytų Aukštaitijos Televizija UAB, but the latter did not apply to RRT for coordination of the project of the radio-technical part of the digital terrestrial television station and for the issuance of a relevant permit until the end of 2014.

At the end of 2014, there were 12 terrestrial radiocommunications networks of national coverage operating in Lithuania that included 187 UTB radio stations; local and regional radio programmes were broadcasted by additional 77 UTB stations.

In 2014 24 new UTB radio stations were launched in different areas of Lithuania. The 102.6 MHz radio frequency of the LRT RADIJAS programme of the National Radio and Television of Lithuania in Vilnius was replaced by the 89.0 MHz radio frequency. The radio station's effective radiated power was increased and its radiation polarization was changed from horizontal to vertical. As a result of the above changes, the quality of programme reception conditions improved in those areas of Vilnius and its suburbs, where up to then the radio signal strength in the receiver was not sufficient for high-quality reception of radio programmes due to the distance to the Vilnius RTV tower, terrain impacts and radio interference.

9.4. Radiocommunication mobile service

In 2014 the largest share of the spectrum, allocated for the mobile service[44], was used by public network operators in terrestrial radiocommunication networks for provision of electronic communications services. In 2014 the operators exercised the granted right to use radio frequencies/channels in the 790-862 MHz frequency bands and started installation of base stations. At the end of 2014, it was recorded that those were the frequency bands where the biggest number of base stations was installed during the year.

[44] Mobile radiocommunication is widely used by public mobile communication network operators for the provision of public mobile telephone communication services, and also by companies for satisfaction of their internal telecommunication needs and by state institutions for the activities pertaining to national defence, guarding the state borders, national security, maintenance of public order and state rescue services.

Also, in 2014 the public NEXEDGE technology network for digital radio communication in the 400 MHz radio frequency band was further developed. 8 permits to establish public radiocommunication networks of narrow-band core (trunk) systems in the territories of individual municipalities of Lithuania were granted. On their basis, the operator established new base stations and improved the quality of the radiocommunication services provided to emergency ambulance services. Over the year, 16 new base stations of the NEXEDGE network were registered and at the end of the year 2014 there were in total 63 base stations used in this network. In 2014 radio frequency users using mobile radiocommunication frequencies for their own use expanded their networks insignificantly.

In 2014 RRT received 1,118 requests and inquiries regarding the use of mobile radiocommunication. Upon investigation of the said requests, 718 replies were prepared, 3,818 new radiocommunication network stations and radio stations operating under the changed conditions of use were registered, 313 permits to use mobile service radio frequencies, 347 permits to use ship stations and 145 permits to use aircraft stations were issued.

In 2014 RRT executed supervision of the radio frequencies intended to mobile communication, through which 1,446 internal radiocommunication networks, 129 terrestrial stations and 533 aircraft stations of the aeronautics mobile service, 37 shore stations and 974 ship stations of the marine mobile service operated.

At the end of 2014 the operators of public mobile radiocommunication networks used 8,861 base stations in the radio frequency bands, allocated to them. Compared to 2013, the total number of public mobile radiocommunication base stations increased by 34.81 per cent (Figure 40).

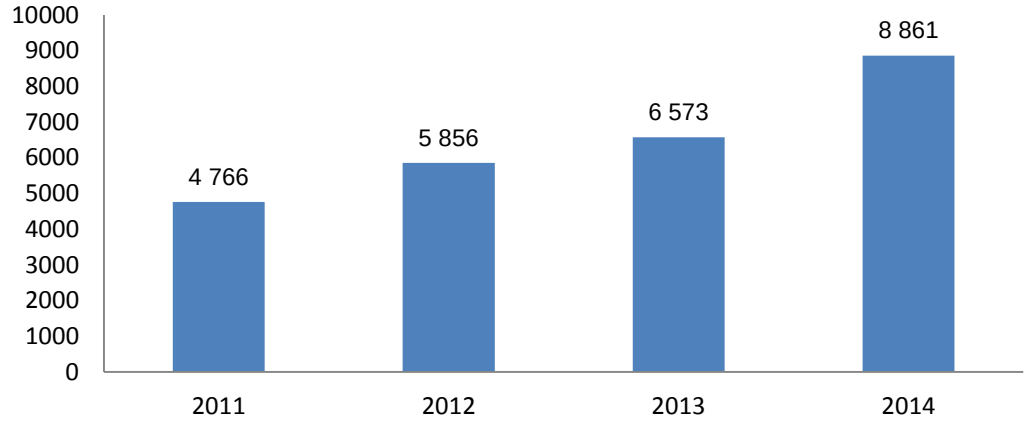

Figure 40. **The growth of the number of base stations of public mobile radiocommunication networks in 2011–2014**
Source: RRT

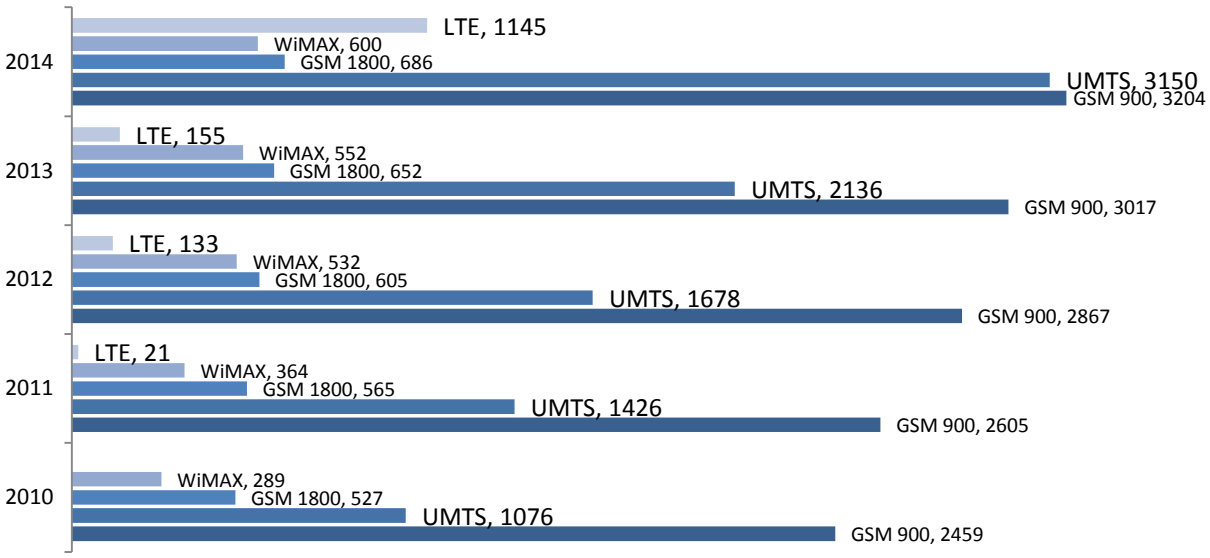

Figure 41. **Base stations of public mobile radiocommunication networks in 2014**
Source: RRT

Compared to 2013, in 2014 the number of GSM-900 base stations grew by 6.20 per cent, GSM-1800 base stations – by 5.21 per cent, UMTS – 47.47 per cent, WIMAX (mobile radiocommunication) mobile stations – 8.70 per cent, and the number of LTE base stations increased by 7.4 times (Figure 41). **In 2014 the most rapid increase was in the number of base stations operating in the UMTS 900 MHz frequency band and in the LTE 800 MHz radio frequency band**. RRT registered 822 new UMTS base stations in the 900 MHz frequency band and 613 new LTE base stations in the 800 MHz frequency band.

In 2014 operators also actively changed the conditions of use of base stations. The number of stations registered under the new conditions of use during the year was as follows: 1399 UMTS stations, 168 GSM-900 stations, 16 GSM-1800 stations, 11 LTE stations and 50 WIMAX (mobile radiocommunication) stations.

In 2014, 228 base stations were used in the digital terrestrial mobile radiocommunication network, intended for the activities pertaining to maintenance of public order, state rescue services, guarding the state borders and national security. In 2014 the operator of the public radiocommunication network of TETRA technology registered 2 new base stations and at the end of the year 13 base stations in total were used in this network.

In 2014 international coordination of radio frequencies for mobile service was performed. Requests, submitted for coordination of aeronautics mobile service radio frequencies of neighbouring countries, underwent continuous evaluation for compatibility in the radio frequency coordination system, administered by the European Organisation for the Safety of Air Navigation EUROCONTROL. More than 1.5 thousand such requests were submitted in 2014, each of them was reviewed and evaluated. Two procedures for coordination of radio frequencies, intended for users in Lithuania, were also successfully carried out.

9.5. Radiocommunication fixed and satellite communication services

Radiocommunication fixed service

The trends of fixed service in 2014 did not differ particularly from those seen over the last decade. In 2014, as in previous years, the number of radio relay link (hereinafter referred to as RRL) stations continued to grow (see Figure 42). This growth can be explained by the overall development of mobile communication networks and the increased demand for data transmission volumes. The demand for RRLs of larger transmission capacities is also growing year by year because of the recent substantial increase in data transmission flows, and operators are replacing old, low-capacity RRLs by new type systems with higher transmission capacities. Therefore, a lot of RRLs, the operation of which was launched before 2000, were refused. They were replaced by next-generation RRLs, often increasing the width of a radio frequency (channel), because the market's saturation with mobile devices having Internet access capabilities contributed to a growth in the operators' demand for data transmission. Therefore the overall growth of the number of RRLs of fixed service in 2014 was not as high as during the last few years. There was a prevailing tendency to reduce costs by increasing the efficiency of the equipment used.

In 2014 RRT issued 405 permits to use radio relay links, which means that the radio frequencies/channels are intended to be used in 810 new radio relay stations. In 2014 operators refused to use the frequencies/channels, intended to be used in 212 radio relay links, due to which the total number of RRL stations increased only by 193 radio relay links. Compared to 2011, the growth of RRLs was slightly more than 4.7 per cent.

In 2014, there was a growth in interest in radio communication transmission systems using frequencies above 40 GHz. For experimental purposes, 4 permits were taken out for a short period of time to test broadband RRLs, intended for use over short distances, but having the data transmission capacity equivalent to that of fiber-optic data transmission lines. It may happen that there will be more of such continuously operating systems in the future, since the procedure for issuing permits to use them is simple and the charges for maintenance of such RRLs are very low. Electronic registration of RRL stations is available for the following radio frequency bands: 64–64.5 / 65–65.5 GHz and 74.625–75.875 / 84.625–85.875 GHz. As a result, it has become easier for radio frequency users to register radio relay links. In addition, there has been a growing interest among operators in these RRLs and a growth in the number of manufacturers who can supply this type of radio equipment.

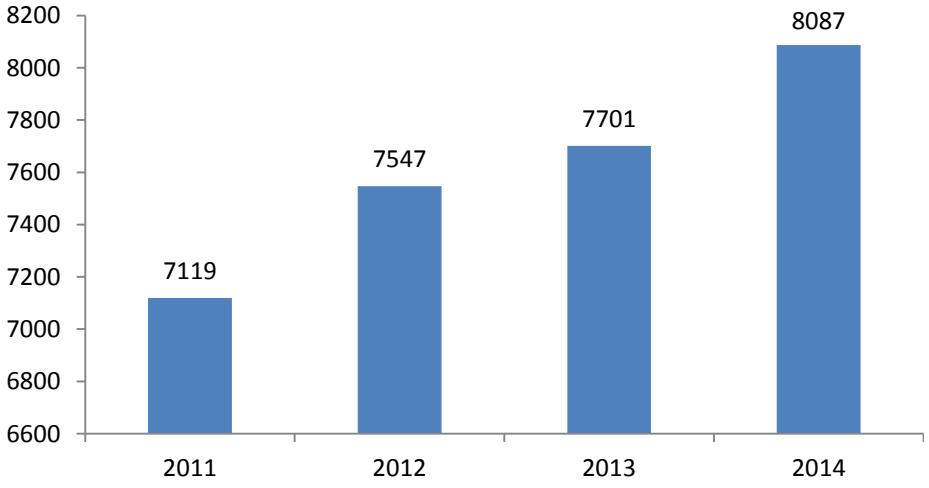

Figure 42. **The growth in the number of radio relay link stations in 2010–2014**
Source: RRT

At present, radio frequencies up to 38.5 GHz are used for fixed radiocommunication in Lithuania. Over the last five years, there has been little change in the percentages of the number of RRL stations in terms of radio frequency bands.

Satellite service

In 2014 RRT completed the international coordination procedure of radio frequencies, intended for the first Lithuanian satellites, that was started in 2013. In 2014 the frequencies used in satellite communication networks Lituanicasat-1 and Litsat-1 were registered in the International Frequency Register. Taking into consideration the increasing number of nano-satellites launched into low orbits around the Earth in the last years as well as the planned participation of Lithuania in the EU's new cross-border satellite communication project QB50, RRT actively exchanged information with the communications administrations of other countries on the possible regulation of use of this type of satellites.

In 2014 the Rules for Management, Assignment and Usage of Orbital Resources, Including Position in Geo-Stationary Orbit, that would facilitate and provide more clarity for operators willing to start using satellite communication networks in the future, were finalised and entered into force. It should be noted that Lithuania is one of the few European countries that have such rules.

Lithuania continues to participate in the joint EU project, which aims to implement the usage of mobile satellite service (MSS) systems in the 2 GHz band. Although the EC and the Member States laid new guidelines for the implementation of systems for the selected operators, during the negotiations that took place in Lithuania RRT informed Inmarsat and Solaris representatives that, if such valuable part of the radio frequency spectrum was not going to be used further, attempts would be made to transfer those frequencies for terrestrial systems. Having regard to the established requirements, Inmarsat notified RRT about commencement of its activities in Lithuania.

RRT coordinated one satellite communication Earth station of Russia operating in the 14 GHz band and one satellite communication Earth station of Germany operating in the 4 GHz band. At a request of the National Radio and Television of Lithuania, RRT also coordinated a satellite communication Earth station with Poland, Russia and Belarus and sent the data required for registration to ITU. A long-term permit to use a news collection station in Vilnius, Kaunas and Klaipėda was prepared and issued to a Spanish operator.

Upon receipt of a request from the Federal Communications Commission of the USA, two satellite networks of the USA were coordinated.

9.6. Radio amateur activities

In 2014, there were **805** individual radio amateur stations **registered** in Lithuania (Figure 43) and **16** radio amateur clubs holding **990** valid permits.

In 2014, there were 574 CEPT (the European Conference of Postal and Telecommunications Administrations) permits for the radio amateur activities of Class A, 292 – for the radio amateur activities of Class B: 173 (national) and 119 CEPT radio amateur licences; and also 124 licences to use radio call signs (104 – for individual stations and 20 – for radio amateur clubs) registered in the register of radio amateurs.

The radio amateur qualification examination commissions, formed by the order of the Director of RRT in five major cities in Lithuania (Kaunas, Klaipėda, Panevėžys, Šiauliai and Vilnius) which, according to the prepared and approved questions of level B and A examine the persons, wishing to engage in radio amateur activities and radio amateurs, wishing to obtain licenses for radio amateur activities of a higher class than those they already have, and Harmonised Amateur Radio Examinations Certificates (HAREC), issued according to the CEPT Recommendation T/R 61-02.

In 2014, 17 persons **passed the qualification examinations** successfully and became radio amateurs. As many as 25 radio amateurs renewed their activities after a certain break.

In 2014, **283 requests from radio amateurs** were examined, 314 orders were prepared: 264 – regarding granting and/or withdrawal of permits to engage in radio amateur activities, 50 – regarding granting and/or withdrawal of permits to use radio call signs; 290 permits were issued: 246 permits for radio amateur activities (179 permits of Class A and 67 – CEPT radio amateur licences) and 43 permits to use radio call signs, of which 22 – to use occasional radio call signs. 57 Harmonised Amateur Radio Examinations Certificates (HAREC) were issued. Consultations on the issues related to radio amateur activities were provided on a continuous basis.

Information on radio amateur activities is available on the website of RRT at www.rrt.lt in the section “Electronic Communications – For Consumers – For Radio Amateur”. In case of any uncertainty, radio amateurs are consulted additionally.

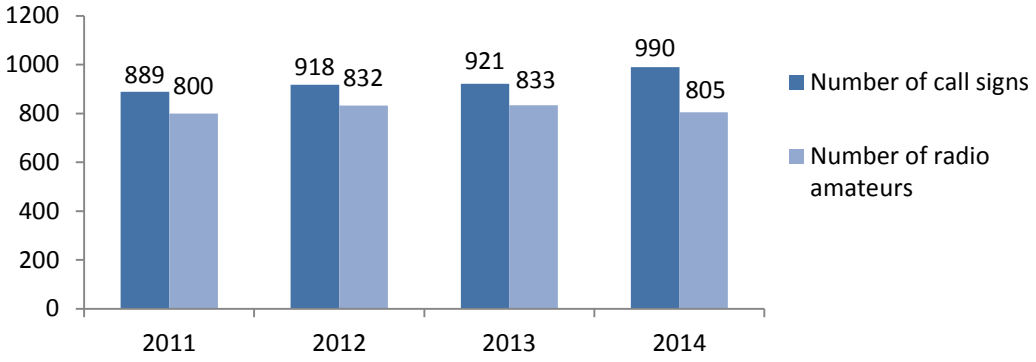

Figure 43. **The change of the number of radio amateurs and call signs assigned to them in 2011–2014**
Source: RRT

9.7. Radiocommunication equipment

RRT, like other EU institutions, controlling radio frequency spectrum resources, evaluates the compliance of the radiocommunication interface of radiocommunication equipment and devices of Class 2, operated in the non-harmonised EU radio frequency bands with the conditions for use of radio frequencies/channels in the Republic of Lithuania prior to the provision of the equipment to the market[45].

In 2014, 795 notifications of the provision of equipment of Class 2 to the market were received (799 in 2013). All the received notifications were investigated and the replies regarding the possibilities of equipment provision to the market and conditions for equipment usage in Lithuania were forwarded to the equipment providers: in 14 cases (1.8 per cent of all the received notifications) the relevant parties were informed that the equipment was prohibited to be used in Lithuania, in 203 cases (25.5 per cent) restriction on equipment use were imposed, in other cases (72.7 per cent) no restrictions on use were imposed.

The verification, performed by RRT ensures that the consumers on the Lithuanian market purchase equipment, compliant with the EU requirements and obtain the relevant information on the specifics of use of the radiocommunication equipment in due time.

9.8. Radio spectrum monitoring

In 2014 RRT continued performing the measurements of occupation of radio frequencies, electromagnetic strength of the radiated signals and their parameters, searching for radio frequencies, used without authorization and their unauthorized users, etc.

In order to ensure the quality of the broadcasted programmes and to avoid potential radio interference from the frequency modulation radio programmes broadcasting stations, the parameters of the signals, radiated by such stations, were periodically measured throughout Lithuania in 2014. 1,055 measurements of radio frequency deviation were performed. In 3.1 per cent of all the cases, the signal was found non-compliant with the applicable technical requirements. Looking at the statistics of the last few years (Figure 44), it can be seen that the number of violations of this type is decreasing. This has been achieved by RRT's continuous and focused work in this sphere. All the violations of radio frequency norms were eliminated.

[45] When evaluating the compliance of the radiocommunication equipment interface as it is determined in the Directive 1999/5/EC of the European Parliament and the Council of 9 March 1999 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity (hereinafter referred to as the Directive 1999/5/EC), the conditions of use of radiocommunication equipment, established by the manufacturer, are controlled for compliance with the radio frequencies/channels use plans in the Republic of Lithuania by evaluating the electromagnetic compatibility prospects as regards the use of the existing radiocommunication systems with the radiocommunication equipment to be used. The radiocommunication equipment is also controlled to see if it ensures efficient use of the frequency spectrum intended for terrestrial and/or spatial and satellite communication and the orbital resources as well as for the avoidance of harmful interference.

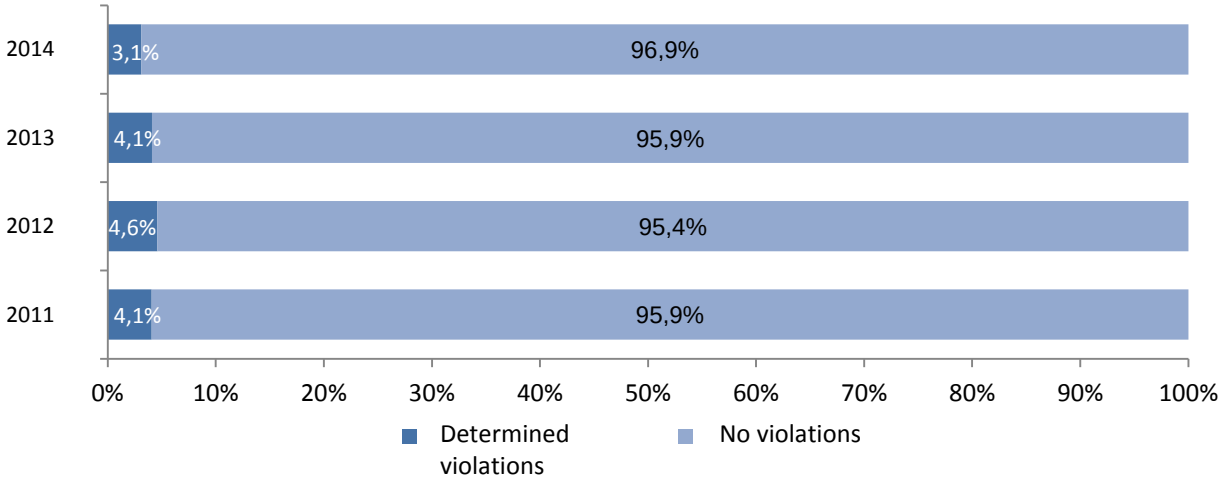

Figure 44. **The statistics of results of radio frequency deviation measurements in 2011–2014, per cent**
Source: RRT

In 2014, the search for radio frequencies used in an unauthorized manner and their users was continuously performed all over Lithuania. 104 cases of unauthorized use of radio frequencies were identified in 2014 (see Figure 45). 31 cases were investigated, of which 23 – investigated successfully. In 6 cases, identification of users failed due to the stopped usage of radio frequencies.

The majority of violations were found in the frequency bands above 1000 MHz by using fixed radio spectrum monitoring stations. In all of the above cases, unregistered radio relay link stations were found in use in public mobile communication networks. In 2014 searching for illegal users of frequencies, 134 visits to sites were made. For that purpose, next-generation real-time spectrum monitoring and signal searching equipment, either developed by or with active participation of RRT employees, was used.

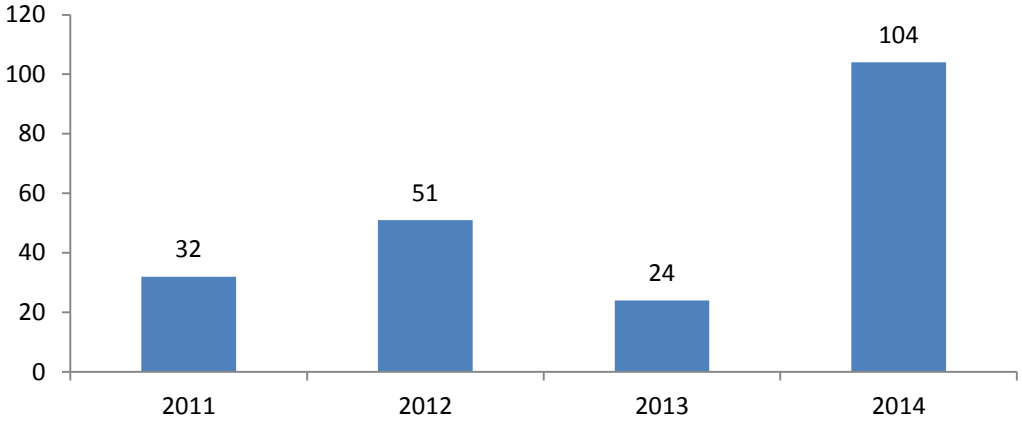

Figure 45. **The statistics of the cases of unauthorized use of radio frequencies in 2011–2014, units**
Source: RRT

9.9. Inspection of radiocommunication networks and stations

The inspection of radiocommunication networks and stations is performed by visiting the sites where they are installed. The objective of these inspections is to ensure the electromagnetic compatibility and prevent radio interferences. During the inspection the observance of the conditions of use of radio frequencies, established in the project and the licence issued by RRT is verified.

In 2014, 172 inspections of previously installed and 17 inspections of newly installed internal radiocommunication networks, 38 inspections of previously installed and 42 inspections of new radio and television programmes broadcasting stations were performed. Figure 46 shows the relation of the internal radiocommunication networks (a) and radio and television (RTV) broadcasting stations (b), in which violations were noted, to all the inspected networks and stations.

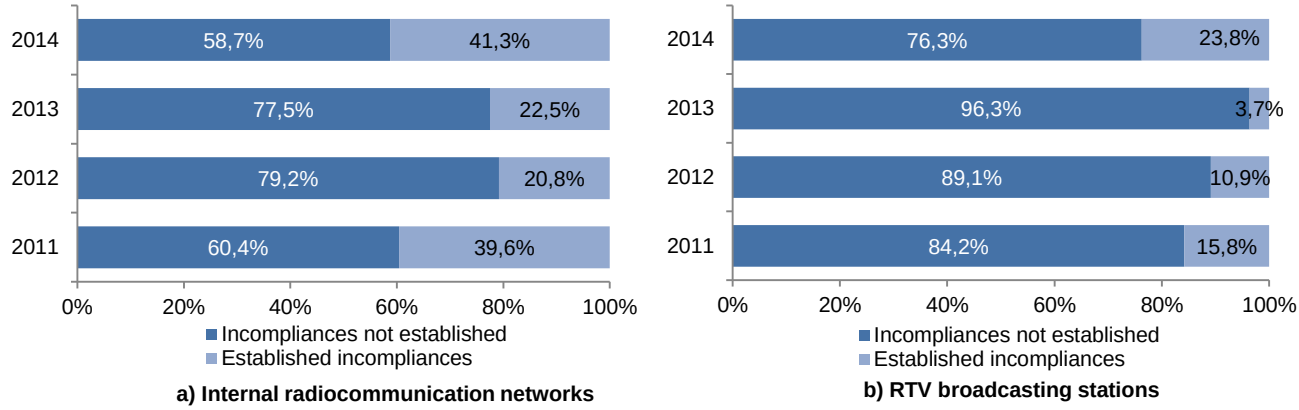

Figure 46. **The results of inspections of compliance with the project and/or the conditions, stated in the licence in 2011–2014, per cent**

When inspecting the internal radiocommunication networks, 49 violations were established, of which the most frequent were the excessive permissible ERP power of transmitters – 14 violations. Even 9 stations were found in different geographic locations than indicated in the permits issued to frequency users.

When inspecting radio and television broadcasting stations, 18 violations were established, of which the most frequent, as in the case of the internal radiocommunication networks, were the excessive permissible ERP power of transmitters – 9 violations; one of the more frequent – non-compliance of signal parameters with the established standards, etc. All the established violations and incompliances with the project and/or frequency (channel) usage conditions stated in the relevant licences were eliminated.

9.10. Radiocommunication equipment

RRT, like other EU institutions, controlling radio frequency spectrum resources, evaluates the compliance of the radiocommunication interface of radiocommunication equipment and devices of Class 2, operated in the non-harmonised EU radio frequency bands with the conditions for use of radio frequencies/channels in the Republic of Lithuania prior to their provision to the market[46].

Manufacturers of radiocommunication equipment or telecommunications terminal equipment or their authorized representatives must evaluate whether such equipment complies with the essential requirements provided in the Directive 1999/5/EC prior to the provision of such equipment to the market. In situations where RRT establishes that the radiocommunication equipment interfaces fail to comply or do not fully

[46] When evaluating the compliance of the radiocommunication equipment interface as it is determined in the Directive 1999/5/EC of the European Parliament and the Council of 9 March 1999 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity (hereinafter referred to as the Directive 1999/5/EC), the conditions of use of radiocommunication equipment, established by the manufacturer, are controlled for compliance with the radio frequencies/channels use plans in the Republic of Lithuania by evaluating the electromagnetic compatibility prospects as regards the use of the existing radiocommunication systems with the radiocommunication equipment to be used. The radiocommunication equipment is also controlled to see if it ensures efficient use of the frequency spectrum intended for terrestrial and/or spatial and satellite communication and the orbital resources as well as for the avoidance of harmful interference.

comply with the conditions for the use of radio frequencies in Lithuania, RRT shall notify the relevant parties, who provided notifications of the issue, in writing and require to include relevant information into the user manual of the radiocommunication unit in order to inform the user on restrictions, if any, of the equipment use (certain technical parameters, geographical location etc. can be limited), provided limitations are established.

In 2013, 799 notifications of the provision of equipment of Class 2 to the market were received (1,007 – in 2012). All the received notifications were investigated and the replies regarding the possibilities of equipment provision to the market and conditions for equipment usage in Lithuania were forwarded to the equipment providers: only in 4 cases (0.5 per cent of all the received notifications) the relevant parties were informed that the equipment was prohibited to be used in Lithuania, in 274 cases (34.3 per cent) restriction on equipment use were imposed, in other cases (65.2 per cent) no restrictions on use were imposed.

The verification, performed by RRT ensures that the consumers on the Lithuanian market purchase equipment, compliant with the EU requirements and obtain the relevant information on the specifics of use of the radiocommunication equipment in due time.

9.11. Management of other resources

Management of telephone numbers

RRT performed supervision of the National Numbering Plan and assigned telephone numbers.

Compared to 2013, the total number of assigned telephone numbers grew in 2014. The summary of the issued/revoked licences to use telephone numbers is presented in Table 10.

Table 10. **The summary of the permits to use telephone numbers, issued/revoked in 2014**

The purpose of numbers	The right granted (numbers assigned) in 2014	The right cancelled (numbers refused) in 2014	The total number of numbers assigned
The 10XX short numbers	1	0	19
The 18XX short numbers	1	5	50
The 19XXX short numbers	13	5	38
The 116 XXX short numbers	0	0	3
The public fixed telephone service numbers	15,995	39,741	949,947
The public mobile telephone service numbers	76,244	226,024	6,881. 079
Service numbers 7XX XXXXX, 8XXXXXXX and 9XXXXXXX	35,145	21,145	45,759

RRT has assigned three numbers from the five numbers for harmonised services of social value.

In 2012, short telephone number 116000 assigned to the non-governmental organisation Missing Persons' Families Support Centre, intended for helpline messages regarding missing children.

RRT assigned short telephone number 116111 to the State Child Rights Protection and Adoption Service under the Ministry of Social Security and Labour. The purpose of the helpline available at this short telephone number is to provide assistance to the children lacking care and security.

RRT assigned short telephone number 116123 (psychological help) to the Association of Telephone Psychological Help Services of Lithuania.

In 2014 RRT announced tenders for the assignment of numbers 116006 and 116117; however, no applications were received. RRT will repeatedly announce the tenders for assignment of the numbers for harmonised services of social value in 2015.

Management of network identifiers

In 2014, 2 public mobile telecommunication network codes, 1 number portability service identifier and 6 national signalling point codes were assigned.

The total number of assigned codes and identifiers is as follows:

- 29 international signalling point codes;
- 8 public mobile telecommunication codes;
- 2 public data communication identifier codes;
- 34 number portability service identifiers;
- 110 national signalling point codes;
- 9 identifier codes of digital terrestrial television transmission networks and services.

Internet addresses

RRT is authorized to issue permissions regarding the use of the state name of Lithuania before the top-level domain ".lt". The name of Lithuania is the official long or short name of the state of Lithuania, i.e. "the Republic of Lithuania" or "Lithuania" in all the official languages of the EU Member States and in all the grammatical forms of the said languages.

In 2014 RRT issued 28 licences granting the right to applicants to use the name of Lithuania in the second level domain name before the top-level domain “lt” and revoked 12 licences that had been issued previously. Licences are issued for unlimited time. The procedure for their issuance is very simple. If the application corresponds all the indicated requirements, RRT issues the licence in 5 working days.

10. INTEGRATION INTO DECISION MAKING SYSTEM IN THE EU AND INTERNATIONAL REGULATORY SPACE

10.1.1. Documents considered in the EU Council working parties

In 2014 RRT prepared a position on the proposal submitted by the European Commission for a Directive of the European Parliament and of the Council on the harmonisation of the laws of the Member States relating to the making available on the market of radio equipment, which repealed Directive 1999/5/EC, was approved on 16 April 2014. The proposal was examined in substance by the EU Council Working Party on Technical Harmonisation, when it was chaired by a representative of RRT in 2013.

RRT representatives also considered and provided their opinion on the following proposals submitted by the European Commission related to the opportunities for the development of electronic communications sector, security of electronic communication and information systems and electronic signature, discussed at the EU Council Working Party on Telecommunications and Information Society in 2014:

- Proposal for a Directive of the European Parliament and of the Council concerning measures to ensure a high common level of network and information security across the Union. The document aims at providing common EU-wide measures that would ensure an adequate level of network and information security across the EU, i.e. it is aimed to provide how competent authorities of the EU Member States should cooperate to prevent potential cyber-attacks and how they should respond to attacks that have occurred and potentially pose a threat to the security of electronic communications networks and information. It is also intended to establish a mechanism for cooperation with market participants (providers of networks and services). The study of the Proposal will be continued in 2015.

When giving its opinion on Directive's provisions relating to the establishment of mechanisms of cooperation among authorities of the EU Member States, RRT sought for rapid and efficient investigation of incidents.

- Proposal for a Regulation of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the internal market. Upon completion of consideration of the proposal, Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC was published on 23 July 2014. The Regulation aims at ensuring an adequate level of security of electronic identification means and trust services. In view of its competence relating to the functions of electronic signature supervision institution, RRT seeks to ensure that the provisions of Regulation No 910/2014 are implemented in Lithuania by 1 July 2016.

- Proposal for a Regulation of the European Parliament and of the Council laying down measures concerning the European single market for electronic communications and to achieve a Connected Continent (hereinafter – the Regulation on the European single market for electronic communications). The objective of the Proposal for a Regulation on the European single market for electronic communications is to establish the EU single market for electronic communications, enhance competition, and promote investment. When considering the Proposal in 2014, the majority of the Member States argued in favour of deleting the provisions proposed by the EC regarding a single EU authorisation, radio spectrum management, wholesale

access products at EU level, and the aforementioned comments were taken into consideration. The study of the Proposal for a Regulation on the European single market for electronic communications will be continued in 2015.

Lithuania's position on the above issue is formed by the Ministry of Transport and Communications. RRT has presented its opinion on the various aspects of the Regulation on the European single market for electronic communications (radio spectrum management, roaming charges, etc.), in order to find balanced solutions, so that regulation would benefit consumers and price regulation would not adversely affect stability and competition in the European single market for electronic communications.

- Proposal for a Regulation of the European Parliament and of the Council on measures to reduce the cost of deploying high-speed electronic communications networks. Discussions on the proposal have been completed, and Directive 2014/61/EU on measures to reduce the cost of deploying high-speed electronic communications networks will be published on 15 May 2014. This Directive aims to facilitate and incentivise the roll-out of high-speed electronic communications networks by promoting the joint use of existing physical infrastructure and by enabling a more efficient deployment of new physical infrastructure so that such networks can be rolled out at lower cost. Reducing the costs of deploying electronic communications physical infrastructure is associated with joint activities, which do not duplicate business efforts to develop networks; therefore it is aimed to establish common necessary requirements of EU legal acts for civil engineering works and physical infrastructure.

The transposition of this Directive must be completed by 1 January 2016. The Ministry of Transport and Communications, the Ministry of Environment and RRT participate in the process of the transposition of the Directive's provisions into national legislation.

In 2014 RRT coordinated several tens of positions prepared by institutions of the Republic of Lithuania relating to issues discussed by EU (for instance, establishment of a single EU market for parcel delivery, an internal market for industrial products, agreements on trade in services with third countries, etc.).

10.1.2. Issues discussed in the committees and working groups of the European Commission (EC)

In 2014 RRT representatives participated in the meetings of more than ten committees and working groups of the EC.

The Communications Committee, the meetings of which were attended by a representative of RRT, presented and discussed relevant electronic communications regulatory issues, such as legislative amendments initiated by the EC relating to the EU single market for electronic communications, Directive 2014/61/EU on measures to reduce the cost of deploying high-speed electronic communications networks, EU broadband deployment report, report on implementation of the European emergency number 112 by the EU Member States and other issues, discussed and approved the Commission Recommendation 2014/710/EU of 9 October 2014 on relevant product and service markets.

In 2014 representatives actively participated in the activities of the Radio Spectrum Committee (RSCOM) and the Radio Spectrum Policy Group (RSPG). Issues relating to harmonisation of radio communications in the EU Member States were discussed in this Committee and in the Group. RSCOM, with the participation of a representative of RRT, approved the following Commission Implementing Decisions: on the harmonisation of the 3400–3800 MHz frequency band for terrestrial systems capable of providing

electronic communications services in the Community; on harmonised technical conditions of radio spectrum use by wireless audio programme making and special events equipment in the Union; on allowing the use of the radio spectrum for equipment using ultra-wideband technology in a harmonised manner in the Community.

RSPG prepares conclusions regarding the relevant issues relating to management and use of radio frequencies. The Draft RSPG Opinion on Common Policy Objectives for WRC-15 (World Radiocommunication Conference 2015) and the Draft RSPG Opinion on a long-term strategy on the future use of the UHF band (470-790 MHz) in the European Union were finalized. The latter document will be very important for Lithuania, since it will evaluate the importance of digital terrestrial television and spectrum demand in each country, the development of broadband radiocommunication in this radio frequency band, the possibility of convergence of technologies and the associated benefits and costs, and will determine the date of assignment of the 700 MHz radio frequency band for wireless broadband access. It is very important for Lithuania to achieve that the plans for the development of broadband radio communication in the 700 MHz frequency band in the EU border countries are directly related to the plans of the countries outside the European Union to use this frequency band for television broadcasting.

10.1.3. The Body of European Regulators for Electronic Communications (BEREC)

The Work Programme 2014 of the Body of European Regulators for Electronic Communications (BEREC) was implemented by the working groups set up to collect and analyse data, prepare documents. The objectives set for the working groups, involving RRT representatives, were as follows:

- boosting the roll-out of next generation networks;
- empowering and protecting consumers;
- promoting the internal market for services;
- analysing of regulatory quality aspects of the electronic communications sector.

In addition to the above objectives, in 2014 BEREC paid special attention to studying the EC Proposal for a Regulation of the European Parliament and of the Council laying down measures concerning the European single market for electronic communications. Special attention was given to the Regulation's provisions related to roaming and net neutrality. BEREC views on the European Parliament first reading legislative resolution on the European Commission's proposal for a Connected Continent Regulation (BoR (14) 50)[47] were presented on 17 May 2014, and on 17 December 2014 BEREC additionally presented its opinion (BoR (14) 209)[48] to the European Commission and other EU institutions regarding the debate caused by possible obstacles to the implementation of international roaming provisions in the EU. The aforementioned opinion presented by BEREC is aimed at proving the possibility to implement the provisions, which would enable users of roaming services to use their phones when travelling throughout the EU, while paying domestic rates. Roaming charges have been reduced since 2007, following the entry into force of Regulation No. 717/2007/EU. However, it is difficult to implement the provisions regarding further reduction

[47] http://berec.europa.eu/eng/document_register/subject_matter/berec/opinions/4385-berec-views-on-the-european-parliament-first-reading-legislative-resolution-on-the-european-commission8217s-proposal-for-a-connected-continent-regulation

[48] http://berec.europa.eu/eng/document_register/subject_matter/berec/opinions/4826-international-roaming-analysis-of-the-impacts-of-8220roam-like-at-home8221-rlah

of roaming charges owing to the difference in wholesale mobile prices applicable in the EU Member States. In addition, when implementing the new provisions, it must be ensured that the regulation will benefit consumers and will have no negative impact on stability and competition in the EU market for electronic communications. When examining the above issue, in 2014 the BEREC *ad hoc* team, involving also representatives from RRT, was actively engaged in the evaluation of possible options for implementation of the decision and provided expert information to representatives of EU institutions.

In 2014 RRT representatives also took an active part in the following BEREC working groups:

- The Net Neutrality Expert Working Group – representative of RRT, involved in this Working Group, participated in drafting the document (drafted a chapter thereof) on monitoring quality of Internet access in the context of net neutrality, which was approved during the BEREC plenary meeting. The document is important for ensuring quality of Internet services and quality monitoring

- Three Expert Working Groups (established under Article 7 and 7a of the Framework Directive 2009/140/EU), examining and drafting decisions regarding the serious doubts expressed by the EC about EU national regulators' decisions related to market regulation measures – a representative of RRT drafted, presented comments and proposals on BEREC's position; one of the Expert Groups was chaired by a representative of RRT.

10.1.4. European Regulators Group for Post (ERGP)

The mission of the European Regulators Group for Post (ERGP), composed of the national regulatory authorities in the field of postal services, is to develop and exchange best regulatory practice of the market for postal services, to provide expert assistance to the European Commission on postal issues. ERGP has an important role in developing the single market for postal services and ensuring high quality consumer-oriented postal services for EU citizens. In 2015 Feliksas Dobrovolskis, the Director of RRT, holds the office of Chair of this Group, and in 2014 he was Vice-Chair of ERGP.

The key issues of the ERGP work programme for 2014:

- accounting and price regulation;
- net costs of the USO;
- end-user satisfaction and monitoring of market outcomes;
- cross-border parcel delivery and e-commerce;
- end-to-end competition and access regulation.

RRT representatives actively participated in plenary and Contact Network meetings of ERGP, as well as in the meetings of ERGP working groups. During the plenary and Contact Network meetings of ERGP, ERGP activities were reviewed, the documents drafted by the working groups were approved, and it was decided during the period from 18 September 2014 to 14 November 2014 to launch public consultation on the implementation of Universal Service in the postal sector in view of market developments. The above-mentioned document was published in order to invite the European stakeholders to dialogue on the implementation of Universal Service in the postal sector and the effects of the market and other developments on the scope and long-term sustainability of the USO. The results of this public consultation were discussed during the ERGP workshop, to which representatives of consumer associations, postal

industry associations, labour associations, e-retailers, national regulatory authorities (including RRT) had been invited.

In 2014 RRT representatives actively participated in drafting documents of ERGP working groups, provided necessary information and comments, prepared summaries of the postal market.

RRT made a contribution on 2 issues to the ERGP working group on Net Costs of Universal Service Obligations in drafting the document "On the implementation of Universal Service in the postal sector and the effects of recent changes in some countries on the scope of the USO", aimed at identifying changes in the scope of universal services and the effects thereof on net costs. RRT representatives also participated in drafting documents in the ERGP working group on End-User Satisfaction and Monitoring of Market Outcomes, the ERGP subgroup on Cost Accounting/Price Regulation, the working group on European Cross-Border E-Commerce Parcels Delivery. RRT representatives provided information, comments for the following ERGP documents: ERGP Report on best practices in the field of consumer protection, quality of service and complaint handling, Report on indicators on the postal market, Report on tariff regulation in the context of the declining mail volumes, Report on benchmarking of the universal service tariffs, ERGP opinion on a better understanding of European cross-border e-commerce parcels delivery market(s) and the functioning of competition, etc.

Feliksas Dobrovolskis, the Director of RRT, who is acting as ERGP Chair in 2015, is planning to strive towards proper definition of guidelines that would allow European institutions regulating the postal market to more quickly and efficiently respond to changes in the postal market, the convergence of services and users' needs. The ERGP's main priorities, provided for The ERGP work programme for 2015 are as follows: pricing of postal services, accounting regulation, implementation of universal postal service obligations, quality of service and end-user satisfaction with postal services, monitoring of the postal market, and e-commerce.

10.1.5. The International Telecommunication Union (ITU)

ITU is one of the oldest international organizations in the United Nations. ITU currently has a membership of 193 countries. The activities of this organization include the following:

- shaping the information and communication technology (ICT) sector policy;
- determining and monitoring the allocation of radio frequencies on a global scale (national frequency allocation tables are prepared and provision of national radio communication services is ensured in accordance with the ITU Radio Regulations);
- development of global technical standards and recommendations in the field of ICT.

A representative of Lithuania was a member of the Radio Regulations Board (RRB) of ITU for two terms of office from 2006 to 2014 and dealt with issues related to radio communication, contributed to the success of solving radio interference issues among ITU Member States, so that all countries, regardless of their size or influence, would comply with the ITU Radio Regulations and would cause no interference to neighbouring countries, which is also relevant for Lithuania.

In 2014 RRT representatives participated in the following 3 ITU events of priority for the Republic of Lithuania that were scheduled in the list of the committees of the United Nations organizations: the ITU

Plenipotentiary Conference, the Global Symposium of Regulators, and the World Summit on the Information Society (WSIS+10) High-Level Event.

In 2014 the authorized delegation of the Republic of Lithuania, composed of representatives of the Ministry of Transport and Communications and RRT, attended the ITU Plenipotentiary Conference (PP), which is the supreme governing body of the ITU, making the most important decisions in the field of telecommunications. During the Conference, for the first time Lithuania was elected to the Council of ITU. The delegation of Lithuania voted in elections of the Secretary-General of ITU, ITU Deputy Secretary-General, Directors of ITU's three bureaus, and members of the ITU Council and Radio Regulations Board (RRB).

Lithuania, being a member of the Council of ITU, will contribute constructively to ITU in dealing with radio spectrum management problems, and will seek for efficient planning and use of resources, share its achievements in the field of promoting the development of modern broadband networks, service reliability and related fields.

The Plenipotentiary Conference approved the ITU's Strategic Plan for 2016-2019, Financial Plan, CONNECT 2020 Agenda for global telecommunication/information and communication technology development, and a number of other documents, 51 resolutions aimed at dealing with the current and future challenges of the global information and communication technology (ICT) community agenda. The Conference adopted the decisions relevant for Lithuania on the development of international telecommunications networks and services, radio frequency management, as well as passed important resolutions on aircraft flight tracking systems, monitoring of satellite communication, ICTs and climate change, etc.

During the Global Symposium of Regulators, telecommunications regulatory authorities analysed innovative regulatory measures, approved the Best Practice Guidelines on consumer protection in a digital world. A representative from Lithuania presented the digital agenda being implemented in Lithuania, talked about Lithuania's experience in promoting the development of broadband networks and broadband communication, which allowed Lithuania to become one of the most developed countries in terms of next-generation networks.

During the World Summit on the Information Society (WSIS+10) High-Level Event the progress made in the implementation of the WSIS outcomes was reviewed, WSIS+10 Statement on the Implementation of WSIS Outcomes was endorsed. Also, guidelines were adopted with regard to the WSIS process of the Information Society development beyond the year 2015 (WSIS+10 Vision for WSIS Beyond 2015), stressing the need for an approach based on cooperation among all stakeholders. A representative from Lithuania presented a report on Lithuania's achievements in the field of electronic communications and ICT.

The 2014 session of the ITU Council examined the performance of ITU, the role of ITU in building security in the use of networks and information, elaboration of the ITU's Strategic and Financial Plans for 2016–2019. Other relevant issues discussed were as follows: ITU's effective strategic and financial planning, balanced budget, increased openness and transparency of the organization, likely changes related to the determination of revenue from the allocation of numbering resources.

In preparation for the planned changes in the international regulation of the use of radio frequencies, RRT representatives actively participated in the activities of the Radiocommunication Sector (ITU-R) Joint Task Group 4-5-6-7 (JTG 4-5-6-7) in preparing draft documents regarding the assignment of new radio

frequency bands for mobile service and regarding the use of the 694–790 MHz radio frequency band, the so-called “second digital dividend”. The JTG 4-5-6-7 adopted the documents having a direct impact on the further development of television at regional level in UHF band relevant for Lithuania. Representatives of Lithuania prepared and submitted documents to the ITU JTG 4-5-6-7 regarding the issues important to Lithuania related to planning the use of radio frequencies.

In order to share and adopt the best ICT regulatory practices, including the issues pertaining to the development of broadband networks, RRT representatives participated in other events, workshops and forum sessions of ITU.

10.1.6. The Universal Postal Union (UPU)

In 2014 RRT representatives participated in the plenary session of the Council of Administration (CA) of the Universal Postal Union (UPU), during which on 12 November 2014 the UPU International Bureau organized the conference “Developing the market – new perspectives of the postal sector”. During the conference, the issues relevant to Lithuania were discussed – how postal services should change in order to meet technological developments, consumer demand, and changes needed in the postal sector’s regulatory framework. The postal sector issues presented to the UPU member countries were as follows: changing consumer needs, rapid development of e-commerce, electronic alternatives replacing traditional postal services forcing the postal sector to change. The purpose of the conference was to share experiences and regulatory practices in the postal sector, to discuss future postal development trends. During the conference, a representative of RRT read the report entitled “Access to the postal network in EU: insight of Lithuanian regulator”, presenting the situation in the EU postal sector, current developments in the area of supervision of access to the postal network, regulatory capabilities to promote competition and ensure the development of the postal sector.

The plenary session of the Council of Administration (CA) examined and approved the reports of the working groups and committees of the Council of Administration on management and regulation, financial and administrative activities, strategic and other issues, discussed cooperation with the United Nations and other international organizations, the exchange of postal items between Palestine and the UPU member countries.

The plenary session of the Council of Administration (CA) also considered the objectives and tasks of the UPU Strategy Conference to take place on 13-14 April 2015 in Switzerland. The main objective of the Strategy Conference is to assess the progress made in achieving the current World Postal Strategy, which was adopted in 2012 at the UPU Congress in Doha, and to define the elements that will have to be included in the new Strategy, which is to be presented to the Member States in 2016 during the UPU Congress in Istanbul.

10.1.7. The European Conference of Postal and Telecommunications Administrations (CEPT)

The objective of the European Conference of Postal and Telecommunications Administrations (CEPT), uniting 49 communications administrations of the European countries, is to develop a dynamic European

telecommunication and postal sector, draft relevant decisions and recommendations, form common positions of the European countries on the issues of electronic communications and postal regulation in global telecommunications and postal organisations. Lithuanian representatives take part in the activities of CEPT dealing with the problems relating to the harmonized usage of radio frequencies, regulation of telecommunications and postal sectors in the following CEPT committees – the Electronic Communications Committee (ECC), the European Committee for Postal Regulation (CERP) and the Committee for ITU Policy (Com-ITU), as well as the working groups under the said committees.

In 2014 RRT representatives actively participated in the activities of the Conference Preparatory Group (CPG) of the Electronic Communications Committee and its subgroups in drafting proposals to the ITU World Radiocommunication Conference for the conditions of deployment of next-generation radio communication systems, additional radio frequency identification, regulatory conditions for satellite communication networks, application of new technologies to ensure maritime and aviation safety, etc. These issues are urgent for Lithuania in order to promote the development of mobile broadband communications, whilst ensuring that new radio frequency bands provided for radio communication systems cause no limitations for radio communication systems operating Lithuania, to ensure more flexible regulation of small satellites, as well as efficient use of radio frequencies for maritime and aviation safety, traffic efficiency and safety. Lithuanian representatives presented proposals for the use of radio frequencies, compatibility of different radio systems, considering that, due to neighbouring non-EU countries, Lithuania must coordinate additional radio frequency usage conditions.

Other working groups of the Electronic Communications Committee discussed topical issues related to the coordinated use of mobile and fixed networks, trends in the development of broadcasting, broadband mobile communication and other systems, long-term vision of the use of the UHF broadcasting band (694–790 MHz) in Europe. While implementing the interests of Lithuania, it is necessary to take into account the specifics of the use of radio spectrum in non-EU countries located along the external border of the EU, restricting the possibilities for Lithuania to change the mode of usage of the UHF radio frequencies.

While participating in the activities of the working group of the CEPT Electronic Communications Committee, a representative of Lithuania contributed to preparing the draft recommendation for the provision of Internet access service quality indicators, the recommendation being an important aspect of ensuring high-quality electronic communications services for consumers.

In order to ensure the provision of proper services for service users and the allocation of necessary resources for new electronic communications services, the workings groups of the CEPT Electronic Communications Committee dealt with the issues of number portability, issues relating to the implementation of number portability between fixed and mobile operators, considered fundamental amendments to recommendations concerning preparation of national telephone numbering and dialing plans, and the use of numbering resources for new (M2M, VoIP) electronic communications services.

The CEPT Committee for ITU Policy (Com-ITU) agreed on Europe's common proposals and positions that were presented during the ITU World Telecommunication Development Conference and the ITU Plenipotentiary Conference in 2014. The proposals were related to the allocation and efficient use of radio frequencies, ensuring of transparency and efficiency of the ITU's activities, ICT and environmental protection, sustainability of the ITU's Statutes, and other relevant issues for Lithuania.

On 18-19 March 2014 RRT organized a meeting of the CERP Working Group UPU. During the meeting, the issues concerning the division of functions between the Council of Administration (CA) of the UPU and the Postal Operations Council (POC) were discussed, amendments to the Universal Postal Convention were reviewed, and comments were provided on the definitions of terms used in the UPU's legal acts. The representatives of European postal regulatory authorities and ministries stressed the importance of cooperation between UPU and CERP in solving the issues related to the organization and development of the provision of international postal services.

10.1.8. Eastern Partnership Electronic Communications Regulators Network (EaPeReg)

RRT has been closely cooperating with the national regulatory authorities of the Eastern Partnership countries since 2010, when the idea was proposed to set up a network of the electronic communications regulatory authorities of 6 Eastern Partnership countries (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine) (hereinafter referred to as the EaPeReg Network). Officially, the network was set up in 2012. The aim of the Network is to facilitate and strengthen cooperation among the 6 Eastern Partnership countries in the field of electronic communications, to exchange experiences with regulatory authorities of the European Union Member States, to raise the competence of the Eastern Partnership countries in the area of electronic communications market regulation, improve the legal system, by bringing it closer to EU standards. F. Dobrovolskis, the Director of RRT held the position of Vice-Chairman of this Network for two consecutive years (2013–2014).

In 2014 five technical workshops were organized to improve qualifications of experts from the Eastern Partnership countries, to take over the EU's best practice and learn about the EU legal framework. RRT experts participated and shared the experience of Lithuania in the four workshops, in two of which they read reports (on broadband communication, accounting separation and audit). Close cooperation also took place at the level of heads during two plenary meetings.

One of the largest challenges in 2014 was the signing of the Cooperation Agreement between the EaPeReg Network and the Body of European Regulators for Electronic Communications (hereinafter – BEREC), which had been initiated by the Director of RRT, Vice-Chairman of EaPeReg Network. RRT representatives presented the idea of the Cooperation Agreement and its draft text during the events – the BEREC Contact Network meeting and the BEREC plenary session – that took place in September 2014. The Cooperation Agreement was signed during the BEREC plenary session held in December 2014 in Brussels (Belgium). The goal of the Agreement is to promote cooperation among experts of BEREC and the EaPeReg Network in the field of electronic communications: to organize joint meetings of the working groups, to hold annual strategic meetings, and to exchange relevant information. The parties to the Agreement also identified the preliminary areas of cooperation: competition in electronic communications markets, consumer protection, management of radio frequencies, roll-out of next-generation networks, promotion of investment, network neutrality, international roaming, administrative procedures and operational issues concerning NRAs' activity, statistics, etc.

In 2015 the EaPeReg Network will continue its activities. In 2015 it will be chaired by the Georgian National Communications Commission, the office of Vice-Chairman has been taken over from RRT by the Swedish Post and Telecommunications Authority. During the plenary session of the EaPeReg Network held

in December 2014, the Work Plan for 2015 was approved which provided to organize 4 technical workshops (on network and information security, 4G technologies, broadband communication and tariff regulation) and 2 plenary sessions financed from the funds of the European Commission. RRT will continue to participate as much as possible in the activities of the EaPeReg Network and share its accumulated expertise with the members of this Network.

10.1.9. The International Association of Internet Hotlines INHOPE

A hotline established by RRT is a member of the International Association INHOPE since May 2008. The membership in this Association paves the way for close cooperation with hotlines of other countries and facilitates information exchange in order to eliminate illegal or harmful content from cyberspace more efficiently. At present, INHOPE includes 51 Internet hotlines in 45 countries worldwide.

In 2014 RRT representatives participated in the meetings of INHOPE General Assemblies, where the perspectives of the expansion of the INHOPE network, its management, further activities and funding of the Fund and of the Association of INHOPE were discussed, development of the INHOPE Report Management System and of the database of URLs, and other relevant issues pertaining to the activities of Internet hotlines were discussed. RRT representatives also participated in the meetings of the INHOPE working groups, provided information for the documents prepared by INHOPE, hotline report statistics, participated in distance training and workshops, taking over the best practices of hotlines.

10.1.10. The Internet Corporation for Assigned Names and Numbers (ICANN) and the Governmental Advisory Committee (GAC)

The documents prepared by the Governmental Advisory Committee (GAC) are aimed at providing guidance to the Internet Corporation for Assigned Names and Numbers (ICANN) (based in the United States of America and performing the functions of administering global Internet protocol addresses, domain name system and Internet root servers) on public policies and the issues of Internet resources relevant to individual governments. GAC is open to government representatives of all countries. Lithuania is represented by a RRT delegate in GAC.

The main issues examined by the Governmental Advisory Committee in 2014 were as follows: reformation of ICANN for the purpose of globalizing the process of decision-making related to Internet resources, as well as the process of transparent and non-discriminatory allocation of generic top-level domain names. For Lithuania it is important to ensure the protection of the domains associated with the use of the state name of Lithuania, to seek transparency, strengthening of the responsibility of responsible organizations in global Internet resource allocation processes.

In order to ensure the management of the Internet based on the model of involvement of all stakeholders, in 2014 an international working group was set up. The group was entrusted with the task to prepare a joint proposal, i.e. aimed at openness, diversity, global participation and engagement of all stakeholders involved in the process, to offer how the management and monitoring of the Internet system and its resources will be globally ensured after the year 2016. The new Internet management model must be created by the second quarter of 2015 and tested in the second and third quarter of 2015.

10.1.11. Forum of European Supervisory Authorities for Electronic Signatures (FESA)

On 12 November 2014 Vaidotas Ramonas, Deputy Director of Network and Information Security Department of RRT, representing Lithuania, was re-elected as Chairman of the Forum of European Supervisory Authorities for Electronic Signatures (FESA) the two-year term.

FESA members are representatives of the institutions responsible for supervision of electronic signatures, as indicated in Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures. The objective of FESA is to promote cooperation between institutions supervising electronic signature and to prepare common positions. FESA cooperates with standardization organizations and gives them its opinion on standards related to the use and development of electronic signatures. During the meetings of FESA held in 2014, the following issues relevant for Lithuania were discussed: preparation for the implementation of Regulation No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market (eIDAS), challenges and preparation of FESA's related positions; cooperation with the standards organizations, ETSI and CEN, regarding standardization aspects related to the eIDAS Regulation, etc.

11. FINANCIAL STATEMENT

The revenues, received by RRT in 2014 for the services provided and works completed according to the Special Communications Management and Control Programme

No.	RRT revenue groups	Revenues, 2014	
		LTL thousand	Per cent
1.	Supervision of observance of the conditions for engaging in electronic communications activities	90.00	0.40
2.	Supervision of observance of the conditions for provision of postal services	64.5	0.28
3.	Revenues from tenders and auctions for granting the right to use radio frequencies/channels and telephone numbers	2.8	0.01
4.	Setting of conditions for use of radio frequencies/channels and radio stations and the conditions for engaging in radio amateur activities	477.00	2.09
5.	Supervision of the use of radio frequencies/channels, including radio monitoring	19,170.5	84.06
6.	Supervision of the use of telephone numbers	2,829.5	12.41
7.	Tests of radiocommunication equipment and telecommunications terminal equipment, tests of electromagnetic compatibility of apparatus and equipment	169.7	0.74
8.	Other	1.2	0.01
9.	**TOTAL (1+2+3+4+5+6+7+8)**	**22,805.2**	**100**

In 2014 RRT executed one programme, i.e. Communications Management and Control Programme, code 01.81. The revenues, received for the services provided and the works performed by RRT are transferred into the budget and later returned from the budget for covering the activity costs. For funding the Programme, LTL 21,000.0 thousand of appropriations, including LTL 8,900 thousand for work remuneration and LTL 5,600.0 thousand for purchasing of assets were allocated in 2014. The plan of RRT's revenue contributions for 2014 – LTL 21,000 thousand.

Referring to the Law on the Structure of the Budget of the Republic of Lithuania, Resolution No. 543 of the Government of the Republic of Lithuania of 14 May 2001 "On the Approval of the Procedure of Formation and Execution of the State Budget of the Republic of Lithuania and Budgets of Municipalities", the amount of LTL 1,701.3 thousand of non-used contributions into the state budget of the previous year was transferred into 2014 and used for funding of the Communications Management and Control Programme, executed by the Communications Regulatory Authority of the Republic of Lithuania by exceeding the amount of appropriations, approved by the Parliament of the Republic of Lithuania. Referring to the estimate, approved on 28 March 2014, the amount of LTL 22,701.3 thousand (21,000.0 + 1,701.3) in total was foreseen for funding of the Special Communications Management and Control Programme, executed by RRT in 2014 – the amount, including the non-used contributions into the state budget of the previous year.

RRT, in observance of the provisions of the Law on Electronic Communications of the Republic of Lithuania, must evaluate the conformity and legitimacy of the costs and collected charges. Upon evaluation of the revenues received and the funds not used in 2013 and in order to balance the costs and revenues of 2014, on 23 June 2014, by Order No 1V-877 of the Director of the Communications Regulatory Authority, RRT established the recalculation rate 0.6 for the tariffs of supervision of the use of radio frequencies/channels, including radio monitoring, which was in effect from 1 June 2014 to 30 November 2014. The application of the tariff recalculation rate allows to more flexibly balance revenues with expenses, i.e. to repay the market its overpayments through reduced tariffs if the revenue received for the current year is higher than expected, and thus ensuring the implementation of the principle that market participants do not pay more than necessary to regulate and supervise the market.

In 2014 the total amount of revenue contributions transferred by RRT to the state budget was LTL 23,349.9 thousand. RRT used LTL 19,444.1 thousand for the Communications Management and Control Programme executed in 2014.

Utilization of funds, allocated for the Communications Management and Control Programme, executed by RRT in 2014

No.	Expenses	For the Communications Management and Control Programme	
		Pay-box expenses 2013 (LTL thousand)	Pay-box expenses 2014 (LTL thousand)
1.	Total expenses	13,827.1	15,588.3
	including:		
1.1.	Work remuneration	8,016.8	9,083.1
1.2.	Social insurance contributions	2,499.7	2,853.7
1.3.	Expenses for goods and services	3,248.5	3,591.2
1.4.	Social allowances (income support)	60.0	57.0
1.5.	Other expenses (for current purposes)	2.1	3.3
2.	Tangible and intangible property expenses	6,622.0	3,855.8
	including:		
2.1	For purchasing of fixed assets	6,622.0	3,855.8
3.	TOTAL (1+2)	20,449.1*	19,444.1

Note: LTL 1,577.0 thousand of expenses in 2013 are state budget funds, of which LTL 1,562.0 thousand are state budget funds, dedicated to compensate for RRT revenue contributions and to cover utilized expenses used for state budget needs in 2009, the rest – LTL 15 thousand were used for purchasing of fixed assets.

Annex 1. Regulated markets of the electronic communications sector

Market No. Acc.to Rec. 2003/ Rec. 2007*/ Rec. 2014	Name	Undertakings having significant market power	The imposed obligations						
			Provision of access	Non-discrimination	Transparency	Price control and cost accounting	Accounting separation	Wholesale line lease	Selection of the provider of public telecommunication services
1.;2. / 1. / n.	The market of access to public telephone network at a fixed location for residential customers	TEO LT, AB		X	X	X	X	X	X
7. / n. / n.	The market of the minimum set of leased lines	TEO LT, AB	X	X	X	X	X		
8. / 2. / n.	The market of call origination on the public telephone network, provided at a fixed location	TEO LT, AB	X	X	X	X			
9. / 3. / 1.	The market of call termination on individual public telephone networks, provided at a fixed location	TEO LT, AB	X	X	X	X	X		
		Lietuvos Geležinkeliai AB, Lietuvos Radijo ir Televizijos Centras AB, Digitela UAB, CSC Telecom UAB, Eurocom SIP UAB, Linkotelus UAB, Mediafon UAB, Nacionalinis Telekomunikacijų Tinklas UAB, Telekomunikacijų Grupė UAB	X			X			
11. / 4. / 3a	Wholesale market of unbundled access (including shared unbundled access) to the physical network infrastructure, provided at a fixed location	TEO LT, AB	X	X	X	X	X		
12. / 5. / 3b	Wholesale broadband communication access market	TEO LT, AB	X	X	X	X	X		
13. / 6. / 4.	The market of wholesale leased lines terminating segments, disregarding the technology used to provide guaranteed (allocated) transmission capacities	TEO LT, AB	X	X	X	X	X		
14. / n. / n.	Market of trunk segments of national leased lines	TEO LT, AB	X	X	X	X	X		
16. / 7. / 2	The market of voice call termination on individual public mobile telephone networks	Omnitel UAB, Bitė Lietuva UAB, Tele2 UAB, CSC Telecom UAB, Linkotelus UAB, Mediafon UAB	X	X	X	X			
18. / n. / n.	The market of broadcasting transmission services to deliver broadcast content to end users	TEO LT, AB, Lietuvos Radijo ir Televizijos Centras AB	X	X	X	X	X		
n. / n. / n.	The market of services of providing broadcasting transmission means	Lietuvos Radijo ir Televizijos Centras AB	X	X	X	X	X		

* EC Recommendation 2007/879/EC of 17 December 2007 on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services (Framework Directive), in which the list of 7 markets was established, superseded the previous EC Recommendation 2003/311/EC of 11 February 2003 on relevant markets, in which the list of 18 markets was established. The column of the table states the number of the market according to the list, provided in the annex to the relevant recommendation.

Annex 2. The orders of the Director of RRT

1. Order No. 1V-282 of the Director of RRT of 24 February 2014 “On the Amendment of Order No. 1V-470 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 3 May 2011 “On the Approval of the Plan for Development of Radiocommunications in the 2500–2690 MHz Radio Frequency Band””;

2. Order No. 1V-283 of the Director of RRT of 24 February 2014 “On the Amendment of Order No. 1V-419 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 28 April 2005 “On the Approval of the Plan of Development of Digital Terrestrial Television””;

3. Order No. 1V-304 of the Director of RRT of 26 February 2014 “On the Amendment of Order No. 1V-17 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 8 January 2007 “On the Approval of the Rules for Usage of Ship and Aircraft Stations””;

4. Order No. 1V-305 of the Director of RRT of 26 February 2014 “On the Amendment of Order No. 1V-1536 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 19 December 2007 “On the Approval of the Procedure for the Assignment of Radio Call Signs and the Description of the Terms and Conditions of their Use”;

5. Order No. 1V-313 of the Director of RRT of 28 February 2014 “On the Amendment of Order No. 1V-1160 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 24 December 2008 “On the Approval of the Radio Frequency Use Plan””;

6. Order No. 1V-474 of the Director of RRT of 31 March 2014 “On the Amendment of Order No. 1V-367 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 7 April 2011 “On the Approval of the Description of the Procedure of Tariffs and Payment for Services Provided and Works Performed by the Communications Regulatory Authority of the Republic of Lithuania””;

7. Order No. 1V-475 of the Director of RRT of 31 March 2014 “On the Amendment of Order No. 1V-292 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 16 September 2004 “On the Approval of the Rules on Submission of Documents to Communications Regulatory Authority of the Republic of Lithuania””;

8. Order No. 1V-649 of the Director of RRT of 5 May 2014 “On the Amendment of Order No. 1V-1294 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 15 December 2011 “On the Approval of the Plan for Development of Radiocommunications in the 2300–2400 MHz Radio Frequency Band””;

9. Order No. 1V-658 of the Director of RRT of 6 May 2014 “On the Amendment of Order No. 1V-460 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 29 April 2011 “On the Approval of the Conditions and Specification of the Procedure for Ensuring the Right of the Subscriber to Keep the Subscriber Number when Changing the Provider of Public Telecommunication Services or Location or the Way of Provision of Services””;

10. Order No. 1V-682 of the Director of RRT of 8 May 2014 “On the Amendment of Order No. 1V-1188 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 15 December 2010 “On the Approval of the List of Legal Acts Regulating the Activities of the Communications Regulatory Authority of the Republic of Lithuania or Establishing the Requirements for the Areas Supervised by the Communications Regulatory Authority of the Republic of Lithuania””;

11. Order No. 1V-683 of the Director of RRT of 9 May 2014 “On the Amendment of Order No. 1V-593 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 1 December 2004 “On the Approval of the Rules for Publishing of the Information, Relating to the Implementation of the Law on Electronic Communications of the Republic of Lithuania, the Postal Law of the Republic of Lithuania, the Law on Electronic Signature of the Republic of Lithuania and the Law on the Protection of Minors against Detrimental Effect of Public Information of the Republic of Lithuania””;

12. Order No. 1V-684 of the Director of RRT of 9 May 2014 “On the Amendment of Order No. 1V-295 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 16 September 2004 “On the Approval of the Rules for Public Consultations regarding Decisions of the Communications Regulatory Authority of the Republic of Lithuania””;

13. Order No. 1V-685 of the Director of RRT of 9 May 2014 “On the Amendment of Order No. 1V-574 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 28 April 2006 “On the Approval of the Rules of Calculating Losses of the Provision of Universal Electronic Communications Services””;

14. Order No. 1V-686 of the Director of RRT of 9 May 2014 “On the Amendment of Order No. 1V-410 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 19 April 2011 “On the Approval of the Description of the Procedure and Requirements for Accreditation of Certification Service Providers””;

15. Order No. 1V-687 of the Director of RRT of 9 May 2014 “On the Amendment of Order No. 1V-645 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 10 December 2004 “On the Approval of the Rules for Provision of Leased Line Services””;

16. Order No. 1V-688 of the Director of RRT of 9 May 2014 “On the Amendment of Order No. 1V-261 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 24 February 2006 “On the Approval of the Rules for Establishing of Quality Indicators of Public Telecommunication Services, Provided at a Fixed Location and Provision of Data””;

17. Order No. 1V-689 of the Director of RRT of 9 May 2014 “On the Amendment of Order No. 1V-777 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 13 September 2005 “On the Approval of Description of General Conditions for Public Tender for Granting the Right to Use Electronic Communications Resources””;

18. Order No. 1V-690 of the Director of RRT of 9 May 2014 “On the Amendment of Order No. 1V-824 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 28 September 2005 “On the Approval of the Rules of Auction for Granting the Right to Use Electronic Communications Resources””;

19. Order No. 1V-691 of the Director of RRT of 9 May 2014 “On the Amendment of Order No. 1V-724 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 7 June 2006 “On the Approval of the Specification of the Procedure for Submission of the Application for Provision of Universal Electronic Communications Services without Compensation by Providers of Public Electronic Communications Services””;

20. Order No. 1V-692 of the Director of RRT of 9 May 2014 “On the Amendment of Order No. 1V-889 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 20 September 2011 “On the Approval of the Rules for Provision of Universal Electronic Communications Services””;

21. Order No. 1V-798 of the Director of RRT of 2 June 2014 “On the Amendment of Order No. 1V-893 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 20 September 2011 “On the Approval of the List of Radio Frequencies/Channels, which may be Used without an Individual Authorization””;

22. Order No. 1V-816 of the Director of RRT of 5 June 2014 “On the Amendment of Order No. 1V-10 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 4 January 2007 “On the Approval of the Rules for Management, Assignment and Usage of Orbital Resources, Including Position in Geo-Stationary Orbit””;

23. Order No. 1V-818 of the Director of RRT of 6 June 2014 “On Declaring Invalid Order No. 1V-897 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 4 September 2010 “On the Publication of the List of Relevant Markets and Undertakings Having Significant Market Power on them, as well as of the Obligations Imposed on them””;

24. Order No. 1V-830 of the Director of RRT of 10 June 2014 “On the Publication of the List of Relevant Markets and Undertakings Having Significant Market Power on them, as well as of the Obligations Imposed on them” ;

25. Order No. 1V-877 of the Director of RRT of 23 June 2014 “On Setting the Tariff Rate for Supervision of the Use of Radio Frequencies/Channels, Including Radio Monitoring”[49];

26. Order No. 1V-878 of the Director of RRT of 23 June 2014 “On the Amendment of Order No. 138 of the Director of the Communications Regulatory Authority under the Government of the Republic of Lithuania of 14 October 2002 “On the Approval of the Technical Regulations of Radiocommunication Equipment and Telecommunications Terminal Equipment””;

27. Order No. 1V-884 of the Director of RRT of 26 June 2014 “On the Amendment of Order No. 1V-148 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 11 February 2005 “On the Approval of the Internal Work Regulations of the Communications Regulatory Authority of the Republic of Lithuania””;

28. Order No. 1V-906 of the Director of RRT of 2 July 2014 “On the Amendment of Order No. 1V-697 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 15 May 2007 “On the Approval of the Plan for Development of Radio Communication within the Radio Frequency Band of 3.410 – 3.600 GHz””;

29. Order No. 1V-977 of the Director of RRT of 18 July 2014 “On the Amendment of Order No. 1V-1104 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 13 December 2005 “On the Approval of the Rules for the Allocation and Use of Telephone Numbers and of the National Telephone Numbering Plan””;

30. Order No. 1V-1025 of the Director of RRT of 29 July 2014 “On the Approval of Tariff Ceilings of Universal International Postal Service“;

[49] This Order was valid from 1 July 2014 to 30 November 2014.

31. Order No. 1V-1143 of the Director of RRT of 29 August 2014 “On the Amendment of Order No. 1V-293 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 16 September 2004 “On the Approval of the Rules for Imposition of Economic Sanctions””;

32. Order No. 1V-1146 of the Director of RRT of 29 August 2014 “On the Approval of the Description of the Procedure for the Assessment of Filtering Tools, the Use of which is Mandatory in the Points of Access to Public Computer Networks (the Internet)””;

33. Order No. 1V-1192 of the Director of RRT of 11 September 2014 “On the Amendment of Order No. 1V-332 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 28 February 2013 “On the Approval of the Regulations on Provision of Postal Service and Invalidation of Some Orders of the Director of the Communications Regulatory Authority of the Republic of Lithuania””;

34. Order No. 1V-1193 of the Director of RRT of 11 September 2014 “On the Amendment of Order No. 1V-408 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 19 April 2011 “On the Establishing of the Minimum Amount of Insurance for the Providers of Certification Services Developing Qualified Certificates””;

35. Order No. 1V-1195 of the Director of RRT of 11 September 2014 “On the Amendment of Order No. 1V-406 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 19 April 2011 “On the Approval of the Description of the Procedure of Registering Persons for Obtaining Certificates and Provision of Consultation Services””;

36. Order No. 1V-1252 of the Director of RRT of 25 September 2014 “On the Amendment of Order No. 1V-1026 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 3 September 2009 “On Setting the Price Caps for the Leased Line Services Provided by the Undertaking TEO LT, AB””;

37. Order No. 1V-1283 of the Director of RRT of 30 September 2014 “On the Amendment of Order No. 1V-738 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 14 June 2006 “On the Approval of the Rules for Accounting Separation and the Requirements related to Accounting Separation””;

38. Order No. 1V-1450 of the Director of RRT of 21 October 2014 “On the Amendment of Order No. 1V-340 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 8 April 2005 “On the Approval of the Description of the General Terms and Conditions for Engaging in Electronic Communications Activities””;

39. Order No. 1V-1637 of the Director of RRT of 26 November 2014 “On the Amendment of Order No. 1V-777 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 13 September 2005 “On the Approval of Description of General Conditions for Public Tender for Granting the Right to Use Electronic Communications Resources””;

40. Order No. 1V-1638 of the Director of RRT of 26 November 2014 “On the Amendment of Order No. 1V-824 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 28 September 2005 “On the Approval of the Rules of Auction for Granting the Right to Use Electronic Communications Resources””;

41. Order No. 1V-1716 of the Director of RRT of 9 December 2014 “On the Amendment of Order No. 1V-367 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 7 April 2011 “On the Approval of the Description of the Procedure of Tariffs and Payment for Services Provided and Works Performed by the Communications Regulatory Authority of the Republic of Lithuania””;

42. Order No. 1V-1755 of the Director of RRT of 17 December 2014 “On the Amendment of Order No. 1V-854 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 6 October 2005 “On the Approval of the Rules for the Assignment and Use of Radio Frequencies/Channels””;

43. Order No. 1V-1783 of the Director of RRT of 23 December 2014 “On the Amendment of Order No. 1V-955 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 15 July 2014 “On the undertaking Bitė Lietuva UAB, having significant power on the market of voice call termination on the public mobile communication network of Bitė Lietuva UAB””;

44. Order No. 1V-1790 of the Director of RRT of 23 December 2014 “On the Amendment of Order No. 1V-956 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 15 July 2014 “On the undertaking Omnitel UAB, having significant power on the market of voice call termination on the public mobile communication network of Omnitel UAB””;

45. Order No. 1V-1793 of the Director of RRT of 29 December 2014 “On the Amendment of Order No. 1V-957 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 15 July 2014 “On the undertaking Tele2 UAB, having significant power on the market of voice call termination on the public mobile communication network of Tele2 UAB””.

Annex 3. Annual report on strategic activity plan

ACTIVITY RESULTS OF THE COMMUNICATIONS REGULATORY AUTHORITY OF THE REPUBLIC OF LITHUANIA IN 2014

I. IMPLEMENTATION OF STRATEGIC CHANGES

Activity priorities of the Communications Regulatory Authority of the Republic of Lithuania (hereinafter referred to as – RRT) in 2014 were as follows:

– protection of the rights and legitimate interests of users of electronic communications and postal services;

– ensuring security of electronic communications networks and information and prevention of cyber-attacks;

– promoting investments into broadband wireless communication networks of next generation, development of advanced technologies and services.

When implementing activity priorities of 2014, RRT performed the following works and reached these results:

Protection of the rights and legitimate interests of users of electronic communications and postal services

In 2014 RRT updated the maps of probable coverage zones of the UMTS (3G) network of the mobile communication operators Bitė Lietuva UAB, Omnitel UAB and TELE2 UAB. The maps of coverage zones allow users to compare and choose mobile communication services according to the level of quality that best meets their needs. The maps are available on the website of RRT at http://epaslaugos.rrt.lt/apreptis/. The coverage zones are indicated according to different electromagnetic signal levels, ranging from a minimum, allowing to establish a connection in an open area, up to a level that ensures connectivity inside buildings. The calculations of the network coverage zones of all operators were made using the same methods, taking into account the local terrain and forest impacts. The calculations were made on the basis of the base station data provided by operators and registered by RRT by 1 October 2014. The maps of probable network coverage zones allow users to compare operator networks both at the country-wide level and broken down by individual municipalities, i.e. in order to find out which service provider offers the strongest signal in a certain relevant area, the user can check this out on the map. RRT revises and updates UMTS coverage data four times a year, GSM data – two times a year.

RRT supervises the activity of undertakings of the regulated sector and consults them regarding the requirements for their activity applied in Lithuania.

In 2014 RRT performed 25 planned inspections of undertakings engaged in electronic communications activities and found violations in the activities of 20 undertakings (failure to comply with

the requirements established by legal acts for the terms and conditions of agreements concluded by service providers).

In 2014 RRT performed 25 planned inspections of postal service providers and found violations in the activities of 10 undertakings (failure to comply with requirements for marking postal items, absence of mandatory documents to be prepared by undertakings, absence or failure to publish information required for the user to decide whether to use a service or not).

All the violations were corrected during the relevant inspections, after giving advice to the undertakings.

Also, RRT examined radio equipment and telecommunications terminal equipment for compliance with the Technical Regulation of Radio Equipment and Telecommunications Terminal Equipment, performed the surveillance with regard to compliance of equipment and devices with the electromagnetic compatibility requirements according to the Technical Regulation of Electromagnetic Compatibility, and inspected points of sale.

During the third to fourth quarter of 2014, RRT performed inspections of 198 undertakings, 137 of which were undertakings engaged in electronic communications activities, and 61 – in postal activities. They were informed in writing about the requirements related to the introduction of the euro in the Republic of Lithuania, and the requirements to publish the prices of services and goods in two currencies (litas and euro), and the powers granted to RRT to supervise (perform inspections), within the limits of its competence, the compliance with the aforementioned requirements. RRT provided e-mail replies to the inquiries received by e-mail from consumers in relation to the introduction of the euro.

In 2014 RRT complied with its obligations provided for in the Declaration concerning the first year in business, to which it acceded three years ago.

Assurance of competition on the market of communications services included many works and measures, the most important of which was market analysis, assurance of access to physical infrastructure, development of Next Generation technologies and services, etc. According to the newly published data of the European Commission[50] summarizing the situation of broadband Internet access in Europe in 2014, Lithuania remains one of the leading countries in the field of high-speed broadband Internet use. As many as 52 per cent of broadband communication subscribers in Lithuania connect to the Internet over fiber-optic lines (Fiber to the Home/Building, FTTH/B), 20 per cent – over DSL lines, 15 per cent – over other technologies. According to this indicator, Lithuania is surpassed only by Latvia, where FTTH connections are used by 55 per cent of fixed-line communication subscribers. According to the proportion of the population using next-generation Internet access, Lithuania remains among the leaders. In July 2014 the penetration of high-speed next-generation Internet (30 Mbps and above), i.e. the number of subscribers per 100 residents, was 14.5 per cent in Lithuania (the EU average – 6.9 per cent). Only the Netherlands (18.3 per cent) and Malta (16.7 per cent) were ahead of Lithuania in terms of this indicator. The penetration of ultra-high-speed, i.e. 100 Mbps and above, Internet access was 3.1 per cent in Lithuania (the EU average – 2 per cent) in July 2014. According to the latter indicator, in the EU context, Lithuania took the 8th place, Latvia (penetration – 9.7 per cent) ranked among the top three, Portugal (5.9 per cent) and Finland (5.6 per cent).

[50] https://ec.europa.eu/digital-agenda/en/digital-agenda-scoreboard

According to data of RRT, currently there are 63 Internet service providers capable to offer their subscribers to connect to the Internet over fiber lines. The number of subscribers connected to the Internet over fiber lines at the end of 2014 was 476.8 thousand, i.e. 50.32 per cent of the total number of broadband Internet access subscribers in Lithuania.

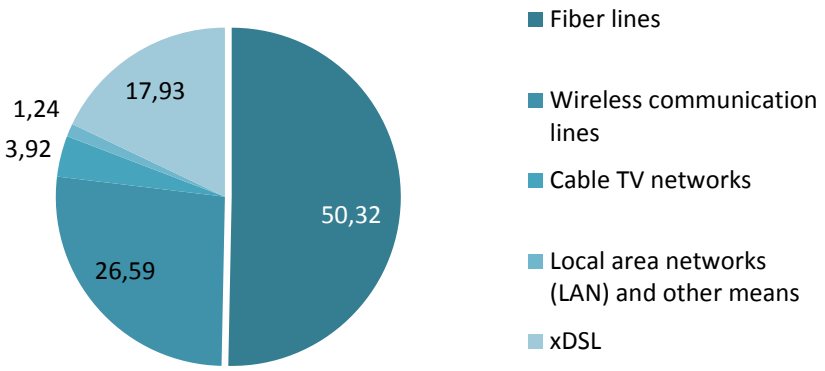

Figure 1. **The distribution of the broadband Internet access service subscribers against technologies of fixed communication in IV quarter in 2014, per cent (total number of broadband Internet access subscribers – 947.6 thousand)**

In order to create competitive conditions in the electronic communication market, in 2014 RRT performed analyses of the following electronic communication markets taking in consideration the European Commission Recommendation 2007/879/EC[51]:

– Market analysis of call termination on individual public telephone networks at a fixed location. After receiving the European Commission's Letter No. 10432 of 14 July 2014 concerning serious doubts, RRT started the second stage of the analysis in accordance with Article 7a of Directive 2002/21/EC as amended by Directive 2009/140/EC regarding the draft obligations proposed for the market and, by its letter of 15 July 2014, RRT informed the European Commission about withdrawal of the draft obligations proposed for the market of call termination on individual public telephone networks at a fixed location.

– Market analysis of voice call termination on individual public mobile telephone networks. On 15 July 2014 the Director of RRT signed the final documents of the market analysis. It was established that there were six undertakings providing the services of voice call termination on individual public mobile telephone networks in the territory of the Republic of Lithuania: Bitė Lietuva UAB, Omnitel UAB, Tele2 UAB, Mediafon UAB, Linkotelus UAB and CSC Telecom UAB. The appropriate obligations were imposed on the above-listed six undertakings as from 1 August 2014.

– Analysis of the market of transit services provided on public telephone networks at a fixed location (national and international call transit). During the market analysis, RRT found that the characteristics of the said market could not justify the imposition of obligations referred to in Article 17 of the Law on Electronic Communications of the Republic of Lithuania, and there were no undertakings having a significant power on that market. On 28 July 2014 the Director of RRT signed the final documents of the market analysis, whereby the obligations imposed on the undertaking, which had been previously recognized as having a significant power on that market, were withdrawn.

[51] EC Recommendation 2007/879/EC of 17 December 2007 on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services

– Analysis of the market of call origination on the public telephone network, provided at a fixed location. By Order No. 1V-1359 of the Director of RRT of 8 October 2014, TEO LT, AB was recognized as an undertaking having significant power on the market of call origination on the public telephone network, provided at a fixed location and the appropriate obligations were imposed on it.

– Analyses of the markets of radio broadcasting transmission services, during which it was found that the characteristics of the said markets (stable prices for radio broadcasting transmission services, capabilities to establish their own electronic communications networks) allowed the development of effective competition in them without the obligations imposed by RRT. As a result, RRT withdrew the obligations to provide access, transparency, non-discrimination, price control and cost accounting, and accounting separation imposed on Lietuvos Radijo ir Televizijos Centras AB in 2006 and 2010.

– Analyses of the markets of television programmes broadcasting transmission services, during which RRT established that there was no effective competition in the markets of television programmes broadcasting transmission services over digital terrestrial television networks, provided Lietuvos Radijo ir Televizijos Centras AB and TEO LT, AB. Therefore, RRT imposed the following obligations on the aforementioned undertakings: obligation to provide access, transparency, non-discrimination, price control and cost accounting, and accounting separation obligations.

Information on the aforementioned market analyses is available at http://www.rrt.lt/lt/verslui/konkurencijos-prieziura/rinku-tyrimai.html.

Ensuring security of electronic communications networks and information and prevention of cyber-attacks

In order to ensure network and information security, the biggest threats were identified: in 2014 one of the biggest threats to the security of networks and information in Lithuania remained botnets (so called zombie computers or robots) networks. These networks are used for performing criminal activities, such as dissemination of malicious code and spam, DoS attacks and other criminal activities, as well as security gaps in equipment.

In 2014 CERT-LT investigated 36,136 incidents according to the reports on online incidents received from Lithuanian electronic communication service providers, foreign CERT organisations (performing international incident investigations) and Lithuanian Internet users. Compared to 2013 (25,337 reports), the number of such reports increased by 43 per cent. The problem, most frequently faced by Lithuanian Internet users in 2014, was malicious software and DoS attacks. During this period, CERT-LT investigated 11,276 cases of the use of malicious software – it was the subject of 31.2 per cent of all the incidents investigated, and 165 reports on Denial of Service (DoS) attacks. Compared to 2013 (130 reports), the number of such reports increased by 27 per cent. Generally, such attacks are carried out by automated means, using botnet resources. In order to terminate the ongoing DoS attacks, CERT-LT gave recommendations to website owners or companies providing electronic information hosting services on how to stop such attacks, coordinated actions with Internet service providers and CERTs operating in other countries.

In September 2014 CERT-LT organized a national cyber training X14. This was already the second training organized by CERT-LT in Lithuania, which this time was joined by 4 Member States of the EU. The training was aimed at checking the effectiveness of inter-institutional cooperation, possibilities to find contact information of responsible representatives of relevant institutions in critical situations and respond

to cyber incidents. The training involved 25 state institutions of Lithuania, 8 banks, 10 CERT units of Lithuania and foreign countries and the members of the working group for the management of potential cyber security incident consequences.

In 2014 CERT-LT incorporated additional functions into the Lithuanian Internet Network Infrastructure System (LITIS), which analyses the objects of Lithuania's Internet infrastructure (Internet names, addresses, Internet address spaces, routes, autonomous systems, etc.), in order to facilitate assessment of the objects of Lithuania's Internet infrastructure and the operation of critical objects, to perform their continuous, real-time monitoring. LITIS monitors actual routes, their accuracy and changes, collects data about the accessibility of critical objects of the Internet infrastructure.

Management of radio frequencies/channels through creation of conditions for investment into next generation wireless communication networks and development of innovative technologies and services

As underlined in the Digital Agenda for Europe[52], wireless broadband is an important means to boost competition, consumer choice and access in rural and other areas where deployment of wired broadband is difficult or not economically viable. That is why in radio frequency management a great deal of attention is given to how to deploy the EU-wide harmonized frequency bands for wireless broadband access (hereinafter referred to as WBA). In order to develop wireless broadband communication in Lithuania, in 2014 RRT performed the works of radio frequency planning and coordination of the conditions for allocation of radio frequencies.

The year 2014 is associated with the deployment of LTE (4G) (Long Term Evolution) technology-based networks. Long Term Evolution (LTE) technology-based networks are currently the main means of access to 4G mobile radio communication services for residents of Lithuania. Mobile radio communication operators, who, by way of the auction held in 2013, were granted the right to use radio frequencies (channels) from the 800 MHz radio frequency band, began to intensively deploy the above technology-based radio communications networks planning to provide next-generation wireless broadband access (WBA) services. At the end of 2014 there were 613 registered LTE base stations operating in the 800 MHz radio frequency band and most of them were installed in cities and larger towns and near major roads.

In 2014 an auction was held for granting the right to use radio frequencies (channels) from the 2560–2570 MHz and 2680–2690 MHz paired radio frequency band and from the 2570–2620 MHz radio frequency band. By Order No. 1V-1084 of the Director of RRT of 21 August 2014 "On the Assignment of Radio Frequencies (Channels) from the 2560–2570 MHz and 2680–2690 MHz paired radio frequency band and from the 2570–2620 MHz radio frequency band to Lietuvos Radijo ir Televizijos Centras AB", the aforementioned radio frequencies (channels) were assigned to the winner of the auction. From the point of view of technologies and services, the above permits are neutral, so these radio frequency bands are also suitable for the deployment of LTE (4G) or similar WBA networks.

Improvement of conditions of access to the physical network infrastructure

[52] http://eur-lex.europa.eu/legal-content/LT/TXT/?qid=1415707840224&uri=CELEX:52010DC2020

Despite the high penetration rate of fibre lines, there are main issues to be solved while laying next generation access (NGA) networks. These issues are often faced by retail Internet access providers i.e. development of access to the physical network infrastructure. In the previous year, RRT (cooperating with the municipalities of Vilnius, Klaipėda and Kaunas) created electronic access to information regarding terrestrial network infrastructure in order to ensure that developers of electronic communications networks could receive relevant information regarding terrestrial physical network infrastructure (energetics, communication networks, electronic communications network cable channels etc.), to improve conditions for investment in development of electronic communications networks and to decrease the costs of such development. In 2014, access was created to the infrastructure spatial database (maps) of the city of Panevėžys. It shall allow electronic communication operators to use relevant information necessary for development of electronic communication networks. There is a website at www.e-infrastruktura.lt with spatial data from infrastructure databases administrated by Vilnius, Klaipėda, Kaunas and Panevėžys municipalities.

II. RESULTS OF IMPLEMENTATION OF STRATEGIC ACTIVITY PLAN

2.1. Impact evaluation factor of strategic objective

Strategic objective – to ensure a wide range of technologically advanced, high-quality, secure and affordable electronic communications and postal services for each and every resident of the Republic of Lithuania; to create the possibilities for development of electronic communications and postal business.

RRT implements the strategic objective by performing the Communications Management and Control Programme (hereinafter referred to as – the Programme) which is continuing (started to be performed in 2001 and continued in 2014).

Table 1**. Implementation of effect evaluation criteria of strategic objective in 2014**

Code of the evaluated factor	Name and measurement unit of impact evaluation factor	Planned values for 2014	Actual values in 2014	Factor implementation percentage
E-01-01	1. The possibility to use services of mobile radiocommunication of wireless broadband access (UMTS, WIMAX, LTE) networks is ensured (share of households, in per cent)	91.2	94.9	104
E-01-02	2. Residents who use a 30 Mbps or faster Internet connection (share of the total population, in per cent)	38	35.1	92
E-01-03	3. Market share of alternative networks and service providers (fixed, mobile telephone communication) (in per cent, in terms of revenues)	4.1	2.73	66.6
E-01-04	4. Improvement of the main ICT service qualitative indicators (compliance of qualitative indicators with the determined values, in per cent)	96.6	100	103.5
E-01-05	5. The decline in the number of the same IP addresses involved in malicious activities, detected on the networks of Internet service providers (share of repeated IP addresses, in per cent)	80	47	170
E-01-06	6. Development of the market of postal	3.0	6.2	207

Code of the evaluated factor	Name and measurement unit of impact evaluation factor	Planned values for 2014	Actual values in 2014	Factor implementation percentage
	services in terms of revenues (compared to previous years, in per cent)			
E-01-07	7. The growth of number of qualified certificates provided by providers of certification services (in per cent compared to previous years)	10	–10.35	–

Source: RRT

Impact factor E-01-01 – the possibility to use of mobile radiocommunication of wireless broadband access (UMTS, WIMAX, LTE) networks (share of households, in per cent.). According to the calculated signal level of the registered UMTS stations (-95 dBm) and the calculated signal level of mobile WIMAX stations (ensuring the possibility to use the networks at least 99.9 per cent of all time), networks of mobile radiocommunication of wireless broadband access cover 94.9 per cent of households. Factor implemented by **104** per cent.

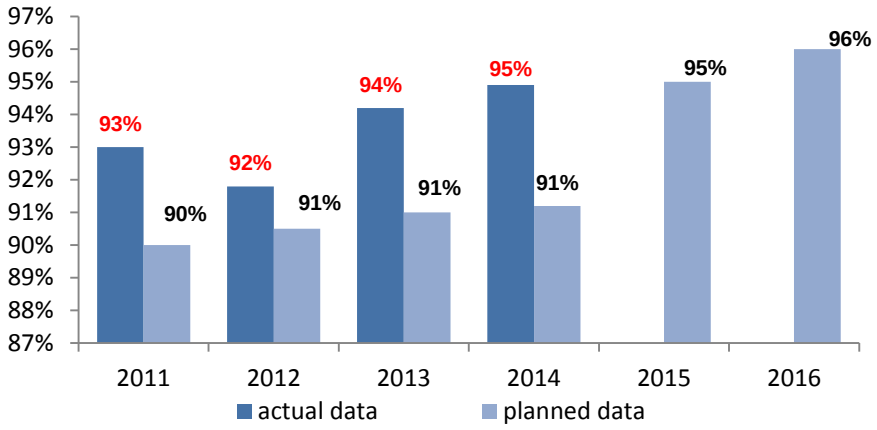

Figure 2. **The possibility to use of mobile radiocommunication of wireless broadband access (UMTS, WIMAX, LTE) networks (share of households, in per cent)**
Source: RRT

Impact factor E-01-02 – residents who use a 30 Mbps or faster Internet connection (share of the country's total population, in per cent). At the end of 2014 the percentage of residents using a 30 Mbps or faster broadband connection (per cent of the country's total households) was 35.1 per cent (an increase by 4.5 percentage points over the year). The percentage of households using 2–30 Mbps broadband Internet access was 36 per cent. Factor implemented by **92** percent.

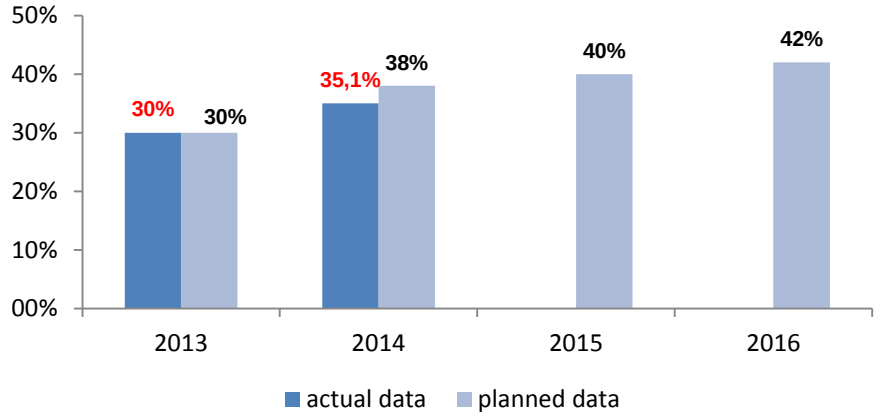

Figure 3. R**esidents who use a 30 Mbps or faster Internet connection (share of the country's total population, in per cent)**
Source: RRT

Impact factor E-01-03 – market share of alternative networks and service providers (fixed, mobile telephone communication) in per cent in terms of revenues.

In 2014 market share of the new ICT network and service providers (alternative public fixed and mobile telephone communication service providers) accounted for around 2.73 per cent of total market value in terms of revenues (revenues of alternative providers for 2014 amounted to LTL 26.05 million, a decrease by 18.9 per cent compared to the same period in 2013). The reason for the market share of new ICT network and service providers being less than planned was due to the overall decrease of the ICT market revenues (partly as a result of wholesale price regulation, decreasing prices for end users, mergers of service providers). Factor implemented by **66.6** per cent.

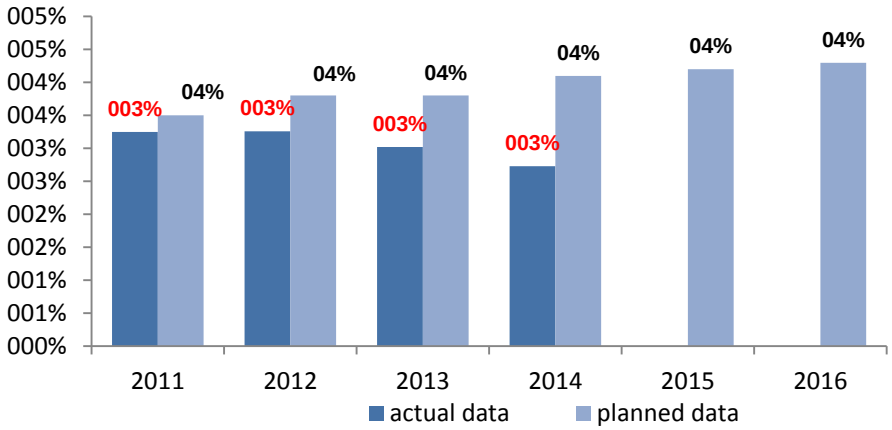

Figure 4**. Market share of alternative networks and service providers (fixed, mobile telephone communication) in per cent in terms of revenues**
Source: RRT

Impact factor E-01-04 – improvement of the main ICT service qualitative indicators (compliance of qualitative indicators with the determined values, in per cent). The quality of universal electronic communications services provided by the universal electronic communications service provider TEO LT, AB meet the requirements of the Description of the Requirements for Quality of Universal Services, approved by Order No. 1V-214 of the Director of the Communications Regulatory Authority of the Republic of Lithuania of 15 February 2006. The report is published on the website of RRT. In order to

evaluate if service providers do not exceed limit values of service qualitative indicators determined to them, RRT performs measurements of qualitative indicators in networks of service providers and publishes evaluation reports on service qualitative indicators on the website of RRT. Factor implemented by **103.5** per cent.

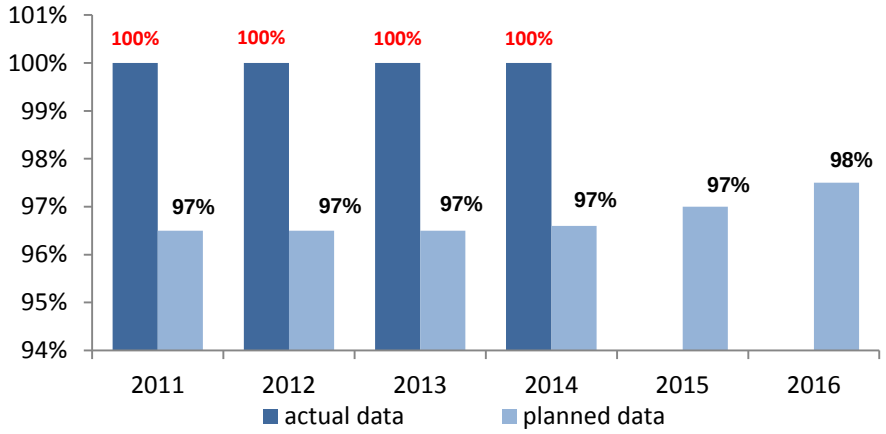

Figure 5. **Improvement of the main ICT service qualitative indicators (compliance of qualitative indicators with the determined values, in per cent)**
Source: RRT

Impact factor E-01-05 – the decline in the number of the same IP addresses involved in malicious activities, detected on the networks of Internet service providers (share of repeated IP addresses, in per cent). 47 per cent of IP addresses involved in malicious activities are repeated. Often these are end-terminal equipment users who have routers, used by persons who are not registered customers of Internet access service providers. Factor implemented by **107** per cent.

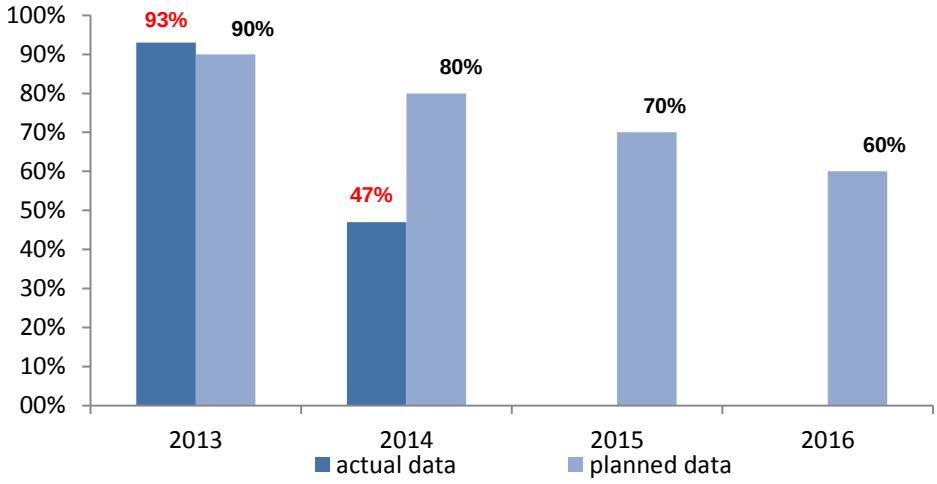

Figure 6. **The decline in the number of the same IP addresses involved in malicious activities, detected on the networks of Internet service providers (share of repeated IP addresses, in per cent)**
Source: RRT

Impact factor E-01-06 – development of the market of postal services in terms of revenues (compared to previous years, in per cent). During the first to third quarter of 2014, compared to the same period in 2013, the market of postal services grew by 6.2 per cent. The growth of the postal market was mostly due to the increase of electronic commerce, which influenced the growth in the flows of both international and domestic postal items. Factor implemented by **207** per cent.

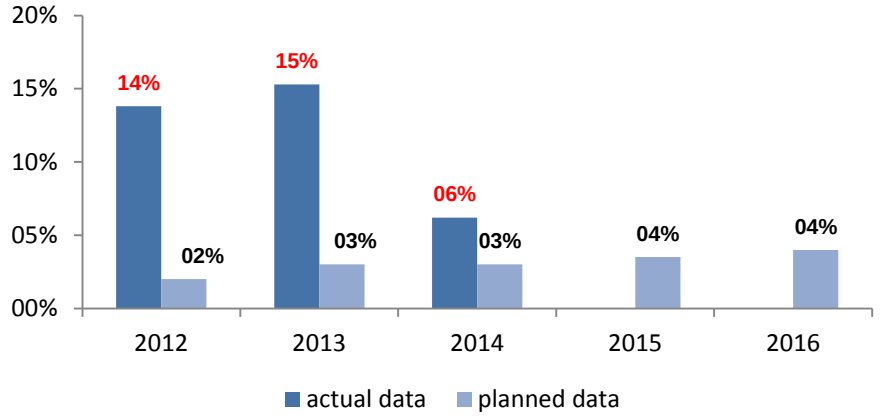

Figure 7. **Development of the market of postal services in terms of revenues (compared to previous years, in per cent)**
Source: RRT

Impact factor E-01-07 – the growth of number of qualified certificates provided by providers of certification services (in per cent, compared to previous years). According to preliminary data, at the end of 2014, the number of valid qualified certificates was 894,672. Compared to 2013 (997,919 qualified certificates), their number decreased by 10.35 per cent. The number of qualified certificates, issued by the Residents' Register Service and entered in personal identity cards and certificates of civil servants, decreased in 2014. Personal identity cards are valid for 10 years, while the qualified certificates entered in them are valid for 3 years. The number of qualified certificates provided in newly issued personal identity cards was significantly lower than the number of expired certificates, which lead to a decrease in the number of valid qualified certificates, entered in personal identity cards. Persons, whose qualified certificates have expired, should submit a request to record a new qualified certificate in their personal identity cards; however, 2014 only 2,266 persons submitted such requests for renewal of qualified certificates. Factor not implemented.

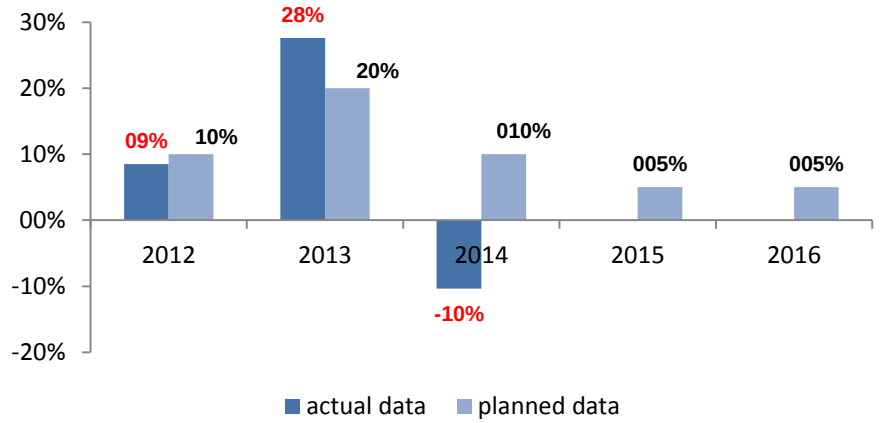

Figure 8. **The dynamics of the number of qualified certificates provided by providers of certification services (in per cent, compared to previous years)**
Source: RRT

2.2. Programme implementation according to the objectives

Objective 1 – ensuring efficient and transparent competition on the ICT and postal services/products markets

Market analyses

In order to create competitive conditions in the electronic communication market, RRT performs analyses of electronic communication markets taking in consideration the European Commission Recommendation 2007/879/EC[53].

In 2014, the analyses of the following markets were performed: the market of call termination on individual public telephone networks, provided at a fixed location; the market of voice call termination on individual public mobile telephone networks; the market of transit services provided on public telephone networks at a fixed location (national and international call transit); the market of call origination on the public telephone network, provided at a fixed location; the markets of radio broadcasting transmission services; the markets of television programmes broadcasting transmission services.

Pursuant to Commission Recommendation 2014/710/EU of 9 October 2014[54], in 2014 the analyses of the following markets were commenced: the market of access to public telephone network at a fixed location for non-residential customers, the market of wholesale local access at a fixed location, the market of wholesale central access at a fixed location for mass market products, the market of call termination on fixed telecommunication networks, the market of the minimum set of leased lines, the market of trunk segments of national leased lines, and the market of wholesale high-quality access at a fixed location.

Information on the aforementioned market analyses is available at http://www.rrt.lt/lt/verslui/konkurencijos-prieziura/rinku-tyrimai.html.

Surveillance of implementations of obligations imposed on undertakings having significant power

RRT performed the supervision of execution of the obligations imposed on the undertakings having significant market power. Upon finding any deficiencies, undertakings were asked to provide additional information and/or to ensure implementation of the obligations imposed.

RRT received complaints about possible non-compliance of TEO LT, AB with the obligation of non-discrimination when providing wholesale broadband communication services with regard to relevant retail services, and possible non-compliance of TEO LT, AB with the obligation to provide access when establishing the technical conditions for the provision of wholesale broadband communication access services, and the application of different conditions to undertakings buying wholesale broadband communication access services (ADSL). RRT received complaints about possible non-compliance of Lietuvos Radijo ir Televizijos Centras AB (hereinafter – Telecentras) with the obligation of non-discrimination when providing the services of providing terrestrial radio broadcasting transmission means and the services of providing terrestrial television broadcasting transmission means, and possible non-compliance with the obligation of transparency by failing to publish a report on broadcasting transmission means.

After relevant warnings, the above non-compliances were corrected.

[53] EC Recommendation 2007/879/EC of 17 December 2007 on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services

[54] OL 2014 L 295, p. 79

For the purpose of checking compliance with the obligations of cost accounting and accounting separation by undertakings having significant market power, the audits of the cost accounting and accounting separation system of TEO LT, AB and the cost accounting and accounting separation system Telecentras AB were performed. The findings of the aforementioned audits were published on the website of RRT. TEO LT, AB and Telecentras AB were sent letters regarding the incompliances found during the audits (TEO LT, AB – regarding incompliance with the principles of causality, consistency, reliability and usability, the lack of detail in the methodology, failure to correct the deficiencies identified during the audit conducted in 2012, inconsistency in applying the principles of the calculation of return on investment, and Telecentras AB – incorrect setting of the values of cost carriers, improper selection of cost elements and methods, deficiencies of internal control in the preparation of the annual report).

No violations of other obligations, except for the aforementioned ones, were established in 2014.

Legislation improvement

In order to ensure favourable conditions for new operators to enter Lithuanian communications markets and to create opportunities for all to develop their activities, RRT worked on improving the regulatory environment and legal framework.

In 2014, 45 legal acts, subject to approval by orders of the Director of RRT, were prepared and adopted. The Regulations of RRT, approved by Resolution No. 1029 of the Government of the Republic of Lithuania "On the Approval of the Regulations of the Communications Regulatory Authority of the Republic of Lithuania" of 19 August 2004, were amended and recast by Resolution No. 451 of the Government of the Republic of Lithuania of 22 May 2014. In 2014, 18 draft Orders of the Director of RRT, 3 draft Resolutions and subordinate legislation of the Government of the Republic of Lithuania were published in the Information System of Legal Acts of the Office of the Seimas of the Republic of Lithuania.

The list of the legal acts prepared and approved by orders of the Director of RRT is provided in Annex 2 to the Annual Report 2014.

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Installation and usage of electronic communications infrastructure

Despite the high penetration rate of fibre lines, there are main issues to be solved while laying next generation access (NGA) networks. These issues are faced by retail Internet access providers i.e. improvement of access to the physical network infrastructure. In the previous year, RRT (cooperating with the municipalities of Vilnius, Klaipėda and Kaunas) created electronic access to information regarding terrestrial network infrastructure in order to ensure that developers of electronic communications networks could receive relevant information regarding terrestrial physical network infrastructure (energetics, communication networks, electronic communications network cable channels etc.), improve conditions for investment in development of electronic communications networks and to reduce the costs of such development. In 2014, access was created to the infrastructure spatial database (maps) of the city of Panevėžys. It shall allow electronic communication operators to use relevant information necessary for development of electronic communication networks. There is a website at www.e-infrastruktura.lt with spatial data from infrastructure databases administrated by Vilnius, Klaipėda, Kaunas and Panevėžys municipalities.

RRT monitors access to the website of the infrastructure maps administered by the municipalities at www.e-infrastruktura.lt.

RRT performed supervision of installation and use of electronic communications infrastructure: conducted investigations regarding violations of the installation of electronic communications infrastructure, violations of the rules for installation and use of electronic communications networks (RRT examined 34 notifications regarding installation of electronic communication infrastructure, most of them were regarding non-compliance with the requirements applicable to installation of electronic communications infrastructure: the requirements laid down in the Rules for Installation, Marking, Supervision and Use of Electronic Communications Infrastructure).

Market surveillance (surveillance of compliance with activity conditions)

RRT performs measures to reduce administrative burdens: RRT applies the advance binding ruling, follows the rule of two dates of entry into force in legislation introducing according which legal acts (under which the legal regulation of new or amended activities and/or surveillance of undertakings is determined) shall enter into force either as of 1st of May or 1st of November. When performing the measures to reduce administrative burdens, the priority of RRT was consultations and methodical guidance for undertakings. In 2014 market participants were consulted regarding issues of legal framework for the performance of activities, market regulation, statistic report preparing, Internet network interconnection, quality of universal services, and problems related with improper delivery of postal items, etc.

Following the plan of planned inspections of undertakings engaged in electronic communications activities and of providers of postal services that was approved by RRT in 2014, in 2014 RRT performed 25 planned inspections of undertakings engaged in electronic communications activities. RRT performed 1 unplanned inspection of the activities of the provider of electronic communications services, Horda UAB, for the purpose of finding out whether Horda UAB provided electronic communications services and observed the obligation to provide reports to RRT on the electronic communications activities carried out, because the aforementioned company had not submitted any reports since the first quarter of 2013. After the inspection, Horda UAB submitted the above-mentioned reports.

During the inspections, consultations were provided to 34 providers of electronic communications services. In the course of the planned inspections, violations were found in the activities of 20 undertakings (failure to comply with the requirements of legal acts applicable to the agreements concluded by service providers).

In 2014 RRT performed 25 planned inspections of postal service providers. There was no need to initiate unplanned inspections. During the inspections, consultations were provided to 22 undertakings. During the planned inspections, violations were found in the activities of 10 undertakings (failure to comply with requirements for marking of postal items, absence of mandatory documents to be prepared, absence or failure to publish information required for the user to make a decision whether to use the service or not).

All the violations were corrected during the relevant inspections, after giving advice to the undertakings.

During the third to fourth quarter of 2014, RRT performed inspections of 198 undertakings, 137 of which were undertakings engaged in electronic communications activities, and 61 – in postal activities. They were informed in writing about the requirements related to the introduction of the euro in the Republic of

Lithuania, and the requirements to publish the prices of services and goods in two currencies (litas and euro), and the powers granted to RRT to supervise (perform inspections), within the limits of its competence, the compliance with the aforementioned requirements. RRT provided e-mail replies to the inquiries received by e-mail from consumers in relation to the introduction of the euro.

In 2014 RRT received 1 dispute between the undertakings engaged in electronic communications activities regarding the establishment of prices for DVB-T transmitter placement services, the claimant – Telecentras AB, the respondent – TEO LT, AB. The dispute is under consideration.

In 2014 RRT did not receive any disputes from undertakings engaged the provision of postal services.

Objective 2 – ensuring the protection of rights and legitimate interests of the users of ICT and postal services/products according to the competence of RRT

Customer complaint and dispute handling

In 2014 RRT received 223 complaints and enquiries from service users, including consumers relating to electronic communications services and 166 disputes which were investigated in accordance with the pre-trial dispute resolution procedure. Compared to 2013, this number decreased by 40 per cent. The majority of them were disputes regarding demands to pay penalties, repay the discounts granted in cases of early termination of electronic service provision agreements. Service users, who decide to terminate their fixed-term electronic communications service provision agreements prior to their expiry, are requested by service providers to repay the discounts granted to them (on equipment, monthly fees, etc.) and (or) penalties.

Detailed information is provided in Table 3 of the RRT Annual Report 2014.

In 2014 RRT received 58 complaints and enquiries from service users and undertakings regarding the provision of postal and universal postal services. Compared to 2013, the number of complaints decreased by 30 per cent. The majority of them were complaints regarding lost, undelivered (returned) or delayed and damaged postal items.

User awareness

In order to ensure the efficient organization of work with consumers and implementing the measures for improvement of quality of consumer information and service, RRT launched **the helpline 8 800 20030**. After dialling the helpline number 8 800 20030, consumers can choose the topics of consultations on radio or television programme reception, report on radio interference, network and information security, and postal issues. RRT also provides consultations on the issues of electronic signature, registration of radiocommunication equipment (on ships, aircraft, vehicles), etc. In order to improve consumer access to complete information about electronic communications services, RRT has developed special online tools, which help consumers evaluate different electronic communications services:

www.esaugumas.lt − provides information on the most frequent problems on the Internet: computer and mobile viruses, spam, methods of online fraud, other potential security threats, and also gives recommendations and advice how to avoid possible incidents. CERT-LT has created an additional tool for Internet users on its website (https://www.cert.lt/irankiai), where one can check whether a user's network

equipment does not have any security gaps resulting from certain flaws in SSDP, NTP, SNMP, DNS, NetBIOS protocols.

www.skaiciuok.lt − the installed price calculator helps consumers choose the electronic communications service providers' offers which suit their needs best in terms of the most favourable prices of electronic communications services.

http://epaslaugos.rrt.lt/matavimai/ – the residents, visiting the website, can themselves evaluate the quality of the wireless Internet access services provided in different regions of Lithuania.

RRT's remote electronic signature training system, www.elektroninisparasas.lt, which provides comprehensive information about electronic signature, the fields of its application, etc. The website of RRT contains information on the quality of universal electronic communications and postal services, electronic communications and postal sectors, as well as other issues of consumer interest.

Quality of postal services

Following subparagraph 12 of paragraph 2 of Article 6 of the Postal Law, RRT shall supervise how the provider of universal postal services organises a monitoring of the quality of universal postal services and once a year publishes the results of such monitoring. In 2014 RRT analysed the requirements for the measurements of the quality of the services of delivery of domestic single piece letter-post items prepared by Lietuvos Paštas AB, and examined the results of the independent audit of the quality of universal postal services that was conducted in 2013. As stated in the report, 90.03 per cent (in 2012 – 85.86 per cent) of test priority letter-post items were delivered by Lietuvos Paštas AB on the business day following the dispatch (D+1) and 99.56 per cent (in 2012 – 99.71 per cent) of test priority letter-post items – on the third business day following the dispatch (D+3). 2013 m. The indicator (D+1) of Lietuvos Paštas AB improved by 4.17 percentage points, compared to the corresponding result in 2012, and exceeded the established relevant quality requirement by 5.03 percentage points. The indicator (D+3) decreased by 0.15 percentage points, compared to the corresponding result in 2012, and exceeded the established relevant quality requirement by 2.56 percentage points. The annual report on the monitoring of the quality of universal postal services for 2013 is published on the website of RRT.

A universal postal service provider is required to handle its accounting in accordance with the main principles of cost accounting and the requirements for the cost accounting system established by RRT, as well as other requirements related to cost accounting, including the requirement to perform an audit. In 2014 BDO Auditas ir Apskaita UAB performed an audit of the costs of Lietuvos Paštas AB, the provider of universal postal services, for 2013. On 15 December 2014 the findings of the independent audit were made publicly available on the website of RRT. In the findings it was stated that the annual cost accounting report for 2013 of Lietuvos Paštas AB had been prepared correctly in accordance with the requirements of the Rules for Cost Accounting of the Universal Postal Services Provider[55] and was found compliant with the cost accounting principles and requirements established in the aforementioned Rules.

In order to assess the calculation of net cost of Lietuvos Paštas AB, an audit of the procedures for assessment of the calculations of net cost of universal postal services and of unfair financial burden of Lietuvos Paštas AB was carried out. Auditas UAB submitted a report on the procedures for assessment of

[55] Order No. 1V-55 of the Director of RRT of 11 January 2013

the calculations of net cost of universal postal services and of unfair financial burden of Lietuvos Paštas. The conclusions of the above independent audit are available on the website of RRT.

By commission of RRT, in 2014 a representative survey of residents of the Republic of Lithuania was performed for the purpose of establishing the needs of the users of universal postal services and to assess the quality and accessibility of universal postal services in urban and rural residential areas. According to the data of the survey, the quality of the postal services provided by Lietuvos Paštas AB according to different parameters was positively assessed by about 87 per cent of the users. The survey participants quite positively assess the quality of the universal postal services provided by the provider of universal services according to all analysed parameters, i.e. the speed of delivery, quality, condition of received postal items, and availability of information about services provided.

Quality of electronic communication services

When performing control measurements of technical parameters of electronic communication networks and lines, technical parameters of 20 cable television (CTV) networks were inspected and no violations were found.

When performing control measurements of quality rates of electronic communication services, test voice telephony calls were made, SMS messages were sent, and test data transmissions were made in public mobile telephone communication networks, test public fixed telephone calls were made in the networks of the providers obligated to provide universal services.

When performing control measurements of quality rates of public mobile telephone communication services, 2,387 test voice telephony calls were made, 2,148 SMS messages were sent in three public mobile telephone communication networks.

When performing control measurements of quality rates of wireless Internet access services, 9,129 tests of data transfer were performed in the network of Omnitel UAB, 8,920 tests – in the network of Bitė Lietuva UAB, 8,470 tests – in the network of Tele2 UAB, 8,390 tests – in the network of Telecentras (communication technologies – 2G, 3G, LTE, WIMAX).

When performing control measurements of quality rates of the public fixed telephone communication services in the networks of the operators obligated to provide universal services, 37,533 test calls were made in 2014. After performing the aforementioned control measurements, RRT found that the measured time values of failed national calls (0.47 per cent and 0.52 per cent respectively by quarters) and average national setup duration (0.40 seconds and 0.40 seconds) satisfied the threshold values of service quality indicators imposed on providers of universal services. Other quality rates declared by TEO LT, AB also satisfied the threshold values of service quality indicators imposed on universal service providers.

In order for Lithuanian consumers to have the possibility to better choose the services which suit their needs best in terms of the price-quality ratio, RRT publishes evaluation reports on quality rates of public mobile telephone communication and wireless Internet access services on the website of RRT at:
http://rrt.lt/lt/apzvalgos-ir-ataskaitos/viesuju-judriojo-telefono-rj7y.html;
http://www.rrt.lt/lt/apzvalgos-ir-ataskaitos/belaides-interneto-prieigos-m4ms.html.

Electronic communications service users, visiting the specialized website of RRT at http://epaslaugos.rrt.lt/matavimai/, can themselves evaluate the quality of the wireless Internet access

services provided in different regions of Lithuania. Along with a growing trend that consumer choices are determined not only by the price, but also by the quality of the service, the data provided by RRT increases the possibilities to choose the services that best meet the individual needs of the users of services and promotes transparent competition.

Price regulation

In 2013 RRT completed the analysis of the markets of retail voice calls (publicly available local and/or national telephone services and publicly available international telephone services) and established that there was effective competition in the aforementioned markets and as of 1 January 2014 withdrew the obligations imposed on TEO LT, AB.

In 2014, the prices applied by undertakings, providing the services of call termination on fixed telecommunication networks, were no higher than the highest price limit of call termination on the public telecommunications network, provided at a fixed location, of TEO LT, AB to be effective from 1 April 2013 as approved by Order No. 1V–1900 of the Director of RRT of 18 December 2012: the price of call termination on public fixed telephone communication networks was LTL 2.11 per minute (EUR 0.61 per minute) without VAT, providing network interconnection 24 hours in any network interconnection point, and on mobile telephone communication networks – no higher than 3.6 ct per minute (1.04 euro ct per minute) without VAT.

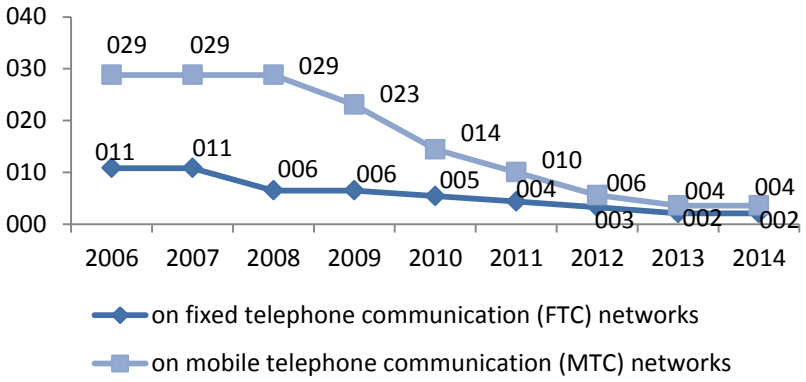

Figure 9. **Prices of call termination in fixed (FTC) and mobile (MTC) telephone communication networks, ct per min, without VAT**
Source: RRT

In 2014 RRT performed the analysis of the market of call origination on the public telephone network, provided at a fixed location and recognized TEO LT, AB as having significant power on the aforementioned market and obligated TEO LT, AB to apply the price for call origination services that would be no higher than LTL 2.11 (EUR 0.61) (not differentiating according to the time of provision of the service) as from 1 November 2014.

From 1 July 2014, the prices of international roaming services provided in Europe were reduced. According to the Regulation of the European Parliament and of the Council, the prices decreased in all the 28 EU Member States and in the 3 countries of the European Economic Area (Norway, Iceland, Liechtenstein).

In 2014 the prices of retail international roaming services and average wholesale prices, publicly announced by mobile communication operators, were in line with the prices established by Regulation (EU) No. 531/2012 of the European Parliament and of the Council. The prices, which were reduced following the provisions of the above Regulation, will be valid until 30 June 2017, wholesale – until 30 June 2022. The above Regulation provides for regulation of prices of retail data roaming services and application of structural measures[56], which, in long term perspective, will provide the possibility to refuse the regulation of prices.

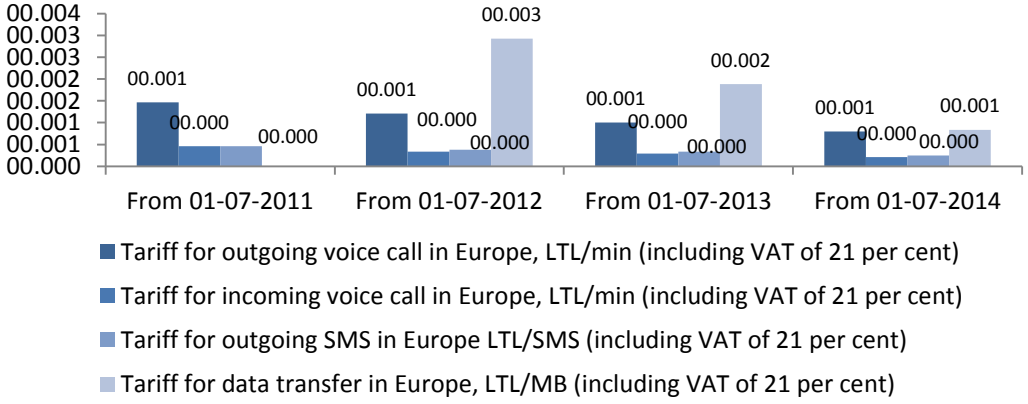

Figure 10. **Change of retail international roaming prices determined by the European Commission**
Source: RRT

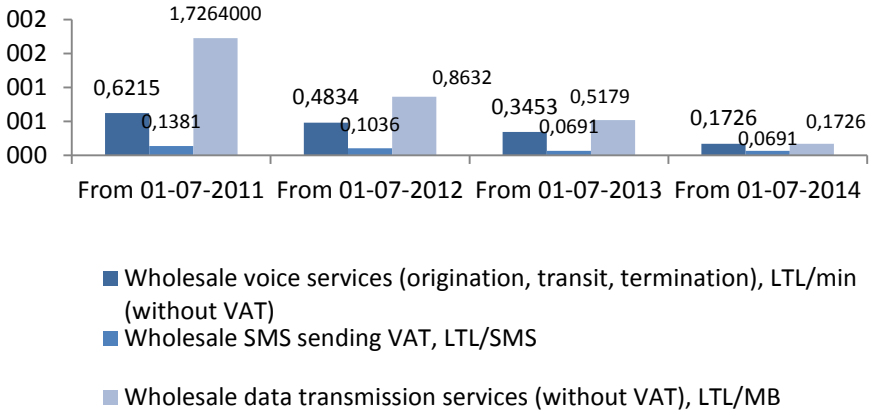

Figure 11. **Change of wholesale international roaming prices determined by European Commission**

CERT-LT activities

In 2014 CERT-LT investigated 36,136 incidents according to the reports on online incidents received from Lithuanian electronic communication service providers, foreign CERT organisations (performing international incident investigations) and Lithuanian Internet users. Compared to 2013 (25,337 reports), the number of such reports increased by 43 per cent. The problem, most frequently faced by Lithuanian Internet users in 2014, was malicious software and Denial of Service (DoS) attacks. During this period, CERT-LT investigated 11,276 cases of the use of malicious software – it was the

[56] The structural measures include the following: provision of access to wholesale roaming services; separation of retail national and international roaming services, in order for the consumer to be able to select not the national but another international roaming service provider; access to the measures, allowing other service providers to provide international roaming services together with national service provider.

subject of 31.2 per cent of all the incidents investigated, and 165 reports on Denial of Service (DoS) attacks. Compared to 2013 (130 reports), the number of reports on Denial of Service (DoS) attacks increased by 27 per cent.

In 2014 the number of compromise of information systems decreased by more than twice – from 10,924 cases down to 4,853 cases.

In September 2014 CERT-LT organized a national cyber training X14. This was already the second training organized by CERT-LT in Lithuania, which this time was joined by 4 Member States of the EU. The training was aimed at checking the effectiveness of inter-institutional cooperation, possibilities to find contact information of responsible representatives of relevant institutions in critical situations and respond to cyber incidents. The training involved 25 state institutions of Lithuania, 8 banks, 10 CERT units of Lithuania and foreign countries and the members of the working group for the management of potential cyber security incident consequences.

During 2014, RRT received, over its Internet hotline, 733 reports on illegal and harmful content on the Internet. Compared to 2013 (650 reports), in 2014 the number of such reports increased by 12 per cent. Internet users sent reports on the information found of the Internet relating to incitement of racial or ethnic hatred, violence, pornography, sexual abuse of children, as well as unauthorized publication of personal information. After investigation, further actions were taken in 274 cases, which accounted for 37 per cent of the total number of the received reports – an increase by 5 percentage points compared to 2013 (207 reports, i.e. 32 per cent of the total number of the received reports).

In 273 cases it was identified according to the coordinated criteria that the laws of the Republic of Lithuania were or might have been violated due to illegal or harmful Internet content. These reports were forwarded to the competent authorities of Lithuania and abroad for further investigation and for removal of illegal content from the Internet:

– 38 reports were forwarded to Police Department for further investigation. Suspected illegal content: sexual abuse of children (19 reports), pornography (19);

– 39 reports were forwarded to the Office of the Inspector of Journalist Ethics for further investigation. Suspected dissemination of information having a negative impact on minors;

– 105 reports concerning possible sexual abuse of children were forwarded to the hotlines of other countries, the members of international hotline association INHOPE;

– 91 reports were forwarded, along with NTD (Notice and Take Down), directly to Internet service providers in Lithuania and abroad informing them about illegal or harmful online content present in their networks and encouraging them to remove it.

No action was taken with regard to the remaining 460 reports, since the content was not available (e.g., password protected), repetitive, inactive, as well as content which was not illegal or was placed in other countries' servers, where such content is considered legal according to the laws of those countries (for instance, pornography in most of the countries is legal).

104 Internet addresses (URLs) from confirmed reports on illegal information found in foreign countries were forwarded to the special international INHOPE URL database, where their investigation was taken over by the hotline services of other countries.

In 2014, 7 alerts and 19 news updates related to online security, and 10 new articles were published on the website at www.esaugumas.lt.

Equipment market surveillance

RRT verifies whether the radiocommunication equipment and telecommunications terminal equipment, brought into the Republic of Lithuania complies with the administrative and technical requirements, provided by the Technical Regulations of Radiocommunication Equipment and Telecommunications Terminal Equipment[57] (hereinafter referred to as the Regulations). Also, market surveillance regarding the compliance of devices and equipment with the administrative and technical requirements, laid down in the Technical Regulation on Electromagnetic Compatibility[58] (hereinafter referred to as the EMC Regulation) was performed.

70 types of radiocommunication equipment and telecommunications terminal equipment were examined in 2014, 25 of them failed to comply with the administrative requirements of the Regulations, i.e. improper marking, a declaration of conformity missing, a notification concerning the placing on the market of such a product not submitted when required, etc. Also, 30 types of devices were examined for compliance with the administrative requirements of the EMC Regulation. 4 types of devices failed to comply with the administrative requirements of the EMC Regulation, i.e. there was no serial number, manufacturer or importer identified on the products.

25 types of equipment were taken from the market for inspection of their technical parameters and provided to the laboratory of RRT for testing, related to effective usage of radio frequency spectrum, and 15 types of devices were taken from the market and provided to the laboratory of RRT for testing, related to electromagnetic compatibility.

The accredited Equipment and Devices EMC Control Division of RRT, performing evaluation of compatibility of electric and electronic equipment in the market, is the only institution accredited by the Lithuanian National Accreditation Bureau having the right to perform the tests[59] under harmonized European standards necessary for performing procedures of equipment and device compatibility (on demand of manufacturers and/or equipment importers of Lithuania). The scope of accreditation is 169 Lithuanian and international electromagnetic compatibility standards. The tests in this laboratory are usually performed by Lithuanian manufacturers.

In order to ensure effective usage of radio frequencies (channels) in Europe in non-harmonized radio frequency bands, compatibility of conditions between radio equipment interfaces and radio frequencies used in Lithuania is inspected. In 2014 notifications regarding 795 types of equipment operating in non-harmonized radio frequency bands were examined, in 203 cases partial limitations to use equipment in Lithuania were determined, and in 14 cases the use of equipment in Lithuania was prohibited. 68 (types of equipment) declarations of conformity were analysed.

Supervision of electronic signature

From 1 May 2011, RRT started to perform functions of electronic signature supervision institution. When performing these functions, RRT supervises how the providers of certification services follow the

[57] Order No. 138 of the Director of the Communications Regulatory Authority under the Government of the Republic of Lithuania of 14 October 2002 “On the Approval of the Technical Regulations of Radiocommunication Equipment and Telecommunications Terminal Equipment”
[58] Order No. 1V-1328 of the Director of RRT of 15 December 2006 “On the Approval of the Technical Regulation on Electromagnetic Compatibility”
[59] Directive 2004/108/EC of the European Parliament and of the Council of 15 December 2004 on the approximation of the laws of the Member States relating to electromagnetic compatibility and repealing Directive 89/336/EC, (OJ 2004 L 390, p. 24)

determined requirements, aims at ensuring electronic signature equipment compatibility in Lithuania and at international level; also aims at accreditation of service providers (accredited in Lithuania) at international level.

In 2014 in Lithuania there were three registered certification service providers providing the services of issuing qualified certificates under the supervision of RRT: Skaitmeninio Sertifikavimo Centras UAB, State Enterprise Centre of Registers and the Residents' Register Service. According to the data of the certification service providers, at the end of 2014, the number of valid qualified certificates was 894,672. Compared to 2013 (997,919 qualified certificates), their number decreased by 10.35 per cent. The number of valid qualified certificates, issued by the Residents' Register Service and entered in personal identity cards and certificates of civil servants, decreased in 2014. Personal identity cards are valid for 10 years, while the qualified certificates entered in them are valid for 3 years. The number of qualified certificates provided in newly issued personal identity cards was significantly lower than the number of expired certificates, which lead to a decrease in the number of valid qualified certificates, entered in personal identity cards. Persons, whose qualified certificates have expired, should submit a request to record a new qualified certificate in their personal identity cards; however, 2014 only 2,266 persons submitted such requests for renewal of qualified certificates. After examining the information provided by the providers providing the services of issuing qualified certificates, no violations were established in 2014.

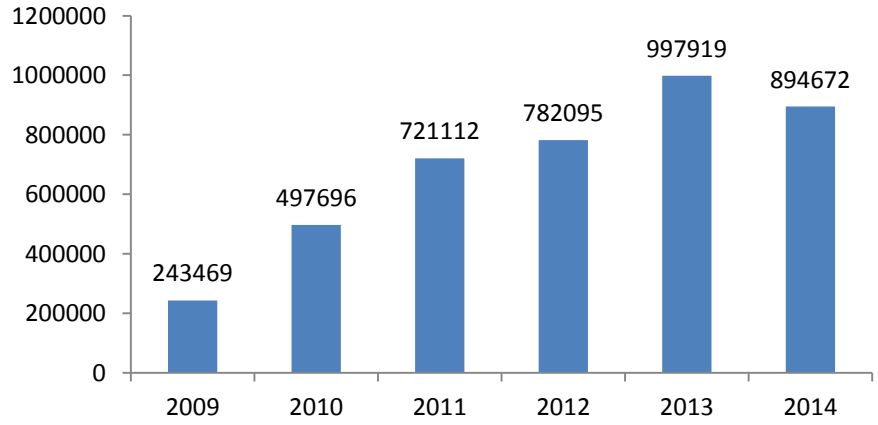

Figure 12. **The dynamics of growth of the total number of qualified certificates in 2009–2014**
Source: RRT

When promoting the development of electronic signature infrastructure and the use of electronic signature, RRT consulted individuals (by e-mail, telephone and during meetings) on issues relating the use of electronic signature, aiming at increasing the trust of electronic signature users in services provided by the providers of certification services and aiming at ensuring efficient competition conditions in the area of provision of certification services.

In 2014 the supervision of the remote training system for the use of electronic signatures and electronic documents was carried out. Information on electronic signatures was updated; information was provided on how to prepare a computer for work with electronic signatures, specifying the software tools required in order to sign an electronic document with a qualified certificate of a natural person, located on an USB cryptographic token, personal identity card or any other smart card.

The remote training system for the use of electronic signatures and electronic documents provides comprehensive information about electronic signatures, the fields of their application, companies issuing qualified certificates, view instructions on how to sign electronic documents. Users registered in the system can also can pass a test consisting of theoretical and practical questions related to the area of electronic signature. All who successfully pass the test are issued a certificate attesting the completion of the electronic signature course.

In order to ensure smooth performance of the electronic signature supervision functions, in 2014 according to the information provided by Skaitmeninio Sertifikavimo Centras UAB, State Enterprise Centre of Registers and the Residents' Register Service, the list of TSL in Lithuania (the list including information on trusted services provided by certification service providers registered and/or accredited in Lithuania) was updated and published on the website of RRT.

New Regulation No 910/2014 of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the internal market entered into force as of 17 September 2014. This new Regulation amends the legal regulation of electronic signatures throughout the European Union and establishes the procedures for identification of persons in cyberspace and the rules for the creation of electronic signatures for provision of trust services for electronic transactions. The new Regulation aims at ensuring an adequate level of security of electronic identification means and all trust services, and lays down the conditions for the mutual recognition of electronic identification means across borders, lays down rules for provision of trust services and requirements for supervision of these services. Most of the provisions of the Regulation will be apply from 1 July 2016.

Detailed information on the use of electronic signatures and the development of infrastructure will be provided in the report on the implementation of the Law on Electronic Signature of the Republic of Lithuania for 2014.

Objective 3 – creation of conditions for long-term investments into electronic communications infrastructure and development of innovative ICT

Management of radio frequencies

In order to develop wireless broadband communication in Lithuania, in 2014 RRT performed the works of radio frequency planning and coordination of the conditions for allocation of radio frequencies.

In order to create conditions for the development of next generation LTE (Long Term Evolution) wireless communication networks, a public auction of radio frequencies was organized for the first time in Lithuania in 2013. The winners of the auction were granted the right to use radio frequencies/channels in the frequency bands released from the first digital dividend (790–862 MHz). The year 2014 is associated with the deployment of LTE (4G) (Long Term Evolution) technology-based networks. Long Term Evolution (LTE) technology-based networks are currently the main means of access to 4G mobile radio communication services for residents of Lithuania. Mobile radio communication operators, who, by way of the auction held in 2013, were granted the right to use radio frequencies (channels) from the 800 MHz radio frequency band, began to intensively deploy the above technology-based radio communications networks planning to provide next-generation wireless broadband access (WBA) services. At the end of

2014 there were 613 registered LTE base stations operating in the 800 MHz radio frequency band and most of them were installed in cities and larger towns and near major roads.

In 2014 an auction was held for granting the right to use radio frequencies (channels) from the 2560–2570 MHz and 2680–2690 MHz paired radio frequency band and from the 2570–2620 MHz radio frequency band. By Order No. 1V-1084 of the Director of RRT of 21 August 2014 "On the Assignment of Radio Frequencies (Channels) from the 2560–2570 MHz and 2680–2690 MHz paired radio frequency band and from the 2570–2620 MHz radio frequency band to Lietuvos Radijo ir Televizijos Centras AB", the aforementioned radio frequencies (channels) were assigned to the winner of the auction. From the point of view of technologies and services, the above permits are neutral, so these radio frequency bands are also suitable for the deployment of LTE (4G) or similar WBA networks.

In 2014 RRT planned amendments to the terms and conditions for the use of 12 UTB radio stations, the terms and conditions for the use of 16 newly assigned radio frequencies, 4 new UTB radio frequencies, changes of installation sites of 3 UTB radio stations, changes of the electromagnetic radiation parameters of 5 UTB stations.

In 2014, in total, 1,358 permits to use radio frequencies (channels), stations, networks and 304 permits for radio amateur activities and to use call signs were issued.

Coordination of radio frequencies and stations

In order to ensure electromagnetic compatibility of radio communication networks (systems), international coordination of radio frequencies (channels) with communication administrations of neighbour countries were performed, Lithuanian radio stations in the radio frequency assignment system of ITU terrestrial service were notified, the conformity of entries (published in the Radiocommunication Bureau International Frequency Information Circulars (BRIFIC) of ITU) in the International Radio Frequency Register with international regulation provisions were controlled within the competence, and international protection of the latter entries was ensured.

Lithuanian radio stations in the radio frequency assignment system of ITU terrestrial service were notified – notifications regarding 1,264 frequency assignments to stations were performed in 2014.

Radio spectrum control (monitoring)

Radio spectrum monitoring is performed in order to control how the radiocommunication requirements regulated by legal acts are followed. In 2014 RRT further performed the following: measurements of radio frequency occupation, measurements of electromagnetic strength of emitted signals and their parameters, searching for radio frequencies, used without authorization and their users, etc.

When performing radio spectrum control (monitoring), 104 cases of unauthorized use of radio frequencies (channels) were determined, 42 inspections of newly coming into operation radio and television broadcasting stations were performed regarding the conformity to the project and conditions determined in the permit to use radio frequencies (channels); 38 inspections of operational radio and television broadcasting stations were performed regarding the conformity to the project and conditions determined in the permit to use radio frequencies (channels), 189 inspections of internal radiocommunication networks regarding the conformity to the project and conditions determined in the permit to use radio frequencies (channels) were performed: 17 new radiocommunication networks and 172 in operation; measurements of

coverage zones of public radiocommunication networks (terrestrial digital television networks/stations, mobile radiocommunication networks (GSM and UTMS)) in 79 measurement points located in 18 residential areas were performed. Most frequent violations were non-conformity of radio stations or networks to conditions determined in the permit to use radio frequencies (channels). After the warning, the non-conformities were corrected.

In order to ensure the quality of broadcast programmes and to avoid possible radio interferences from FM broadcast stations, 1,925 control measurements of emission parameters of radio and television broadcasting stations were performed in 2014: 1,055 – frequency deviation measurements, 730 – power of frequency modulation, 140 – other parameters and 123 – emission of TV stations, 440 control measurements of strength of electromagnetic fields created by radio and television broadcasting stations were also performed, 189 notifications were accepted and examined regarding elimination of radio interferences for ICT services, radiocommunication networks etc.

RRT mobile radio control stations allow performance of research of interferences in the entire territory of Lithuania and measurements of emission parameters of television and radio broadcasting transmitters.

Management of other electronic communication resources

In 2014, 72 requests to allocate telephone numbers were examined, 104,900 telephone numbers (fixed, mobile, service and short numbers) were assigned.

In 2014 the number of performed public telephone number transfers (number portability service) was 123,876: mobile communication numbers – 118,995, fixed communication numbers – 4,859, service numbers – 22.

On 17 October 2014 RRT signed a contract with public institution Numerio Perkėlimas to provide number portability services to operators from 1 January 2016 to 1 January 2021.

In 2014 RRT conducted supervision of the use of telephone communication numbers and other electronic communications network identifiers.

RRT updated information on its website on allocated telephone numbers and other network identifiers.

Objective 4 – integration into the EU and international regulatory space and efficient activities of RRT

International and interinstitutional cooperation

RRT cooperates with EU institutions and regulatory authorities of other countries in order to ensure an efficient integration of electronic communication and postal sector of Lithuania into the EU internal market.

In 2014 RRT employees also participated in the activities of the Body of European Regulators for Electronic Communications (BEREC), the Independent Regulators Group (IRG), the European Regulators Group for Postal Services (ERGP), the European Conference of Postal and Telecommunications Administrations (CEPT), the Universal Postal Union (UPU), the International Telecommunication Union (ITU) and activities of its World Radiocommunication Conference, committees and activities of working and research groups. In order to coordinate conditions of radio frequency suitability and efficient usage

and to ensure coordination, it was participated in activities of all international organizations and conferences relating the management of radio frequency spectrum.

In the area of international and inter-institutional cooperation, RRT examined the EU legislation and other documents on the issues of electronic communications and postal regulation, provided its opinion (positions) to relevant authorities regarding the documents of international organizations relating to the issues of the World Conference on International Telecommunications on ICT and postal sectors and the use of radio spectrum, prepared proposals and comments on draft legal acts submitted by other institutions.

RRT, within the limits of its competence, contributes to implementation of the priorities of Lithuania's foreign policy through active participation in the activities of the working group of regulatory authorities for electronic communications networks and services of the Eastern Partnership countries (hereinafter referred to as EaP). The objective of EaP is to bring the legal framework and principles of the Eastern Partnership Member States to the EU legislation, to exchange experiences and best practices and pass them on to neighbour countries, promote cooperation amongst them. EaP involves the following six Eastern countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The members of EaP are the national electronic communications authorities of Eastern countries (except for Azerbaijan, which is represented by the Communications and Information Technology Ministry). However, it is aimed to raise the project to the political level and involve the relevant ministries, in order that the development of the electronic communications sector in the Eastern neighbourhood countries, the economic and social benefits of electronic communications become important at the state level, too.

In 2014 RRT organized the following 9 international meetings: the meeting of the Working Group Radio Spectrum for Public Protection and Disaster Relief of the Electronic Communications Committee of the European Conference of Postal and Telecommunications Administrations (CEPT), the meeting of the Working Group UPU of the European Committee for Postal Regulations of the European Conference of Postal and Telecommunications Administrations (CEPT), the meeting of the Subgroup FM 22 of the Working Group WG FM of the Electronic Communications Committee of the European Conference of Postal and Telecommunications Administrations (CEPT), the meeting of the working group of representatives of the national communications and postal regulatory institutions of the Baltic and Nordic states on statistical issues, the meeting of representatives of the European Commission, the meeting of representatives of the National Media and Information Communications Authority of Hungary, the meeting of representatives of the Georgian Innovation and Technology Agency, the meeting of the BEREC Expert Working Group, and the meeting of the group of experts from Lithuania, Latvia and Estonia regarding electronic signature issues.

Position preparation for EU and international documents

In 2014 RRT coordinated positions prepared by institutions of the Republic of Lithuania relating issues discussed by EU (for instance, concerning reduction of broadband communication costs, regarding postal issues, data protection and rights, the vision of the market of industrial products, trade agreements with third (non-EU) countries, electronic identification and trust services for electronic transactions in the internal market, Regulation adapting to Articles 290 and 291of the Treaty on the Functioning of the European Union a number of legal acts providing for the use of the regulatory procedure with scrutiny,

regarding the Regulation on the Single Telecommunications Market, Directive on Network and Information Security, etc.)

EU legal acts and other documents relating issues of electronic communication and postal regulation were analysed, RRT opinion (positions) was provided to the responsible public authorities regarding documents of international organizations, ICT and postal sectors and the usage of radio frequency spectrum, and other documents of international organizations relating ICT and postal sectors determining not only the main electronic communication and postal activity conditions, promoting development of new technologies and ensuring quality of life of EU residents, but also having influence on the use of electronic communication and radio frequency spectrum in a much wider region.

RRT activity organization and control

RRT implements its mission in observance of the strategic activity plans, approved by the Director of RRT, establishing the main activity targets for three years, as well as tasks and tools for implementation of the targets. For the purpose of implementation of strategic targets, in 2014 RRT executed the special continuing Communications Management and Control Programme (code 01 81), financed from the income of RRT, received for the provided services and performed works, paid according to the tariffs agreed upon with the Council of RRT and contributed into the state budget. The activities of RRT divisions are controlled every quarter by analysing the execution of each division's activity plans. The summarized information on the performance of the activity plans is provided to the management of RRT.

According to Resolution No. 535 of the Government of the Republic of Lithuania of 12 June 2013[60], the maximum permissible number of positions of civil servants and employees working under employment contracts in RRT was increased from 158 to 162, not including the position of the Director of RRT (the Director of RRT is a state official), in order to ensure CERT-LT activities on a 24/7 basis, i.e. 24 hours a day, 7 days a week.

RRT personnel trainings were organized in accordance with the approved RRT's personnel training plan for 2014. In 2014 the focus was on enhancement and development of RRT personnel's professional knowledge.

According to the personnel training plan approved in 2014, the following training events were organized for civil servants and employees working under employment contracts in RRT: "Terahertz Physics", "Modern Methods and Means of Communication with the Media", "European Union Institutions – How Everything Works There. Insights from the Inside", "Preparation of Electronic Documents Compliant with the ADOC Specification and Signing them by an Electronic Signature", "Telecommunications Technology Development Trends and Innovations", "Information Stress and Coping Techniques. Theory and Practice" (for Safer Internet Project SIC II group participants), "Security of Websites and Applications, and Hacking Opportunities", "Corruption Prevention and Control", "Anti-Corruption Assessment of Legal Acts and their Drafts", "EU Twinning Projects, Proposal Preparation and Twinning Contract Structure" , "Application of the Catalogue of Job Descriptions and the Model of Competences in Lithuania", excellence

[60] Resolution No. 535 of the Government of the Republic of Lithuania of 12 June 2013 "On the Amendment of Resolution No. 1283 of the Government of the Republic of Lithuania of 2 November 2011 "On the Approval of the Highest Permissible Number of Positions of Civil Servants and Employees, Working under Employment Contracts and Receiving Work Remuneration from the State Budget and State Funds""

training for heads, etc. Other trainings were held individually according to the needs provided for in the personnel training plan for 2014.

In 2014, 151 employees participated in training events, 144 of them – civil servants, 65 civil servants improved their knowledge of the EU working languages.

In 2014 RRT completed the implementation of the EU structural funds-financed Project of Development and Implementation of the System for Management of the Activities of the Communications Regulatory Authority of the Republic of Lithuania (hereinafter referred to as the Project VVS) according to the Measure VP1-4.2-VRM-03-V "Improvement of the public administration subjects system" of implementation of Priority 4 "Strengthening of the administrative capacities and improvement of efficiency of public administration" of the Human resources development programme 2007-2013. The aim of the project is to improve the efficiency of internal administration of RRT, ensure efficient planning and control of the activities and management of electronic documents and information. The Project is targeted at automation of control of strategic planning and performance of the RRT activities, its financial resources, the processes of provision of services and management of electronic documents and ensuring a more efficient exchange of information between the employees of RRT.

In the second quarter of 2014, the pilot version of the VVS information system was installed on the RRT's internal server, external expert evaluation of compliance of the VVS information system with functional requirements was performed. On 30 May 2014 the final statement of acceptance and transfer of the services was signed and the VVS information system was installed on the RRT's internal server. The purpose of the VVS development and implementation is to seek improvement of RRT's internal administrative efficiency, i.e. reduction of public expenditure, costs of human resources and time. The implementation of the VVS will ensure effective planning and control of RRT's activities, implementation of efficient management of electronic documents and prompt and effective management of information flows. The VVS consists of 4 interconnected and integrated modules: the module of activity planning (including cost planning) and control, the module for the management of the costs of the services provided, the module of the electronic document management system, and the data (information) exchange module. The VVS will also integrate the currently developed Communications Activity Information System, intended for provision of RRT services electronically, to ensure a two-way communication channel between RRT and natural and legal persons, to automate an electronic database of electronic communications network operators and service providers, postal service providers, processes of collection and transfer of statistical information about the electronic communications and postal sectors, preparation of summaries and provision of data for the performance of other functions of RRT.

While implementing the project "Creation of the Communications Activity Information System", the works of programming the modules of the Communications Activity Information System were performed, comments on identified deficiencies were presented, testing of a pilot version was carried out, the deficiencies identified during testing were discussed, their elimination terms were coordinated.

Objective 5 – ensuring performance of obligations that may be imposed on operators and providers of electronic communications services in the interest of national defence, national security and maintenance of public order as well as in cases of extraordinary circumstances

RRT was obligated to procure, manage, maintain and update equipment for the purposes, stated in parts 1 and/or 4 of Article 77 of the Law on Electronic Communications of the Republic of Lithuania.

Under the contracts of agency, in 2014 the State Security Department of the Republic of Lithuania implemented the procedures for the procurement of special signal processing and decoding software and hardware, 4 agreements were signed for the procurement of the aforementioned special signal processing and decoding software and hardware. In 2014, the amount of LTL 3,100.0 thousand was provided for the procurement of the equipment, the amount of LTL 1,626.2 thousand was used. In 2014, 3 agreements were implemented; as regards the fifth, upon receipt of the supplier's letter about the protracted works under the agreement, an annex to the agreement was signed, extending the term of the agreement until 26 March 2015. The procured special signal processing and decoding software and hardware will, in accordance with the procedure laid down in legal acts, be transferred to the State Security Department under loan for use agreements.

2.3. Programme implementation results

Table 2 below provides the values of the plan of implementation of evaluation factors of the Programme's objectives and tasks.

Table 2. **Implementation of evaluation factors of objectives and tasks of the Programme in 2014**

Code of evaluated factor	Names and units of evaluation factors of the Programme's objectives and tasks	Values of evaluation factors		
		Plan of 2014	Implemented	Implementation in per cent
	Objective 1 – ensuring efficient and transparent competition on the ICT and postal services/products markets			
R-01-81-01-01	1. The share of the market of alternative public fixed telephone communication networks and service providers, per cent (in terms of the number of subscribers (service users))	10.0	10.3	103
R-01-81-01-02	2. The share of the market of postal service providers, in per cent (except Lietuvos Paštas AB) (in terms of revenues)	60	61	102
R-01-81-01-03	3. Functionality of the electronic information system of communications cable duct system and interfaces with Lithuanian municipalities (the number of connected municipalities)	3	4	133
	Task 1 of Objective 1 – to ensure that there are no distortions and limitations of competition in electronic communications and postal sectors			
P-01-81-01-01-01	1. The share of inspections performed on how the undertakings having significant power follow the imposed obligations (per cent of the imposed obligations)	100	100	100
P-01-81-01-01-02	2. The decrease of tariffs for fixed/mobile telecommunication network call termination services (in per cent compared with tariffs applied before the last market analysis and prior to imposition of price control	forecast 87/90	-	-

Code of evaluated factor	Names and units of evaluation factors of the Programme's objectives and tasks	Values of evaluation factors		
		Plan of 2014	Implemented	Implementation in per cent
	obligations)			
P-01-81-01-01-03	3. The number of performed analyses of markets under the EC Recommendation 2007/879/EC of 17 December 2007 and of other markets susceptible to *ex ante* regulation	3	5	167
P-01-81-01-01-04	4. The share of subscribers who used the right of number portability (per cent of the total number of active subscribers)	>11.5	>23.6	205
P-01-81-01-01-05	5. The share of examined notifications regarding violations of electronic communications infrastructure construction, installation and usage (per cent of the total number of received notifications regarding violations)	100	100	100
	Task 2 of Objective 1 – to perform surveillance of electronic communications and postal activities performed by undertakings, while ensuring efficiency of activities			
P-01-81-01-02-01	1. The number of planned inspections performed on electronic communication service providers	25	25	100
P-01-81-01-02-02	2. The number of planned inspections performed on postal service providers, including their divisions	25	25	100
P-01-81-01-02-03	3. The share of methodological guidance provided to undertakings on the issues within the competence of RRT (per cent of the total number of received inquiries)	100	100	100
	Objective 2 – ensuring the protection of rights and legitimate interests of the users of ICT and postal services according to the competence of RRT			
R-01-81-02-01	1. The share of service users positively evaluating the quality of ICT/postal services, in per cent	96/76	91/87	95/115
R-01-81-02-02	2. The share of types of radiocommunication equipment and telecommunications terminal equipment complying with the administrative requirements of the Regulations (per cent of the total number of types of inspected equipment)	75	64.3	85.7
R-01-81-02-03	3. The share of types of equipment complying with the administrative requirements of the EMC Regulation (per cent of the total number of types of inspected equipment)	75	87	116
	Task 1 of Objective 2 – to reinforce security of electronic communications networks and information, and reliability and strength of electronic communications networks			
P-01-81-02-01-01	1. The share of investigated electronic communications networks and information security incidents (per cent	100	100	100

Code of evaluated factor	Names and units of evaluation factors of the Programme's objectives and tasks	Values of evaluation factors		
		Plan of 2014	Implemented	Implementation in per cent
	of the total number of received reports on incidents)			
P-01-81-02-01-02	2. The number of publicly announced reports on the issues of the security of electronic communications networks and information	30	53	177
P-01-81-02-01-03	3. The share of investigated reports on websites publishing unpublishable information or violating the procedure for publication of restricted information (per cent of the total number of reports received over the Internet hotline)	100	100	100
P-01-81-02-01-04	4. The number of publicly announced reports on violations of the Procedure for control of information prohibited from computer networks of public use and dissemination of restricted public information	4	4	100
P-01-81-02-01-05	5. The share of examined applications for approval of filtering tools (per cent of the total number of received applications)	100	-	-
P-01-81-02-01-06	The number of cooperation agreements signed with CERT centers of other countries	4	-	-
P-01-81-02-01-07	The share of Lithuania's critical electronic communications and Internet network infrastructure and Lithuania's cyber space elements that are under regular monitoring (per cent of the total number)	60	100	167
	Task 2 of Objective 2 – supervision of provision of the ICT and postal services, including the universal services			
P-01-81-02-02-01	1. The share of the complaints received from of ICT and postal service users, including users, examined according to the competence of RRT (per cent of the total number of received complaints)	100	100	100
P-01-81-02-02-02	2. The share of performed control measurements of technical parameters of electronic communications networks and lines (per cent of the total number of planned control measurements)	100	100	100
P-01-81-02-02-03	3. The share of performed control measurements of quality rates of electronic communication services (per cent of the total number of the planned control measurements)	100	100	100
	Task 3 of Objective 2 – ensuring and supervision of compliance of radio equipment and telecommunications terminal equipment, existing on the market of the Republic of Lithuania, with the obligatory requirements of the Regulations and the requirements of the EMC Regulation			
P-01-81-02-03-01	1. The number of the inspected types of radiocommunication equipment and telecommunications terminal equipment for compliance with the administrative requirements of the	70	70	100

Code of evaluated factor	Names and units of evaluation factors of the Programme's objectives and tasks	Values of evaluation factors		
		Plan of 2014	Implemented	Implementation in per cent
	Regulations			
P-01-81-02-03-02	2. The number of the inspected types of equipment for compliance with the administrative requirements of the EMC Regulation	30	30	100
P-01-81-02-03-03	3. The number of types of radiocommunication equipment and telecommunications terminal equipment taken from the market for laboratory testing in order to determine if they comply with the technical requirements of the Regulations	25	25	100
P-01-81-02-03-04	4. The number of types of equipment taken from the market for laboratory testing in order to determine if they comply with the technical requirements of the EMC Regulation	15	15	100
P-01-81-02-03-05	5. The number of the performed testing on radiocommunication equipment and telecommunication terminal equipment and testing of electromagnetic compatibility on equipment, and the number of the issued testing protocols (per cent of the total number of the equipment submitted for testing)	100	100	100
P-01-81-02-03-06	6. The number of the examined notifications concerning the placing on the market of radiocommunication equipment of Class 2 (per cent of the total number of received notifications)	100	100	100
	Task 4 of Objective 2 – to perform functions of electronic signature supervision institution			
P-01-81-02-04-01	1. The growth of the number of users of the remote training system for the use of electronic signatures and electronic documents (in per cent compared to the previous year)	20	27	135
P-01-81-02-04-02	2. The share of persons' complaints regarding activities of certification service providers, examined according to the competence of RRT (per cent of the total number of received complaints)	100	100	100
P-01-81-02-04-03	3. The share of provided methodological guidance on the issues of electronic signature (per cent of the total number of inquiries)	100	100	100
	Objective 3 – creation of conditions for long-term investments into electronic communications infrastructure and development of innovative ICT			
R-01-81-03-01	1. The share of issued permits granting the right to use radio frequencies (channels) on digital terrestrial television networks (per cent of the total number of received applications)	75	100	133
R-01-81-03-02	2. The share of residents of the territory of the Republic of Lithuania covered by wireless broadband access mobile radiocommunication networks (UMTS, WIMAX, LTE), in per cent	91.0	94.9	104.3

Code of evaluated factor	Names and units of evaluation factors of the Programme's objectives and tasks	Values of evaluation factors		
		Plan of 2014	Implemented	Implementation in per cent
R-01-81-03-03	3. Broadband communication penetration, in per cent (the number of subscribers per 100 residents)	38	43	113
	Task 1 of Objective 3 – to perform radio frequency (channel) management, supervision of their usage, including monitoring, management of other electronic communication resources			
P-01-81-03-01-01	1. The share of issued permits granting the right to use radio frequencies (channels) on mobile radiocommunication internal networks (per cent of the total number of received requests)	95	98,8	104
P-01-81-03-01-02	2. The share of issued permits granting the right to use radio frequencies (channels) on new radiocommunication technology networks (radio stations) (per cent of the total number of received requests)	80	100	125
P-01-81-03-01-03	3. The share of issued permits granting the right to establish experimental radiocommunication networks (per cent of the total number of received requests)	90	100	111
P-01-81-03-01-04	4. The share of inspections and control measurements of newly installed radio and television broadcasting stations (per cent of the total number of newly installed stations)	100	100	100
P-01-81-03-01-05	5. The share of radio broadcasting stations, the emission parameters of which are inspected on a quarterly basis (per cent of the total number of installed stations)	100	100	100
P-01-81-03-01-06	6. The number of inspections of radio and television broadcasting stations	26	38	146
P-01-81-03-01-07	7. The number of inspections of internal radiocommunication networks	185	189	102
P-01-81-03-01-08	8. The share of the decisions of the Electronic Communications Committee (ECC) regarding radio frequencies (channels) implemented in Lithuania, in per cent	70	81	116
	Objective 4 – integration into the EU and international regulatory space and efficient activities of RRT			
R-01-81-04-01	1. A possibility for RRT to provide services at the fourth maturity level (the share (in per cent) of the total number of services provided by RRT)	50	–	–
R-01-81-04-02	2. The share of consumers (service users) who know where to apply regarding the issues related to violations of rights of ICT and postal services, in per cent	80	–	–
	Task 1 of Objective 4 – efficient integration in the EU decision making process			
P-01-81-04-01-01	1. The number of notifications, draft documents, positions of Lithuania prepared and coordinated for participation in the committees and	33	83	251

Code of evaluated factor	Names and units of evaluation factors of the Programme's objectives and tasks	Values of evaluation factors		
		Plan of 2014	Implemented	Implementation in per cent
	working groups of the Council of the EU and of the European Commission, committees and working groups of the Body of European Regulators for Electronic Communications (BEREC), the European Regulators Group for Postal Services (ERGP), the European Conference of Postal and Telecommunications Administrations (CEPT), the International Telecommunication Union (ITU), and the Universal Postal Union (UPU), the meeting of the Baltic regulators, other international events, and workshops			
P-01-81-04-01-02	2. The number of permanent working groups and committees of the EU and international organizations in the activities of which the participation of RRT representatives is ensured	17	24	141
	Task 2 of Objective 4 – efficient organization, publicity and control of activities of RTT			
P-01-81-04-02-01	1. The share of civil servants who participated in events for development of skills during the accounting year, in per cent	80	93	116
P-01-81-04-02-02	2. The share of the created Communications Activity Information System, in per cent	70	70	100
	Objective 5 – ensuring performance of obligations that may be imposed on the operators and providers of electronic communications services in the interest of national defence, national security and maintenance of public order as well as in cases of extraordinary circumstances			
R-01-81-05-01	1. Ensured implementation of obligations relating to surveillance of electronic communications traffic	yes	yes	yes
	Task 1 of Objective 5 – to ensure that operators and providers of electronic communications services perform their obligations that may be imposed on them in the interest of national defence, national security and maintenance of public order as well as in cases of extraordinary circumstances			
P-01-81-05-01-01	1. The share of the procured equipment, used for the purposes stated in parts 1 and/or 4 of Article 77 of the Law on Electronic Communications of the Republic of Lithuania (per cent of the total number of required equipment)	100	100	100

On 13-20 March 2014 Spinter Tyrimai UAB conducted a representative survey of residents of Lithuania for the purpose of establishing the usage of universal electronic communications services and the assessment of the quality of electronic communications and postal services by the country's residents. During the period from 15 October to 15 November 2014, Spinter Tyrimai UAB conducted a representative survey of the users

of postal services. According to the data of the survey, 87 per cent of the users of the services of Lietuvos Paštas AB positively assess the quality of the postal services provided by Lietuvos Paštas AB according to all analysed parameters (i.e. the speed of delivery, quality, condition of received postal items, and availability of information about services provided).

The causes for failure to implement the factors:

Factor **P-01-81-01-01-02** – In 2014 the analysis of the market of call termination on individual public telephone networks, provided at a fixed location was conducted. RRT received a letter of serious doubts from the European Commission regarding the measures proposed by RRT. Taking into account assessed the European Commission's observations, RRT stopped the market analysis. As a result, the prices of call termination on individual public telephone networks, provided at a fixed location were not reduced in 2014, maintaining the prices set by Order No. 1V-1900 of the Director of RRT of 18 December 2012 “On the imposition of temporary measures on the undertaking TEO LT, AB, having significant power on the market of call termination on individual public telephone networks, provided at a fixed location”, which were by 36 cents lower than those applicable during the market analysis conducted in 2009.

In 2014 the analysis of the market of voice call termination on individual public mobile telephone networks and as of 1 August 2014 the obligations of price control were imposed on undertakings having significant power on the market, i.e. the price of call termination had to be no higher than EUR 1.04 per minute (LTL 0.36 per minute). Such prices of call termination were valid from 1 April 2013 and did not change after completion of the aforementioned market analysis. The prices were set by taking into account the "net" BU-LRIC average cost, calculated by the European Union Member States in accordance with the requirements of Commission Recommendation No. 2009/396/EC of 7 May 2009 on the Regulatory Treatment of Fixed and Mobile Termination Rates in the EU.

Factor **R-01-81-02-01** – On 13-20 March 2014 market and public opinion research company Spinter Tyrimai conducted a representative survey of residents of Lithuania for the purpose of establishing the habits of the country’s residents in using universal services (fixed telephone communication and payphones) and electronic signatures, and the assessment of the quality of electronic communications and postal services. The quality of electronic communications (telephone, television, Internet) services was rated “positive” or “satisfactory” by 91 per cent of respondents, while the quality of postal services was rated “good” or “satisfactory” by 87 per cent of respondents.

During the period from 15 October to 15 November 2014, Spinter Tyrimai UAB conducted a representative survey of the users of postal services. According to the data of the survey, 87 per cent of the users of the services of Lietuvos Paštas AB positively assess the quality of the postal services provided by Lietuvos Paštas AB according to all analysed parameters (i.e. the speed of delivery, quality, condition of received postal items, and availability of information about services provided).

Factor **R-01-81-02-02** was implemented by **85.7** per cent. When examining the compliance of radiocommunication equipment and telecommunications terminal equipment placed on the market with the administrative requirements of the Technical Regulations of Radiocommunication Equipment and Telecommunications Terminal Equipment, 70 types of equipment were examined, 25 of them failed to comply with the administrative requirements, i.e. improper marking, a declaration of conformity missing, a notification concerning the placing on the market of such a product not submitted when required, etc.

When participating in the EU's sixth joint cross-border ADCO market surveillance campaign under the Radio and Telecommunications Terminal Equipment (R&TTE) Directive and the sixth joint cross-border electromagnetic compatibility market surveillance campaign under the Electromagnetic Compatibility Directive, target groups of equipment (GSM communication amplifiers, LED lighting products and computer power supply sources) were tested and, as a result, more types of equipment were found to be non-compliant with the administrative requirements.

Factor **P-01-81-02-01-05** – no requests for approval of filtering tools were received in 2014.

Factor **P-01-81-02-01-06** – due to the limited participation of CERT-LT staff in international events, no new cooperation agreements with CERT centers of other countries were signed in 2014.

Factor **R-01-81-04-01** was not implemented. The Communications Activity Information System, intended for provision of RRT services electronically, to ensure a two-way communication channel between RRT and natural and legal persons, to automate an electronic database of electronic communications network operators and service providers, postal service providers, processes of collection and transfer of statistical information about the electronic communications and postal sectors, preparation of summaries and provision of data for the performance of other functions of RRT, is currently in the process of development. Due to protracted procurement procedures, the implementation of the Communications Activity Information System project was launched not in 2013, but in the second quarter of 2014. Two modules of the Communications Activity Information System were developed in 2014. Upon agreement between the parties, the implementation of the project was extended for 4 months and was planned to be completed in the first quarter of 2015. RRT services were provided at the third maturity level.

Factor **R-01-81-04-02** – no survey was performed in 2014.

2.4. Usage of the Programme's appropriations

Table 3 below provides summarised data on usage of the Programme's appropriations.

Table 3. **Usage of the Programme's appropriations**

Appropriations	Approved (corrected) appropriations, thousand LTL	Used appropriations, thousand LTL	The share of used appropriations, per cent
The total amount of appropriations for the Programme (1+2):	22,701.3	19,444.1	86.0
including by sources of financing:			
1. State Budget of the Republic of Lithuania:	22,701.3	19,444.1	86.0
including: 1.1. co-financing			
1.2. financial contributions of the European Union and other international contributions			
1.3. target contributions and revenue contributions	22,701.3	19,444.1	86.0
2. Other sources (financial contributions from the European Union for project implementation and other legally obtained contributions)			

Source: RRT

In 2014 RRT executed one programme, i.e. Communications Management and Control Programme, code 01.81. The revenues, received for the services provided and the works performed by RRT are transferred into the budget and later returned from the budget for covering the activity costs. For funding the Programme, LTL 21,000.0 thousand of appropriations, including LTL 21,000.0 thousand – RRT revenue contributions were approved according to the Law on the Approval of Financial Indicators of the State Budget and Municipal Budgets of 2014 of the Republic of Lithuania. In 2014, the amount of LTL 8,900 thousand was approved for work remuneration and LTL 5,600.0 thousand – for purchasing of assets.

Referring to the Law on the Structure of the Budget of the Republic of Lithuania, Resolution No. 543 of the Government of the Republic of Lithuania of 14 May 2001 "On the Approval of the Procedure of Formation and Execution of the State Budget of the Republic of Lithuania and Budgets of Municipalities", the amount of LTL 1,701.3 thousand of non-used contributions into the state budget of the previous year was transferred into 2014 and used for funding of the Communications Management and Control Programme, executed by RRT by exceeding the amount of appropriations, approved by the Parliament of the Republic of Lithuania.

Referring to the estimate, approved on 28 March 2014, the amount of LTL 22,701.3 thousand (21,000.0 + 1,701.3) in total was foreseen for funding of the Special Communications Management and Control Programme, executed by RRT in 2014 – the amount, including the non-used revenue contributions into the state budget of the previous year.

RRT, in observance of the provisions of the Law on Electronic Communications of the Republic of Lithuania, must evaluate the conformity and legitimacy of the costs and collected charges. Upon evaluation of the revenues received and the funds not used in 2013 and in order to balance the costs and revenues of 2014, on 23 June 2014, by Order No 1V-877 of the Director of RRT, RRT established the recalculation rate 0.6 for the tariffs of supervision of the use of radio frequencies/channels, including radio monitoring, which was in effect from 1 June 2014 to 30 November 2014. The application of the tariff recalculation rate allows to more flexibly balance revenues with expenses, i.e. to repay the market its overpayments through reduced tariffs if the revenue received for the current year is higher than expected, and thus ensuring the implementation of the principle that market participants do not pay more than necessary to regulate and supervise the market.

RRT, economically and rationally used funds for purchasing of goods and services; however, savings emerged as a result of lower than planned prices for acquisition of tangible or intangible assets, therefore relating funds were saved. A part of funds for acquisition of tangible assets (hardware) and intangible assets (software) anticipated for 2014 were not used for the providers still have contractual obligations to implement.

2.5. Priorities of short-term activity plan

The main planned priorities of RRT activities for 2015 are as follows:

– Protection of rights and legitimate interests of users of electronic communications and postal services as well as of radiocommunication equipment and telecommunications terminal equipment;

– Ensuring security of electronic communications networks and services provided thereby, and prevention of cyber-attacks;

– Promoting investments into broadband wireless communication networks of next generation, sustainable development of advanced technologies and services.

In order to ensure the possibility for end users of electronic communication services, including consumers, and users of postal services to use different electronic communication and postal services under favourable conditions, taking in consideration technological developments in the markets and change of needs of users and business, also seeking to ensure that the users of radio communication equipment would use quality radiocommunication equipment meeting safety and other requirements, the priority of RRT in 2015 is the **protection of rights and legitimate interests of users of electronic communications and postal services as well as of radiocommunication equipment and telecommunications terminal equipment.**

The protection of the rights and legitimate interests of end users, including consumers, is one of the essential tasks of RRT, relating to investigation of service users' complaints, supervision of provision of universal services, etc. In order to ensure the right of service users, including consumers, to receive services of appropriate quality, RRT also performs quality control of public electronic communication services.

Most attention in solving issues of consumer rights in the area of electronic communications services is going to be paid to the quality of broadband wireless communication services, including problems of data transmission by mobile telephone networks, and to improving cooperation with companies providing services and other consumer rights protection institutions.

In order to carry out the regulation and supervision of electronic communications and postal markets, the RRT plans to continue (complete) the works of the development and installation of several information systems in 2015: communications activity information system (CAIS), electronic information system for broadband communication services, electronic information system for communications cable ducts and interfaces with the Lithuanian municipalities, information system for the management and analysis of the examination of complaints and inquiries of service recipients and users, and the system for the management of the radio frequency spectrum, and to start developing the information system for the management and supervision of telephone numbers.

With the rapid growth of the ICT sector and development of the e. business, e. health, e. learning and other ICT services, network and information security becomes increasingly relevant on the level of not only an individual country, but also the whole world. **Another priority of RRT for 2015 is ensuring security of electronic communications networks and services provided thereby, and prevention of cyber-attacks**. Electronic services may be developed only after the security of networks and information is ensured. In 2015, RRT will devote much attention to the Cybersecurity Strategy of the European Union: An Open, Safe and Secure Cyberspace, published by the European Commission and to the Commission proposal for a Directive on Network and Information Security. The Cybersecurity Strategy is a comprehensive EU vision how to prevent threats in cyberspace and what counter-measures to take. The concrete actions are aimed at protecting information systems from electronic crimes and at ensuring secure development of the digital economy.

RRT performs CERT-LT (Computer Emergency Response Team) activities and must ensure security and integrity of public communication networks and public electronic communications services, prevent spreading of security incidents, must seek to reduce, as much as possible, damage that providers

of public communication networks and/or public electronic communications services and users of public electronic communications services may incur due to security incidents.

One of major tasks is to perform prevention of cyber-attacks. The system of monitoring of the infrastructure of the Lithuanian Internet network (LITIS) is being improved. It enables to establish the topology of the Lithuanian Internet network and critical elements of the infrastructure of the Lithuanian Internet network, to analyse their accessibility, load on the networks and other parameters.

In 2014 the Law on Cyber Security of the Republic of Lithuania was adopted. It establishes the system for ensuring of cyber security, designating state institutions responsible for the formation, control, coordination and implementation of the cyber security policy. Also, this Law sets forth minimum organisational and technical cyber security requirements applicable to the state information resources managed by public administration entities to the extent not regulated by the Law on Management of State Information Resources of the Republic of Lithuania, and to critical information infrastructures, providers of electronic communications services, to the extent not regulated by the Law on Electronic Communications, and to providers of electronic information hosting services. The concept of cloud computing is becoming increasingly popular in the sector of information technologies and the number of services (such as web hosting, information storage in virtual data repositories, virtual document management systems), developed and provided on the basis of cloud computing is growing. In light of the importance of such services, the security of cloud computing services is likely to become one of the most pressing cyber security issues. By obligating providers of cloud computing services to provide information on cyber incidents, it would be possible to use this information in CERT-LT activities in order to reduce the risk of a recurrence of similar incidents for other providers of cloud computing services and to carry out better protection of cloud computing service users.

The World Radiocommunication Conference 2015 (WRC-15) will be held in 2015, during which additional radio frequency bands suitable for the provision of terrestrial broadband wireless communication services will be identified. During this conference, a final decision on prospects of further use of the 694–790 MHz radio frequency band for broadband wireless communication will be made. Taking in consideration rapid and large-scale technological change and the decisions made during the World Radiocommunication Conference WRC-12 as well as decisions to be made during the World Radiocommunication Conference WRC-15 in 2015 that will be directly related to the Lithuanian electronic communications market and will affect RRT's plans, another priority of RRT activities in 2015 is **promoting investments into broadband wireless communication networks of next generation, sustainable development of advanced technologies and services.**

As new radio communication technologies appear, operators intensively develop public mobile radio communication systems of next generation and, when these systems operate, electromagnetic compatibility problems regularly arise, also there are problems of compatibility of new technologies with existing digital terrestrial television networks, UMTS, GSM networks, which need to be urgently addressed. It is expected that by 2017 broadband wireless access mobile radiocommunication (UMTS, WIMAX, LTE) networks will cover about 97 per cent of the territory of the Republic of Lithuania. The development of mobile communication networks will also contribute to the growth of broadband Internet access. It is planned that in

2015 the penetration of broadband Internet access will grow up to 45 per cent and will reach 49 per cent in 2017.

Allowing for the development of **next-generation broadband wireless communication networks, especially those, which will be able to use advance technology, RRT will contribute to** the implementation of the Information Society Development Programme 2014 - 2020 "Digital Agenda of the Republic of Lithuania" and the Lithuania's Next-Generation Internet Access Development Plan 2014–2020. According to the Strategic Activity Plan 2015-2017 approved by RRT, it is planned that in 2015 broadband wireless access mobile radiocommunication (UMTS, WIMAX, LTE) networks will cover 95 per cent, in 2017 – about 97 per cent of the territory of the Republic of Lithuania; in 2015 the penetration of broadband Internet access will grow up to 45, in 2017 – up to 49, in terms of the number of subscribers per 100 residents; in 2015 40 per cent, and in 2017 43 per cent of Lithuanian residents will use 30 Mbps and faster broadband Internet access.

Another no less important area of RRT activities is ensuring competition in the postal market. One of the main objectives of the EU postal policy is to harmonize the gradual and controlled liberalisation of the market for postal services and to ensure that the provision of universal services is guaranteed at least once a day, five days a week on equal terms for all the country's users. From 1 January 2013, the Lithuanian postal sector underwent essential changes – the postal services market was liberalised, the reserved field was cancelled, which means that all postal services providers can compete without any restrictions. Competition will encourage all participants of the postal services market to develop their activities more effectively, to improve the quality of the postal services and the range of offered services.

An important field of RRT's activities in the nearest time will be encouragement of transparent and effective competition in the postal services market, forming the postal services market regulation practices under the liberal market conditions, in order to ensure provision of good quality postal services to users for an affordable price and protection of users' interests and rights. In order to ensure effective functioning of the postal infrastructure, RRT will pay more attention to permanent supervision related to access to the postal network, in this way creating possibilities for postal services providers to use the postal network of Lietuvos Paštas AB under transparent and non-discriminatory conditions.

But even after liberalisation of the postal market, the obligation on the EU Member States to ensure provision of universal postal services at least once a day, five days per week on equal terms for all users in the country will undoubtedly remain. The challenge for the liberal postal market is, after refusal of reserved postal services, to ensure uninterrupted provision of universal postal services.

In order to ensure the transposition of mandatory EU legislation provisions into the national law of the Republic of Lithuania and the proportionality, efficiency, clarity and systematic treatment of legal regulation enshrined in national legislation, the national legal regulation, the supervision and implementation whereof falls under the responsibility of RRT, will be improved in 2015–2017.

Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC[61] (hereinafter – Regulation No 910/2014) was adopted on 23 July 2014. Key aspects of the implementation of Regulation 910/2014, which will require new legislative incentives, mainly deal with three aspects: i.e. expanded scope of regulated electronic services; set mandatory mutual recognition of

[61] OL 2014 L 257, p. 73

electronic identification measures in the EU using electronic public and administrative services; and increased scope of functions of the institution supervising electronic services. Provisions of Regulation 910/2014 shall be applied as from 1 July 2016. In view of the above and in order to harmonize national legal regulation with the regulation provided for in Regulation No 910/2014, and to provide the basis for the proper functioning of the provisions of Regulation No 910/2014, in 2014–2016 the existing national legal regulation in the field of electronic signature will be improved 2015–2016.

Regulation 2014/30/EU of the European Parliament and the Council on the harmonization of the laws of the Member States relating to electromagnetic compatibility[62] (hereinafter – Directive 2014/30/EU) was adopted on 26 February 2014 and Directive 2014/53/EU of the European Parliament and the Council on the harmonization of laws of the Member States relating to the making available on the market of radio equipment and repealing Directive 1999/5/EB[63] (hereinafter – Directive 2014/53/EU) was adopted on 16 April 2014. In order to transpose provisions of Directive 2014/30/EU and Directive 2014/53/EU into the national legal framework of the Republic of Lithuania, the existing national regulation on free placement on the market of radio communications equipment and electromagnetic compatibility of radio communications equipment will be assessed, the necessary draft amendments to legal acts regulating these areas and/or new legal acts will be prepared and adopted.

Also, draft laws aimed at transposing the provisions of the Directive 2014/61/EU of the European Parliament and of the Council of 15 May 2014 on measures to reduce the cost of deploying high-speed electronic communications networks[64] to the extent they are related to providers of public communication networks and/or public electronic communication services will also be drawn up in 2015–2017.

Decision No. 585/2014/EU of the European Parliament and the Council on the deployment of the interoperable EU-wide eCall service[65] providing for the obligation for the Member States to ensure a possibility to use the eCall in-vehicle system on their territory free of charge was adopted on 15 May 2014. In light of this, the national legal regulation related to the possibility of subscribers and/or public electronic communication service users to use the services of institutions providing emergency call services and the provision of location data to the Public Safety Answering Point will be improved in 2015–2017.

In order to achieve efficient and harmonized management and use of radio frequencies (channels) on international and EU level, in 2015–2017 relevant legal acts will be drafted and adopted, which will be aimed at implementing Decision No. 243/2012/EU of the European Parliament and the Council of 14 March 2012, which establishes a long-term Radio Spectrum Policy Programme[66], Commission Implementing Decision of 2 May 2014 on amending Decision 2008/411/EC on the harmonisation of the 3400-3800 MHz frequency band for terrestrial systems capable of providing electronic communications services in the Community[67], Commission Implementing Decision of 1 September 2014 on harmonised technical conditions of radio spectrum use by wireless audio programme making and special events equipment in the Union[68].

Referring to Commission Recommendation of 9 October 2014 on relevant product and service markets within the electronic communications sector susceptible to *ex ante* regulation in accordance with

[62] OL 2014 L 96, p. 79
[63] OL 2014 L 153, p. 62
[64] OL 2014 L 155, p. 1
[65] OL 2014 L 164, p. 6
[66] OL 2012 L 81, p. 7
[67] OL 2014 L 139, p. 18
[68] OL 2014 L 263, p. 29

Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services[69] (hereinafter – Recommendation 2014/710/EU), the legal acts regulating market analysis procedure will be amended.

Once the EU institutions approve the proposal made by the European Commission and adopt the Regulation of the European Parliament and of the Council laying down measures concerning the European single market for electronic communications and to achieve a Connected Continent, and amending Directives 2002/20/EC, 2002/21/EC and 2002/22/EC and Regulations (EC) No 1211/2009 and (EU) No 531/2012, the necessary draft legal acts will be prepared and the relevant legal acts will be adopted to ensure the compliance of the national legal framework of the Republic of Lithuania with the provisions of the said regulation.

In the preparation of draft legislation, in 2015–2017, a large focus will be placed on efficient management and use of electronic communications resources, creation of favourable technological conditions and the harmonization of legislation with the EU regulatory legal framework.

Pursuant to Commission Recommendation 2014/710/EU of 9 October 2014, RRT is planning to perform the analyses of the following markets in 2015:

– the market of wholesale local access at a fixed location;

– the market of wholesale central access at a fixed location for mass market products;

– the market of the minimum set of leased lines;

– the market of trunk segments of leased lines;

– the market of wholesale high-quality access at a fixed location;

– the markets of access to public telephone network at a fixed location for non-residential customers;

– the market of call termination on individual public telephone networks, provided at a fixed location.

The Digital Agenda for Europe is one of the seven flagship initiatives implemented under the Europe 2020 Strategy for smart, sustainable and inclusive growth. Successful delivery of this Digital Agenda for Europe, established by the European Commission, would substantially spur the EU's economic growth and would make the benefits of the digital era available to the whole society.

The aim of this initiative is to deliver sustainable economic and social benefits from a digital single market, to help meet the objective to bring broadband Internet to all residents by 2013 and to ensure that by 2020 all Europeans have access to much higher Internet speeds of above 30 Mbps and also to seek to ensure that 50 per cent or more of European households subscribe to Internet connections above 100 Mbps.

The Government of the Republic of Lithuania, by its Resolution No. 244 of 12 March 2014, approved the Lithuanian Information Society Development Programme 2014–2020 "The Digital Agenda of the Republic of Lithuania", by paragraph 2 whereof RRT was offered to take part in the implementation of the Programme.

The ultimate objective of all the actions of RRT is to seek to ensure a wide range of technologically advanced, high-quality, secure and affordable electronic communications and postal services (products) for residents of Lithuania. The measures provided for in the strategic activity plan of RRT for the year

[69] OL 2014 L 295, p. 79

2015 continue the works started in previous years by consistently implementing the system for promotion of competition in the electronic communications sector regulated by both Lithuanian and EU legislation, and by implementing public policies in the sectors of electronic communications and postal services.