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Lietuvos Respublikos ryšių
reguliavimo tarnyba. Biudžetinė
įstaiga. (RRT)
Mortos g. 14
03219 Vilnius
Lithuania

For the attention of:
Mr. Feliksas Dobrovolskis
Director

Fax: rrt@rrt.lt

Subject: Cases LT/2021/2322-2323: Wholesale call termination on individual public telephone networks provided at a fixed location and wholesale voice call termination on individual mobile networks in Lithuania – withdrawal of price remedies

Article 32(3) of Directive (EU) 2018/1972: No comments

Dear Mr Dobrovolskis,

1. PROCEDURE

On 25 May 2021, the Commission registered a notification from the Lithuanian national regulatory authority, Lietuvos Respublikos ryšių reguliavimo tarnyba. Biudžetinė įstaiga. (RRT)¹, concerning the markets for wholesale call termination on individual public

¹ Under Article 32 of Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (the Code) (OJ L 321, 17.12.2018, p. 36).

telephone networks provided at a fixed location and wholesale voice call termination on individual mobile networks in Lithuania².

The national consultation³ ran from 4 May 2021 to 18 May 2021.

The Commission sent a request for information⁴ to RRT on 31 May 2021, and received a reply on 3 June 2021.

2. DESCRIPTION OF THE DRAFT MEASURE

Given the imminent entry into application of the Delegated Regulation⁵ setting single maximum Union-wide fixed and mobile voice termination rates, i.e. as of 1 July 2021, RRT proposes to withdraw the existing price remedies currently applicable in Lithuania.

2.1. Background

The market for wholesale call termination on individual public telephone networks provided at a fixed location and wholesale voice call termination on individual mobile networks in Lithuania were previously notified to and assessed by the Commission under cases LT/2019/2162 and LT/2020/2246⁶, respectively.

Fixed termination markets

RRT defined the market for wholesale call termination on individual public telephone networks provided at a fixed location as including the termination of all types of calls irrespective of where the call originates (nationally, internationally, from fixed or mobile numbers) when provided on fixed public switched telephone network (PSTN) and Voice-over-IP (VoIP) networks. Call termination of a particular type of non-geographic telephone numbers, so called 'personal numbers' (number range 7XXXXXXX) are included in the market because the provision of calls to/from these numbers works in the same way as calls to/from geographic numbers. For each of the markets identified, corresponding to the network of each fixed terminating operator, the geographic scope is the territory of the Republic of Lithuania.

² Corresponding to markets 1 and 2, respectively, in Commission Recommendation 2014/710/EU of 9 October 2014 on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services (Framework Directive) (2014 Recommendation on Relevant Markets) (OJ L 295, 11.10.2014, p. 79). These markets have been removed from the list of the relevant markets that may warrant *ex ante* regulation which is contained in the currently applicable Commission Recommendation (EU) 2020/2245 of 18 December 2020 on relevant product and service markets within the electronic communications sector susceptible to *ex ante* regulation in accordance with the Code (2020 Recommendation on Relevant Markets) (OJ L 439, 29.12.2020, p. 23-31).

³ In accordance with Article 23 of the Code. There were no respondents to the public consultations.

⁴ In accordance with Article 20(2) of the Code.

⁵ Commission Delegated Regulation (EU) 2021/654 of 18 December 2020 supplementing Directive (EU) 2018/1972 of the European Parliament and of the Council by setting a single maximum Union-wide mobile voice termination rate and a single maximum Union-wide fixed voice termination rate, C/2020/8703, OJ L 137, 22.4.2021, p. 1–9.

⁶ C(2019) 4276 and C(2020) 4040.

RRT designated the following operators with significant market power (SMP): Telia Lietuva (formerly TEO), Lietuvos geležinkeliai, Lietuvos radijo ir televizijos centras, CSC Telecom, Mediafon Carrier Services, Nacionalinis telekomunikacijų tinklas, and ECOFON.

On Telia, RRT imposed the obligations of access, non-discrimination, transparency and price control. The regulated rate was calculated based on a benchmark of pure bottom-up long run incremental cost (BU-LRIC) fixed termination rates applied in countries part of the European Economic Area (EEA)⁷ based on the most update BEREC Report available at that time⁸. On the other six SMP operators, RRT only imposed the access and price control obligation.

The Commission did not comment.

Mobile termination markets

RRT defined the market as including the termination of voice traffic to mobile numbers using mobile communications networks (2G, 3G, 4G) and data transmission networks using VoIP.

RRT designated seven SMP operators: Bitė; Telia, Tele2, CSC Telecom, Mediafon Carrier Services, Nacionalinis Telekomunikacijų Tinklas and Ecofon. For each of these markets, the geographic scope is the territory of the Republic of Lithuania.

RRT imposed on Bite, Tele2 and Telia obligations of access, transparency, non-discrimination and price control. For CSC Telecom, Ecofon, Mediafon Carrier Services and Nacionalinis Telekomunikacijų Tinklas, RRT imposed obligations of access and price control. The regulated mobile termination rate was established as the average of the pure BU-LRIC rates set by national regulatory authorities of other EU Member States based on the 2019 BEREC Report on termination rates. The obligation of price control was limited to calls originated within the EEA.

As the application of the price remedy was postponed to January 2021, the Commission issued a comment inviting RRT to update the regulated rate based on a more recent BEREC Report that would have become available in the time between the adopted measure and the entry into application of the new rates.

2.2. Regulatory remedies

In the present draft measure, RRT proposes to withdraw all price obligations from the current fixed and mobile termination markets, in order to ensure legal certainty for Lithuanian fixed and mobile operators when the Delegated Regulation setting fixed and mobile termination rates will enter into application, i.e. as of 1 July 2021. RRT confirmed in its reply to the Commission RFI that with this measure it is not imposing or re-imposing other price remedies or other remedies than price. As a result, operators will not be able charge on top of the termination rate set by the Delegated Regulation for any cost element incurred to provide the termination service, that is from (and including) the interconnection port to the called part.

⁷ The regulated fixed termination rate only applied to calls originated within the EEA.

⁸ https://berec.europa.eu/eng/document_register/subject_matter/berec/reports/8306-termination-rates-at-european-level-july-2018 .

3. NO COMMENTS

The Commission has examined the notification and the additional information provided by RRT and has no comments.⁹

Under Article 32(9) of the Code, RRT may adopt the draft measure and, where it does so, shall communicate it to the Commission.

The Commission's position on this particular notification is without prejudice to any position it may take on other notified draft measures.

Pursuant to Point 6 of Recommendation 2021/554¹⁰ the Commission will publish this document on its website. If RRT considers that, in accordance with Union and national rules on business confidentiality, this document contains confidential information that you wish to have deleted prior to publication, please inform the Commission¹¹ within three working days of receipt¹². Please give reasons for any such request.

Yours sincerely,

For the Commission
Roberto Viola
Director-General

⁹ In accordance with Article 32(3) of the Code.

¹⁰ Commission Recommendation (EU) 2021/554 of 30 March 2021 on the form, content, time limits and level of detail to be given in notifications under the procedures set in Article 32 of Directive (EU) 2018/1972 of the European Parliament and of the Council establishing the European Electronic Communications Code OJ L 112, 31.3.2021, p. 5

¹¹ By email: CNECT-markets-notifications@ec.europa.eu

¹² The Commission may inform the public of the result of its assessment before the end of this three-day period.