



Radio and Television Commission of
Lithuania
2016 Annual Report

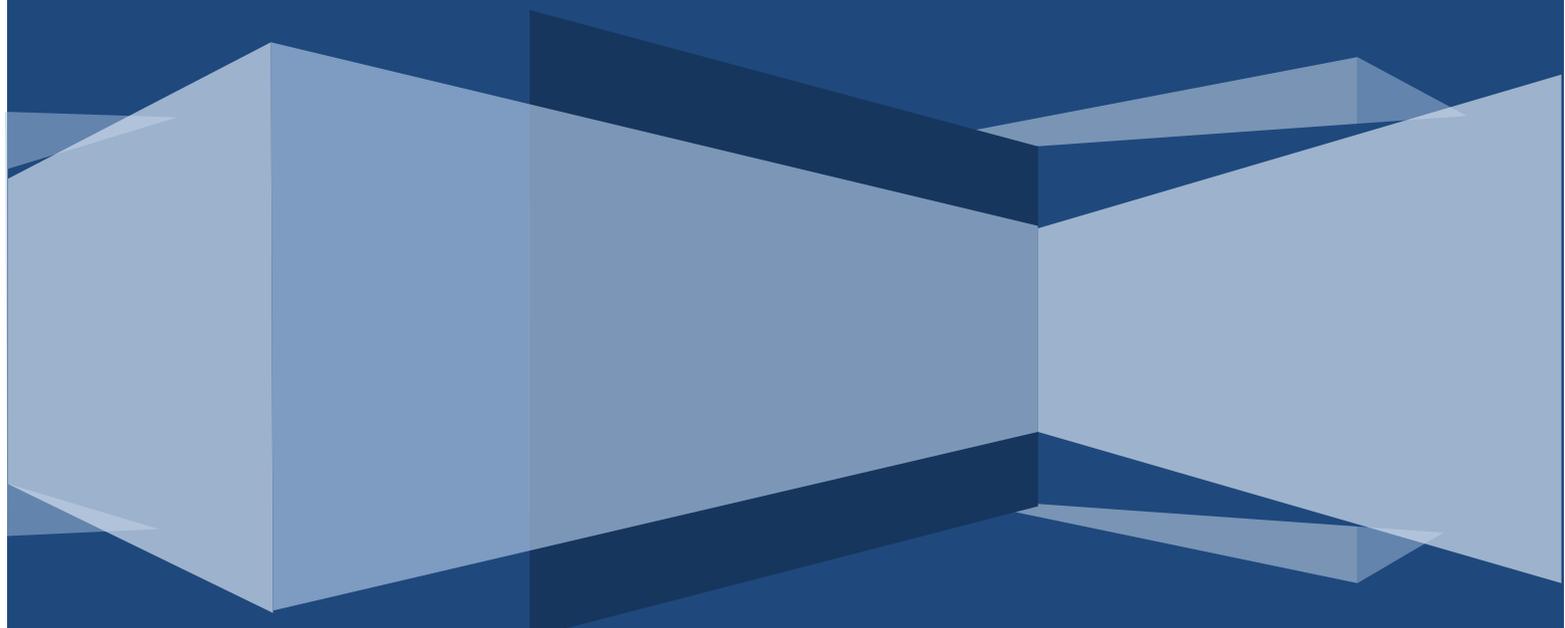


TABLE OF CONTENT

CHAIRMAN’S MESSAGE	3
RTCL MISSION AND OBJECTIVES	7
RTCL MEMBERSHIP AND ADMINISTRATION.....	7
PARTICIPATION IN THE LEGISLATIVE PROCESS AND IMPLEMENTATION	8
Legislation approved by the RTCL	8
Draft legislation proposed to the Seimas and laws passed by the Seimas at the RTCL’s initiative	8
Proposals for draft resolutions by the Government of the Republic of Lithuania.....	10
LICENSING OF BROADCASTING ACTIVITIES AND RE-BROADCAST CONTENT AND REGULATION OF UNLICENSED ACTIVITIES	10
Announcement and implementation of competitions to award licences	11
Decisions amending terms and conditions of licences or cancelling licences	15
Radio.....	17
Television	22
Television content broadcasting over the electronic communications networks	25
Television content retransmission over the electronic communications networks	26
Subscribers of re-broadcasters.....	26
Unlicensed activities.....	27
ANNUAL FEES SET BY THE MINISTER OF CULTURE OF THE REPUBLIC OF LITHUANIA ON PROPOSAL BY THE RTCL	27
STATE FEE PAID BY THE HOLDERS OF BROADCASTING AND/OR RE-BROADCAST CONTENT LICENCES	28
SALE OR OTHER TRANSFER OF SHARES (INTERESTS) IN BROADCASTING AND/OR RE-BROADCAST CONTENT LICENCE HOLDERS.....	29
VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA.....	29
ECONOMIC OPERATOR OVERSIGHT AND CONTENT MONITORING	29
Results of monitoring of radio and television programmes and activities of economic operators in 2016	30
RTCL COOPERATION.....	36
Cooperation with the audiovisual media services market players.....	36
International cooperation.....	36
20 YEARS OF THE RTCL.....	40
COMPETITION OF THE BEST RADIO AND TELEVISION PROGRAMME <i>PRAGIEDRULIAI</i>	41

PUBLICITY WORK BY THE RTCL	42
PROFESSIONAL DEVELOPMENT OF RTCL ADMINISTRATION STAFF	43
PRIORITIES FOR 2017	43
INDEPENDENT AUDITOR'S REPORT.....	44

CHAIRMAN'S MESSAGE

Let me present you with the annual report of the Radio and Television Commission of Lithuania (the "RTCL" or "Commission") which last year celebrated twenty years since inception. In the reporting year of 2016, as is its mission and the goal, the Commission mostly focused on consolidating the improved regulation of economic operators which in turn ensures national security in the face of information security threats; drafting proposed amendments to the Audiovisual Media Services Directive; revisions to television broadcasting and re-broadcasting licences for economic operators; monitoring television and radio programmes; continuing and further developing ongoing projects.

The Law on Provision of Information to the Public of the Republic of Lithuania stipulates that the RTCL is a national regulatory authority overseeing the activities of radio and/or television broadcasters subject to Lithuanian jurisdiction, providers of on-demand audiovisual media services and re-broadcasters operating in Lithuania, as well as other entities engaged in the distribution of television channels or selected channels (programmes) to the Lithuanian population using the Internet.

At the end of 2016, the RTCL was overseeing 109 entities engaged in both licensed and unlicensed activities.

Over the reporting period, in order to carry out its functions the RTCL held 34 meetings, 37 consultation meetings, 3 meetings of working groups, passed 222 decisions, handled more than 100 complaints, requests and inquiries, and sent 898 and received 1,119 official letters.

To summarise the activities of the RTCL in the past year, I would highlight the following areas of particular importance:

- **Participation in the legislative process**

In 2016, the RTCL focused a lot on the implementation of legislation and on the drafting of proposals to improve the existing regulatory framework.

In an attempt to ensure the implementation of the principles of legal certainty and functional equivalence, the RTCL took the decision to require that providers of analogous and digital cable television prioritise the re-broadcasting of television channels that are in any of the official languages of the European Union; the Commission has also established a clear procedure for amending the terms and conditions of broadcasting licences and re-broadcast content licences that applies consistently to all market players; the Commission has also submitted major proposals to the Seimas of the Republic of Lithuania with regards to creating the same operating conditions to all persons distributing television channels or selected programmes online and the RTCL's right to restrict the availability of these services to the Lithuanian public in cases of failure to notify of the start of activities, as well as administrative sanctions for failure to notify; warning as an alternative sanction for offences; adjustments to the fee serving as a source of funding for RTCL activities, etc.

- **Monitoring of economic entities**

In 2016, the RTCL started the practice of routine inspections of economic operators subject to RTCL jurisdiction. In previous years the Commission would inspect isolated shares of a radio and television channel rather than the entirety of activities of an economic operator at any given time. Routine inspections of economic operators are meant to be extensive and thorough inspections of economic operators overseen by the RTCL not limited to the monitoring of programmes, but

rather encompassing reporting to the RTCL, payment of fees to the RTCL, analysis of data published on the website operated by the economic operator, as well as systemic assessment of the all operations against applicable statutory requirements.

Given that the oversight of economic operators subject to RTCL jurisdiction, inter alia, includes not just the application of sanctions, but also provision of methodological assistance, consultations and explanation of applicable legislation, the Commission worked closely with regulated economic operators offering its methodological assistance, held meetings with the operators and took other preventive measures to eliminate offences identified.

- **Proposals regarding the draft National Security Strategy**

In 2016, aside from routine inspections of economic operators, the Commission conducted the monitoring of individual programmes on the basis of both consumer complaints and its own initiative focusing, as was the case in the previous year, on the monitoring of television programmes originating in the Russian Federation.

In today's international context characterised by information warfare the role of independent authorities that would monitor information disseminated in the mass media is particularly important as a means to build trust in the media among the general public. In an attempt to ensure national security, the RTCL initiated amendments to the Law on Provision of Information to the Public (the "LPIP") and submitted proposals to the draft Resolution No IX-907 of the Seimas *On the amendment of the National Security Strategy*, highlighting the importance of independence of the RTCL and the need to strengthen the monitoring of the Lithuanian information space aiming to stop expediently and efficiently any information attacks and hostile propaganda, including war propaganda.

- **Encouraging the production of more national content**

Last year, the RTCL held the traditional, 14th this year, competition of the best radio and television programmes, *Pragiedruliai*. The competition aims to promote greater creativity and diversity of domestic radio and television content that would promote cultural, human, civil and aesthetic values thus contributing to the implementation of the provisions of both the LPIP and the Audiovisual Media Services Directive with regards to higher quotas for European works in television programming by broadcasters.

- **Strengthening international cooperation**

In 2016, the RTCL continued its work on the European Platform of Regulatory Authorities (EPRA) and the European Commission's European Regulators Group for Audiovisual Media Services (ERGA), composed of representatives of regulatory authorities in the EU Member States.

ERGA advises the European Commission in reviewing the provisions of the Audiovisual Media Services Directive. The provisions of this directive are outdated, no longer relevant and do not fit with the rapidly developing services, in particular in terms of technology, of the audiovisual media industry.

Last year, the main goal of ERGA members was to submit to the European Commission solid comments and reasonable proposals with regards to those provisions in the Directive that establish the independence of regulatory authorities, protection of minors, human dignity and public interest on the online audiovisual platforms, and improve the regulation of foreign programmes based on the country-of-origin principle, etc.

In the reporting year, the RTCL attended eight ERGA meetings. Travel costs related to these meetings were reimbursed by the European Commission.

The agendas of two meetings that took place in 2016 were prepared by EPRA taking into account the current issues with the Audiovisual Media Services Directive and with the understanding of the necessity and importance that all regulators working in the sector sit together to discuss the main issues and proposed amendments to the Directive. This allowed EPRA members to discuss key challenges with the regulatory framework, coordinate their opinions on the main issues and submit appropriate proposals to the European Commission.

By participating in the activities of these organisations the RTCL had the possibility to draw attention to the problems specific to Lithuania, express its opinions and make proposals on how to address regulation issues on an international level.

In order to coordinate a joint position on the amendments to the Directive better, the three audiovisual media regulatory authorities of the Baltic States met up in Riga last year – this year at the invitation of the Latvian National Electronic Mass Media Council.

The challenging audiovisual media sector forces even regulatory authorities geographically further apart to cooperate closer to overcome the numerous challenges. Last year, in an attempt to come up with better ways of regulation for the sector and promote media literacy, the RTCL and the Catalonia Broadcasting Council discussed the possibility to sign a cooperation agreement in early 2017.

- **Improving media literacy**

Continuing with the tradition of off-site meetings, the RTCL had one off-site meeting to Mažeikiai and Plungė in 2016. The same as previous year, the meeting aimed at improving media literacy and educating a conscious information society by encouraging it to take a creative and critical approach to media content. During this meeting, the RTCL's members gave presentations to the general public about the Lithuanian audiovisual media services market and its regulation, and discussed the influence of propaganda in the media when used as a political tool, and the threats such propaganda poses. These presentations were given in many of the major Lithuanian cities and the Commission intends to continue with the project next year.

With the rapid development of new technologies and increased numbers of online television viewers, there is greater likelihood of them stumbling upon unregulated content that may potentially be harmful, or facilitate the shaping of a biased opinion on important national matters. In order to identify potential threats and shape a critical approach to accessible information, the RTCL held consultations and meetings both on national and international levels, and initiated a conference in the Seimas *Mass Media: Media Market and Diversity*.

- **Continuation of the projects started**

Throughout the last year the RTCL continued the projects it had started earlier, namely, the Commission continued the implementation and improvement of the RTCL data submission information system designed to collect data from the economic operators regulated by RTCL in an automated manner. This information system will minimise the time economic operators spend submitting information about their operations to the RTCL as they will be able to make submissions electronically. Because of a variety of interferences the system is expected to be fully launched only in July of 2017.

Back in 2015 the Commission started implementing a document management system which in 2016 was adapted to process, manage, collect and perform similar operations on information about operators engaged in unlicensed activities.

Data management and data submission systems enable savings for both the RTCL and the economic operators regulated by it, they also contribute to the conservation of natural resources as the systems eliminate the need for document printing or traditional post services.

- **RTCL funding and financial activities**

In 2016, the RTCL used its revenues exclusively to fund the programmes outlined in its strategic action plan.

During the reporting period, the financial activities of the RTCL were conducted responsibly by maintaining a balance between revenue and expenditure.

Budget accounts and financial statements, including the independent auditor's report, are public and available on the RTCL's website at www.rtk.lt.

Chairman

Edmundas Vaitekūnas

RTCL MISSION AND OBJECTIVES

The Commission's mission is to ensure the diversity of technologically advanced radio and television programme broadcasting and re-broadcasting, on-demand audiovisual media services and content quality, to enable the growth of the radio and audiovisual media sector thus contributing to the formation of the Lithuanian audiovisual policies.

Over the reporting period, the RTCL's activities were guided by the Strategic Action Plan for 2016–2018 approved by the Chairman¹ which, *inter alia*, included the main ongoing strategic goal of ensuring long-term and effective independent regulatory framework of radio and/or television broadcasters and re-broadcasters and of on-demand audiovisual media service providers.

RTCL MEMBERSHIP AND ADMINISTRATION

In 2016, there were no changes to the RTCL membership.

Pursuant to the Law on Provision of Information to the Public, the RTCL consists of 11 members and administration.

Last year, the RTCL continued with the members of the first term of office.

In accordance with the LPIP that took effect on 1 January 2017, two members for a four-year term on the RTCL are appointed by the President of the Republic of Lithuania, three members (one from the opposition parties) by the Seimas of the Republic of Lithuania (the "Seimas") on proposal by the Committee of Culture, three members are appointed by the Lithuanian Association of Artists, one by the Bishops' Conference of the Catholic Church in Lithuania, one by the Lithuanian Union of Journalists and one other member by the Lithuanian Society of Journalists.

The Chairman and Deputy Chairman of the RTCL are appointed from the members of the RTCL for a four-year term and dismissed by the Seimas on proposal by the Committee of Culture.

The administration supports the RTCL by managing its finances, facilities and recourses and assisting with the implementation of the functions attributed to the RTCL. The administration is run by a director.

In 2016, in order to ensure more efficient implementation of the RTCL's functions and adaptation to the ever changing circumstances and in order to improve on the quality of work, the RTCL restructured its administration creating two new units, i.e. the Public Information Division and Economic Operator Regulation and Supervision Division incorporating the Monitoring Subdivision.

In the reporting year there were 19 staff employees in the RTCL's administration, 13 women and 6 men. The average age of staff was 43 years and the majority of them had a university degree. In 2016, in order to carry out their functions the staff could already use the document management system (the "DMS") to draft, coordinate, sign of or submit for registration a variety of documents, also receive assignments and familiarise themselves with the Chairman's orders and other documents. The system was launched in 2015 and improvements to it continued in 2016. The DMS allowed the staff to forego all or some of the paper documents as from now on all documents are available on the electronic space. This enables time saving and contributes to the conservation of natural resources.

¹ <http://www.rtk.lt/content/uploads/2015/09/2016-2018-m-strateginis-veiklos-planas.pdf>

PARTICIPATION IN THE LEGISLATIVE PROCESS AND IMPLEMENTATION

Post significant changes to the regulatory framework of the audiovisual media market in 2015, last year the Commission mostly focused on the implementation of legislation and proposals with regards to improvements to it.

Legislation approved by the RTCL

On 12 January 2016 the RTCL adopted Decision No. KS-16 *On the obligation to re-broadcast television programmes prioritising programmes in the official European Union languages.*² The decision was taken by the RTCL in an attempt to ensure the implementation of the principles of legal certainty and functional equivalence when applying provisions of Article 34, paragraph 4, of the LPIP to analogue and digital cable television providers. Article 34, paragraph 4, of the LPIP stipulates that re-broadcasters who re-broadcast television programmes have to prioritise official European Union languages and consequently to choose, whenever possible, in which language to re-broadcast the same television programme – in one of the official European Union languages or some other language, and to create all conditions that a television channel or a selected programme be re-broadcast in an official European Union language. The decision came about because of the uncertainty analogue and digital cable television providers had with regards to the implementation of provisions of Article 34, paragraph 4, of the LPIP.

On 18 May 2016 the Commission passed Decision No. KS-101 *On the approval of the descriptor of the procedure for amending terms and conditions of broadcasting licences and of broadcast content licences.*³ With this decision the RTCL intended to define clear conditions for amending terms and conditions of broadcasting licences and of re-broadcast content licences that would apply consistently to all service providers. The descriptor governs the circumstances, procedure and the time frames relating to the changes of broadcasting licence and of re-broadcast content licence conditions, also defines the requirements for applications to amend the terms and conditions of the broadcasting licences and of re-broadcast content licences and application handling procedure, as well as the circumstances defined by objective criteria when applications to amend the terms and conditions of a licence may be dismissed.

Draft legislation proposed to the Seimas and laws passed by the Seimas at the RTCL's initiative

In 2016, the RTCL submitted to the Committee of Education, Science and Culture a piece of draft legislation amending and supplementing Articles 2, 31, 32, 34(1), 47 and 48 of the LPIP No. I-1418. The Committee approved the draft law and registered it in the Seimas on 28 September 2016 (draft No. XIIP-4754). The draft law proposes the following material amendments to the articles of the LPIP referred to earlier:

² <http://www.rtk.lt/content/uploads/2016/02/ks-16-2016.pdf>

³ <https://www.e-tar.lt/portal/lt/legalAct/d8fdaab01dc311e69446a4bedc730fe6>

(1) a clearer definition of a television channel and/or selected programme distribution online service, which will consequently lead to the same operating conditions for all operators engaged in the distribution of television channels and/or selected programmes online;

(2) a proposal to scrap the provision placing the duty on the RTCL to refuse a broadcasting licence or re-broadcast content licence to entities licences of which had been cancelled at their own request; this provision is seen as unreasonably restricting operations by entities engaged in licensed broadcasting and re-broadcasting activities;

(3) powers of the RTCL to issue binding instructions to hosting service providers and/or network service providers to limit the availability of services the start of which had to be notified to the RTCL but the provider in question failed to do so;

(4) an increase from 0.6 to 0.8% to the quarterly fee payable by market participants and used to fund activities of the RTCL;

(5) administrative sanctions for failure to notify of the start of unlicensed activities as provided for by the LPIP;

(6) a warning by the RTCL as an alternative sanction for violations of the LPIP;

(7) widening of the restrictions on the freedom to provide services specified in Article 34¹, paragraph 3, of the LPIP to include television programme distributors on the Internet thus eliminating any possibility to avoid the enforcement of the RTCL decisions to restrict broadcasting activities;

(8) in light of the RTCL's operating experience, a clearer wording in Article 34¹, paragraph 11, of the LPIP of the origin of temporary restricted television programmes and the nature of restrictions;

(9) a proposal to establish that the possibility to be excused from the duty to re-broadcast and/or distribute online free-to-air television programmes produced by LRT would depend on whether there is a real choice to watch these television programmes by other technical measures;

(10) a proposal to scrap the provision that the RTCL approves separate Rules of Procedure for its administration. Rules of Procedure of the RTCL's administration are to be included in the Rules of Procedure of the RTCL thus avoiding excess regulation.

On 30 June 2016 the Seimas passed the amendments initiated by the RTCL to the Lithuanian Code of Administrative Law Offences (the "CoALO") which was abolished on 1 January 2017, and the Lithuanian Code of Administrative Offences (the "CoAO") which came into effect on 1 January 2017. These amendments extended the list of activities which, under certain circumstances, could be qualified as little dangerous activities, and provided for a warning as an alternative sanction to a fine for activities specified in Article 79 (paragraph 5), Article 124 (paragraph 1), Article 146 (paragraph 1), Article 477 (paragraph 1), and Article 548 (paragraph 3) of the CoAO and in Article 214¹⁹ (paragraph 3), Article 214²⁰ (paragraphs 1, 3 and 5), Article 214²¹ (paragraph 1), and Article 214²² (paragraph 1) of the CoALO. The sanction in Article 79, paragraph 5, of the CoAO and Article 214¹⁹, paragraph 3, of the CoALO clearly defines the subject of administrative liability and Article 146, paragraph 1, of the CoAO clearly establishes that administrative liability specified in this article applies in the event of violations of the requirements that apply to television advertising and teleshopping, as well as product placement, and ensures the consistency of the provisions in Article 146 of the CoAO and Article 214²² of the CoALO. Article 214²⁰ of the CoALO and Article 477 of the CoAO provide for a possibility to enforce administrative liability on television channel and/or selected programme distributors online for failure to comply

with the RTCL's decisions, and enforce administrative liability on individuals or entities for unlicensed radio, television broadcasting and/or re-broadcasting, provision of on-demand audiovisual media services and television channel and/or selected programme distribution on the Internet without prior notification to the RTCL of the start of activities or of service provision. The enactment of these laws eliminated the gaps that had existed in the regulatory framework and ensured consistency between the provisions of the CoALO before 1 January 2017 and the CoAO in effect as of 1 January 2017 and the LPIP.

Proposals for draft resolutions by the Government of the Republic of Lithuania

By its Resolution No. 942 of 21 September 2016 amending Resolution No. 1121 of 21 July 2010 of the Government of the Republic of Lithuania *On the approval of the descriptor of the procedure for the marking and dissemination of public information with detrimental effect on minors* the Government recast the descriptor of the procedure setting out the requirements for the marking and dissemination of public information with detrimental effect on minors. The RTCL was actively involved and advised the Ministry of Culture of the Republic of Lithuania in drafting the recast descriptor of the procedure.

LICENSING OF BROADCASTING ACTIVITIES AND RE-BROADCAST CONTENT AND REGULATION OF UNLICENSED ACTIVITIES

In performing its functions set out in the LPIP, the RTCL continued licensing radio and television broadcasting activities and re-broadcast content, organised competitions to award radio and television broadcasting and re-broadcasting licences, amended licence terms and conditions when requested by broadcasters and re-broadcasters, cancelled licences, registered notifications by economic operators of the start of unlicensed activities, etc.

Between 1 January 2016 and 31 December 2016 there were 10 economic operators who notified of the start of new unlicensed activities.

In the reporting period the RTCL took 205 decisions related to licensing, competition announcements and implementation, and other matters relating to the economic operators subject to jurisdiction of the RTCL (*Table 1*).

Table 1. Decisions by the RTCL related to licensing, competition announcements and implementation, and other matters relating to the economic operators subject to jurisdiction of the RTCL in 2016.

No.	Nature of the decision	Number of decisions
1.	Changes to licence conditions	7
2.	Recasting of the licence text	81
3.	Changes to licence conditions and recasting of the licence text	15
4.	Licence cancellations	15
5.	Issuance of permits	2
6.	Changes to permits and recasting of the permit text	3

7.	Changes to permits	2
8.	Permit cancellations	9
9.	Competition announcements	32
10.	Competition results	27
11.	Consents to share transfer and acquisition	3
12.	Other matters	9

Pursuant to Decision No. KS-189 of 14 October 2015 of the RTCL *On broadcasting and re-broadcasting licences* and Decision No. KS-192 of 3 November 2015 of the RTCL *On the approval of the licence form* the RTCL issued 108 recast broadcasting licences issued to radio and television broadcasters prior to 1 October 2015.

In 2016, the RTCL issued 6 new licences: 5 licences were awarded to competition winners for radio broadcasting and 1 licence was awarded to the winner of a competition for television re-broadcasting. The same year the RTCL also issued 2 permits to public undertaking LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA (Eng. *Lithuanian National Radio and Television*) to broadcast television channels LRT TELEVIZIJA and LRT KULTŪRA over its own digital terrestrial television network.

Announcement and implementation of competitions to award licences

During the reporting period, the RTCL announced 27 competitions to award radio and television broadcasting licences and 5 competitions to award television re-broadcasting licences (Table 2).

Table 2. Competitions announced in 2016 and their results.

No.	Objective	Station location, territory covered by the licence	Radio frequency/ TV channel	Applicants
				Winner
1.	Licence for radio station broadcasting*	Ukmergė	91.5 MHz	VšĮ KVARTOLĖ UAB Interbanga UAB Pūkas VšĮ Žemaičių radijas UAB Resula <hr/> UAB Interbanga
2.	Licence for radio station broadcasting*	Šiauliai	89.9 MHz	VšĮ Žemaičių radijas UAB Resula UAB RADIOCENTRAS UAB TELE-3 radijas UAB Labas, Klaipėda UAB ŽINIŲ RADIJAS <hr/> UAB TELE-3 radijas

3.	Licence for radio station broadcasting*	Kėdainiai	106.1 MHz	VšĮ KVARTOLĖ UAB Labas, Klaipėda UAB Resula UAB Centro medija <hr/> UAB Centro medija
4.	Licence for radio station broadcasting*	Klaipėda	93.3 MHz	UAB ŽINIŲ RADIJAS UAB Resula VšĮ Žemaičių radijas UAB Pūkas <hr/> UAB ŽINIŲ RADIJAS
5.	Licence for radio station broadcasting	Vilnius	104.7 MHz	UAB ATVIRAI UAB Labas, Klaipėda UAB RADIOLA UAB Resula UAB ZNAD WILII RADIJO STOTIS VšĮ Vilniaus radijas VšĮ Zorza <hr/> UAB Labas, Klaipėda
6.	Licence for radio station broadcasting	Visaginas	98.3 MHz	UAB RIMTAS RADIJAS UAB Resula UAB MAINAI <hr/> UAB RIMTAS RADIJAS
7.	Licence for radio station broadcasting	Raseiniai	91.3 MHz	VšĮ KVARTOLĖ MB Raseinių radijas UAB Interbanga UAB ŽINIŲ RADIJAS UAB Pūkas UAB Resula UAB MAINAI <hr/> UAB Interbanga
8.	Licence for radio station broadcasting	Mažeikiai	106.8 MHz	UAB Info XXL UAB Labas, Klaipėda VšĮ KVARTOLĖ VšĮ Žemaičių radijas UAB Pūkas UAB Resula UAB MAINAI <hr/> VšĮ KVARTOLĖ
9.	Licence for radio station broadcasting	Panevėžys	87.9 MHz	UAB TELE-3 radijas UAB Resula UAB MAINAI VšĮ Žemaičių radijas UAB On Media

				UAB TELE-3 radijas
10.	Licence for radio station broadcasting	Raseiniai	89.5 MHz	VšĮ KVARTOLĖ UAB MAINAI UAB Pūkas MB Raseinių radijas UAB ŽINIŲ RADIJAS <hr/> UAB ŽINIŲ RADIJAS
11.	Licence for radio station broadcasting	Rokiškis	87.7 MHz	UAB ATVIRAI VšĮ KVARTOLĖ UAB MAINAI <hr/> VšĮ KVARTOLĖ
12.	Licence for radio station broadcasting	Palanga	88.7 MHz	UAB GERUDA UAB MAINAI VšĮ Marijos radijas UAB Pūkas VšĮ Žemaičių radijas <hr/> UAB Pūkas
13.	Licence for radio station broadcasting	Kaunas	105.4 MHz	UAB Garso klipai UAB Interbanga VšĮ KVARTOLĖ UAB MAINAI UAB RADIOLA UAB Žinių radijas <hr/> UAB Interbanga
14.	Licence for radio station broadcasting	Vilnius	96.8 MHz	VšĮ Zorza**
15.	Licence for radio station broadcasting	Plungė	89.4 MHz	UAB Info XXL VšĮ Marijos radijas VšĮ Žemaičių radijas <hr/> VšĮ Marijos radijas
16.	Licence for radio station broadcasting	Rokiškis	89.5 MHz	No applications received
17.	Licence for radio station broadcasting	Raseiniai	94.7 MHz	No applications received
18.	Licence for television channel broadcasting	Republic of Lithuania	AB LRTC I SATT****	No applications received
19.	Licence for re-broadcast television content	Alytus	55th television channel	VšĮ Alytaus regioninė televizija <hr/> VšĮ Alytaus regioninė

				televizija
20.	Licence for HDTV channel broadcasting	Republic of Lithuania	AB LRTC II SATT*****	No applications received
21.	Licence for HDTV channel broadcasting	Republic of Lithuania	AB LRTC II SATT*****	No applications received
22.	Licence for re-broadcast television content	Republic of Lithuania	AB LRTC II SATT*****	No applications received
23.	Licence for re-broadcast television content	Republic of Lithuania	AB LRTC II SATT*****	No applications received
24.	Licence for re-broadcast television content	Republic of Lithuania	AB LRTC II SATT*****	No applications received
25.	Licence for re-broadcast television content	Republic of Lithuania	AB LRTC II SATT*****	No applications received
26.	Licence for radio station broadcasting	Varėna	99.5 MHz	UAB LAISVOJI BANGA UAB Rodiklio reklamos agentūra UAB LAISVOJI BANGA
27.	Licence for radio station broadcasting	Telšiai	100.0 MHz	VšĮ KVARTOLĖ UAB Rodiklio reklamos agentūra UAB TELE-3 radijas UAB TELE-3 radijas
28.	Licence for radio station broadcasting	Plungė	99.5 MHz	UAB Beinoro gralis UAB Info XXL UAB Rodiklio reklamos agentūra VšĮ Žemaičių radijas UAB Info XXL
29.	Licence for radio station broadcasting	Vilnius	100.5 MHz	UAB Garso klipai VšĮ GEROSIOS NAUJIENOS CENTRAS UAB RADIOLA UAB Rodiklio reklamos agentūra UAB RADIOLA
30.	Licence for radio station broadcasting	Mažeikiai	87.6 MHz	UAB Info XXL UAB Pūkas UAB Rodiklio reklamos

				agentūra UAB Pūkas
31.	Licence for radio station broadcasting	Rokiškis	89.5 MHz	UAB Pūkas UAB Rodiklio reklamos agentūra UAB Pūkas
32.	Licence for radio station broadcasting	Raseiniai	94.7 MHz	UAB Pūkas UAB Rodiklio reklamos agentūra UAB Pūkas
33.	Licence for radio station broadcasting	Jurbarkas	87.9 MHz	VŠĮ KVARTOLĖ VŠĮ Šou imperija *****
34.	Licence for radio station broadcasting	Joniškis	93.4 MHz	*****
35.	Licence for radio station broadcasting	Utena	90.9 MHz	*****
36.	Licence for radio station broadcasting	Ignalina	92.5 MHz	*****

* The competition was announced in 2015.

** The decision was made not to issue the licence or announce the winner.

*** The first digital terrestrial television network of AB Lietuvos radijo ir televizijos centras.

**** The second digital terrestrial television network of AB Lietuvos radijo ir televizijos centras.

***** The results of this competition were collated in 2017.

There were, in total, 92 applications submitted and examined in the competitions announced. Post result collation the RTCL announced 22 winners, issued 6 new licences and supplemented 16 licences issued earlier.

Decisions amending terms and conditions of licences or cancelling licences

In 2016, the RTCL made 14 decisions to amend terms and conditions of the broadcasting and of re-broadcast content licences issued prior to 1 October 2015, i.e. the effective date of the amended LPIP, and their recasting, and 8 decisions to amend licence terms and conditions. These decisions dealt with the change of the names of radio and television programmes broadcast, the structure and content of television and radio programmes, and the lists of re-broadcast television channels and other licence conditions.

Over the reporting year, the Commission cancelled 17 broadcasting and re-broadcast content licences (*Table 3*).

Table 3. Licence cancellations.

No.	Licence holder	Grounds for licence cancellation	Licensed activities
1.	VšĮ Šiaulių universiteto gimnazija	Licence holder waived the licence	Radio station broadcasting
2.	UAB Ilora	Licence holder waived the licence	Television channel broadcasting
3.	AB TEO LT	Licence holder waived the licence	Television channel re-broadcasting
4.	UAB Nubo.tv	Licence holder declared bankrupt and is under liquidation	Television channel broadcasting
5.	UAB TARPTAUTINIS BALTIJOS BANGŲ RADIJAS	Licence holder waived the licence	Radio station broadcasting
6.	Technology and Business School in Plungė	Licence holder waived the licence	Radio station broadcasting
7.	V. Krušnos individuali įmonė	Licence holder waived the licence	Television channel broadcasting
8.	VšĮ Žemaičių radijas	Licence holder failed to start operations by the date specified in the licence	Radio station broadcasting
9.	VšĮ Kauno moksleivių ir jaunimo laisvalaikio centras	Permission to use the radio frequency (channel) has expired	Radio station broadcasting
10.	UAB RIMTAS RADIJAS	Licence holder is under reorganisation	Radio station broadcasting
11.	UAB SPLIUS	Licence holder waived the licence	Television channel broadcasting
12.	UAB SPLIUS	Licence holder waived the licence	Television channel broadcasting
13.	UAB Molėtų radijas ir televizija	Licence holder waived the licence	Television channel broadcasting
14.	UAB RADIJO ELEKTRONINĖS SISTEMOS	Licence holder waived the licence	Television channel broadcasting
15.	VšĮ Telšių krašto televizija	Licence holder waived the licence	Television channel broadcasting
16.	UAB ŽINIŲ RADIJAS	Licence holder failed to notify of changes to shareholder structure and submitted incorrect data	Radio station broadcasting (89.5 MHz radio frequency in Raseiniai)

17.	UAB ŽINIŲ RADIJAS	Licence holder failed to notify of changes to shareholder structure and submitted incorrect data	Radio station broadcasting (93.3 MHz radio frequency in Klaipėda)
-----	-------------------	--	---

As of 31 December 2016, the RTCL had issued 137 broadcasting and re-broadcast content licences for radio and/or television broadcasters and re-broadcasters engaged in licensed activities and 13 permits to VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA.

Radio

At the end of 2016, there were 42 radio broadcasters in Lithuania operating 56 radio stations. Over the reporting period, the majority of these stations were transmitting a mix of music and information content.

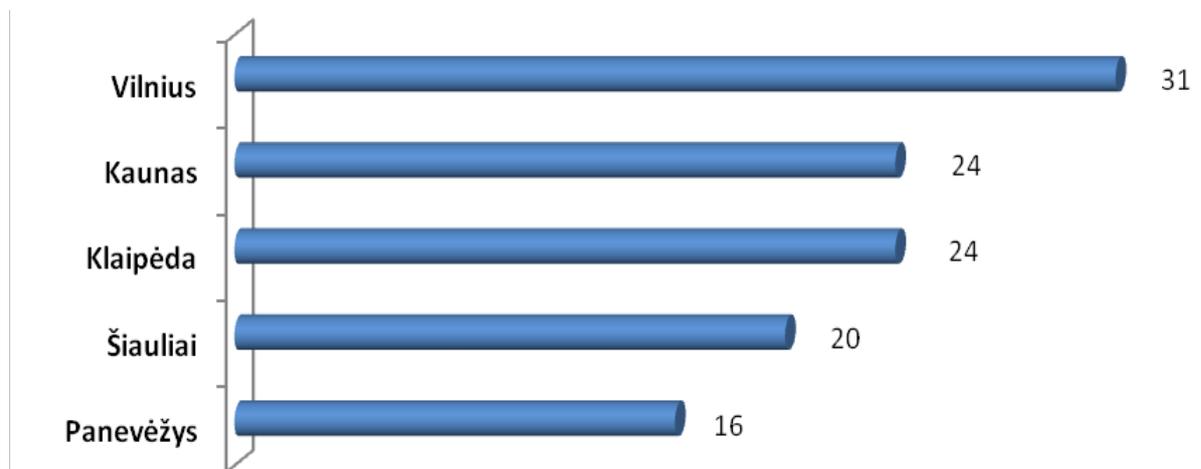
In 2016, the Commission issued 5 licences for radio stations; one of these licences was issued to a new radio broadcaster: UAB Centro medija. Three holders of radio broadcasting licences who had been awarded these licences by way of a competition were issued new broadcasting licences and nine radio broadcasting licence holders had the terms and conditions of their licences amended to include a wider territory of licensed activities.

The broadcaster to widen its radio broadcasting coverage the most was UAB TELE-3 radijas. The economic operator which transmits radio station Power Hit Radio won competitions to broadcast the station on the 89.9 MHz frequency in Šiauliai, on the 87.9 MHz frequency in Panevėžys and on the 100.0 MHz frequency in Telšiai.

During the reporting period, there were 7 cancellations of radio broadcasting licences.

The greatest diversity of radio stations in 2016 was observed in major Lithuanian cities: 31 radio stations in Vilnius, 24 in Kaunas and Klaipėda, 20 in Šiauliai and 19 radio stations in Panevėžys (*Figure 1*).

Figure 1. Radio stations aired in major Lithuanian cities.



In 2016, by radio coverage there were 13 national radio stations (*Table 4*), 8 regional radio broadcasters (*Table 5*) and 29 broadcasters airing 63 local radio stations (*Table 6*) in Lithuania.

Table 4. National radio stations.

No.	Broadcaster	Station
1.	UAB M-1	M-1
2.	UAB M-1	M-1 Plus
3.	UAB Pūkas	Pūkas
4.	UAB RADIOCENTRAS	Radiocentras
5.	UAB RADIOCENTRAS	ZIP FM
6.	UAB RADIOCENTRAS	RUSRADIO LT
7.	UAB radijo stotis ULTRA VIRES	Lietus
8.	VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA	LRT RADIJAS
9.	VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA	LRT KLASIKA
10.	VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA	LRT OPUS
11.	UAB ŽINIŲ RADIJAS	Žinių radijas
12.	UAB LAISVOJI BANGA	Gold FM
13.	UAB TELE-3 radijas	Power Hit Radio

Table 5. Regional radio broadcasters.

No.	Broadcaster	Radio station	Locations
1.	VŠĮ Marijos radijas	Marijos radijas	Druskininkai, Ignalina, Mažeikiai, Nida, Plunksniai, Raseiniai, Skuodas, Visaginas
2.	UAB Alytaus radijas	FM 99	Alytus, Druskininkai
3.	UAB GERUDA	Geras FM	Vilnius, Kaunas
4.	UAB Info XXL	XXL FM	Plungė, Telšiai
5.	VŠĮ KVARTOLĖ	RELAX FM	Vilnius, Šiauliai, Klaipėda, Panevėžys, Kaunas, Utena, Plungė, Biržai, Mažeikiai, Rokiškis
6.	UAB Pūkas	Pūkas-2	Vilnius, Klaipėda, Šiauliai, Kaunas, Panevėžys, Telšiai, Tauragė, Rokiškis, Raseiniai
7.	UAB RADIOCENTRAS	CLASSIC ROCK FM	Vilnius, Kaunas, Panevėžys
8.	UAB ŽINIŲ RADIJAS	EASY FM	Vilnius, Klaipėda

Table 6. Local radio stations.

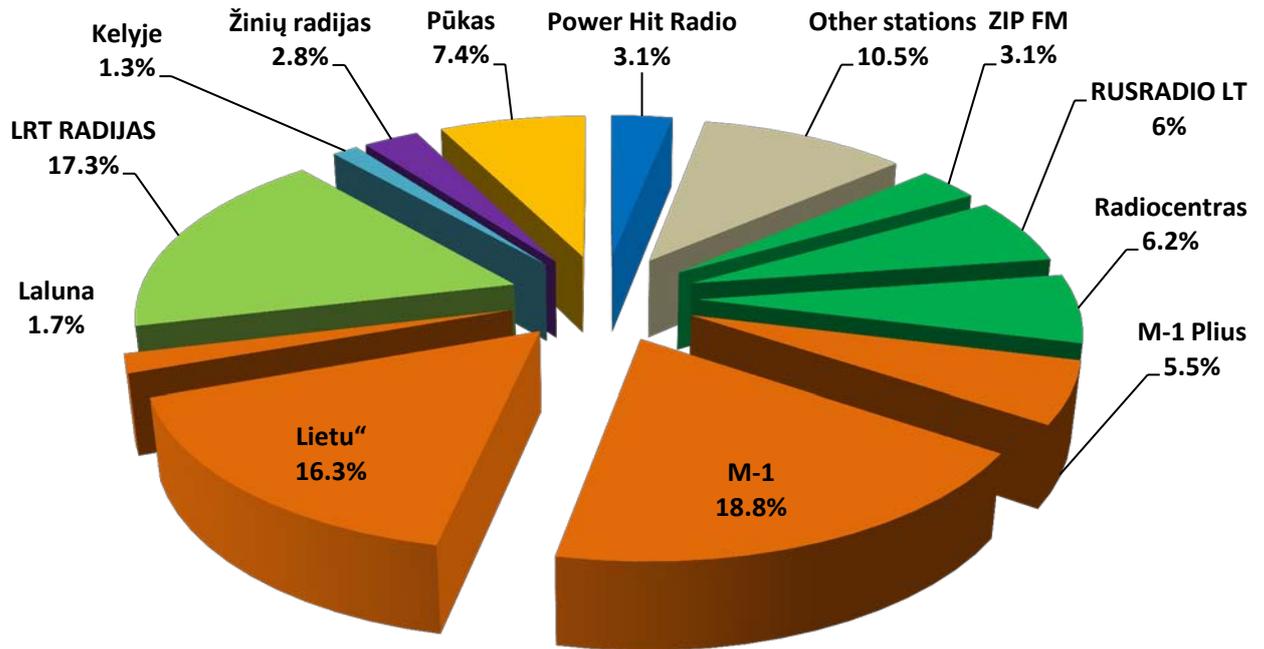
No.	Broadcaster	Radio station	Locations
1.	UAB Antroji reklamos ateljė	„Antroji radijo stotis	Šiauliai
2.	UAB Artvydas	TAU	Kaunas
3.	UAB ATVIRAI	Radijo stotis Nykščiai	Anykščiai
4.	UAB ATVIRAI	Kurorto radijas	Druskininkai
5.	UAB AUKŠTAITIJOS RADIJAS	XFM	Panevėžys
6.	UAB Centro medija	Centro FM	Kėdainiai
7.	UAB EUROLEXIS	Neringa FM	Neringa
8.	UAB Garso klipai	Mano FM	Kaunas
9.	UAB Interbanga	EXTRA FM	Kaunas
10.	UAB Interbanga	EXTRA FM	Klaipėda
11.	UAB Interbanga	EXTRA FM	Šiauliai
12.	UAB Interbanga	EXTRA FM	Vilnius
13.	UAB Interbanga	EXTRA FM	Marijampolė
14.	UAB Interbanga	EXTRA FM	Panevėžys
15.	UAB Interbanga	EXTRA FM	Raseiniai
16.	UAB Interbanga	EXTRA FM	Ukmergė
17.	UAB Interbanga	EXTRA FM	Utena
18.	V. Ivanausko individuali firma VYDAS	A2	Vilnius
19.	UAB Labas, Klaipėda	XFM	Klaipėda
20.	UAB Labas, Klaipėda	XFM	Kaunas
21.	UAB Lamantas	Mažeikiai.FM	Mažeikiai
22.	UAB Lamantas	Kapsai	Marijampolė
23.	VšĮ Marijos radijas	Marijos radijas	Šiauliai
24.	VšĮ Marijos radijas	Marijos radijas	Klaipėda
25.	VšĮ Marijos radijas	Marijos radijas	Kaunas
26.	VšĮ Marijos radijas	Marijos radijas	Vilnius
27.	VšĮ Marijos radijas	Marijos radijas	Viešintos
28.	VšĮ Marijos radijas	Marijos radijas	Alytus
29.	VšĮ Marijos radijas	Marijos radijas	Telšiai
30.	VšĮ Marijos radijas	Marijos radijas	Marijampolė
31.	VšĮ Marijos radijas	Marijos radijas	Biržai
32.	VšĮ Marijos radijas	Marijos radijas	Utena
33.	VšĮ Marijos radijas	Marijos radijas	Varėna
34.	VšĮ Marijos radijas	Marijos radijas	Jurbarkas
35.	VšĮ Marijos radijas	Marijos radijas	Rokiškis
36.	VšĮ Marijos radijas	Marijos radijas	Joniškis
37.	VšĮ Marijos radijas	Marijos radijas	Šilutė
38.	VšĮ Marijos radijas	Marijos radijas	Plungė
39.	UAB Mažeikių aidas	Mažeikių aidas	Mažeikiai

40.	UAB PLUNSTA	Spindulys	Plungė
41.	UAB PROARSA	JAZZ FM	Vilnius
42.	UAB PROARSA	Vaikų radijas	Vilnius
43.	UAB Radijas kelyje	Kelyje	Kaunas
44.	UAB Radijas kelyje	Kelyje	Klaipėda
45.	UAB Radijas kelyje	Kelyje	Vilnius
46.	UAB RADIOLA	Europos Hitų Radijas	Vilnius
47.	UAB RADIOLA	Europos Hitų Radijas	Klaipėda
48.	UAB RADIOLA	Europos Hitų Radijas	Kaunas
49.	UAB RADIOLA	SUPER FM	Vilnius
50.	UAB RADIJO PULSAS	Pulsas	Biržai
51.	UAB RADIJO PULSAS	Pulsas	Panevėžys
52.	UAB RADIJO STOTIS LALUNA	Laluna	Klaipėda
53.	UAB RADIJO STOTIS LALUNA	Raduga	Klaipėda
54.	UAB REKLAMOS GAMA	Radijogama	Klaipėda
55.	UAB SAULĖS RADIJAS	Saulės radijas	Šiauliai
56.	Šiaulių Didždvario gimnazija	Radio klubas	Šiauliai
57.	VšĮ Šou imperija	Tauragės radijas	Tauragė
58.	UAB TARPTAUTINIS BALTIJOS BANGŲ RADIJAS	TARPTAUTINIS BALTIJOS BANGŲ RADIJAS	Sitkūnai
59.	VšĮ Utenos radijas	Indros radijas	Utena
60.	Vilniaus Baltupių progimnazija	Baltupių radijas	Vilnius
61.	Vilnius University	Vilnius University Radio Start FM	Vilnius
62.	UAB ZNAD WILII RADIJO STOTIS	Znad Wilii	Vilnius
63.	S. Žilionio personalinė radijo ir televizijos konsultacinė agentūra	Ratekona	Sitkūnai

According to a radio audience survey conducted by market research company TNS LT⁴, in autumn of 2016, the leading broadcasters in Lithuania in terms of average radio audience structure by time listened and daily and weekly reach were M-1, Lietus and LRT RADIJAS (Figures 2 and 3).

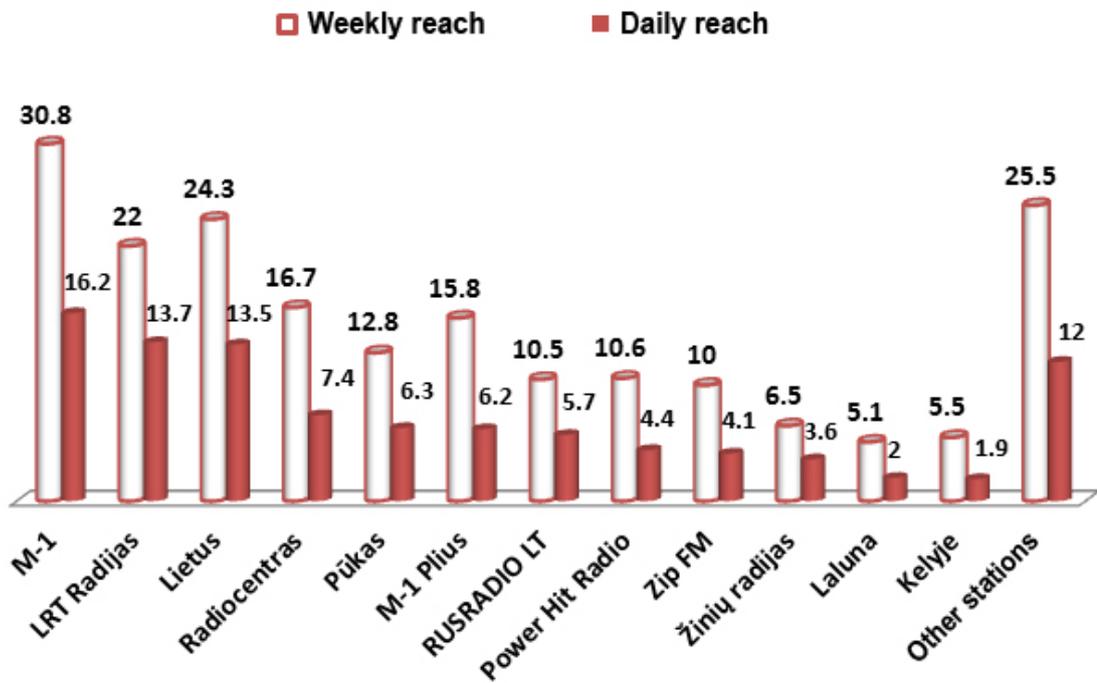
⁴ <http://www.tns.lt/lt/news/radijo-auditorijos-tyrimas-2016-m-ruduo>

Figure 2. Average radio audience structure by time listened in Lithuania, autumn 2016



Source: TNS LT

Figure 3. Daily and weekly audience reach, autumn 2016.



Source: TNS LT

Television

Digital Terrestrial Television

Television broadcasting over digital terrestrial TV stations

In 2016, Lithuanians were able to receive 11 free-to-air (not encrypted) national television channels over the digital terrestrial television networks (*Table 7*).

Table 7. Free-to-air national DVB-T channels.

No.	Broadcaster	Television channel
1.	UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS	BTV
2.	UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS	LNK
3.	UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS	Info TV
4.	UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS	LIUKS!
5.	UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS	TV1
6.	UAB Lietuvos ryto televizija	Lietuvos rytas.tv
7.	VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA	LRT TELEVIZIJA*
8.	VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA	LRT KULTŪRA
9.	UAB TV3	TV3
10.	UAB TV3	TV6
11.	UAB TV3	TV8

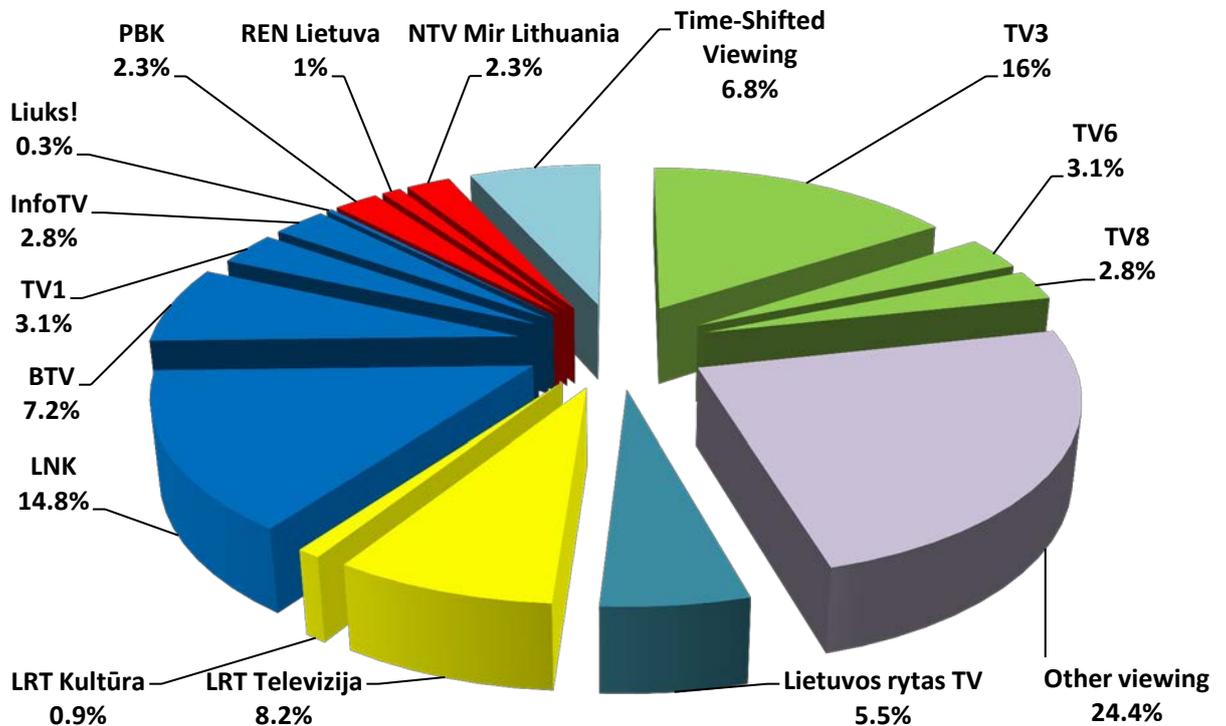
* Broadcast both in standard definition (SDTV) and high definition (HDTV).

According to the figures by TNS LT⁵, the most popular television channels among TV viewers by time watched were TV3, LNK and LRT TELEVIZIJA (*Figure 4*).

⁵ <http://www.tns.lt/lt/news/tv-auditorijos-tyrimo-rezultatai-2016-m-gruodis/>

Figure 4. Television viewership by time watched.

December 2016



Source: TNS LT

In 2016, there were 10 local television channels transmitted over the digital terrestrial TV stations (Table 8), television station Aidas in Trakai and Papliaušiai Village (Elektrėnai Municipality) was broadcast by regional broadcaster UAB AIDAS.

Table 8. Local television channels broadcast over the digital terrestrial TV stations.

No.	Broadcaster	Television channel	Location
1.	UAB Kėdainių krašto televizija	Kėdainių krašto televizija	Kėdainiai
2.	UAB Pūkas	Pūkas-TV	Kaunas
3.	UAB Šiaulių apskrities televizija	Šiaulių televizija	Šiauliai
4.	UAB Roventa	Roventos TV	Mažeikiai
5.	VšĮ Marijampolės televizija	Marijampolės televizija	Marijampolė
6.	VšĮ LN televizija	Žemaitijos televizija	Plungė
7.	UAB Ilora	Ventos regioninė televizija	Venta
8.	UAB TV7	TV7	Jonava
9.	VšĮ Alytaus regioninė televizija	Dzūkijos televizija	Alytus
10.	UAB BALTICUM TV	Balticum Auksinis	Vilnius

Television content retransmission over the digital terrestrial TV stations

In 2016, there were 3 re-broadcasters transmitting television channels over the digital terrestrial TV stations, i.e. VŠĮ Alytaus regioninė televizija, UAB BALTICUM TV and AB TEO LT.

As of 1 October 2015 VŠĮ Alytaus regioninė televizija had been broadcasting television programme Pūkas-TV over the 55th TV channel of the digital terrestrial television station in Alytus.

UAB BALTICUM TV was re-broadcasting:

- a package of 10 television channels over the 45th TV channel of the digital terrestrial TV station in Klaipėda;
- a package of 9 television channels over the 53rd TV channel of the digital terrestrial TV station in Vilnius;
- a package of 9 television channels over the 40th TV channel of the digital terrestrial TV station in Plungė.

Until 30 April 2016 AB TEO LT was re-broadcasting 29 television channels over the national digital terrestrial television networks:

- 10 television channels over the second digital terrestrial network of LRTC;
- 9 television channels over the first own digital terrestrial television network;
- 10 television channels over the second own digital terrestrial television network.

As of 1 May 2016 AB TEO LT is re-broadcasting 24 television channels over the first and second own digital terrestrial television networks.

Television channels broadcast and re-broadcast over the national digital terrestrial networks and their languages (Table 9).

Table 9. Television channels broadcast and re-broadcast over the national digital terrestrial networks and their languages (as of 31 December 2016).

The first digital terrestrial television network of LRTC / language	Digital terrestrial television network of LRT / language	The first digital terrestrial television network of AB TEO LT / language	The second digital terrestrial television networks of AB TEO LT / language
LNK* / Lithuanian	LRT TELEVIZIJA* (SDTV) / Lithuanian	TV Centre International (TVCI)*** / Russian	TV Polonia** / Polish
TV6* / Lithuanian	LRT TELEVIZIJA* (HDTV) / Lithuanian	Sport 1*** / Lithuanian	Nickelodeon European*** / English, Russian
BTV* / Lithuanian	LRT KULTŪRA* / Lithuanian	Viasat Nature*** / English, Russian	BBC World News*** / English
TV3* /		FOXlife*** /	Euronews*** /

Lithuanian		English, Russian	English, Russian, French, German
Info TV* / Lithuanian		National Geographic Channel*** / English, Russian	MTV Hits UK*** / English
LIUKS!* / Lithuanian		Travel Channel*** / Playboy TV*** / English	Dozhd*** / Russian
TV1* / Lithuanian		Discovery Chanel*** / English, Russian	Setanta Sports Eurasia*** / English, Russian
TV8* / Lithuanian		Eurosport*** / English, Russian	SONY Entertainment*** / English, Russian, Lithuanian subtitles
Lietuvos rytas.tv* / Lithuanian		Balticum Auksinis*** / Lithuanian	Sony Turbo (Baltics)*** / English, Russian, Lithuanian subtitles
		Pirmais Baltijas Kanāls Lietuva*** / Lithuanian, Russian	FOX*** /English, Russian
		KidZone TV*** / Lithuanian	VH1 Europe*** / English
		TNT International*** / Russian	Cartoon Network*** / English

* *Free-to-air broadcast television channel.*

** *Free-to-air re-broadcast television channel.*

*** *Paid (encrypted TV signal) re-broadcast television channel.*

Television content broadcasting over the electronic communications networks

In Lithuania television channels may be broadcast using these networks of electronic communications:

- Digital terrestrial television stations
- Cable television networks
- Wired broadband communication network (IPTV)
- Internet
- Man-made Earth satellites

At the end of 2016, there were 35 television broadcasters operating in Lithuania broadcasting 47 television channels:

- 15 broadcasters were transmitting 22 television channels over the digital terrestrial television networks or stations;
- 20 broadcasters were transmitting 22 television channels over the cable television and wired broadband (IPTV) communication networks;
- 3 broadcasters were transmitting 3 television channels over the Internet;
- 2 broadcasters were transmitting 3 television channels over a man-made Earth satellite (LRT LITHUANICA is free-to-air).

Television content retransmission over the electronic communications networks

In Lithuania television and radio content may be re-broadcast over these networks of electronic communications:

- Cable television networks
- Multichannel Multipoint Distribution Service (MMDS)
- Digital terrestrial television stations
- Wired broadband communications networks the main purpose of which is not the broadcasting and/or re-broadcasting of radio or television content
- Mobile terminal devices and websites
- Man-made Earth satellites

At the end of 2016, there were 46 economic operators re-broadcasting television channels using a variety of technologies:

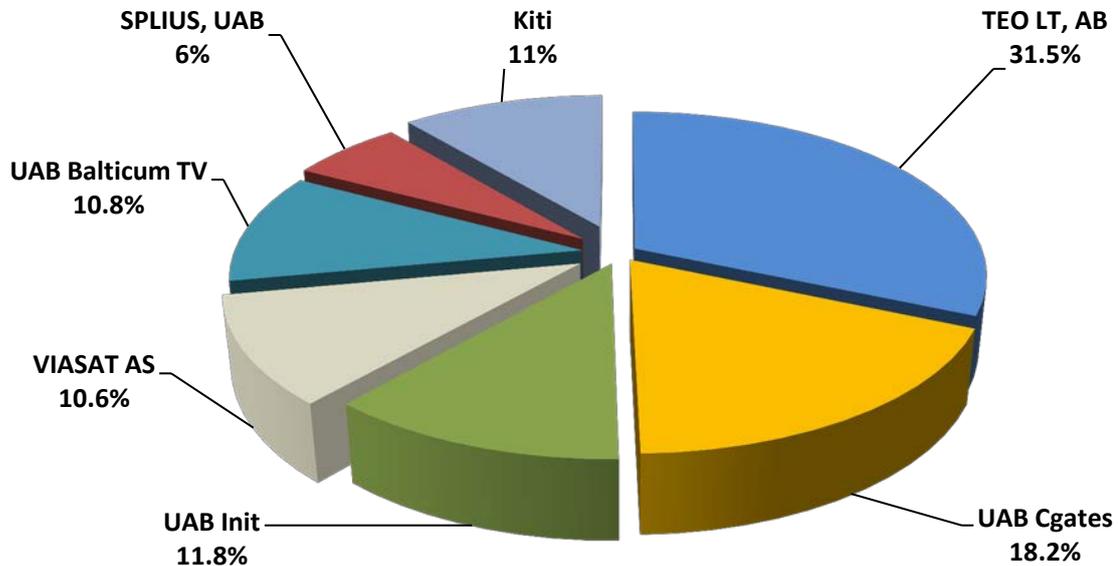
- 3 economic operators held 5 licences to re-broadcast television channels over the digital terrestrial television stations or a network of stations;
- 2 economic operators held 2 licences to re-broadcast television channels over the MMDS networks;
- 20 economic operators were re-broadcasting television channels over the cable television networks after notification of the start of activities;
- 12 economic operators were re-broadcasting television channels over the cable television networks and wired broadband communications networks the main purpose of which is not the broadcasting and/or re-broadcasting of radio and/or television content after notification of the start of activities;
- 11 economic operators were re-broadcasting television channels over the wired broadband communications networks the main purpose of which is not the broadcasting and/or re-broadcasting of radio and/or television content after notification of the start of activities;
- 1 economic operator was re-broadcasting television channels over a man-made Earth satellite after notification of the start of activities.

Subscribers of re-broadcasters

At the end of 2016, all re-broadcasters combined had a total of 709,021 subscribers.

Subscribers of the largest re-broadcasters by subscriber numbers account for 80.5 per cent of all subscribers (*Figure 5*).

Figure 5. The largest re-broadcasters by subscriber numbers.



Source: RTCL

Unlicensed activities

At the end of 2016, there were 62 economic operators engaged in unlicensed radio and television broadcasting and re-broadcasting, distribution of television channels and/or selected programmes on the Internet and provision of on-demand audiovisual media services. During the reporting year, 10 economic operators notified of the start of unlicensed activities, 2 out of them notified of the start of on-demand audiovisual media services, 1 notified of the start of television content distribution on the Internet, 2 notified of the broadcasting of television channels online, 5 of the start of online radio station broadcasting and 1 of the start of online radio station re-broadcasting.

At the end of 2016, there were 20 providers of on-demand audiovisual media services to the public.

ANNUAL FEES SET BY THE MINISTER OF CULTURE OF THE REPUBLIC OF LITHUANIA ON PROPOSAL BY THE RTCL

In 2016, in accordance with the Descriptor of the procedure for setting the annual fee for radio and/or television broadcasting, re-broadcasting, distribution on the Internet and on-demand, RTCL submitted 14 official letters to the Ministry of Culture of the Republic of Lithuania regarding the annual fee for radio and/or television broadcasting, re-broadcasting, distribution on the Internet and on-demand audiovisual media services. These letters served as a basis for setting or revising annual fees to 28 economic operators (*Table 10*).

Table 10. Annual fees.

No.	Economic operator	Annual fee (BSB*)
1.	UAB Centro medija	2.8
2.	UAB Ignalinos televizija	3
3.	VšĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA	7.66
4.	VšĮ Marijampolės televizija	20
5.	VšĮ Alytaus regioninė televizija	20
6.	UAB Šiaulių apskrities televizija	15
7.	VšĮ Gerų naujienų televizija	30
8.	Šiaulių Didždvario gimnazija	0.2
9.	VšĮ Tėviškės alkas	15
10.	UAB 15min	57.5
11.	UAB Interbanga	1.4
12.	UAB RIMTAS RADIJAS	1.7
13.	VšĮ KVARTOLĖ	2.4
14.	UAB TELE-3 radijas	3.7
15.	UAB Interbanga	9
16.	UAB Pūkas	2.1
17.	UAB ŽINIŲ RADIJAS	1.4
18.	VšĮ KVARTOLĖ	1.6
19.	UAB ZNAD WILII RADIJO STOTIS	2
20.	VšĮ Zorza	2
21.	UAB Labas, Klaipėda	11.7
22.	UAB Interbanga	1.8
23.	UAB TELE-3 radijas	4.8
24.	UAB ŽINIŲ RADIJAS	4.9
25.	VšĮ Alytaus regioninė televizija	4.7
26.	VšĮ Marijos radijas	1.5
27.	UAB Rodiklio reklamos agentūra	2.8
28.	AB Lietuvos radijo ir televizijos centras	52

* BSB – basic social benefit determined by the Government; €38 in 2016.

STATE FEE PAID BY THE HOLDERS OF BROADCASTING AND/OR RE-BROADCAST CONTENT LICENCES

During the reporting year, the RTCL took 7 decisions to amend the terms and conditions of broadcasting and re-broadcast content licences and 15 decisions to amend and recast licence terms and conditions. For amendments to licence terms and conditions the existing broadcasting and/or re-broadcast content licence holders paid €1,148 to the national budget. Throughout 2016 the RTCL issued 22 radio broadcasting licences to competition winners and 1 re-broadcast content licence for a television channel. Licence holders paid €1,983 to the national budget for the issuance of these licences.

SALE OR OTHER TRANSFER OF SHARES (INTERESTS) IN BROADCASTING AND/OR RE-BROADCAST CONTENT LICENCE HOLDERS

In 2016, in compliance with the requirements of Article 22, paragraphs 4 and 5, of the LPIP the RTCL considered requests by broadcasting and/or re-broadcast content licence holders to approve transfers of shares (interests) and/or control (management) in those licence holders. The Commission approved these requests passing 3 decisions (*Table 11*).

Table 11. Sale or other transfer of shares (interests).

No.	Name of the economic operator whose shares were put up for sale	Name of the economic operator selling the shares	Name of the economic operator acquiring the shares
1.	UAB Cgates, UAB KAVAMEDIA	AS Starman	SM VII B.V. – 100 per cent of shareholders
2.	UAB Cgates, UAB KAVAMEDIA, UAB REMO TELEVIZIJA, UAB Elekta, UAB KATEKA	Baltic Cable Holding OÜ	OÜ Polaris Invest – 62.71 per cent of AS Starman shares
3.	UAB RADIJO PULSAS	UAB RADIJO PULSAS	UAB Žemės valdos – 100 per cent of shares

VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA

At the end of 2016, VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA (*Lithuanian National Radio and Television* or “LRT”⁽⁴⁾) had 13 valid permits: 9 permits to broadcast radio stations and 4 permits to broadcast television channels.

During the reporting year, the RTCL issued a permit to VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA for the broadcasting of television channel LRT TELEVIZIJA over its own digital terrestrial television network and a permit for the broadcasting of television channel LRT KULTŪRA over its own digital terrestrial television network.

At the end of 2016, LRT was broadcasting 3 radio stations, i.e. LRT RADIJAS, LRT KLASIKA and LRT OPUS, 3 television channels, i.e. LRT TELEVIZIJA, LRT KULTŪRA and LRT LITUANICA, and was re-broadcasting 1 radio station – BBC WORLD SERVICE.

ECONOMIC OPERATOR OVERSIGHT AND CONTENT MONITORING

In 2016, the RTCL started the practice of routine inspections of economic operators subject to jurisdiction of the RTCL. Routine inspections of the activities of economic operators are extensive and thorough inspections carried out at the economic operators overseen by the Commission going beyond programme monitoring and include such areas as the examination of reports submitted to the RTCL and of fee payments to finance the RTCL activities, analysis of data

published on the websites operated by the economic operators and systemic assessment of all activities against statutory requirements.

Last year, in addition to routine inspections mentioned earlier, the RTCL was monitoring individual programmes on the basis of consumer complaints and at the Commission's initiative mostly focusing, as was the case in 2015, on the monitoring of television content originating in the Russian Federation.

In 2016, the RTCL carried out 50 routine inspections and 153 special inspections – monitoring of individual radio and television programmes.

Results of monitoring of radio and television programmes and activities of economic operators in 2016

Routine inspections of economic operators

In 2016, the RTCL carried out 50 routine inspections of economic operators as provided for in the Plan of expected inspections of economic operators in 2016 and approved by Order No. V-4 of 22 February 2016 of the Chairman of the RTCL *On the approval of the Plan of expected inspections of economic operators in 2016 by the Radio and Television Commission of Lithuania* (Table 12).

Table 12. Results of routine inspections of economic operators.

Objective	Inspected	Infringements
Compliance with the requirement of Article 35, paragraph 1, of the LPIP with regards to public information retention	27	4
Compliance with the requirements of the Descriptor of the procedure for reporting on the activities of radio, television programme broadcasters, re-broadcasters and providers of on-demand audiovisual media services and television channels and/or selected programmes on the Internet	43	20
Compliance with the Law on the Protection of Minors against the Detrimental Effect of Public Information and the Descriptor of the procedure for the marking and dissemination of public information of detrimental effect on the development of minors approved by Resolution No. 1121 of 21 July 2010 of the Government of the Republic of Lithuania	31	2
Compliance with the requirements of Articles 39–40 ¹ of the LPIP and of the Descriptor of procedure for the implementation of the requirements for commercial audiovisual messages and advertising transmission, sponsorship of radio programmes and selected programmes in radio and/or television stations approved by Decision No. KS-58 of 11 April 2012 of the RTCL with regards to advertising, commercial audiovisual messages, product placement and sponsorship messages	35	10

Compliance with licence conditions	34	23
Compliance with the requirements of the Rules for television programming approved by Decision No. KS-171 of 23 September 2015 of the RTCL	19	4
Other	31	1*

**Infringements upon the requirements for on-demand audiovisual media services as provided for in Articles 40³-40⁴ of the LPIP.*

Following routine inspections the RTCL sent out letters to all entities that had been inspected detailing the findings of routine inspections and accompanied by copies of the appropriate routine inspection reports, and instructed the entities concerned to eliminate all infringements detected within the time frame set and report to the RTCL on the follow-up actions.

The economic operators inspected were invited to the RTCL to provide explanations as to the origin of the infringements and afterwards were subjected to administrative liability depending on the nature and significance of the offence.

- Administrative offence protocol including an administrative order (executed) to pay a fine for the offence stipulated in Article 214(7) of the Code of Administrative Law Offences (the “CoALO”) (infringement upon the procedure of public information retention).
- Administrative offence protocol, administrative case heard and the offender issued a warning for the offence stipulated in Article 214(22), paragraph 1, of the CoALO (infringement upon the requirements for television advertising, teleshopping, product placement, advertising on a radio programme, commercial audiovisual messages and audiovisual media services, sponsorship of radio programmes and/or selected programmes).
- Administrative offence protocol including an administrative order (executed) to pay a fine for the offence stipulated in Article 214(22), paragraph 1, of the CoALO.
- Administrative offence protocol including an administrative order (not executed) to pay a fine for the offence stipulated in Article 214(19), paragraph 1, of the CoALO (infringement upon the requirements for the marking and dissemination of public information of detrimental effect on the development of minors).
- 6 operators were brought to administrative proceedings that are expected to be completed in 2017 (subjected to administrative fines).

In all cases the operators were provided with methodological assistance and consultations.

Special inspections of economic operators and monitoring of individual radio and television programmes

In 2016, the RTCL carried out 153 special inspections of economic operators and monitoring of individual radio and television programmes (*Table 13*).

Special inspections and programme monitoring have been carried out on the basis of complaints received or at the initiative of the RTCL in the event of reasonable suspicion of illegal activities that are subject to oversight by the RTCL or of dissemination of prohibited information in the programmes aired.

In the course of special inspections carried out by the RTCL in 2016, or monitoring of individual radio or television programmes, the Commission focused on the assessment of compliance of sponsorship messages aired during television programmes against the statutory requirements. The RTCL carried out inspections of sponsorship messages aired on national television channels (LNK, TV3, LRT TELEVIZIJA, Lrytas.tv).

Requirements for sponsorship messages are set out in Article 40 of the LPIP and the Descriptor of procedure for the implementation of the requirements for commercial audiovisual messages and advertising transmission, sponsorship of radio programmes and selected programmes in radio and/or television stations. These rules provide for stricter requirements for sponsorship messages as compared to TV advertising, i.e. these cannot directly encourage the purchasing or lease of products or services, in particular by way of special promotional links to these products or services, sponsor presentation (announcement) cannot display promotional information relating to the features, advantages, composition, effect, quality or prices of the sponsor's products or services, or other information of promotional nature highlighting the sponsor's product or service. Following these inspections it was ascertained that the majority of sponsorship messages failed to meet these requirements.

It should be noted that the assessment of sponsorship messages against the statutory requirements takes the entirety of the requirements into account. On many occasions sponsorship messages provided information intended to influence viewer behaviour, i.e. encourage them to buy the product or service by highlighting the advantages and special features of the product or service. Information of this nature fits with the definition in point 3 of the Descriptor and should be qualified as a special promotional link.

The RTCL often receives inquiries from television broadcasters and even advertising agencies before the transmission of a sponsorship message asking to assess whether that message complies with the statutory requirements. It should be pointed out that the RTCL does not assess *ex ante* information compliance with the applicable statutory requirements. The RTCL, however, including the administration that supports the Commission, acting in the capacity of an authority of public administration, provides consultations and methodological assistance on the matters of legislation application. The RTCL's administration maintains regular contact with the representatives of broadcasters and provides them with methodological assistance on the matters of statutory requirements that apply to sponsorship messages. The range of economic operators overseen by the RTCL is clearly defined in the LPIP, i.e. radio and television broadcasters within the Lithuanian jurisdiction, providers of on-demand audiovisual media services, also re-broadcasters operating in the territory of Lithuania and other persons providing services of television channel and/or selected programme distribution online to the Lithuanian consumer.

In 2016, the Commission conducted 32 inspections with regards to compliance with the requirements for sponsorship messages and product placement as set out in Articles 40, 40¹ of the LPIP and the requirements of the Descriptor, resulting in 27 cases of infringement ascertained.

During the reporting year the Commission continued active cooperation with the audiovisual media market players and held a meeting with the representatives of the major commercial television broadcasters on 7 September 2016. One of the main topics of the meeting was the requirements for sponsorship messages. The RTCL noticed that the broadcasters fail to present sponsorship messages properly confusing these messages with TV advertising, etc. The meeting aimed at finding out whether all television broadcasters have the same understanding of these

requirements, present the requirements one more time and discuss their application in practice in order to prevent future infringements.

The attendees discussed the issues television broadcasters faced in their operations, focused on the particulars of the television advertising market; also discussed possible legislative amendments in relation to clearer regulation of the requirements for sponsorship messages.

Exchange of opinions led to the decision to hold these mutually beneficial meetings in the future in order to discuss a variety of burning issues. It was stressed once more that any television broadcaster is free to contact experts of the Commission asking assistance on any matter. All attendees of the meeting agreed with the approach that the prevention of infringements and better business development conditions and quality services to the consumer can only come about from discussions, explanations of practical application of law and other forms of cooperation as opposed to the practice of fines.

Table 13. Results of special inspections of economic operators and programme monitoring.

Monitoring/inspection objective	Inspected	Infringements
Compliance with the requirements of Article 19 of the LPIP	51	3*
Compliance with the requirements of Article 39 of the LPIP with regards to advertising, commercial audiovisual messages	25	3
Compliance with the requirements of Articles 40, 40 ¹ of the LPIP with regards to sponsorship messages and product placement and the requirements of the Descriptor	32	27
Compliance with the Law on the Protection of Minors against the Detrimental Effect of Public Information	43	11
Compliance with licence obligations	4	3
Other	4	0

**Programmes aired in Russian.*

In 2016, the Commission issued 4 protocols of administrative offences and passed one ruling in an administrative case.

Prevention of illegal activities of television broadcasting online and of re-broadcasting

In 2016, the RTCL contacted 12 economic operators for potentially illegal unlicensed distribution of television channels or selected programmes on the Internet or for potentially illegal re-broadcasting activities, i.e. without notification to the RTCL of the start of these activities:

- 3 economic operators denied to be engaged in this type of activities;
- 4 economic operators failed to reply (2 of them terminated the activities of television content distribution online);
- 2 economic operators claimed to be operating on the basis of agency agreements;
- as far as unlicensed activities of television content distribution to the Lithuanian population by SIA Baltijas Mediju Aliance at www.tvdom.tv are concerned, the Commission decided to file an action with Vilnius Regional Administrative Court.

The main difficulty the Commission experiences while investigating cases of illegal television channel or selected programme distribution online is identifying the providers engaged in

this type of activities. Websites these services are provided on most of the time do not contain any details that would enable the identification of a natural or legal person providing the service. In these cases the Commission has to contact hosting service providers and ask for information on data controllers.

Results of efforts to strengthen the protection of the Lithuanian information space

The Commission constantly monitors information aired in the Russian-language television channels re-broadcast in Lithuania. The creation of an information space that is favourable to Russia both domestically and abroad remains one of the top priorities for the Russian Government. The main tool to consolidate the narrative that is favourable to the Russian Federation remains the media – television, radio, press and the Internet. Russian television channels transmitting the official position of the establishment and pro-Russian propaganda are first and foremost aimed at domestic audiences but they are also available to audiences in all three Baltic States. According to surveys done back in 2015, around 30 per cent of the Lithuanian population, including two thirds of the Lithuanian Russian speaking residents, follow news broadcast by the Russian state-controlled television channels daily. 6–8 per cent of the population read Russian news sites daily. Information attacks executed using the mass media show that the Russian Federation regards Lithuanian domestic and foreign policies as being in conflict with the Russian interests.

In 2016, the main information attacks by the Russian Federation against Lithuania were related to the strengthening of NATO capabilities in Eastern Europe, European Union sanctions against Russia and EU economic policies. In the Russian information content Lithuania is presented as the country that encourages NATO activity in the Baltics which is allegedly threatening European security and stability; NATO training exercises near the Russian borders, military headquarters and possible appearance of permanent military bases are presented as the processes increasing the likelihood of incidents and potentially provoking an armed conflict.

The main goals of Russian information politics with respect to Lithuania are to disseminate disinformation about Lithuanian foreign policies, discredit Lithuanian membership in the EU and NATO, create the image of Lithuania as an immature democracy and to question Lithuanian energy policy. To achieve these goals Russia consistently escalates alleged problems with ethnic minorities in Lithuania and promotes a version of the modern times history that is favourable to the Russian Government. Information politics targeted at Lithuania is aimed at both domestic (Russian) audiences and Lithuanian audiences. Attempts are being made to convince Russian audiences that Lithuania is a country that promotes Fascist ideology, harms Russian speaking population and is hostile to the Russian Federation. An example of such politics is the annual publication of Russian population surveys where Lithuania is named as one of the most hostile states. This is a way to consistently create an emotional and informational background to the Russian population that Moscow is “forced” to maintain the strict political tone and exercise measures against Lithuania, and protect ethnic minorities living there and other “abused” groups. Russian ideology policy in Lithuania is aimed at Russian speaking residents and other ethnic minorities (for example, Poles) living in Lithuania in order to undermine their trust in the Lithuanian state.

On 14 February 2016 the Commission ascertained a violation of Article 19 of the LPIP in *Sunday Evening with Vladimir Solovjov* aired on RTR Planeta, namely, the dissemination of war propaganda.

On 18 May 2016 the Commission passed Decision No. KS-104⁶ *On the distribution of the television channel NTV Mir Lithuania exclusively in TV packages available for extra fee* whereby the Commission determined that the programme *Special Case: the Investigation* aired on NTV Mir Lithuania on 15 April 2016 was promoting war and hatred (discord). Article 19, paragraph 1(3), of the LPIP sets out an unconditional ban on the dissemination of war propaganda, information inciting to war or hatred, bullying, disdain, incitement to discrimination, abuse, violence or physical destruction of a group of individuals or an individual within the group on the grounds of age, gender, sexual orientation, ethnic origin, race, nationality, language, origin, social status, faith, beliefs, attitudes or religion. Article 19, paragraph 2, of the LPIP clearly prohibits any dissemination of disinformation. When determining whether information being published constitutes incitement to hatred, the criterion of whether this information corresponds to the reality is not the main one: it is much more important to ascertain what effect this information has on the audience. Information that is propaganda in nature is characterised by certain features and disinformation is just one of them.

On 16 November 2016, the RTCL passed Decision No. KS-200⁷ *On the provisional suspension of the free reception of RTR Planeta* whereby the Commission stated that the TV programme *Duel: the Show of Vladimir Solovjov* (aired on 6 October 2016) was inciting to war and hatred (discord). With this decision the Commission instructed all re-broadcasters operating within the territory of Lithuania and other entities engaged in the distribution of television channels and/or selected programmes to the Lithuanian consumer and offering RTR Planeta to suspend the re-broadcasting (distribution) of RTR Planeta in Lithuania for a period of 3 months, i.e. until 21 February 2017. The Commission contacted the Swedish Broadcasting Commission with a request to take action against the broadcaster of RTR Planeta insofar within the competence of the Swedish Broadcasting Commission. The Swedish Broadcasting Commission was asked to implement hardware and/or software-based tools (geographic coverage filters and similar) preventing the availability of RTR Planeta in Lithuania over any form of electronic communications, including the availability of RTR Planeta on the Internet.

The evaluation of the Russian-language TV channels retransmitted in 2016 showed that propaganda statements aired were intended:

- to convince the audiences that the Baltic States are pro fascist states and that the Russian ethnic minority is being prosecuted in these states;
- to depict the adversary or the object of criticism as immoral, ruthless, a failure, often by resorting to false (unreliable) accusations, exaggeration or falsification of facts, focus on individual flaws (transgressions), presentation in negative light. The said channels openly demonise the three Baltic nations, labelling them using labels that society interprets exclusively negatively and as being offensive, such as nationalists, (neo)fascists, Nazis and radicals;
- to draw attention to the allegedly negative official position of the Baltic States on the topics discussed in the programme by claiming that the Russian ethnic minority is being openly discriminated against, they are labelled the European Jews of the 21st century thus creating a package of negative news about the Baltics (in particular highlighting Lithuania and Latvia) and consequently inciting to hatred among ethnic Russians and other residents of the Baltic States;
- to point out that Lithuania adopted a law banning Soviet era symbols;

⁶ <http://www.rtk.lt/content/uploads/2016/05/ks-104-2016.pdf>

⁷ <http://www.rtk.lt/content/uploads/2016/11/ks-200-2016.pdf>

- to engage individuals, symbols, objects in order to create a negative image in the eyes of audiences, for example, the programme showed the destruction of the Soviet era monuments in Lithuania (sculptures on the so-called Green Bridge). For the entire duration of the programme the top right corner of the screen displayed PASSEKĖJAI (Rus. *НАСЛЕДНИКИ* or *FOLOWERSS* in English): with two “ss” used intentionally to provoke associations with the German SS units. The historic narrative of the Jewish Holocaust in the Baltics (Lithuania and Latvia) is used to communicate the message that Russians are the 21st century Jews for Europe. All this provokes negative response in the audience which finds the said individuals, symbols and monuments important thus inciting to hatred against the Baltic States (and Lithuania in particular) in this part of the population.

RTCL COOPERATION

Cooperation with the audiovisual media services market players

To achieve its strategic goals and to carry out its functions as set out in the LPIP, the RTCL pays particular attention to cooperation with the economic operators it oversees. Cooperation and dialogue with the business community is one important aspect of the Commission’s activities. In order to address a variety of matters relating to the oversight of the audiovisual media services market, the RTCL cooperates daily with broadcasters, re-broadcasters and their organisations: Lithuanian Cable Television Association (LCTA), Lithuanian Association of Telecom Operators (LATO) and Lithuanian Radio and Television Association (LRTA). Last year, the Commission held regular meetings at the initiative of both the Commission and market players to discuss the matters of law infringement prevention, ways to improve upon the regulatory framework, prevention of the dissemination of prohibited information and other important and current matters, and provided methodological assistance.

RTCL representatives were actively involved in the traditional annual conference of the LCTA *The Digital Agenda: Challenges, Changes and Opportunities*. The Commission delivered a presentation titled *Regulatory Challenges of the Audiovisual Media Services Market* in which the Commission shed light on the latest amendments to the LPIP and their impact on the audiovisual media market, issues the RTCL has to deal with while overseeing the activities of economic operators distributing television content online and possible solutions, as well as gaps identified in the course of practical application of the law and measures to close these gaps.

International cooperation

In 2016, the administration staff of the RTCL had to attend more meetings held abroad and activities of various working groups. These meetings were mostly warranted by the review of the Audiovisual Media Services Directive (the “AMSD”) and the desire to prepare detailed proposals. The draft of the Directive was prepared for consideration in various European Commission institutions at the end of 2016.

In May of 2016 at the invitation of the European Commission the head of administration of the RTCL participated in a seminar of the European Commission’s Technical Assistance and Information Exchange instrument held in the Serbian capital Belgrade *Freedom of the Media and*

Pluralism. In this meeting together with experts from Belgium, Italy and Slovenia representatives of Serbian authorities related to mass media regulation were familiarised with the experiences of the Member States on various matters of mass media regulation. The head of administration of the RTCL delivered presentations *Public Authority Publicity Project in the Lithuanian Mass Media* and *Measures Ensuring the Transparency of Media Owners*. The latter presented information collected by the RTCL, Ministry of Culture of the Republic of Lithuania and Transparency International Lithuania about the owners of the audiovisual media service providers and their links with other media outlets.

Last year the RTCL maintained close links with the Organisation for Security and Co-operation in Europe (OSCE). In February of 2016 together with the Lithuanian Union of Journalists and the Ministry of Culture of the Republic of Lithuania and with attendance of Dunja Mijatović, OSCE Representative on Freedom of the Media, the Commission organised a regional conference *Propaganda and the Freedom of Speech* aimed at audiovisual media regulatory authorities from abroad and other experts in the field. The conference was held in Vilnius in the National Gallery of Art.

The aim of this conference was to bring together experts of law and mass media from different countries and discuss the relationships between propaganda, journalism and the freedom of speech in the modern global media world, highlight the need to distinguish the freedom of speech from the freedom to incite discord and hatred and ensure measures facilitating implementation.

The reporting year also saw continued efforts aimed at closer cooperation with the Swedish Broadcasting Commission and the UK's regulator, OFCOM – two authorities that licensed or registered Russian-language television channels intended for Lithuanian audiences, and more frequent consultations with the European Commission. The RTCL worked closely with the Swedish and British colleagues in the matter of prohibited information dissemination, i.e. ethnic hatred and signs of incitement to war, in NTV Mir Lithuania (UK) and RTR Planeta (Sweden) that are subject to jurisdiction of the two mentioned regulators. Having identified the infringements mentioned, the RTCL made two decisions in 2016 to suspend provisionally the re-broadcasting of these television channels in Lithuania.

Because of persistent dissemination of arbitrary, biased information incompatible with the principles of public outreach or inconsistent with reality in the OFCOM-licensed channels NTV Mir Lithuania and Ren TV Baltic, the Commission asked the UK regulator to conduct an investigation into the contents of some programmes aired on these channels. In 2016, OFCOM ascertained that the programme *Special Case: the Investigation* aired on NTV Mir Lithuania was in breach of the Ofcom's Broadcasting Code. The findings of this investigation are available in the Ofcom's Broadcast Bulletin⁸.

Closer cooperation of regulators allows for a faster tackling of pressing matters and sharing of experiences. Last year to further these goals the RTCL and the Catalonia Broadcasting Council considered the possibility Broadcasting Council discussed the possibility to sign a cooperation agreement in early 2017.

⁸ https://www.ofcom.org.uk/data/assets/pdf_file/0018/96012/Issue-319-of-Ofcoms-Broadcast-and-On-Demand-Bulletin,-to-be-published-on-19-December-2016.pdf

The Baltic Project

In the fall of 2016, the RTCL attended a meeting of regulatory authorities regulating the audiovisual sector in the Baltic States, which was also attended by the representatives of the Baltic Assembly, Ministry of Culture of the Republic of Latvia and Counter Piracy Association.

Traditionally, meetings of the Baltic regulatory authorities take place every year on the basis of the cooperation agreement signed in 2005 at the invitation of either audiovisual media regulator. Last year the meeting was hosted by the Latvian National Electronic Mass Media Council.

The meeting was used to discuss the currently proposed amendments to the AVMSD. This time the attendees discussed in more detail the airing of commercial audiovisual messages and the regulation of video sharing platforms, and exchanged opinions on the ways to prevent the dissemination of content inciting to war and hatred in Russian-language programmes.

The next meeting is to take place in Tallinn in 2017.

European Platform of Regulatory Authorities (EPRA)

One form of international cooperation is participation in the EPRA activities (www.epra.org). The RTCL has been member of the EPRA for 18 years. Twice a year, RTCL members attend conferences organised by this organisation, contribute to the resolutions discussed during these meetings, draft and complete thematic questionnaires on a variety of matters relating to the regulation of the audiovisual media services, etc.

The EPRA conference in the spring of 2016 in Barcelona brought together 175 representatives from 47 states representing 50 regulators.

The conference consisted of two plenary sessions *Is there a future for free television?* and *Policies, strategies and methods of implementation of legislation available to national regulators*, and 3 working groups, i.e. *Media in the face of crises*, *Protection of minors in reality and talent TV shows* and *Data protection and impact on media regulation*.

Back in the fall of 2015, the European Council's legislative-analytical publication *European Audiovisual Observatory* suggested that EPRA members need to be involved in the process of updating and supplementing MAVISE: the database on TV and on-demand audiovisual services and companies in Europe (<http://mavise.obs.coe.int/>). A special working group consisting of EPRA members, including representatives of the RTCL, met before the conference to discuss the matters of updating and supplementing this database. The process of updating the database poses a lot of questions relating to data collection and submission as only a small number of authorities demand more detailed information from an entity wishing to obtain a licence or registration. In this area Lithuania, at least in the context of the authorities participating in this pilot project, is an example to follow as the RTCL requires, collects and is in a position to contribute much valuable information to MAVISE on any entity within its area of regulation.

The other EPRA conference of 2016 took place in Yerevan where the regulators discussed their role against the backdrop of information warfare, rapid development of technologies and the emergence of new audiovisual platforms and their regulation, matters of advertising, etc. During the conference a presentation was given on the progress of the amendments to the AVMSD adopted by the European Commission.

The Yerevan conference continued discussing the topics that had been started in Barcelona. There were two plenary sessions *Is there a future for free television?* and *Compliance with and implementation of legislation. How it works in practice? Policies, strategies and methods of*

implementation of legislation available to national regulators, and 3 working groups, i.e. *Media in the face of crises*, *Analysis of examples in terms of editorial content and advertising* and *Diversity of audiovisual platforms*. Traditionally the conference presented the latest information about the main directions of the European Commission, European Council and legislative-analytical magazine *European Audiovisual Observatory* for a period of six months.

European Regulators Group for Audiovisual Media Services (ERGA)

The RTCL is a member of the European Regulators Group for Audiovisual Media Services, launched by the European Commission.

ERGA was established in 2014 as the first body of the European Commission on audiovisual media policies. The Group's members include heads or officers of European Union Member States' regulatory authorities. The current draft of the amendments to the AVMSD aims at defining the Group's functions. In 2016, ERGA members unanimously approved the European Commission's proposal to formalise ERGA as an advisory expert institution at the European Commission tasked with ensuring the sharing of experiences and best practices by national regulatory authorities. ERGA is expected to play an important role in implementing the proposed amendments to the AVMSD in the future. In order to ensure the participation by all members and continuity of work, the European Commission reimburses travel costs to all members.

In January of 2016, the sub-group for territorial jurisdiction held its meeting. Attendees of the meeting summarised the discussions regarding the final wording of the report on the concept of territorial jurisdiction of audiovisual media service providers. All speakers were in favour of the proposal to create a joint database accessible to all regulators on broadcasters and radio and television programmes offered, highlighted the need to enhance the information exchange system and investigate further the establishment of secondary criteria of jurisdiction, other than satellite launch from a Member State, as radio and television programmes may be broadcast using technologies other than a satellite.

In March of 2016 ERGA had its 5th plenary session. The sub-group for territorial jurisdiction of audiovisual media service providers presented the draft report and discussed the time line for its adoption. Participants of the discussion agreed on the need to strengthen and intensify the official cooperation between regulators, and shorten the time frames for resolving problematic issues. It was agreed that the 2016 work programme will be focused in three working groups. The first working group will work on the matters relating to the implementation of the amendments to the AVMSD, the second will focus on the protection of minors in the new technology space and the third will be in charge of creating a universal Digital Toolkit that would allow any broadcaster to find out about the current EU national law and practical measures applied by regulators in their activities.

Meetings of the two sub-groups were held in April of 2016. The first meeting of the first ERGA sub-group on AVMSD challenges and aspects of implementation discussed the provisions in the national law of each of the states with regards to commercial audiovisual messages and issues related to their implementation. Discussions in the second sub-group highlighted two priority areas: protection of minors and the accessibility and adapting of audiovisual content to the disabled.

The second meeting of the first ERGA sub-group on AVMSD challenges and aspects of implementation took place in May of 2016 and was mostly dedicated to the discussion of AVMSD provisions on the application of European works quotas in linear and non-linear services. The sub-group also discussed about the creation of a joint European works database that would be accessible

to both broadcasters and regulators. The third sub-group working on a universal Digital Toolkit held its meeting the same month. This sub-group's meeting discussed the matters relating to the creation and use of this universal digital toolkit – the joint database of EU regulators. Data should be managed on a dedicated website and submitted in English by all regulators in possession of information about national legislation, accompanying by-laws, regulations of regulatory authorities, sample licences, market data, etc.

The third meeting of the second sub-group was held in September during which members exchanged preliminary opinions on the amendments to the AVMSD, pointed out the significant contribution by the sub-group to negotiations over the AVMSD and drew attention to the need to have amendments that are of technical practical as opposed to political level. The meeting was also used to discuss the amendments dealing with the role of ERGA, independence of national regulators and the principle of country of origin.

The fourth meeting of the second ERGA sub-group took place in October of 2016 and continued work that had started back in September.

The sixth plenary session of ERGA was held on 29 November 2016. The agenda included the following points: 2017 election of the chairman and 2 deputies, discussions of documents and surveys done by ERGA sub-groups, adoption of the 2017 work programme and a presentation by the European Commission on the progress of deliberation on the amendments to the AVMSD.

Documents adopted by ERGA – the result of joint work by all European Union regulators – are available on the Group's website⁹.

20 YEARS OF THE RTCL

On 13 April 2016, to celebrate 20 years since its inception, the Commission organised an international conference in collaboration with the Committee of Education, Science and Culture of the Seimas and the Committee of Information Society Development *Mass Media: Media Market and Diversity*¹⁰. The conference aimed at remembering the reasons for the creation of the RTCL, providing a brief overview of changes to the provisions of the LPIP and their impact on the activities of the Commission and discussing the key areas of activities in the past 20 years and now.

The conference presented an opportunity to discuss the regulatory framework of audiovisual media services and changes to it, ways to improve regulation, cases of fight with the dissemination of prohibited information in Lithuania and related decisions taken by the RTCL. The participants also listened to the experiences of colleagues from the Latvian and Estonian audiovisual media regulators.

A presentation was also given on the trends in the audiovisual media market and an analytical publication prepared by the RTCL *Audiovisual Market Regulation in Lithuania: 20 Years of Change*.¹¹

⁹ <https://ec.europa.eu/digital-single-market/search/site/ERGA>

¹⁰ <http://www.rtk.lt/pranesimai-spaudai/tarptautine-konferencija-masines-informavimo-priemones-ziniasklaidos-rinka-ir-mediju-ivairove/>

¹¹ <http://www.rtk.lt/lietuvos-radijo-ir-televizijos-komisijai-2016-m-sukanka-20-metu/>

COMPETITION OF THE BEST RADIO AND TELEVISION PROGRAMME *PRAGIEDRULIAI*



In carrying out one of its key functions – the regulation of audiovisual content – the Commission always pays particular attention to the quality of radio and television programmes. When issuing licences, the Commission prioritises stations that include more original educational and cultural programmes in their offer. Last year, aiming to promote the qualitative growth of radio and television productions and identify and award authors of the best in radio and television, the Commission organised the fourteenth competition of the best radio and television programmes (shows), *Pragiedruliai*.

The Commission continues its efforts to make this competition a prestigious, awaited and significant cultural event and to make an award for the participating creators an important acknowledgement encouraging better quality and more relevant productions. In 2016, the awards were held in the Town Hall of Vilnius and were broadcast live on LRT KULTŪRA by the information partner Lithuanian National Radio and Television. Guests were treated to a concert by a vocal jazz group *Jazz Island* led by Artūras Novikovas. The award ceremony was hosted by the renowned musicologist Viktoras Gerulaitis. All winners received original diplomas created by the graphic artist Egidijus Rudinskas.

It is likely that this important initiative of the RTCL contributes significantly to the implementation of the LPIP and the AVMSD, helping to increase the quotas for European works in the television programming.

The competition, which included 11 nominations, was announced in January of last year and the results were collated and winners announced at the end of March. Aiming to attract more creators, the RTCL has simplified and facilitated the submissions procedure – for the past several years the creators have the option of making their submissions on a server using a special account. This saves time both for the applicants and for the judges.

The 2016 competition was the most numerous one. The submissions for the competition included 82 shows: 53 television and 29 radio programmes. Traditionally, the public broadcaster LRT was one of the most active participants in the competition; many submissions were made by authors of different Lithuanian regions and independent producers. The competition is also garnering attention from the major Lithuanian broadcasters and online TV.

Last year the jury was comprised of members of the RTCL representing a variety of creative organisations: Deputy Chairman of the RTCL, theatre director and Lithuanian culture and theatre personality Jonas Korenka; poet, translator and Chairman of the Lithuanian Writers Union Antanas Jonynas; member of the board of the Lithuanian Union of Journalists and National Association of Journalism Authors Vidas Mačiulis; theatre and film actor and director Algis Matulionis; journalist and historian Kęstutis Petrauskis – Chairman of the jury; journalist Liudvika Pociūnienė; scientist Mantas Martišius; translator Laimantas Jonušys; journalist Dainius Radzevičius; political analyst Vincentas Vobolevičius.

All programmes were evaluated based on their relevancy, lasting and artistic value, originality, impact on the development of the cultural, human, civic and aesthetic values, as well as the level of professionalism and creativity of work.

The last year's winners list included the following shows aired for the first time in 2015:

Best regional TV programme – *Žygis – žirgas – žemaitukas*; author Rita Ščiglinskienė (aired on Šiaulių TV)

Best TV social journalism programme – *Kotryna Jogailaitė (Švedija)* from the cycle *Pėdsakai veda į Lietuvą*; authors VšĮ TV Europa – Justinas Lingys, Audronė Kosciuškienė, Algirdas Žvinakevičius (aired on PAN TV)

Best TV entertainment programme – *Chorų karai*; authors UAB JUST. TV, producer Justinas Milušauskas (aired on TV3)

Best TV culture programme – *Alchemija LXXII. Kalba ir tauta*; author Rytis Zemkauskas (aired on Info TV)

Best TV documentary project – *Karas 2020. Rusijos informacinė agresija*; authors Martynas Starkus and Jonas Banys (aired on TV3)

Best TV talk show – *Apie brolius Gataveckus* from the cycle *Kelias į namus*; author Aleksas Matvejevas (aired on LRT KULTŪRA)

Best radio culture programme – *Prie puodelio arbatos. Pakalbėkim...*; author Vida Grišmanauskienė (Ramanauskaitė) (aired on FM99)

Best regional radio programme – *Tautų katilas* from the cycle *Iš akies traukta Klaipėda. Per amžiu...*; authors Janina Silkauskienė and Arūnas Graželiūnas (aired on RadijoGAMA)

Best radio talk show – *LRT RADIJAS tiesiogiai iš Medininkų*; authors Aušra Juraitė, Rūta Kupetytė, Edvardas Kubilius and Vita Ličytė (aired on LRT RADIJAS)

Best radio social journalism programme – programme from the radio documentary cycle 65+; author Živilė Kropaitė (aired on LRT RADIJAS)

Special prize for social projects – UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS

PUBLICITY WORK BY THE RTCL

Last year to make sure that the public has at its disposal as much current information as possible, the Commission continued development works of the new website project it launched in 2015. The Commission looked at the flaws of the existing website at www.rtk.lt in terms of information availability and user friendliness of its search engine. The website was adapted for use on mobile devices, it now also provides the opportunity to publish more and more extensive and systemised information on the economic operators overseen by the RTCL and RTCL activities, and the website has an improved e.complaint functionality and other fields. There was a discussion to provide the opportunity for the economic operators to submit applications, details and information about their activities directly on the website thus transforming the website to a more accurate, comprehensive and user friendly solution to the public. Work on the updated website was essentially completed in 2016 but for different reasons the entire project has not been yet properly completed.

In 2016, in order to implement one of its objectives, i.e. to increase the awareness of RTCL activities, the Commission would, two to three times a month on average, organise meetings open to all members of the general public interested in the matters discussed, representatives of the regulated market and the media. To achieve even better awareness of the RTCL activities, the Commission held press conferences, one off-site meeting, participated in conferences relating to the field it oversees and various meetings both local and international.

PROFESSIONAL DEVELOPMENT OF RTCL ADMINISTRATION STAFF

In order to ensure qualified and efficient implementation of the RTCL's functions, the administration staff was encouraged to further develop their professional competences.

Administration employs qualified specialists but the nature of the RTCL's activities requires special knowledge. For this reason, the Commission, in cooperation with authorities which are better placed and have the know-how and special knowledge in these areas, sent its staff to seminars and training dedicated to the online content management, public procurement, personal data protection, finance management, document management and accounting, and practical application of legislation.

PRIORITIES FOR 2017

The following are the main priorities of activities for the RTCL in 2017:

- effective oversight of the economic operators engaged in radio and television broadcasting or re-broadcasting in Lithuania and of the persons distributing television channels and/or selected channels on the Internet to the Lithuanian consumer and providers of on-demand audiovisual media services, and the protection of consumer rights and legitimate interests;
- improved regulation of the activities of television broadcasting and/or re-broadcasting, distribution of television channels and/or selected channels on the Internet and of on-demand audiovisual media services;
- proportionate regulation of activities and conditions to compete for all economic operators operating in a respective audiovisual media services market irrespective of the technology used to deliver the service or jurisdiction;
- maintaining the independence of the Commission from the market and public authorities;
- active publicity of RTCL activities.

Private limited liability
AUDITORIAUS GARANTIJA

Business ID 124507632
AB Ūkio bankas Vilnius branch
C/A No LT467010400001468272
Bank code 70104

Vytauto g. 46/D.Poškos g. 2-21
LT-08122 Vilnius
t: 85 2759010, f: 85 2752788
E-mail: stelmokb@takas.lt

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE SEIMAS OF THE REPUBLIC OF LITHUANIA

Opinion

We have audited the accompanying financial statements of the **Radio and Television Commission of Lithuania** (the "RTCL") comprised of the balance sheet as of 31 December 2016, performance report, statement of cash flows and statement of changes in net assets for the year then ended, and explanatory notes, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the RTCL as of 31 December 2016 and financial performance and cash flows for the year then ended in accordance with legislation applicable in Lithuania governing accounting and financial reporting.

Basis of opinion

We have performed our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibility for the audit under these standards is described in the report's section *Auditor's responsibility for the audit of the financial statements*. We are independent from the RTCL in accordance with the Code of Ethics for Professional Accountants (the "CEPA") issued by the International Ethics Standards Board for Accountants and the requirements of the Law on Audit of the Republic of Lithuania insofar they relate to audits performed in Lithuania. We have also complied with other ethical requirements in relation to the Law on Audit of the Republic of Lithuania and the CEPA. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Responsibility of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with legislation in force at the time in the Republic of Lithuania governing accounting and financial reporting, and for such internal control as management determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Private limited liability
AUDITORIAUS GARANTIJA

Business ID 124507632
AB Ūkio bankas Vilnius branch
C/A No LT467010400001468272
Bank code 70104

Vytauto g. 46/D.Poškos g. 2-21
LT-08122 Vilnius
t: 85 2759010, f: 85 2752788
E-mail: stelmokb@takas.lt

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, and disclosing (when necessary) matters related to going concern and the use of the going concern basis of accounting unless management intends to liquidate the Company or to cease operations, or has no realistic alternatives but to do so.

Those charged with governance have the responsibility to oversee the process of financial statement preparation.

Auditor's responsibility for the audit of the financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit conducted in accordance with ISAs we have taken professional decisions and maintained professional scepticism. We have further:

- identified and assessed the risk of material misstatement in the financial statements, whether due to fraud or error, planned and performed our audit procedures as a response to these risks and collected sufficient audit evidence to issue our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error as fraud can include collusion, forgery, deliberate failure to record transactions, false treatment or overriding of internal controls;
- obtained an understanding of internal control related to the audit in order to determine the appropriate audit procedures and not to provide an opinion on the effectiveness of Company's internal control;
- assessed the appropriateness of accounting policies used and the reasonableness of the accounting estimates (if any) and related disclosures by management;
- concluded on the appropriateness of management's use of the going concern basis of accounting and whether, based on the audit evidence obtained, a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on information available to us at the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

Private limited liability
AUDITORIAUS GARANTIJA

Business ID 124507632
AB Ūkio bankas Vilnius branch
C/A No LT467010400001468272
Bank code 70104

Vytauto g. 46/D.Poškos g. 2-21
LT-08122 Vilnius
t: 85 2759010, f: 85 2752788
E-mail: stelmokb@takas.lt

- assessed the overall presentation of the financial statements, structure and contents thereof, including disclosures and whether the supporting transactions and events are presented in the financial statements to comply with the concept of fair presentation.

In addition to all other matters, we have communicated to those charged with governance an overview of the planned scope and timing of the audit, and significant audit observations, including important flaws in internal control identified by the auditor during the audit.

Auditor Bronė Stelmokienė

UAB Auditoriaus garantija

Vytauto g. 46-21, Vilnius

23 February 2017