

**Radio and Television Commission of Lithuania**  
**2017 Annual Report**

March 2018

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## CHAIRMAN'S MESSAGE

Let me present you with the annual report of the Radio and Television Commission of Lithuania (the "RTCL" or "Commission") for the year 2017.

The RTCL was founded in 1996 as a result of the introduction of the Law on the Provision of Information to the Public which ensures that the Commission is an independent body accountable to the Seimas and responsible for the regulation and oversight of the activities by providers of audiovisual media services under the jurisdiction of Lithuania. The Commission contributes to the making of national audiovisual policies. It is an expert advising the Seimas and the Government on matters of radio and television broadcasting and re-broadcasting, online distribution of television channels and selected programmes, and on-demand audiovisual media services.

At the end of 2017, the Commission was overseeing 106 entities engaged in both licensed and unlicensed activities.

Over the reporting period, the RTCL held 24 meetings, 29 consultation meetings, 3 meetings of working groups, passed 99 decisions, handled 59 complaints, sent 845 and received 977 official letters, and organised 2 hearings in relation to administrative offences.

It was particularly rewarding to see that in 2017 the Commission's work was even more visible by the general public – TV and radio audiences made quite a few submissions in relation to possible violations of applicable law in the programmes aired; the Commission also received a lot of inquiries on regulatory aspects from both Lithuanian and foreign authorities, students of higher education institutions often consulted the Commission for the purpose of their final theses.

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

- **Monitoring of economic entities and prevention of illegal activities**

In the reporting year, the Economic Operator Supervision Division conducted 59 routine and 179 special inspections of the operators overseen by the Commission focusing on the monitoring of individual radio and television programmes against the following aspects: the protection of minors against the detrimental effect of public information, compliance with the requirements for commercial audiovisual messages and advertising transmission, implementation of European works quotas and information disseminated in the Russian language programmes broadcast in Lithuania. The Commission compiled inspection protocols in relation to 234 economic operators.

In an attempt to reduce the number of violations by the entities overseen, or to eliminate violations altogether, the Commission provided consultations and explanations, and offered methodological assistance.

Tensions between Russia and Western Europe and the U.S. in 2017 have led to particularly aggressive behaviour of Russia towards the Baltic States. The main goals of the Russian information policies in 2017 were to disseminate disinformation about Lithuanian foreign and domestic policies, discredit Lithuania's membership in the EU and NATO, shape the image of Lithuania being an immature democracy, and undermine Lithuanian achievements. All of this was reflected in some Russian-language programmes retransmitted in Lithuania. In an attempt to strengthen and protect the Lithuanian information space, the Commission had to resort to rather radical sanctions, i.e. suspended the retransmission of TVCI channel in Lithuania twice.

In 2017, the Commission was actively cooperating with re-broadcaster associations to detect cases of illegal television re-broadcasting activities on the Internet. A number of meetings were held to address these matters. Any report or complaint in relation to possibly illegal activities, i.e. any

activities of unlicensed TV distribution online or re-broadcasting without a notice of the start of activities, would trigger an extensive investigation since one of the strategic goals of the Commission has always been and remains ensuring an environment of fair and open competition to all participants of the audiovisual market engaged in similar services. In 2017, as a result of the efforts by the RTCL, two foreign companies – SIA CDN Baltic and UAB Baltic Trade & Consulting, which transmit television programmes in Lithuania online at [www.tvdom.tv](http://www.tvdom.tv) and [www.kartina-tv.lt](http://www.kartina-tv.lt) respectively, applied for registration in Lithuania.

In the past, economic operators engaged in the distribution of television channels and/or selected programmes on the Internet to Lithuanian consumers and falling with the scope of the Lithuanian Law on the Provision of Information to the Public were ignoring the obligation to notify the Commission of the start of their operations. This meant that such economic operators would avoid oversight by the Commission and consequently circumvent the obligations of compliance with laws and decisions passed by the RTCL. This also meant that public information of prohibited nature or of restricted access available on the Internet could have been transmitted freely, whereas the rest of the audiovisual market participants in Lithuania were not allowed to make this information available. This situation meant that providers of essentially equivalent services were subjected to different operating conditions. The regulation and oversight of these economic operators operating on the Internet was and remains the main challenge for the Commission. Given the rapidly growing number of economic operators offering their services on the Internet and the fact that they remain largely unsupervised, the situation raises issues of both statutory compliance and the security of our information space and national defence.

To achieve more transparent and clear regulation, the Commission has strengthened its Economic Operator Supervision Division by upgrading the technologies employed by this function and introducing two new positions. The Commission has also drafted amendments to the Law on the Provision of Information to the Public in effect since 2015 – the need for these amendments stems from the challenges posed by the rapid development of audiovisual technologies, regulation of the field, possibilities to detect and effectively stop illegal activities, the necessity to protect the domestic information space and strengthen national security.

- **Participation in the legislative process**

In 2017, the Commission maintained its focus on better regulation of economic operators it oversees. Last year, the RTCL drafted and approved compliance questionnaires for routine economic operator inspections. The questionnaires are an advanced instrument aimed to transform business oversight and improve operating conditions as well as to reduce the administrative burden. Following a review of the changes in the regulatory framework, the Commission approved a new version of the *Descriptor of procedure for the implementation of the requirements for commercial audiovisual messages and advertising transmission, provision of audiovisual media services, sponsorship of radio programmes and selected programmes in radio and/or television stations*. In an attempt to ensure the effective functioning of the Law on the Provision of Information to the Public, the Commission drafted amendments to several articles of the Law offering a more precise definition of the term ‘distribution of television channels on the Internet’, anticipating additional measures to prevent illegal activities of television channel distribution, etc.

- **Encouraging the production of national content**

Last year, the RTCL held the traditional, 15<sup>th</sup> 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 regarding higher quotas for European works in the television programming by broadcasters.

- **Strengthening international cooperation**

In 2017, 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.

The objective of ERGA is to advise the European Commission in reviewing the provisions of the Audiovisual Media Services Directive.

In the reporting period, the Commission attended five meetings of this regulators group, drafted and contributed to the drafting of the Lithuanian position on the amendments to the Audiovisual Media Services Directive. Travel costs related to attendance of the meetings were reimbursed, as in previous years, by the European Commission.

The RTCL has been member of EPRA for the past 19 years. Twice a year members of the Commission attend conferences organised by this organisation. The Commission contributes to the drafting of the matters discussed in the conferences, drafts and fills out thematic questionnaires on various matters of regulation of the audiovisual media services. In 2017, the organisation held two conferences aimed to discussing the most relevant matters to all regulators at the moment, i.e. the possibilities of delivering news in the digital age and the prospects and challenges of applying Internet content management filters, algorithms.

In the reporting period Baltic regulators met two times, traditionally to discuss both global and local Baltic matters of audiovisual media services regulation.

- **Improving media literacy**

In 2017, continuing with the tradition of off-site meetings, the RTCL had 2 off-site meetings to Šiauliai, Klaipėda and Šilutė. As in previous years, the meetings were 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 the meetings, members of the Commission gave presentations to the general public about the Lithuanian audiovisual media services market and its regulation, discussed the influence of the media, when used as a political tool, propaganda and the threats such propaganda poses. These presentations were given by the Commission in many of the major Lithuanian cities, and the Commission intends to continue with the project next year.

- **RTCL funding and financial activities**

In 2017, 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](http://www.rtk.lt). (see page .....).

Chairman

Edmundas Vaitekūnas

## **RTCL MISSION AND OBJECTIVES**

In 2017, the Commission focused on the enforcement of regulation and oversight of both licensed and unlicensed radio and television broadcasting and re-broadcasting, activities of providers of on-demand audiovisual media services as well as television channel and selected programme distribution on the Internet. The goal was to ensure radio and television programme diversity and content compliance with both domestic and EU law by creating conditions for the growth of this sector and by participating in the policy making for the audiovisual sector in Lithuania.

In pursuit of this mission the RTCL sought to achieve the following goals:

- Create the conditions essential to effective competition among radio and television broadcasters and re-broadcasters, providers of on-demand audiovisual media services as well as distributors of television channels and/or selected programmes on the Internet;
- Ensure the effective control of information not to be published and of public information that may have a detrimental effect on the physical, mental and moral development of minors in radio and television content, catalogues and individual programmes;
- Ensure the compliance of radio and television programming and content, commercial audiovisual messages and advertising with Lithuanian and EU law;
- Strive for the consolidation of improved regulation of economic operators thus ensuring national security in the face of information threats;
- Closely cooperate with the economic operators overseen;
- Cooperate with European Union institutions, EU Member States and their authorities.

## **RTCL MEMBERSHIP AND ADMINISTRATION**

In 2017, there were changes to the membership on the RTCL.

Pursuant to the Law on the Provision of Information to the Public of the Republic of Lithuania (the “LPIP”), the RTCL consists of 11 members. Members of the Commission are appointed to the office for a term of four years and may continue in the office for no more than two terms in a row. Last year, some of the appointing organisations reappointed their members for the second term of office and some decided to appoint new members to the Commission.

On proposal by the Committee of Culture, Edmundas Vaitekūnas was appointed as the Chairman of the Commission for another four-year term by the Seimas of the Republic of Lithuania (the “Seimas”). Scientist Mantas Martišius nominated by the President of the Republic of Lithuania was appointed as the Deputy Chairman.

The Seimas also appointed two new members to the Commission, i.e. Ričardas Slapšys and a former member of the Parliament and poet Dalia Teišerskytė. Another member delegated by the President was political analyst Laurynas Jonavičius.

Chairman of the Lithuanian Writers Union, poet and translator Antanas Jonynas, theatre and film actor and director Algis Matulionis and Chairman of the Lithuanian Union of Journalists journalist Dainius Radzevičius continued their second term on the Commission on behalf of the Lithuanian Association of Artists.

The Lithuanian Union of Journalists re-appointed Vidmantas Mačiulis, who is a member of the board of the National Association of Journalism Authors and Lithuanian Union of Journalists, and the Lithuanian Union of Journalists re-appointed journalist Liudvika Pociūnienė. Political

analyst Vincentas Vobolevičius continued his term on behalf of the Bishops' Conference of the Catholic Church in Lithuania.

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

In 2017, in an attempt to ensure the effective implementation of the RTCL's functions and improve the quality of work, the RTCL restructured its administration by creating a new unit, namely, the Legal and Regulation Division. Also, there were two other divisions formed within the administration, i.e. Public Information Division and Economic Operator Supervision Division which performs continuous radio and television content monitoring.

The practice of the past several years has shown that in order to prevent the dissemination of prohibited information within the territory of Lithuania in an expedient and efficient manner, the strengthening of the monitoring function requires both human resources and additional financial resources. A particular need for these resources stems from the necessity to control information not to be published as most of the time this information is disseminated by employing a variety of technologies and in languages other than the EU languages. To conduct an investigation compliant with the public administration procedures, it is essential that more thorough monitoring of potentially prohibited information be performed and official translations into EU languages be done.

To make sure that this function delegated to the Commission is performed in an efficient manner, at the end of 2017 by way of a simplified procurement procedure the Commission rented additional premises of 99.80 square meters from a special closed-end type real estate investment company INVL Baltic Real Estate. The space made it possible to create 8 extra workstations for the Economic Operator Supervision Division and a possibility to add another 2 workstations.

There are 21 positions in the administration. In the reporting period the administration included 19 staff employees – 13 women and 6 men. The average age of employees was 45 and the majority of them had a university degree. In 2017, in order to carry out their functions employees used the document management system (the "DMS") to draft, coordinate, sign of or submit for registration, receive assignments and familiarise themselves with the Chairman's orders and other documents. Thanks to the possibilities of the DMS, administration employees were able to forego all or some of the paper documents as all of the documents became available on the electronic space. This enables time saving and contributes to the conservation of natural resources.

In December of 2017, all employees were given a chance to have a health check-up at the place of employment.

## **PARTICIPATION IN THE LEGISLATIVE PROCESS AND IMPLEMENTATION**

During the reporting year, the RTCL remained focused on improving the regulation of economic operators it oversees.

To add more clarity, transparency and efficiency to the process of economic operation oversight, the Commission drafted and approved four **routine inspection compliance questionnaires for economic operators** (Commission decision No **KS-78**<sup>1</sup>). These are an

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<sup>1</sup> <http://www.rtk.lt/content/uploads/2017/09/ks-78-2017.pdf.pdf>



advanced instrument of business oversight transformation designed to improve business conditions and reduce the administrative burden, namely:

1. Routine inspection compliance questionnaire for economic operators engaged in television programme broadcasting
2. Routine inspection compliance questionnaire for economic operators engaged in radio programme broadcasting
3. Routine inspection compliance questionnaire for economic operators engaged in radio and/or television re-broadcasting and/or distribution of television channels and/or selected programmes on the Internet to Lithuanian audiences
4. Routine inspection compliance questionnaire for economic operators engaged in the provision of on-demand audiovisual media services

Compliance questionnaires provide a list of key statutory requirements designed to give economic operators more clarity and certainty and build trust in the regulator.

In light of the changes in the regulatory framework, case law and having consideration to judgments of the Court of Justice of the European Union, the Commission drafted and approved a new version of the **Descriptor of procedure for the implementation of the requirements for commercial audiovisual messages and advertising transmission, provision of audiovisual media services, sponsorship of radio programmes and selected programmes in radio and/or television stations** (the “Descriptor”) (Commission decision No **KS-82**<sup>2</sup>).

The Descriptor sets out the implementation procedure of the requirements of Lithuanian and EU law in relation to commercial audiovisual messages (TV commercials, sponsorship messages, teleshopping offers, product placements), on-demand audiovisual media services, radio programme or selected programme sponsorship and advertising on the radio.

To ensure clarity of provisions in the new version of the Descriptor and prevent gaps in regulation, the Commission actively consulted market participants in the process of drafting the Descriptor, held meetings with them; a draft of the Descriptor was published for public consultation on the Commission’s website.

It was decided to drop in the new version any irrelevant provisions, introduce additional requirements for television advertising transmission, sponsorship messages, sponsor introduction, product placement.

In May of 2017, in an attempt to improve regulation the RTCL submitted to the Committee of Culture of the Seimas a **bill of amendments to Articles 2, 31, 33, 34<sup>1</sup>, 47, 48 of the LPIP No I-1418** (the “Bill”).

Following discussions in the Committee of Culture, certain provisions were removed from the Bill but an approval was received for key provisions presented in the Bill.

The main purpose of the Bill was to ensure an effective functioning of provisions of the LPIP.

The amendments, which came into force on 1 October 2015, have adapted the legal framework of public information to the new geopolitical situation by providing for a better protection of the information space against information detrimental to Lithuanian national security interests. The measures suggested have contributed significantly and still contribute to the defence of Lithuanian national security interests under the conditions of information warfare.

The enforcement of the LPIP, however, has revealed that because of the technology solutions available, the definition of ‘services of television channel and/or selected programme distribution on the Internet’ did not cover all of the economic operators providing analogous services of radio and

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<sup>2</sup> <https://www.e-tar.lt/portal/lt/legalAct/74a941809e9311e79127a823199cc174>

television programme selection, provision and dissemination. Two categories of essentially equivalent services should be distinguished. First of them would be the distribution of individual programmes on the Internet which are not broadcast but which by virtue of their content are equivalent to television programmes distributed on the Internet (for example, sporting events transmitted on websites of economic operators engaged in online gaming (iGaming)). The second category would include services of television channel and/or selected programme distribution on the Internet without their simultaneous reception and transmission, i.e. streaming video. To address this gap in the Law and ensure equal operating conditions to all market participants, the Bill offered a more precise definition of the term 'television programme distribution on the Internet'.

From 1 October 2015, when the amendments of the LPIP came into force, it became clear that some of the economic operators distributing television channels and/or selected programmes on the Internet to Lithuanian audiences and falling within the scope of the LPIP do not respect the duties of notification of activities and periodic reporting. Even though the operators in question were provided a transitional period within which they had the chance to notify the Commission of their activities, only a small portion of the operators providing these services have actually used this opportunity despite the extensive promotion and reminder efforts taken by the Commission. It is the belief of the Commission that one of the main reasons for this behaviour was the lack of real sanctions in case of non-compliance. These circumstances had created the conditions for the economic operators engaged in the distribution of television channels and/or selected programmes on the Internet to avoid any real sanctions for non-compliance with the general requirements of Articles 33, 34 and 34<sup>1</sup> of the LPIP in relation to television channel and/or selected programme distribution or restriction of these services and thus undermining the achievement of the goals attached to the amendments that came into effect on 1 October 2015.

In order to ensure the enforcement of the requirements set out in the LPIP and to lay down real sanctions in case of non-compliance, the Commission included additional provisions in the Bill whereby the Commission is granted additional powers to instruct the providers of hosting services and/or networks services to give access to the services provided by operators engaged in the distribution of television channel and/or selected programme distribution on the Internet to Lithuanian audiences who failed to notify the Commission of their activities.

It should be noted that the provisions proposed in the Bill have consolidated additional instruments to prevent the illegal activities of television programme distribution. In cases when an entity is engaged in illegal activities, refuses to cooperate with the Commission on matters of proper performance and for the duration of any judicial dispute regarding the termination of these illegal activities the Commission may, on the basis of the provisions adopted, apply additional sanctions, i.e. contact web hosting providers asking to restrict the availability of certain information. It is worth noting that the use of this sanction is particularly relevant in cases of dissemination of information qualified as not to be published within the meaning of Article 19 of the LPIP, i.e. information which incites to change the constitutional order of Lithuania through the use of force; instigates attempts against the sovereignty of Lithuania, its territorial integrity and political independence; spreads war propaganda, instigates war or hatred, ridicule, humiliation, instigates discrimination, violence, physical violent treatment of a group of people or a person belonging thereto on grounds of age, sex, sexual orientation, ethnic origin, race, nationality, citizenship, language, origin, social status, belief, convictions, views or religion, etc.

Over the past year, the competency of the Commission and the scope of its functions have expanded significantly. On top of that, the Bill presented by the Commission also anticipated additional functions warranting the proposal in the Bill to increase the fee payable by market

participants for the purpose of funding the activities of the RTCL to 0.8%, which currently stands at 0.6% from the revenue from commercial audiovisual messages, advertising, subscription fees and other activities pertaining to radio and/or television broadcastings and re-broadcasting, distribution of television channels and/or selected programmes on the Internet and/or on-demand audiovisual media services. It should be pointed out that in parallel to the budget cuts for the RTCL, i.e. at the start of 2013, the Commission has implemented major reforms to its activities which led to more active enforcement of the regulatory and oversight functions of the RTCL. The Commission has strengthened, in particular, its activities related to the monitoring of content broadcast within Lithuania and intended for Lithuanian audiences in languages other than EU languages. Practical implementation has shown that the strengthening of the monitoring functions required both human and extra financial resources to ensure the expedient and effective prevention in Lithuania of the dissemination of information not to be published. Moreover, the amendments that came into force on 1 October 2015 have widened the circle of economic operators overseen by the Commission and set out new functions for the Commission, yet the question of funding for the purpose had not been addressed.

The Bill also included the proposal to scrap the restriction that broadcasting and-rebroadcast content licence holders may not apply for a new broadcasting or re-broadcast content licence if they had waived in the past 12 months the broadcasting or re-broadcast content licence they had.

The Bill also proposed to eliminate the position of director of administration within the RTCL. This proposal stems from the need to reduce the number of managerial positions in such a small budgetary institutions as the Commission. It was suggested that the administration may be run by the Chairman of the Commission. It should be noted that under the current regulation the Chairman is the manager of appropriations for the Commission from the national budget. The Bill additionally delegated to the Chairman the duty of approving organisational structure of the Commission.

The Law amending **Articles 2, 31, 33, 341, 47 and 48 of the LPIP No I-1418<sup>3</sup>** was adopted in December of 2017.

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

In 2017, the RTCL performed the activities of licensing radio and television broadcasting and re-broadcasting; organised competitions to award radio and television broadcasting and re-broadcasting licences; amended license terms and conditions upon request by broadcasters and re-broadcasters; cancelled licenses; registered notifications by economic operators of the start of unlicensed activities, etc.

Between 1 January 2017 and 31 December 2017, there were 20 economic operators who notified of the start of new unlicensed activities.

In the reporting period, the RTCL took 99 decisions related to licensing, competition announcements and implementation, and other matters relating to the economic operators overseen by the Commission (*Table 1*).

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<sup>3</sup> <https://www.e-tar.lt/portal/lt/legalAct/TAR.065AB8483E1E/jULXKtnhsc>

Table 1. Decisions by the RTCL related to licensing, competition announcements and implementations, and other matters relating to the economic operators subject to the jurisdiction of the RTCL in 2017.

No.	Nature of the decision	Number of decisions
1.	Changes to licence conditions	37
2.	Licence cancellations	8
3.	Competition announcements	15
4.	Competition results	14
5.	Issuance of permits	2
6.	Changes to permit conditions	1
7.	Consents to share transfer and acquisition	8
8.	Suspension of licensed activities	1
9.	Issuance of licenses without competitions	1
10.	Other	12

In 2017, the RTCL issued 3 new licences: 1 licence was awarded to the winner of a competition for radio broadcasting, 1 licence was awarded for television broadcasting and 1 licence was awarded without a competition for television broadcasting. In addition to this, the Commission recast the terms and conditions of 2 permits issued to public undertaking (VšĮ) LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA (Eng. *Lithuanian National Radio and Television*) in respect of its two radio programmes – LRT KLASIKA and LRT OPUS – by adding new territories covered by the programmes.

## ANNOUNCEMENT AND IMPLEMENTATION OF COMPETITIONS TO AWARD LICENCES

During the reporting period, the RTCL announced 13 competitions to award radio and television broadcasting licences and 1 competition to award a television re-broadcasting licence (*Table 2*).

Table 2. Competitions announced in 2017 and their results.

No.	Objective	Station location, territory covered by the licence	Radio frequency/ TV channel	Applicants
				Winner
1.	Licence for radio station broadcasting*	Joniškis	93.4 MHz	No applications received
2.	Licence for radio station broadcasting*	Utena	90.9 MHz	No applications received
3.	Licence for radio station broadcasting*	Jurbarkas	87.9 MHz	VšĮ Šou imperija
				VšĮ KVARTOLĖ
4.	Licence for radio station broadcasting*	Ignalina	92.5 MHz	VšĮ KVARTOLĖ

5.	Licence for radio station broadcasting	Šilutė	94.3 MHz	VšĮ KVARTOLĖ
6.	Licence for radio station broadcasting	Rokiškis	94.4 MHz	No applications received
7.	Licence for radio station broadcasting	Utena	90.9 MHz	UAB RADIOCENTRAS
8.	Licence for radio station broadcasting	Jurbarkas	98.4 MHz	No applications received
9.	Licence for radio station broadcasting	Kaunas	97.1 MHz	UAB Garso klipai
				UAB RADIOLA UAB ŽINIŲ RADIJAS UAB ŽINIŲ RADIJAS
10.	Licence for radio station broadcasting	Nida	89.8 MHz	MB Finbros
11.	Licence for television channel broadcasting	Trakai and Papliauškos Village, Elektrėnai Municipality	24th television channel	VšĮ Regioninė televizija <i>Aidas</i>
				Competition declared void since the submission failed to meet the criteria specified.
12.	Licence for television channel broadcasting	Trakai and Papliauškos Village, Elektrėnai Municipality	24th television channel	VšĮ Regioninė televizija <i>Aidas</i>
				VšĮ Regioninė televizija <i>Aidas</i>
13.	Licence for radio station broadcasting	Joniškis	93.4 MHz	No applications received
14.	Licence for radio station broadcasting	Vilnius	96.8 MHz	VšĮ Zorza
				Competition cancelled
15.	Licence for re-broadcast television content	AB LR TC I SATT**	Republic of Lithuania	UAB TARPTAUTINIS BALTIJOS BANGŲ RADIJAS***
16.	Licence for radio station broadcasting	Alytus	88.3 MHz	UAB Interbanga, UAB Pūkas, UAB Laisvoji banga, VšĮ KVARTOLĖ, UAB All Media Radijas
				UAB All Media Radijas***
17.	Licence for radio station broadcasting	Šiauliai	88.8 MHz	UAB RADIOCENTRAS
				Competition declared void since the submission failed to meet the criteria specified.***
18.	Licence for television channel broadcasting	Trakai and Papliauškos Village, Elektrėnai Municipality	24th television channel	UAB Inno LT
				Competition declared void since the submission failed to meet the criteria

				specified.***
19.	Licence for radio station broadcasting	Klaipėda	88.2 MHz	Deadline for submissions is 8 January 2018.

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

\*\*\**The results of this competition were collated in 2018.*

There were, in total, 13 applications submitted and examined in the competitions announced. Having collated all of the results, the Commission announced 9 winners, issued 3 new and supplemented 6 licences issued earlier.

## DECISIONS AMENDING TERMS AND CONDITIONS OF LICENCES OR CANCELLING LICENCES

In 2017, the RTCL passed 37 decisions to amend licence terms and conditions. These decisions included changes to the names of radio and television programmes, the structure and content of television and radio programmes licensed as well as the lists of television programmes re-broadcast and other licence terms and conditions.

Over the reporting year, the Commission cancelled 9 broadcasting and re-broadcast content licences (**Table 3**).

*Table 3. Licence cancellations.*

No.	Licence holder	Grounds for licence cancellation	Licensed activities
1.	UAB Rytų Aukštaitijos televizija	Licence holder waived the licence	Broadcasting of television channel LC-460(T460)
2.	UAB EUROLEXIS	Licence holder waived the licence	Broadcasting of radio station LC-330(R330)
3.	S. Žilionio personalinė radijo ir televizijos konsultacinė agentūra	Licence holder waived the licence	Broadcasting of radio station R103s
4.	UAB Kėdainių krašto televizija	Licence holder waived the licence	Broadcasting of television channel LC-23(T023)
5.	UAB BALTICUM TV	Licence holder waived the licence	Broadcasting of television channel LC-252(T252s)
6.	UAB BALTICUM TV	Licence holder waived the licence	Broadcasting of television channel LC-261(T261s)
7.	UAB Transteleservis	The company was acquired and operations taken over by UAB Cgates	Broadcasting of television channel LC-418(T418)
8.	VšĮ Telšių krašto televizija	Licence holder waived the licence	Broadcasting of television channel LC-333(T333)
9.	UAB RADIO ELEKTRONINĖS SISTEMOS	Licence holder waived the licence	Broadcasting of television channel LC-393(T393)

As of 31 December 2017, the Commission had issued 141 broadcasting and re-broadcast content licensed for radio and/or television broadcasters and re-broadcasters engaged in licensed activities and 9 permits to VšĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA.

## Radio

At the end of 2017, there were 40 radio broadcasters in Lithuania operating 51 radio stations. Over the reporting period, the majority of these stations were transmitting a mix of music and information content.

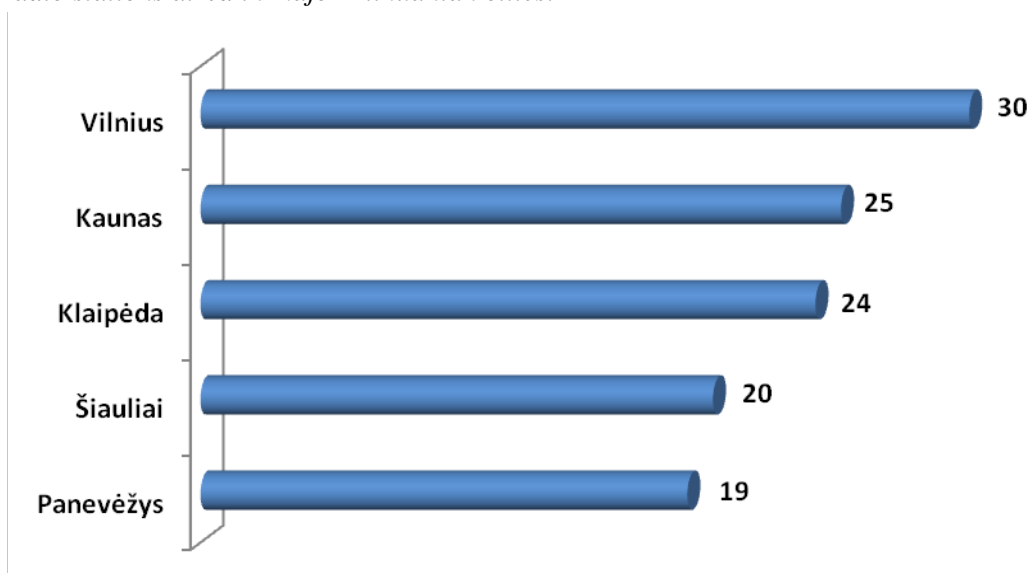
In 2017, the Commission issued 1 licence for radio station broadcasting. Six radio broadcasting licence holders who had won competitions announced by the Commission had their licences amended to include a wider territory of licensed activities.

The broadcaster to widen its radio broadcasting coverage the most was VšĮ Kvartolė. VšĮ Kvartolė, broadcasting radio station RELAX FM, won competitions to broadcast the station on the 87.9 MHz frequency in Jurbarkas, on the 92.5 MHz frequency in Ignalina and on the 94.3 MHz frequency in Šilutė.

During the reporting period, there was 1 cancellation of a radio broadcasting licence.

The greatest diversity of radio stations in 2017 was observed in major Lithuanian cities: 30 radio stations in Vilnius, 25 in Kaunas, 24 in Klaipėda, 20 in Šiauliai and 19 radio stations in Panevėžys (**Figure 1**).

Figure 1. Radio stations aired in major Lithuanian cities.



In 2017, by radio coverage there were 13 national radio stations (**Table 4**), 8 regional radio broadcasters (**Table 5**) and 29 broadcasters airing 64 local radio stations (**Table 6**).

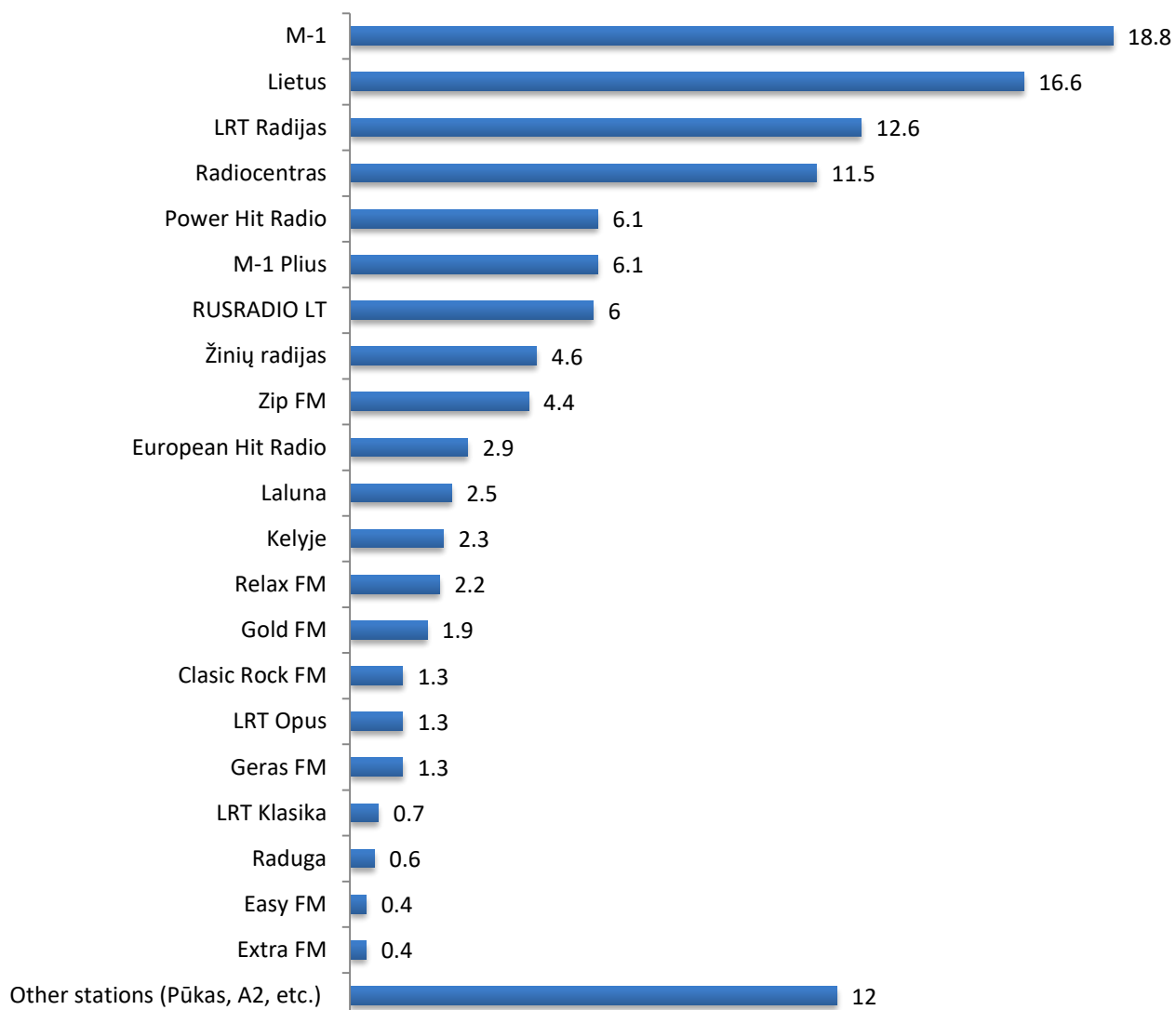
Table 4. National radio stations.

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 All Media Radijas	Power Hit Radio

According to a radio audience survey conducted by market research company Kantar TNS, in autumn of 2017 the leading broadcasters in Lithuania in terms of the average radio audience structure by time listened and daily and weekly audience reach were M-1, Lietus and LRT RADIJAS (*Figure 2*).

*Figure 2. Average daily audience reach by major Lithuanian radio stations, January–May of 2017.*



*Source: Kantar TNS*



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, Šilutė, Jurbarkas, Ignalina
6.	UAB Pūkas	Pūkas-2	Vilnius, Klaipėda, Šiauliai, Kaunas, Panevėžys, Telšiai, Tauragė, Rokiškis, Raseiniai
7.	UAB RADIOCENTRAS	ROCK FM	Vilnius, Kaunas, Panevėžys
8.	UAB ŽINIŲ RADIJAS	EASY FM	Vilnius, Klaipėda, Kaunas

Table 6. Local radio stations.

No.	Broadcaster	Radio station	Location
1.	UAB Antroji reklamos ateljė	Antroji radijo stotis	Šiauliai
2.	UAB Artvydas	TAU	Kaunas
3.	UAB ATVIRAI	Radijo stotis Nykščiai	Anykščiai
4.	UAB AUKŠTAITIJOS RADIJAS	XFM	Panevėžys
5.	UAB Centro medija	XFM	Kėdainiai
6.	UAB Garso klipai	Mano FM	Kaunas
7.	UAB Interbanga	EXTRA FM	Kaunas
8.	UAB Interbanga	EXTRA FM	Klaipėda
9.	UAB Interbanga	EXTRA FM	Šiauliai
10.	UAB Interbanga	EXTRA FM	Vilnius
11.	UAB Interbanga	EXTRA FM	Marijampolė
12.	UAB Interbanga	EXTRA FM	Panevėžys
13.	UAB Interbanga	EXTRA FM	Raseiniai
14.	UAB Interbanga	EXTRA FM	Ukmergė
15.	UAB Interbanga	EXTRA FM	Utena
16.	UAB VYDAS	A2	Vilnius
17.	UAB Labas, Klaipėda	XFM	Klaipėda
18.	UAB Labas, Klaipėda	XFM	Kaunas
19.	UAB Labas, Klaipėda	XFM	Vilnius
20.	UAB Labas, Klaipėda	XFM	Biržai
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.	VšĮ Marijos radijas	Marijos radijas	Tauragė
40.	UAB Mažeikių aidas	Mažeikių aidas	Mažeikiai
41.	UAB PLUNSTA	Spindulys	Plungė
42.	UAB PROARSA	JAZZ FM	Vilnius
43.	UAB PROARSA	Vaikų radijas	Vilnius
44.	UAB Radijas kelyje	Kelyje	Kaunas
45.	UAB Radijas kelyje	Kelyje	Klaipėda
46.	UAB Radijas kelyje	Kelyje	Vilnius
47.	UAB RADIOLA	Europos Hitų Radijas ( <i>European Hit Radio</i> )	Vilnius
48.	UAB RADIOLA	Europos Hitų Radijas	Klaipėda
49.	UAB RADIOLA	Europos Hitų Radijas	Kaunas
50.	UAB RADIOLA	SUPER FM	Vilnius
51.	UAB RADIJO PULSAS	Pulsas	Biržai
52.	UAB RADIJO PULSAS	Pulsas	Panevėžys
53.	UAB RADIJO STOTIS LALUNA	Laluna	Klaipėda
54.	UAB RADIJO STOTIS LALUNA	Raduga	Klaipėda
55.	UAB REKLAMOS GAMA	Radijogama	Klaipėda
56.	UAB SAULĖS RADIJAS	Saulės radijas	Šiauliai
57.	Šiaulių Didždvario gimnazija	Radio klubas	Šiauliai
58.	VšĮ Šou imperija	Tauragės radijas	Tauragė
59.	UAB TARPTAUTINIS BALTIJOS BANGŲ RADIJAS	TARPTAUTINIS BALTIJOS BANGŲ RADIJAS	Anykščiai (Viešintos)
60.	VšĮ Utenos radijas	Indros radijas	Utena
61.	Vilniaus Baltupių progimnazija	Baltupių radijas	Vilnius
62.	Vilniaus universitetas ( <i>University of Vilnius</i> )	Vilniaus universiteto radijas Start FM	Vilnius
63.	UAB ZNAD WILII RADIJO STOTIS	Znad Wili	Vilnius
64.	MB Finbros	M FM	Nida

## Television

### Digital Terrestrial Television

- Television broadcasting over Digital terrestrial TV stations

In 2017, Lithuanian audiences were able to receive 11 free-to-air (not encrypted) national television channels over the digital terrestrial networks (**Table 7**).

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

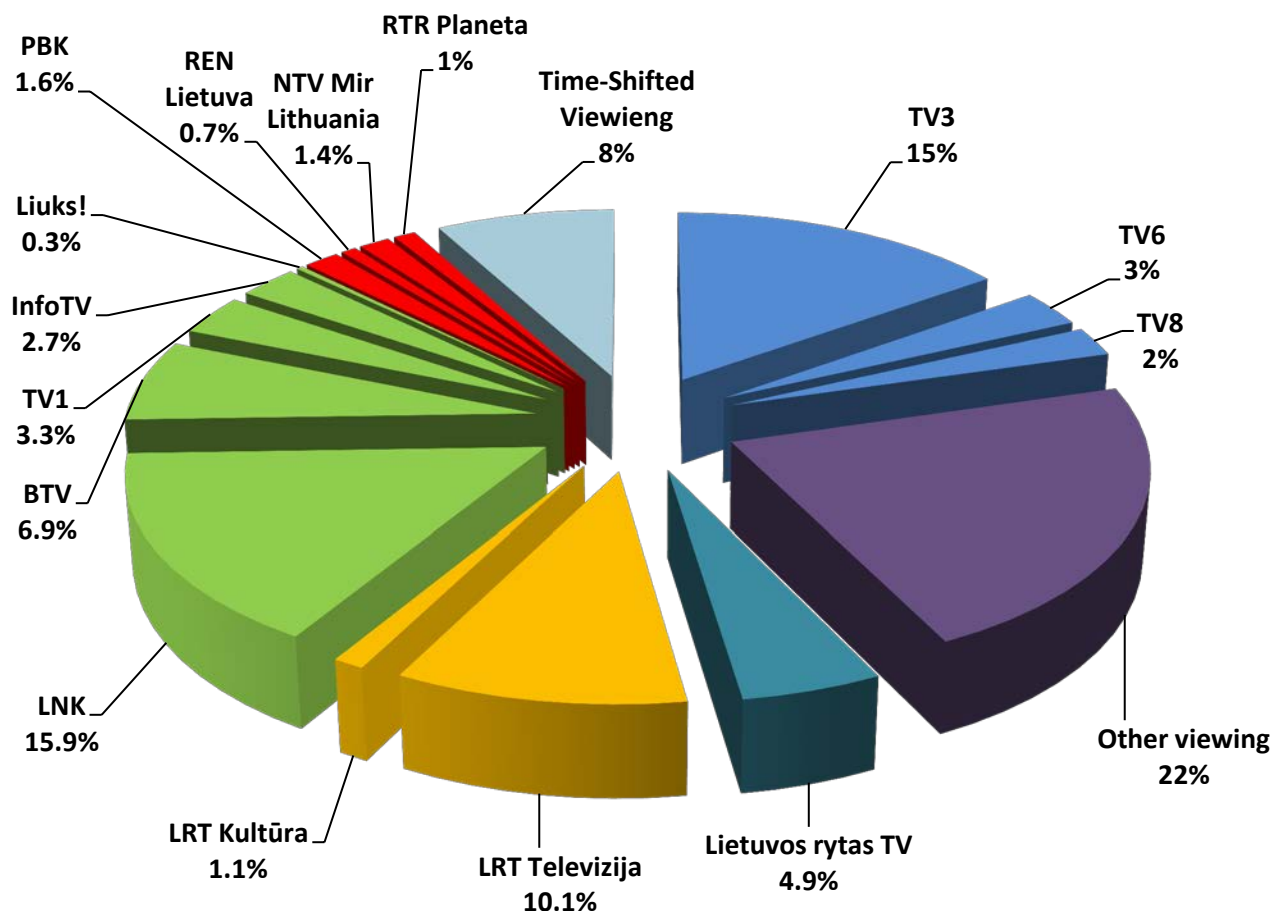
No.	Broadcaster	Television channel
1.	UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS	BTV
2.	UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS	LNK
3.	UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS	Info TV
4.	UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS	LIUKS!
5.	UAB LAISVAS IR NEPRIKLAUSOMAS KANALAS	TV1
6.	UAB Lietuvos ryto televizija	Lietuvos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

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

According to surveys by Kantar TNS, the most popular television channels among TV viewers by time watched were TV3, LNK and LRT TELEVIZIJA (**Figure 3**).

*Figure 3. Television viewership by time watched, December 2017.*

### Television viewership by time watched, December 2017



Source: Kantar TNS

At the end of 2017, there were 8 local television channels transmitted over the digital terrestrial TV stations (**Table 8**).

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

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

In 2017, there was 1 regional television broadcaster to start its operations – VšĮ Regioninė televizija Aidai.

- Television content retransmission over the digital terrestrial TV stations (**Table 9**)

In 2017, there were 3 re-broadcasters transmitting television channels over the digital terrestrial TV stations in Lithuania, i.e. VšĮ Alytaus regioninė televizija, UAB BALTICUM TV and AB Telia Lietuva.

VšĮ Alytaus regioninė televizija was broadcasting television channel 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 until 31 August 2017;
- a package of 9 television channels over the 40th TV channel of the digital terrestrial TV station in Plungė.

As of 1 May 2016, AB Telia Lietuva has been broadcasting 24 television channels over the first and second own digital terrestrial television networks.

*Table 9. Television channels broadcast and re-broadcast over the national digital terrestrial Networks and their languages (as of 31 December 2017).*

<b>The first digital terrestrial television network of LRTC / language</b>	<b>Digital terrestrial television network of LRT / language</b>	<b>The first digital terrestrial television network of AB Telia Lietuva / language</b>	<b>The second digital terrestrial television network of AB Telia Lietuva / language</b>
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, Lithuanian subtitles
BTV* / Lithuanian	LRT KULTŪRA* / Lithuanian	Viasat Nature*** / English, Russian, Lithuanian subtitles	BBC World News*** / English
TV3* / Lithuanian	LRT KULTŪRA* (HDTV) / Lithuanian	FOXlife*** / English, Russian	Euronews*** / Russian
Info TV* / Lithuanian		National Geographic Channel*** / English, Russian	MTV Hits UK*** / English
LIUKS!* / Lithuanian		Travel Channel*** / English, Russian Playboy TV*** / English	Dozhd*** / Russian
TV1* / Lithuanian		Discovery Channel*** / 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, Russian

- \* 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 2017, there were 30 television broadcasters operating in Lithuania broadcasting 41 television channels:

- 20 television channels over the digital terrestrial television networks or stations
- 20 television channels over the cable television and wired broadband (IPTV) communication networks
- 8 television channels over the Internet
- 3 television channels over a man-made Earth satellite (LRT LITUANICA 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 satellite

At the end of 2017, there were 41 economic operators re-broadcasting television channels using a variety of technologies:

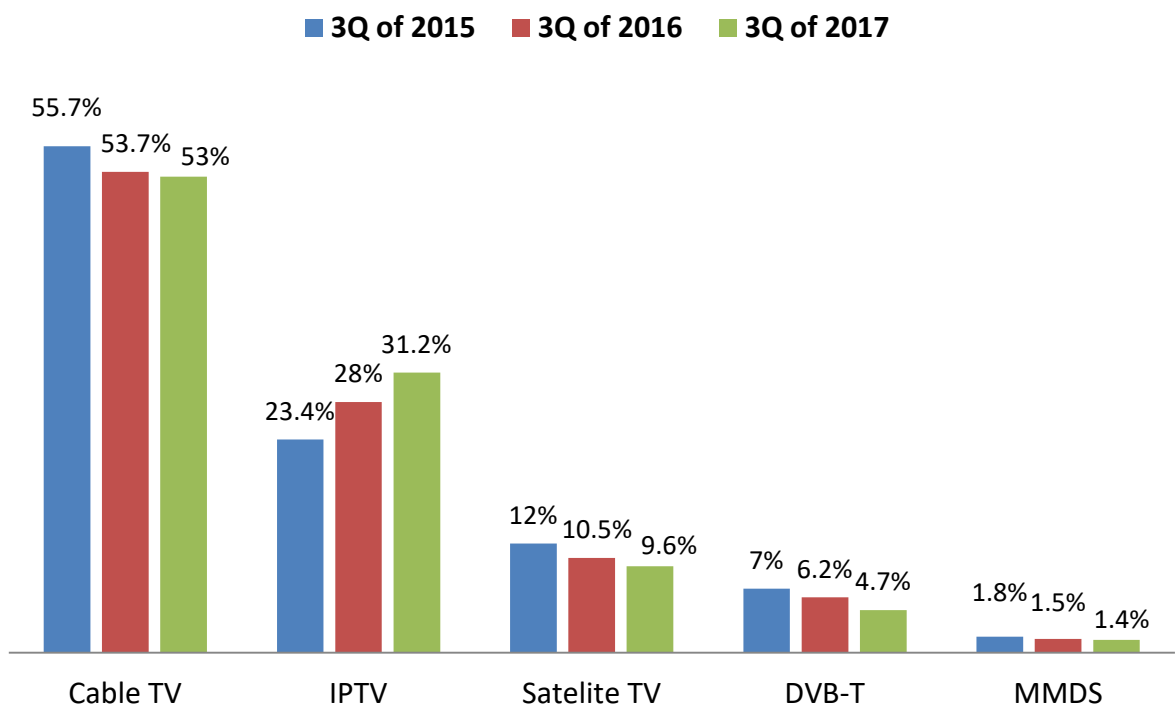
- 3 economic operators held 4 licences to re-broadcast television channels over the digital terrestrial television stations or a network of stations;
- 2 economic operators held 2 licences to re-broadcast television channels over the MMDS networks;
- 17 economic operators were re-broadcasting television channels over the cable television networks after notification of the start of activities;
- 11 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

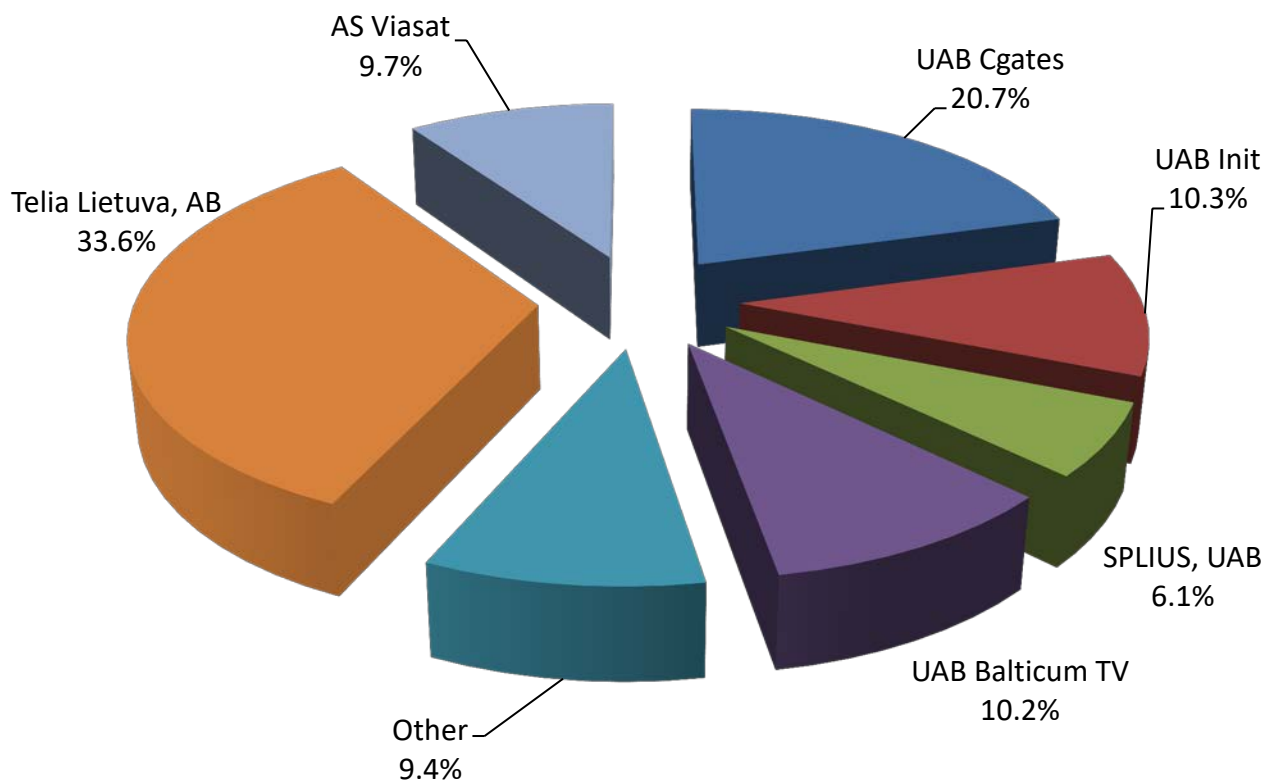
At the end of 2017, all re-broadcasters combined had a total of 700,800 subscribers (*Figures 4 and 5*).

*Figure 4. Paid TV delivery and subscriber numbers (%).*



*Source: RTCL*

Figure 5. Paid TV providers and their subscriber numbers (%), Q3 of 2017.



Source: RTCL

#### Unlicensed activities

At the end of 2017, there were 62 economic operators engaged in unlicensed radio and television broadcasting and re-broadcasting, distribution of television channels and/or selected programmes (shows) on the Internet and provision of on-demand audiovisual media services. During the reporting year, 21 economic operators notified of the start of unlicensed activities: 1 notified of the start of on-demand audiovisual media services and of online radio station broadcasting, 3 of television content distribution on the Internet, 1 of on-demand audiovisual media services and of television re-broadcasting over the wired broadband communications networks, 4 of online television broadcasting, 8 of online radio station broadcasting, 2 of television re-broadcasting over the wired broadband communications networks and 2 of online television and radio broadcasting.

In 2017, 12 economic operators terminated their unlicensed radio and television broadcasting and re-broadcasting activities.

In total, at the end of 2017 there were 20 economic operators in Lithuania engaged in the provision of on-demand audiovisual media services and 7 distributors of television channels and/or selected programmes on the Internet.

### **ANNUAL FEES SET BY THE MINISTER OF CULTURE ON PROPOSAL BY THE RTCL**

In 2017, 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



audiovisual media services, the RTCL submitted 29 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 22 economic operators (*Table 10*).

*Table 10. Annual fees.*

<b>No.</b>	<b>Economic operator</b>	<b>Annual fee (BSB*)</b>
1.	VŠĮ KVARTOLĖ	1.5
2.	UAB ŽINIŲ RADIJAS	15
3.	UAB Pūkas	2.2
4.	UAB Pūkas	2.9
5.	UAB Info XXL	1.6
6.	UAB RADIOLA	10.6
7.	UAB LAISVOJI BANGA	1.3
8.	UAB TELE-3 radijas (UAB All Media Radijas)	1.8
9.	Viasat A.S.	37.5
10.	UAB Baltic Trade & Consulting	110
11.	UAB Ramnet	8.2
12.	UAB Progmera	57.1
13.	UAB VYDAS	1.6
14.	UAB Pūkas	37.5
15.	UAB Pūkas	21
16.	Lietuvos ir Vokietijos uždaroji akcinė bendrovė TELEVIZIJOS KOMUNIKACIJOS	1.2
17.	VŠĮ Muzikalus	37.5
18.	UAB Cgates	7.2
19.	UAB Cgates	4.9
20.	MB Finbros	1.1
21.	UAB ŽINIŲ RADIJAS	9.6
22.	UAB YAKKA technology	110
23.	VŠĮ Regioninė televizija Aidas	1.5
24.	VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA	7.72
25.	UAB Inno LT	37.5
26.	VŠĮ KVARTOLĖ	1.3
27.	VŠĮ KVARTOLĖ	1.5

\* *BSB – basic social benefit determined by the Government; €38 in 2017.*

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

In the reporting period, the Commission took 37 decisions to amend terms and conditions of the existing broadcasting and re-broadcast content licences. For amendments and specifications of the terms and conditions of the existing broadcasting and/or re-broadcast content licences, licence holders paid €1,568 to the national budget.

Throughout 2017, the RTCL issued 8 radio and television broadcasting licences to competition winners. Licence holders paid €3,791 to the national budget for the issuance of these licences.

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

In 2017, in compliance with the requirements of Article 22 of the LPIP, the Commission examined requests by the broadcasting and/or re-broadcast content licence holders to approve transfers of shares (stakes, interests) and/or control (management) in those licence holders. The Commission approved these requests passing 8 decisions (*Table 11*).

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

<b>No.</b>	<b>Name of the economic operator whose shares were put up for sale</b>	<b>Name of the economic operator acquiring the shares</b>
1.	UAB Transteleservis	UAB Cgates – 100% interest
2.	UAB RADIJO PULSAS	UAB Trašuva LT – 100% interest
3.	UAB Starman group (owner of 100% interest in UAB Cgates and UAB Transteleservis)	OÜ Polaris Invest – 74% interest in and acquisition of control over UAB Cgates and UAB Transteleservis
4.	UAB All Media Lithuania	UAB Bitė Lietuva – 100% interest
5.	UAB All Media Radijas	UAB Bitė Lietuva – 100% interest
6.	UAB ATVIRAI	UAB Anšilas – 64.39% interest
7.	UAB Centro medija	UAB Labas, Klaipėda
8.	UAB Cgates	OÜ Polaris Invest – 40.8% interest in UAB Cgates group; OÜ Com Holding – 24.5% interest; Silver Screen Holdings UAB – 34.8% interest

## **VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA**

At the end of 2017, VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA (*Lithuanian National Radio and Television* or “LRT”) had 9 valid permits: 5 permits to broadcast radio stations, 1 permit to re-broadcast a radio station and 3 permits to broadcast television channels.

At the end of 2017, LRT was airing 3 radio stations, namely, LRT RADIJAS, LRT KLASIKA and LRT OPUS, 3 television channels, namely, LRT TELEVIZIJA, LRT KULTŪRA and LRT LITUANICA, and was re-broadcasting 1 radio station – BBC WORLD SERVICE.

## ECONOMIC OPERATOR OVERSIGHT AND CONTENT MONITORING

In 2017, the RTCL carried out 55 routine and 179 special inspections of economic operators, 58 of these inspections dealt with selected programmes and were triggered by viewer complaints. As was the case in 2016, particular attention was given to the monitoring of television content originating in the Russian Federation.

### Routine inspections of economic operators

In 2017, the Commission carried out 55 routine inspections of economic operators (*Table 12*) as provided for in the Plan for expected inspections of economic operators in 2017 approved by **Order No. V-18<sup>4</sup> of 28 December 2016 of the Chairman of the RTCL** *On the approval of the Plan of expected inspections of economic operators in 2017*.

Table 12. Results of routine inspections of economic operators.

Objective	Number of programmes broadcast/re-broadcast by an economic operator examined against the objective of monitoring	Infringements
Compliance with the requirement of the LPIP with regard to public information retention	40	9
Compliance with the requirement to provide financial statements in relation to economic operator activities	55	47
Compliance with the requirement of protection of minors	44	5
Compliance with the requirements for advertising, commercial audiovisual messages, sponsorship messages and product placement	39	8
Compliance with licence conditions	39	18
Compliance with the requirements of the Rules for television programming	20	8
Other	82	3

With a view to implementing the provision of the Law on Public Administration of the Republic of Lithuania stating that one of the most important indicators of performance and effectiveness of any authority performing business oversight functions is consultancy activities targeted at economic operators and ensuring closer cooperation with the audiovisual market players-creators of radio and television content, the Commission provided 456 consultations to the economic operators it oversees. As in previous years, the majority of consultations focused on matters related to the transmission of television advertising and other commercial audiovisual messages. In an attempt to better regulate the requirements for commercial audiovisual messages,

<sup>4</sup> [http://www.rtk.lt/content/uploads/2016/12/20161228\\_V-18.pdf](http://www.rtk.lt/content/uploads/2016/12/20161228_V-18.pdf)

on 20 September 2017 the Commission passed **Decision No. KS-82**<sup>5</sup> amending and recasting the **Descriptor of procedure for the implementation of the requirements for commercial audiovisual messages and advertising transmission, provision of audiovisual media services, sponsorship of radio programmes and selected programmes in radio and/or television stations.**

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

In 2017, the RTCL carried out 179 special inspections of economic operators and monitoring of individual radio and television programmes.

Special inspections and programme monitoring have been carried out on the basis of viewer complaints, or at the initiative of the RTCL in cases 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 reporting period, the Commission placed a particular focus on investigating how European works quotas are implemented in Lithuania. The Commission conducted a survey into whether the providers of on-demand audiovisual media services and television broadcasters under the jurisdiction of Lithuania comply with the requirements of the LPIP in relation to European works quotas. As it is widely known, paragraph 8 of Article 38 of the LPIP sets out that ‘broadcasters of television programmes must, where possible, reserve more than half of the television programme time remaining after deducting the time allocated for news, sports events, games and advertising programmes, teletext services and teleshopping for European works’, and in paragraph 2 of Article 40<sup>4</sup> – ‘providers of on-demand audiovisual media services shall ensure that at least half of the programmes in the catalogue of on-demand audiovisual media services are European works’.

The Commission examined publicly available TV schedules for the following TV channels: LRT TELEVIZIJA, LRT KULTŪRA, LRT LITUANICA, LNK, BTV, TV1, Info TV, TV3, TV6, TV8, and Lietuvos rytas.tv to ascertain the share (percentage) of airing time per each specific TV channel allocated by the broadcasters to audiovisual production by the country of origin, by separating out not just European works but also content originating in the Russian Federation (*Tables 13 and 14*).

*Table 13. Weekly share of television programme time remaining after deducting time allocated for news, sports events and games (06/03/2017 – 12/03/2017), %.*

TV channel	National production (developed by the broadcasters themselves or commissioned by them), %	European audiovisual works (exclusive of Lithuanian works), %	Russian content, %	Content produced by other states (non EU), %
LRT TELEVIZIJA	60.2	23.3	0	16.5
LRT KULTŪRA	77	11.1	0	11.9

<sup>5</sup> <https://www.e-tar.lt/portal/lt/legalAct/74a941809e9311e79127a823199cc174>

LRT LITUANICA	100	0	0	0
LNK	35	16	0	49
BTV	10.70	15	35.5	38.8
TV1	0	51.16	3.34	45.5
Info TV	92.43	7.57	0	0
TV3	28.1	11.6	1.9	58.4
TV6	15.22	8.04	7.37	69.37
TV8	16.09	34.66	2.57	46.68
Lietuvos rytas.tv	31	22	38	9

Table 14. Daily share of television programme time remaining after deducting time allocated for news, sports events and games (06/03/2017), %.

TV channel	National production (developed by the broadcasters themselves or commissioned by them), %	European audiovisual works (exclusive of Lithuanian works), %	Russian content, %	Content produced by other states (non EU), %
LRT TELEVIZIJA	56.7	17.4	0	25.9
LRT KULTŪRA	97.6	2.3	0	0.1
LRT LITUANICA	100	0	0	0
LNK	45	23	0	32
BTV	12	10	44	34
TV1	0	54.61	2.48	42.91
Info TV	100	0	0	0
TV3	20.6	20.2	0	59.2
TV6	17.67	10.34	10.34	61.65
TV8	8.66	45.02	0	46.32
Lietuvos rytas.tv	32	14	49	5

As evident from the results of this survey, not all television broadcasters comply with the requirements of LPIP, but it should also be noted that there is no legal ground to apply the sanctions set out in the Code of Administrative Offences of the Republic of Lithuania for non-compliance with the European works quotas as the implementation of the European works quotas is conditional, i.e. paragraph 8 of Article 38 of the LPIP states ‘where possible’.

Every two years providers of on-demand audiovisual media services are required to submit to the European Commission data on the share of European works in their programming. During its survey of the implementation of the European works quotas, the Commission ascertained that the majority of Lithuanian providers of on-demand audiovisual media services did in fact comply with the imperative requirement for the share of European works as set out in paragraph 2 of Article 40<sup>4</sup> of the LPIP (*Table 15*).

Table 15. Share of programme time remaining after deducting time allocated for news, sports events and games in the catalogues of providers of on-demand audiovisual media services.

No.	Providers of on-demand audiovisual media services	European works, 2015	European works, 2016
1.	UAB DELFI	95%	75%
2.	AB Telia Lietuva	38%	47%
3.	UAB 15 min	70%	75%
4.	UAB BALTICUM TV	100%	100%
5.	UAB Eteris	82%	81%
6.	UAB Ignalinos televizija	100%	100%
7.	UAB Init	100%	100%
8.	UAB LNK studija	87.6%	83.2%
9.	UAB Lrytas	90%	80%
10.	UAB Penkių kontinentų komunikacijų centras	95.9%	97.9%
11.	UAB Šiaulių apskrities televizija	100%	100%
12.	UAB ŽINIŲ RADIJAS		
	Žinių radijas	95%	95%
	EASY FM	80%	80%
13.	UAB TV3	86%	74%
14.	VŠĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA	94.52%	95.83%
15.	VŠĮ Alytaus regioninė televizija	100%	100%
16.	VŠĮ Gerų naujienų televizija	94%	96.5%

It is worth noting that the Commission checks compliance with the European works quotas during each routine inspection of an economic operator. In summary, it should be pointed out that as far as providers of on-demand audiovisual media services are concerned, the total share of European works in the catalogues of on-demand audiovisual media services was growing and is already in excess of the 50% quota required in the LPIP.

Since Q4 of 2017, the Commission has been using economic operator compliance questionnaires as part of routine inspections to provide more clarity and certainty to the economic operators being investigated.

## Results of special inspections of economic operators and programme monitoring

Table 16. Results of special inspections of economic operators and programme monitoring.

Objective of monitoring/inspection	Number of programmes broadcast/re-broadcast by an economic operator examined against the objective of inspection	Infringements
Compliance with the requirements for information not to be published	90	11
Compliance with the requirements for advertising and commercial audiovisual messages	35	13

Compliance with the requirements for sponsorship messages and product placement	16	8
Compliance with the requirement of protection of minors	38	19
Compliance with licence conditions	16	10
Other	30	10

During these special inspections, a particular focus was given to the Russian-language television channels re-broadcast in Lithuania and their compliance with the requirement to omit information not to be published. The average duration of such a special inspection was around 20 days.

To sum up the results of both routine and special inspections carried out by the Commission in 2017, the total number of infringements ascertained was 161. The majority of these infringements, accounting for 30% of all violations, were related to the failure of economic operators to provide financial statements in a timely manner. It should be noted that in accordance with Article 36<sup>9</sup> of the Law on Public Administration and Clause 42 of the Rules of economic operator inspections carried out by the Radio and Television Commission of Lithuania approved by **Decision No. KS-32**<sup>6</sup> of 10 February 2016 of the RTCL, as much as 37% of these infringements were qualified as insignificant. Moreover, as many as 31 economic operators have contacted the Commission after both routine and special inspections of 2017 asking to amend licence terms and conditions.

In 2017, the Commission issued 22 decrees of administrative offences (warnings) without drafting protocols and passed two rulings in administrative cases, i.e. imposed fines on two operators, namely, VšĮ LIETUVOS NACIONALINIS RADIJAS IR TELEVIZIJA and UAB Lietuvos ryto televizija.

## Complaints handled in 2017

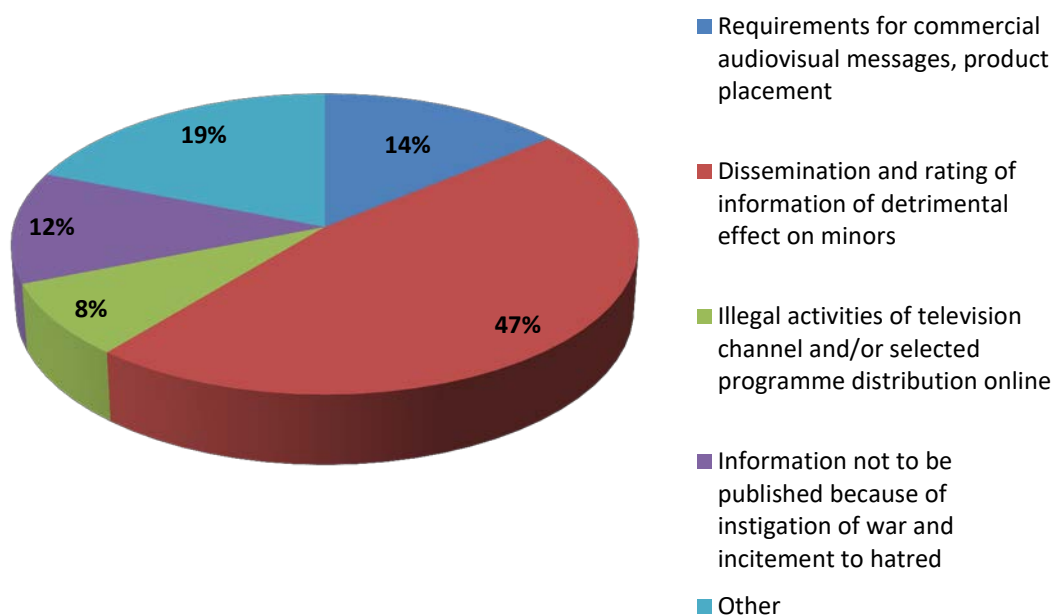
In 2017, out of all complaints received by the Commission, 58 were related to content broadcast by radio and television stations whereby consumers were complaining mostly about the improper rating and airing time of content, in particular of feature films, TV series and certain programmes, and about prohibited or restricted public information that may have a detrimental effect on the development of minors. There were also complaints in relation to information pertaining to direct and indirect publication of personal data of minors, in particular in cases when this data was presented in the context of negative social events (**Figure 6**).

The majority of complaints were submitted by filling out a special e-complaint form on the Commission's website. Each complaint was reviewed, examined for validity and then investigated. After every investigation the person who had filed the complaint was notified of the Commission's decision to apply sanctions, or the invalidity of the complaint filed.

<sup>6</sup> <https://www.e-tar.lt/portal/lt/legalAct/3a702660d3c311e583a295d9366c7ab3/vAKOiflAIK>

Figure 6. Complaints received in 2017.

### Complaints received in 2017



### 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. Tensions between Russia and Western Europe and the U.S. in 2017 have led to particularly aggressive behaviour of Russia towards the Baltic States. The clear position Lithuania with regard to war in Ukraine on the international stage, Lithuanian achievements in the fields of energy and economy combined with military exercises conducted along side NATO allies, lead to the situation of Lithuania becoming a target of Russian information warfare. The main goals of the Russian information policies in 2017 were to disseminate disinformation about Lithuanian foreign and domestic policies, discredit Lithuania's membership in the EU and NATO, form the image of Lithuania being an immature democracy, and undermine Lithuanian achievements of energy policies. The mass media targeted at Russian-speaking domestic audiences tended to escalate the alleged issues of ethnic minorities and compatriots in Lithuania, promote a version of the modern history that is favourable to the Kremlin, and highlight the alleged violations of human rights. The issue of the Russian speaking population in Lithuania was analysed in the context of political events in Ukraine, and attempts were made to paint the picture that compatriots needed help from Moscow to defend them from the allegedly increasingly radicalised Lithuanian Government which was fuelling tensions between the West and Russia. The principal target of Russian ideological information policies in Lithuania was first and foremost the Russian speaking population and members of other ethnic minorities in an attempt to encourage mistrust in the Lithuanian state and its institutions. It is worth pointing out that by way of this information warfare Russia wants to not just influence its citizens and compatriots living in the 'near abroad', but also to actively indoctrinate Western societies and improve Russia's image abroad by proposing an alternative analysis of information to citizens of those countries.



**In its Decision No. KS-41**<sup>7</sup> of 5 April 2017, the Commission had ascertained the fact of incitement to hatred and instigation of war in the Russian TV programme *In the Centre of Events with Anna Prochorova* (aired on 27 January 2017) on the TVCI channel re-broadcast in Lithuania. The decision in question instructed all re-broadcasters operating in Lithuania as well as any other operator engaged in the distribution of television channels and/or selected programmes on the Internet to Lithuanian audiences and whose offer includes TVCI to suspend, for a period of 1 month, the retransmission of the said channel in Lithuania.

In its **Decision No. KS-83**<sup>8</sup> of 20 September 2017, the Commission had ascertained the repeated fact of incitement to hatred and instigation of war in the Russian TV programme *The Right to Know* (aired on 10 June 2017) on the TVCI channel. This decision instructed all re-broadcasters operating in Lithuania as well as any other operator engaged in the distribution of television channels and/or selected programmes on the Internet to Lithuanian audiences and whose offer includes TVCI to suspend, for a period of 6 month, the retransmission of the said channel in Lithuania.

The analysis of Russian content re-broadcast in Lithuania in 2017 reveals several key propaganda narratives used by Russia, such as:

- Russian propaganda presents the Baltic States as countries where interests of the Russian speaking populations are systemically violated and the majority of the rest of the national populations are Russophobes. There are also attempts by the establishment to unite Russians and Poles living in Lithuania as purportedly a single ethnic group, which in the Soviet times acquired education in the Russian language and now suffers at the hands of the national Lithuanian Government. Essentially, the objective is to convince the Russian speaking audiences both domestically and abroad that the issue of Poles in Lithuania is not an internal matter of Lithuania and not even a matter of the Lithuanian and Polish relations, but rather a concern of Russia.
- An attempt to create a myth of Lithuania being a neo-fascist state. To achieve this goal, the Russian establishment engaged in mass media campaigns aimed at discrediting partisans and deportees, questioning the events of January 13<sup>th</sup> in order to convince the audiences that back then ‘own were shooting their own’, that there were ethnic tensions, etc.
- Lithuania is depicted as a state collapsing under the pressures of social exclusion and emigration. Even though both of these issues are undoubtedly problematic, Russian propaganda exaggerates and distorts them.
- Another dimension to Russian propaganda highlights the deepening divide between the liberal and conservative views. Since greater part of the Lithuanian society, ethnic minorities in particular, subscribe to more conservative views, Russian propaganda attempts to show Moscow as the true defender of conservative and Christian values, a certain bastion attacked by the liberal and hence the ‘rotten’ Western world.
- Since the Lithuania’s accession to the EU and membership in NATO Moscow has actualised the narrative of Lithuania being a state without an independent foreign policy. The objective is to show that, on one hand, Lithuania fuels military sentiment with Russia through its allegedly aggressive discourse and on the other that the Lithuania’s allies in Washington and Brussels are unreliable and in the face of danger would not defend Lithuania: “Russian mass

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<sup>7</sup> <http://www.rtk.lt/content/uploads/2017/04/ks-41-2017.pdf.pdf>

<sup>8</sup> <http://www.rtk.lt/content/uploads/2017/10/ks-83-2017.pdf.pdf>

media depicts Lithuania as a state unwilling to compromise or negotiate and at the same time actively engaged in increasing its military potential.”

## **RTCL COOPERATION**

### **Cooperation with the audiovisual media services market players and public authorities**

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 with the market players to discuss matters, such as 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.

In 2017, members of the RTCL took an active part in the 21<sup>st</sup> annual conference *The Convergence of Electronic Services and Regulation*. The Commission gave a presentation on the topic of *The Challenges of Audiovisual Media Services Regulation and Oversight* discussing regulatory changes since the amendments to the LPIP of 2015, the practice of enforcement of these regulatory changes, and the aspects of television distribution on the Internet.

Throughout the reporting year, the Commission actively cooperated with the Office of the Inspector of Journalist Ethics, Ombudsman for Children Rights in Lithuania, Consumer Rights Protection Authority, Communications Regulatory Authority, Department of Strategic Communication of the Lithuanian Armed Forces at the Office of the Lithuanian Armed Forces, and other institutions on matters of television and radio content, possible violations of the Law on the Protection of Minors against the Detrimental Effects of Public Information in television and radio programmes, television programme rating, possible violations of the advertising transmission requirements, hidden advertising and the possible dissemination of propaganda and incitement to hatred.

### **International cooperation**

In 2017, staff of the RTCL attended meetings abroad and participated in the activities of various working groups for the purpose of drafting detailed proposals for the review of the Audiovisual Media Services Directive (the “AVMSD”). The deliberations of the draft of this Directive prepared back in late 2016 and the process of refining and specifying its provisions at different units of the European Commission continued into 2017 and is still ongoing.

Members of the Commission were invited to share their experiences in seminars organised by foreign colleagues, i.e. foreign regulators.

In May of 2017, members of the Commission participated in a discussion held by the Permanent Representation of Lithuania to the European Union dedicated to the World Press Freedom Day. During the meeting participants discussed the legal aspects of combating incitement to hatred in the Russian-language television content retransmitted in Lithuania. The discussion was attended by foreign journalists accredited in Brussels, representatives from the European Commission and EU Member States.

In April of 2017, a representative of the Commission attended a seminar organised by the National TV and Radio Broadcasting Council of Ukraine entitled *Strengthening Freedom of the Media and Establishing a Public Broadcasting System in Ukraine*. This seminar was organised in conjunction with the Council of Europe with the aim of drafting legislation on the protection of minors against the detrimental effects of public information.

The Ukrainian regulator invited the Commission to share its experience in establishing a regulatory framework for the protection of minors against the detrimental effects of public information in Lithuania.

The Commission's delegate gave presentations dealing with the criteria of what constitutes detrimental mass media content, restricted or prohibited information that has detrimental effects on minors as well as Commission's experience in monitoring TV and radio content and applying sanctions for violations of the statutory requirements, trends in the regulatory frameworks of the protection of minors against the detrimental effects of public information, self-regulation and media literacy initiatives and provisions of the Lithuanian Law on the Protection of Minors Against the Detrimental Effects of Public Information.

The Ukrainian regulator was particularly interested in experiences of Lithuania in this area and was considering a possibility to base its draft legislation on the protection of minors against the detrimental effects of public information on the Lithuanian example specifically.

In the reporting period, the Commission continued close cooperation with the Swedish Broadcasting Commission, consulted the European Commission regarding the information not to be published – manifestations of ethnic hatred and instigation of war – on RTR Planeta which is under the jurisdiction of Sweden.

In late 2016, the Commission took the decision to suspend temporarily the retransmission of this TV channel in Lithuania having ascertained violations of law in the channel's content. In February of 2017, following a thorough review of the suspension procedure, the European Commission published its assessment of the decision temporarily suspending the retransmission of RTR Planeta in Lithuania. The European Commission believed that temporary suspension of retransmission, i.e. for a period of 3 months, of this Russian-language channel in Lithuania was compatible with European Union law.

According to the European Commission, Lithuania provided sufficient evidence of explicit, serious and grave violations in the content of RTR Planeta of the ban on incitement to hatred, instigation of war, and sufficient evidence of threats of occupation and therefore the decision of Lithuania to suspend the re-broadcasting of this TV channel was proportionate and valid.

The Commission continued cooperation with the Centre for Post-Soviet Studies at the War Studies University of Poland and in early March of 2017 a member of the RTCL attended a conference in Warsaw held by this centre and dedicated to the ingenuity of Russia and its possibilities of engaging in information warfare against the states in the East. The Commission gave a presentation on how Russian TV programmes are used for the purposes of information warfare. Participants of the conference agreed to strive for joint actions in reviewing the AVMSD and establishing safeguards in the face of information warfare.

Closer cooperation of regulators allows for a faster tackling of pressing matters and resolution of emerging issues.

### The Baltic Project

In October of 2017, the Estonian, Latvian and Lithuanian audiovisual media regulators met in Tallinn to exchange experiences and discuss the relevant audiovisual media regulatory matters.

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.

This meeting was dedicated to the possibilities of improving regulation of online TV broadcasting and the airing of commercial audiovisual messages, providing more precise definitions and the challenges of programme licensing, trends of mass media usage behaviours in the Baltic States, etc.

The next meeting of the three Baltic regulators is to take place in Vilnius in 2018, with the RTCL acting as the host.

### ERGA

As already mentioned in the previous reports of the Commission to the Seimas, the European Regulators Group for Audiovisual Media Services (“**ERGA**”<sup>9</sup>) membership includes top ranking officials representing national regulators. ERGA advises the European Commission, provides guidelines and advice on different matters relating to the review of the Audiovisual Media Services Directive, and facilitates cooperation between EU regulators.

Members of the RTCL regularly attend the plenary sessions of ERGA, and meetings of its working groups, drafts and represents Lithuanian position on the amendments of the AVMSD.

In 2017, there were 2 plenary sessions of ERGA and three meetings of its special focus groups.

Last year, with reference to its work programme for 2017, ERGA:

- Adopted a Report on the Protection of Minors in a Converged Environment, which provides an overview of measures designed to protect minors in the so-called converged audio and video (audiovisual) media of the European Union. The Report reveals the availability of numerous protection measures in the EU. Authors of the Report highlight the need for a harmonized system of audiovisual content descriptors which would enable the application of uniform measures of protection of minors across the EU irrespective of the technology used;
- Set up a separate ERGA Academy Group with the aim of encouraging the exchanging of experiences among the authorities;
- Specified and improved upon the Digital European Toolkit;
- Anticipated more focus on self and co-regulation;
- In the meeting of November 9<sup>th</sup> elected a new Chairman of ERGA – Chairman of the Croatian NRA Mr Damir Hajduk and 2 of his deputies – Head of the Council for Broadcasting and Retransmission of Slovakia Luboš Kukliš and Commissioner for European Affairs of the German Media Authorities Tobias Schmid.

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<sup>9</sup> <https://ec.europa.eu/digital-single-market/en/avmsd-audiovisual-regulators>

## EPRA

One form of international cooperation is participation in the activities of the European Platform of Regulatory Authorities (“**EPRA**”<sup>10</sup>). The RTCL has been member of EPRA for 19 years. Twice a year, members of the RTCL attend conferences hosted by this organisation, contribute to the resolutions on matters discussed during the meetings, drafts and fills out thematic questionnaires on a variety of matters relating to the regulation of audiovisual media services, etc.

In 2017, EPRA members met 2 times.

The meeting on May 18–19<sup>th</sup> in Edinburgh was attended by 161 representatives from audiovisual media regulatory authorities representing 42 states.

The meeting consisted of two plenary sessions dedicated to the topics most relevant to all regulators currently, i.e. the possibilities of delivering news in the digital age and the prospects and challenges of online content management – filters and algorithms. There were also three working groups which discussed the topics of media literacy, issues with licensing procedures and the future of radio, exchanged experience on the topics and presented the latest information on the key aspects of work by the European Commission, European Council and its legal/analytical magazine European Audiovisual Observatory for the past six months.

ERGA Chairman Madeleine de Cock Buning presented a report on the work accomplished by ERGA and documents drafted within the past six months.

Traditionally, a representative of the European Commission Mr Marcel Boulogne presented the latest information about the review process of the AVMSD. Among the amendments to the AVMSD expected to be adopted were: regulation of video sharing platforms, simplification of proceedings in cases of ascertained incitement to hatred in programmes, improved definition of jurisdiction, inclusion of the term of terrorism, liberalisation of commercial audiovisual messages, etc.

The working group on the variety of licensing procedures in Europe mostly focused on the improvement of the database **MAVISE**<sup>11</sup>, data updating and collection. Lithuania is one of few countries, which in the course of its licensing procedure collects a lot of different information from the applicants.

The Swedish representative reassured of the need to regulate contents of registered channels, in particular on the aspects of incitement to hatred and instigation of war. Director General of the Swedish Press and Broadcasting Authority Charlotte Ingvar-Nilsson shared information on the newly drafted amendments to the law soon to come into force in relation to these aspects.

The second meeting of EPRA took place on November 11–13<sup>th</sup> in Vienna. The meeting was attended by a total of 133 representatives from audiovisual media regulatory authorities.

The meeting included two plenary sessions, which continued with the discussion started in the first meeting of the topics most relevant to the regulators currently. The two working groups also continued their work analysing the topics of media literacy and licensing procedures. The third working group examined the topic of the changing relationship between citizens and regulatory authorities, and just like in the earlier meeting there was a presentation of the latest information regarding the AVMSD review at the European Commission, European Council and ERGA.

As a continuation of the discussion on the possibilities and ways of delivering news, it was stressed that social media and platforms are increasingly becoming the main news source for many,

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<sup>10</sup> <http://www.epra.org/>

<sup>11</sup> <http://mavise.obs.coe.int/>

meaning that the ability of users to evaluate information critically has never been as important as it is now. To this end, improved media literacy is key. Several speakers gave presentations on media literacy-related projects implemented or ongoing in their home countries.

The working group on the variety of licensing procedures in Europe mostly focused on the improvement of the database MAVISE, data updating and collection, in particular of data pertaining to video-on-demand services.

The working group on media literacy discussed different national practices in this area.

The next EPRA conference is expected to take place at the end of May of 2018 in Luxembourg.

## Competition of the best in radio and television *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. 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 fifteenth competition of the best radio and television programmes (shows), *Pragiedruliai*. Last year the Commission awarded programmes aired for the first time in 2016.

The Commission continues its efforts to make this competition a prestigious, awaited and significant event for the country and its culture, and to make an award for the participating creators an important acknowledgement encouraging better quality and more relevant productions.

Every year the Commission improves the competition by taking into account the state of current affairs and emerging practical issues. Aiming to attract more creators, the RTCL has simplified and facilitated the submissions procedure – for the past three 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.

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 European works quotas in the television programming by national broadcasters.

In January of 2017, the results were compounded for 11 nominations and winners announced at the end of March. The shows were evaluated based on their relevancy, lasting and artistic value, originality, impact on the development of the cultural, human, civic and aesthetical values as well as the level of professionalism and creative of work. The shows competed in the following categories:

- Best TV culture programme
- Best radio culture programme
- Best regional TV programme
- Best regional radio programme
- Best TV talk show
- Best radio talk show
- Best TV documentary project
- Best TV social journalism programme
- Best radio social journalism programme
- Best TV entertainment programme

- Special prize

The awards ceremony took place on April 13<sup>th</sup> at the Martynas Mažvydas National Library of Lithuania. The ceremony was broadcast live on YouTube. All winners received original diplomas created by the graphic artist Egidijus Rudinskas.

Last year, the submissions for the competition included 77 shows: 45 television and 32 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, independent producers, 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**; political analyst and professor at the Institute of International Relations and Political Science of VU **Laurynas Jonavičius**; journalist **Liudvika Pociūnienė**; scientist **Mantas Martišius**; translator **Laimantas Jonušys**; journalist **Dainius Radzevičius**; political analyst **Vincentas Vobolevičius**.

The last year's winners list included the following shows aired for the first time in 2016:

Best TV culture programme (13 submissions in the category) – *Legendos*; authors Aistė Stonytė-Budzinauskienė, Česlovas Stonys and Audrius Stonys (aired on LRT KULTŪRA)

Best radio culture programme (6 submissions in the category) – *Apie Lietuvos radijo klausytojus* from the cycle *Devyni radijo dešimtmečiai*; author Vaida Pilibaitytė (aired on LRT RADIJAS)

Best regional TV programme (7 submissions in the category) – *Palanga ir grafai Tiškevičiai* from the cycle *Pasislėpusi Palanga*; authors Inga Berulienė and Justinas Lingys (aired on Init TV)

Best regional radio programme (4 submissions in the category) – *Apie karo istorijos tyrimus* from the cycle *Proto tonai*; authors Janina Silkauskienė and Arūnas Graželiūnas (aired on RadijoGAMA)

Best TV talk show (4 submissions in the category) – *Kelias į namus su Birute Jonuškaite*; author Ingrida Laimutytė (aired on LRT KULTŪRA)

Best radio talk show (12 submissions in the category) – *Koncertai ir Rusijos propaganda* from the cycle *Kita tema*; author Živilė Kropaitė (aired on LRT RADIJAS)

Best TV documentary project (11 submissions in the category) – *STOP juosta. Maršrutas Nr. 1*; author Svetlana Gužauskienė and Jurgė Pridotkaitė (aired on LRT KULTŪRA)

Best TV social journalism programme (3 submissions in the category) – *Menų sala*; authors Daiva Pikturnienė and Bronislovas Steponavičius (aired on TV8)

Best radio social journalism programme (10 submissions in the category) – *Prarasti Lietuvos štetlai. Molėtai*; authors Audra Girijotė, Indrė Anskaitytė and Vita Ličytė (aired on LRT RADIJAS)

Best TV entertainment programme (7 submissions in the category) – *Kadagys*; authors Justinas Milušauskas and Neringa Kavaliauskienė (aired on TV3)

Special prize was awarded to UAB TV3 (now UAB All Media Lithuania) for the social project *Lietuvos garbė*.

## **PUBLICITY WORK BY THE RTCL**

In an attempt to make as much of the relevant information to the public as possible, the Commission publishes information on its activities on its website<sup>12</sup>. The website is adapted for use on mobile devices, provides the opportunity to publish large quantities of extensive and systemised information on the economic operators overseen by the RTCL and their activities, offers 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. For various objective reasons, however, the project has not yet been completed properly and consequently will be improved upon and continued into the next year.

For reasons of achieving one of its strategic goals, i.e. to raise awareness of the RTCL's activities, the Commission renews, annually, the agreement with BNS Spaudos centras so that all the latest information about important decisions or events reaches the widest segment of stakeholders possible in the most efficient way.

In 2017, 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's activities, the Commission held press conferences, off-site meetings to Šiauliai, Klaipėda and Šilutė, participated in conferences related to the field it oversees as well as local and international meetings where it gave presentations on its activities.

It was great seeing that during 2017, thanks to its active and versatile activities, more members of the general public have become aware of the Commission's work – TV and radio audiences referred to the administration and members of the Commission their concerns regarding possible violations of law in the programmes aired, students of higher education institutions often consulted the Commission in relation to student research work, and the Commission received numerous inquiries on different regulatory aspects from both domestic and international institutions.

## **PROFESSIONAL DEVELOPMENT OF THE RTCL STAFF**

In 2017, in order to ensure the implementation of the RTCL's functions in a qualified and efficient manner, administrative staff was encouraged, just like in previous year, 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 sent its staff to seminars and training on the topics of public procurement, finance management, and document

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<sup>12</sup> [www.rtk.lt](http://www.rtk.lt)



management and accounting. Staff could enjoy flexible working conditions that made it possible for the employees to seek professional development and complete their studies.

In 2017, chief account at the RTCL attended consultation seminars held by UAB Mokesčių srautas and MB Buhalterių mokymai on the topics of employee compensation reform in the public sector, taxes, accounting and the new Labour Code.

Our executive secretary attended a couple of training courses by VšĮ Viešųjų pirkimų agentūra entitled *The situation of organising and implementing public procurement, analysis of mistakes and their prevention* and the *Specifics of low-value public procurement after the entry into force of the new version of the Law on Public Procurement on 01/07/2017*, a course by the Public Procurement Office entitled *What's new in public procurement*, and a course by MB Katsu the *Specifics of electronic document management*.

Deputy Director of the administration attended training pertaining to her functions at the Commission, such as the *Specifics of low-value public procurement in 2017*, the *New requirements for personnel document management after the entry into force of the new Labour Code*, *Personnel document management in 2017*, the *New Labour Code, revisions of SOPs and formalisation of employment relations*, and several conferences: *HR Week Lithuania* and *Personnel and Labour Law*.

## **PRIORITIES FOR 2018**

The following are the main priorities of activities for the RTCL in 2018:

- Effective oversight of the economic operators it oversees and the protection of consumer rights and legitimate interests, and the creation of the same operating conditions for all economic operators
- Improved regulatory environment for television broadcasting and re-broadcasting, distribution of television channels and/or selected channels on the Internet and on-demand audiovisual media services
- Ensuring effective control of information not to be published and public information that may have a detrimental effect on the physical, mental and moral development of minors in radio and television content, catalogues and individual programmes
- Ensuring compliance with the requirements for radio and/or television programming and content, commercial audiovisual messages and advertising set out in domestic and European Union law
- Continued international cooperation with EU institutions, EU Member States and their institutions as well as regulatory authorities in EU Member States and states (Ukraine, Georgia) wishing to make use of the extensive knowledge and experience of the Commission
- Monitoring of the television stations originating in third countries but registered in the EU and evaluating content they air
- Continued publicity efforts in relation to the Commission's work

## INDEPENDENT AUDITOR'S REPORT

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## 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 statement of financial position as of 31 December 2017, 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 2017 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.

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;
- 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

26 February 2018