Enforcement of the Internal Market Acquis

Standard Summary Project Fiche

Project Number LI 9907.03

1. Title
Strengthening Enforcement of Audio-Visual Policy

2. Geographical Location
Radio and Television Commission (RTC)

3. Objectives
The wider objectives of this 0.5 MEUR Project are:

- To support Lithuania’s implementation of a medium-term institution building plan as the basis for achieving compliance with EC requirements in the audio-visual sector by the end of this Project. In particular this implies strengthening the capacity of the national regulatory authority (RTC) to monitor the sector and effectively enforce the acquis,

- To utilise the enforcement of the ‘Television Without Frontiers’ Directive as the main vehicle for the modernisation and opening of Lithuania’s audio-visual industry.

Phare support will be delivered via a Twinning and Training Package focused on achieving:

- Completion of the approximation of legislation, including preparation of secondary legislation, modernisation of the licensing framework and establishment of suitable codes of conduct,

- Further strengthening the institutional capacity, structures and procedures of the national regulatory authority to monitor and regulate the audio-visual industry, to be based on a medium-term institution building plan presently being drafted by the beneficiary with the support of on-going Phare assistance,

- Staff training at the RTC, plus support to raise broader awareness (primarily aimed at professional associations and social partners) of EC norms and standards in the sector,

- Strengthening the institutional capacity of RTC, primarily via the improved utilisation of informatics, to monitor and analyse activities in the audio-visual sector.

4. Institutional Framework
The Project will be co-ordinated by the Radio and Television Commission (RTC), which was established in 1996 (See Annex 4 for RTC’s Statute, amended in February 1999), as an independent, non-profit, non-budget organisation, financed by the owners of broadcasting services (75 owners, providing the RTC’s budget in 1999 of approximately 0.8 MLT – 0.25 MEUR).

The 1996 Law on the Provision of Information to the Public, grounded on the fundamental principle of freedom to provide information to the public, on the basis of the prohibition of censorship and of monopolies, also created the basic framework for the audio-visual sector: rules for obtaining, processing and the dissemination of public information, including the rights and responsibilities of public information providers (including their owners), producers and journalists.

RTC consists of 11 members, divided into three Working Groups: Legislative, Strategy and Policy and Licensing and Control (See Annex 5 for RTC’s Organigramme). This Project will assist to expand RTC’s capacities, in particular supporting the establishment of Working Groups for Information and Analysis, Research and Planning and Public and Foreign Relations, and the provision of advisory and training support to ensure that RTC is staffed by high-level qualified specialists.
RTC’s functions in the audio-visual sector involve:

- Legislative/regulatory function: RTC is presently involved in preparation of the draft Law on the Provision of Information to the Public (which should assume the requirements of EC Directives 89/552/EEC and 97/36/EC), with two RTC members on the preparation group in Seimas. RTC also prepares tender regulations, licence standard forms and prepares secondary legislation and acts for the licensing and control of broadcasting.

- Licensing function: Lithuania’s audio-visual sector was growing rapidly, but rather chaotically until RTC was established in November 1996, with licences for broadcasting previously granted by the Ministry of Telecommunications. Today there are nearly one hundred broadcasters by radio, television and cable-TV in Lithuania, of which RTC has granted 43 licences within its 2.5 years of activities. The renewal of licenses given by the Ministry of Telecommunications is foreseen in year 2000 (for terrestrial broadcasting services) and 2002 (for cable-TV). A major task for RTC is to prepare new licence standards and criteria in time for the date of renewal. New requirements must be introduced into licensing procedures, covering the means by which to ensure broadcasters achieve compliance with requirements for the content of programmes, network, technical level, advertising and sponsorship, renewal, sanctions for breaches of conditions and revocation procedures etc.

- Control function: RTC must control the legacy of licensed broadcasting services, ensuring compliance of licence obligations/conditions. The means of control are fines, penalties and trials. The mechanisms of legal control and penalties are presently under-developed,

- Planing function: The Law on Telecommunications (1998) obliges the RTC to prepare the strategy and Strategic Plan for the development of the audio-visual sector (usage of radio frequencies for telecommunication networks) in Lithuania. Strategic planning explicates the regulatory functions of RTC both on the public and commercial sectors. RTC is obliged to project the number of radio/television networks (nation-wide, regional and local), their capacities and broadcasting quality, including programme profiles and structure (especially cultural, educational, entertainment content, programmes for children, advertising, etc.).

In this task, RTC co-operates with the Ministry of Culture and National Radio and Television Council (responsible for overseeing/control of public sector radio and television broadcasting), including with the preparation of the draft Law on Provision of Information to the Public and the development of higher standards and ethics in the audio-visual sector,

- Monitoring and research function: to investigate radio/television production and audience impact/public interest (the structure and the content of programmes, the specific interests and demands of the audience, the opinion of the audience on educational, cultural and children’s programmes) as the basis for the further development and raising of standards in Lithuania’s audio-visual market and the stricter control of licence compliance. To date only limited surveys regarding the Lithuanian market exist, making such research a key priority for RTC over the short-to-medium-term period. Codes of programming, ethics, advertising and the protection of minors should be prepared on the basis of such surveys.

5. Description

This 0.5 MEUR Project will be contracted as a single Twinning and Training Package to Strengthen Enforcement of Audio-Visual Policy.

The Law on the Provision of Information to the Public is presently in the process of revision, with a draft Law in Seimas for adoption. The (draft) Law will expand RTC’s scope of activities/powers:

- RTC will be granted tighter control over issued licences, especially in terms of quality and content of broadcast material (new articles on the prohibition of pornography and severe violence), with penalties for violations in broadcasting including the possibility to revoke licences;
RTC will exercise stricter guidance on programme and advertising codes, introduce standard formats for licences and the right to reply.

As drafted, the Law will achieve substantial compliance with EC requirements in the field of audio-visual policy/‘Television without Frontiers’. Additional legislative measures are planned for later in 1999 concerning advertising and sponsorship.

Lithuania’s main short-to-medium-term targets therefore relate to establishing the conditions to implement and enforce the new Law. In addition to the preparation of secondary legislation, this will entail policy advice for the development of suitable institutional and procedural arrangements and mechanisms, in consultation with professional and social partners, the strengthening of codes of conduct and ethics, plus support to enhance human resource capacities at RTC and raise broader public awareness of European norms in the sector.

The Twinning and Training Package financed under this Project will build on the on-going support being provided to RTC under the on-going Phare project “Support to European Integration in Lithuania” (LI 9701-02). This on-going Phare project supports RTC in the area of legal approximation and audio-visual licensing, and in the preparation of a medium-term institutional strengthening/strategic development action plan (in view of the fast pace of technological advancement, this will also necessitate a clearer definition of RTC’s mission over the medium-term). It is expected that this plan (which will form the basis for negotiations on the twinning covenant) will be finalised during the early autumn 1999.

The Twinning and Training Package, building on the on-going activities under the LI 9701-02 project, will therefore assist RTC with:

- The review, and, as necessary, revision of the institution building action plan elaborated under the LI 9701-02 project,
- Support with the interpretation of EC legislative requirements and related ECJ judgements, as the basis for the preparation of remaining legal measures, in order to ensure full compliance with the acquis by the end of the Project,
- Support implementation of the detailed medium-term plan for strengthening RTC’s operations, structures and procedures, including the establishment of effective and transparent internal monitoring instruments and information management, including software development,
- Support for improved research and analytical capacity of RTC, focused on:
  - establishment of a database on the audio-visual market and industry,
  - research on radio and television audience and the influence of products especially with regards children,
- Support the further development of national audio-visual policy, in particular covering:
  - elaboration of the strategy and plan for usage of the radio and television frequency/network, in particular in the context of technological development (digitalisation),
  - establishing new criteria for licensing of broadcast services,
  - establishment of stricter codes of ethics (in co-operation with the Ethics Commission of Journalists and Publishers and the Commission on the Protection of Minors), and the elaboration of an action plan for the enhancement of public awareness of such codes,
  - support mechanisms for the stimulation and promotion of the production and distribution of European educational and cultural products,
  - modernisation of Lithuania’s audio-visual industry, within the wider EU industrial environment,
The development and implementation of a training programme, implemented in the context of a broader awareness-raising campaign, with a particular focus on the training of RTC staff (including fellowships to EU Member State(s)) and the training of professional and social partners, ensuring close ties with European partners.

This necessitates that the Twinning and Training Package therefore comprise the following key components:

- A 1 year PAA, to provide strategic and operational advice to RTC regarding enforcement of the *acquis*, broader policy development and the strengthening of RTC’s institutional, procedural and management capacity. The PAA, who should be fluent in the English language, will also be responsible for co-ordinating the series of short-term expert inputs,

- A series of short-to-medium-term EU experts (approximately 15 person-months), who should all be fluent in the English language, to provide specialist advisory and training inputs in a range of sectors: e.g. development of secondary legislation, plus procedural methodology for tender regulations, licensing, enforcement structures, information management including research, software development and information provision, human resource development etc.,

- Other services, primarily for the purposes of interpretation, translation of texts, the development of computer/information systems, provision of documentation etc..

6. **Budget (in million EUR)**

<table>
<thead>
<tr>
<th>Project</th>
<th>Investment</th>
<th>Institution Building</th>
<th>Total Phare (= I + IB)</th>
<th>Recipient</th>
<th>IFI</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Twinning and Training Package to Strengthen Enforcement of Audio-Visual Policy</td>
<td>0.5</td>
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7. **Implementation Arrangements**

The CFCU is the Implementing Agency responsible for tendering, contracting and accounting. Responsibility for technical preparation and control will remain with the beneficiary: RTC.

It is planned to conclude one contract: a twinning agreement.

8. **Implementation Schedule**

Start of twinning arrangements: 2Q/00

Completion: 2Q/01

9. **Equal opportunity**

The institutions involved in the project execution will observe equal opportunity of men and women in its recruitment and human resources development. The beneficiary will ensure equal access of men and women to the project activities and results.

10. **Environment**

N/A

11. **Rates of Return**

N/A
12. Investment Criteria

N/A

13. Conditionality and Sequencing

The Twinning and Training Package will build on the on-going support being provided to RTC within the on-going Phare project “Support to European Integration in Lithuania” (LI 9701-02) under which a medium-term institutional strengthening/strategic development action plan will be finalised during the early autumn 1999.

The beneficiary, RTC, will provide the team of experts with necessary facilities and counter-part support for implementing the Project.
## Strengthening Enforcement of Audio-Visual Policy

<table>
<thead>
<tr>
<th>Wider Objective</th>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement and development of audio-visual policy and strategy</td>
<td>Ordering of the audio-visual sector</td>
<td>Education, Science and Culture Committee of the Seimas. RTC</td>
<td>Conformity of the created mechanism for the implementation, enforcement and successful functioning</td>
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</table>

<table>
<thead>
<tr>
<th>Immediate Objectives</th>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. RTC institution building.</td>
<td>Data bank and recommendations</td>
<td>Baltic Surveys, Social Information Centre, Institute of Philosophy and Sociology, Lithuanian Journalists Centre</td>
<td>Conformity of the created mechanism for the implementation, enforcement and successful functioning</td>
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<tr>
<td>3. Data bank on electronic mass media market.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Inputs</th>
<th>10 appointed, staff trained, sectors of Information analysis, Research and planning, Public and foreign relations established</th>
<th>RTC</th>
<th>Selection of specialists with high level qualifications, Methods and technologies sufficient</th>
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<tbody>
<tr>
<td>Staff for institution</td>
<td>Working methods and measures Education and training</td>
<td></td>
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**Project Number:** LI 9907.03  
**Date of Drafting:** 04/99  
**Contracting Period Expires:** 31/10/2001  
**Disbursement Period Expires:** 31/10/2002  
**Total Budget:** 0.5 MEUR  
**Phare Contribution:** 0.5 MEUR
Cumulative Contracting and Disbursement Schedule for the Project (MEUR)  

LI 9907.03

### Cumulative Quarterly Contracting Schedule (MEUR)

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<thead>
<tr>
<th>Project</th>
<th>4Q/99</th>
<th>1Q/00</th>
<th>2Q/00</th>
<th>3Q/00</th>
<th>4Q/00</th>
<th>1Q/01</th>
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### Cumulative Quarterly Disbursement Schedule (MEUR)

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<thead>
<tr>
<th>Project</th>
<th>4Q/99</th>
<th>1Q/00</th>
<th>2Q/00</th>
<th>3Q/00</th>
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<th>1Q/02</th>
<th>2Q/02</th>
<th>3Q/02</th>
<th>Total</th>
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## Detailed Implementation Chart for the Project

**LI 9907.03**

### Twinning and Training Package to Strengthen Enforcement of Audio-Visual Policy

- **Launch Twinning Request to Member States (after Management Committee – 23 July 1999)**
  - 1999: X
  - 2000: 
  - 2001: 
  - 2002: 

- **Selection of Member State(s) for Twinning**
  - 1999: X
  - 2000: X
  - 2001: X
  - 2002: X

- **Elaboration of Twinning Covenant**
  - 1999: X
  - 2000: X
  - 2001: X
  - 2002: X

- **Submit Twinning Covenant to the Commission & Steering Committee for Approval**
  - 1999: 
  - 2000: 
  - 2001: 
  - 2002: X

### Implementation of Twinning Package

- 1999: X
- 2000: X
- 2001: X
- 2002: X

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**Annex 2 b)**
Relation of the Project with Previous Phare Activities
and On-Going Projects Financed from Other Sources

LI 9907.03

Under the on-going Phare project “Support to European Integration in Lithuania” (LI 9701-02), a medium-term institutional strengthening/strategic development action plan is expected to be finalised during autumn 1999.

The project intends to support RTC in obtaining information/knowledge about EC legal requirements of broadcasting, the landscape and regulation of broadcasting services in various countries, the regulatory authorities and their competencies. The project will also support RTC with the organisation of seminars/workshops on licensing issues, licence compliance and control mechanisms. Also short-time experts are supposed to help RTC in law approximation work: in interpretation of EC legislative requirements as the basis for the preparation of RTC legal measures for licensing, control, renewal and revocation acts.
RTC’s Statutes

Annex 4

Approved by the Radio and Television Commission,
Decision No. 5 of 24 February 1999

REGULATIONS
OF THE RADIO AND TELEVISION COMMISSION

I. General principles

1. The Radio and Television Commission (hereinafter referred to as ‘the Commission’, shall be a specialised institution established by and answerable to the Seimas of the Republic of Lithuania, functioning under the Law on Public Information and other laws of the Republic of Lithuania, relevant international agreements and these regulations,

2. The Commission shall be a legal person in possession of an official seal, shall own assets and shall be capable of acquiring property rights and personal non-property rights and obligations on its own behalf. The registered office of the Commission shall be located in the city of Vilnius,

3. The Commission shall be independent of national executive institutions, local authorities, political parties and organisation or economic entities of the Republic of Lithuania,

4. The main purpose of the Commission shall be the regulation of radio and television stations, licensing of cable television so that their activities should not run counter the interests of the State of Lithuania or its national culture.

II. Activities

The Commission:

5. Shall accumulate and analyse information on the system of radio and television communications, their market, and information on radio frequencies, co-ordinated or under co-ordination,

6. Shall determine the number of radio and television stations, cable television licenses granting the right to broadcast or re-broadcast programmes, the requirements for the content and production of programmes, technical requirements, the duration of licenses and other terms,

7. The Commission shall submit applications for the co-ordination of frequencies to the Service for the Regulation of Communications of the Republic of Lithuania; it shall accumulate information on the needs of new radio and television stations for radio frequencies and the needs of the licensed radio and TV stations for new frequencies,

8. The Commission shall invite and organise:

8.1. tenders from radio and television stations for licenses to broadcast or re-broadcast radio and television programmes,

8.2. tenders for the rent of broadcasting equipment for the purposes of broadcasting or re-broadcasting radio and television programmes,

8.3. tenders of cable television and radio for licenses to broadcast their programmes,

8.4. other tenders related to electronic mass media,

9. Prior to every tender, the Commission shall approve its regulations laying down the terms and conditions of the tender,
10. Tenders shall be invited only for the use of newly co-ordinated or idle radio frequencies, for designing new radio and television stations as well as for the rent of broadcasting equipment when the rent term expires or a new broadcasting facility is offered for rent. The regulations of a tender shall provide for the object of the tender, the criteria for the award, the procedure for the appeal against the results of the tender, the terms of the contract on the rent of broadcasting equipment, the deadline and conditions for the issuance of the license,

11. The Commission shall monitor the compliance of radio and television stations and cable television and radio with the obligations they assumed in the tender concerning the structure and content of their programmes and other requirements. On finding violations, the Commission shall notify in writing the radio or television station concerned. If the radio or television station notified does not correct the violations in the period set by the Commission, at the latest within three months, the Commission shall bring the case before a court requesting an injunction or the withdrawal of the license,

12. If a radio or television station, cable television or radio does not pay the charges imposed by the Commission, the Commission shall bring the case before a court requesting the enforcement of the charges or the suspension of the operation of the station or the termination of the license,

13. If a licensed television or radio station adheres to the laws of the Republic of Lithuania and complies with the obligations assumed, the Commission shall extend the duration of licensing by signing a new license. When new tenders are invited after the term of the rent contract expires, the television or radio stations which have rented the broadcasting equipment shall have the right of precedence to the rent of the equipment in question,

14. In case a dispute arises concerning the amount of charges paid by a radio or television station, cable television or radio, the Commission shall make enquiries with relevant institutions about the income of the station concerned,

15. The Commission shall co-operate with the Service for the Regulation of Communications of the Republic of Lithuania, the Ethics Commission of Journalists and Publishers, the Support Fund of the Press, Radio and Television, the Lithuanian Association of Radio and Television, the Lithuanian Association of Cable Television; if necessary, it shall invite their representatives to participate in the meetings of the Commission. The Commission shall co-operate with other organisations of Lithuania and other countries,

16. The Commission shall adopt binding interpretations of these Regulations and the application of other legal documents adopted by the Commission as well as the implementation of its decisions. The Commission shall give recommendations to licensed radio and television stations concerning their compliance with the obligations assumed: it shall give answers to the enquiries of licensed radio and television stations,

17. The Commission shall publish methodological and other information literature on the operations of radio, television, cable television and their programmes; it may sponsor cultural and educational programmes and their producers,

18. The general information provided to the Commission by licensed radio and television stations shall be available to the public. General information shall include: the name of the radio or television station, the address of its registered office, its legal status, the name and surname of its chief executive officer, the amount of its authorised capital, the nature and purpose of the programmes broadcast or rebroadcast by the radio or television station,

III. FORMATION OF THE COMMISSION, THE RIGHTS AND DUTIES OF ITS MEMBERS

19. The Commission shall be formed according to the procedure provided for by the Law on Public Information of the Republic of Lithuania,

20. A member of a political party elected to the Commission shall suspend his or her membership in the party until the end of his or her term of office on the Commission,

21. Members of the Commission shall be obliged to attend the meetings and conferences of the Commission, to participate in the work of expert committees and to draw up documents of the Commission,
22. In case a Commission member does not attend meetings for more than 3 months, his or her mandate shall be suspended and the Commission shall notify the institution which appointed the member of the fact requesting it to appoint a new member,

23. Commission members shall have the right to receive information from state and other institutions on the activities of radio and television stations, cable television, other electronic mass media and the Commission itself, to bring a case against the decisions of the Commission and its administration in court,

24. Commission members shall adhere to these Regulations, the rules of order and other rules of action adopted by a decision of the Commission,

25. Commission members and the members of their immediate family may not have broadcasters’ shares or participate in their management. Commission members and the members of their immediate families may not be employed in the administration of the Commission.

IV. STRUCTURE AND GOVERNANCE

26. The supreme organ of the Commission shall be the meeting of the Commission,

27. The meetings of the Commission shall be public. They shall be convened on the proposal of no less than one third of the Commission members or its Chairperson, in any event, at least once a month. Meetings shall be lawful if attended by no less than half of the members of the Commission,

28. Resolutions of the Commission shall be adopted by a majority of votes cast, except for the decisions on the issuance of licenses, assignment of frequencies and tender rewards as well as on the adoption and amendment of these Regulations. Decisions on the latter issues shall be adopted by two thirds of the membership of the Commission,

29. The Commission shall have the right to hold closed conferences,

30. Every year the Commission shall elect its chairperson, his/her deputy and the heads of its units; it shall approve its budget establishing administrative expenses,

31. The Commission shall determine the salaries of the head of its administration and the financial accountant; it shall take decisions on hiring independent experts. The Head of the administration and the financial accountant shall be appointed by tender,

32. The chairperson of the Commission shall:
   - co-ordinate the work of the members of the Commission and its administration when they take decisions on the activities of the Commission referred to in Article 2 of these Regulations. The chairperson shall call and preside over the meetings of the Commission according to its rules of order, sign resolutions passed by the meetings, and run the activities of the Commission between its meetings,
   - organise the monitoring of the compliance with the obligations assumed by radio and television stations in the tender concerning the structure and content of their programmes, submit applications to national authorities requesting the correction of the violations, the suspension or termination of the activities of the radio and television stations concerned,
   - represent the Commission in its communication with the national authorities of the Republic of Lithuania and other legal or natural persons both of the Republic of Lithuania and other countries. The chairperson shall make annual reports to the Seimas of the Republic of Lithuania,

33. The Administration shall be responsible for the implementation of the decisions of the Commission and run the activities of the Commission between its meetings,

34. The Head of the Administration shall be appointed by tender for an indefinite period of service. His or her relations of employment with the Commission shall be governed by the labour laws and other relevant laws and regulations of the Republic of Lithuania. The Head of the Administration shall be responsible for the implementation of the decisions adopted and delegated to him or her by the meetings of the Commission. The Head of the Administration shall be responsible for the economic and financial activities of the Commission; he or she shall draw up the estimate of the revenue and expenditure of the Commission and submit it to a meeting of the Commission for consideration. When authorised by the
Chairperson of the Commission, the Head of the Administration shall represent the Commission in courts and in the relations of the Commission with other authorities and legal or natural persons of the Republic of Lithuania. The Head of the Administration shall co-ordinate the work of the staff of the Administration, hire and dismiss its personnel, make written employment contracts with its staff according to the Law on Employment Contract of the Republic of Lithuania and set their salaries.

Twice a year, the Head of the Administration shall report to the meeting of the Commission on the use of the Commission’s funds and assets,

35. The staff of the Administration shall have no commercial relations with the broadcasters,

36. The financial accounting of the Commission shall be the responsibility of the chief financial accountant,

The chief financial accountant shall maintain financial records according to the laws and regulations on the principles of financial accounting of the Republic of Lithuania, guarantee the correctness of the financial records as well as the timely presentation of financial statements. The instructions of the financial accountant in financial accounting matters shall be binding to all the employees of the Commission.

V. FUNDS, THE ECONOMIC AND FINANCIAL ACTIVITIES

37. The Commission shall conduct its economic and financial activities according to the laws of the Republic of Lithuania and these Regulations,

38. The Commission shall have the right of the lawful acquisition, management, use and disposal of assets. The assets of the Commission may not be pledged or used as a collateral in guaranteeing the debt obligations of other persons,

39. The Commission shall have the right to:
   39.1 assume obligations and enter into agreements,
   39.2 pay for goods and services in the procedures laid down by law,

40. The Commission shall maintain its financial accounts. The financial year of the Commission shall be the calendar year,

41. The sources of income of the Commission shall include:
   41.1 the fees of radio and television stations, cable radio and television,
   41.2 interest on its funds deposited with financial institutions and other income,
   41.3 funds allocated to the Commission from the budget of the Central Government of the Republic of Lithuania.

VI. PROCEDURE OF LIQUIDATION OR REORGANISATION OF THE COMMISSION

42. The Commission may be liquidated or re-organised exclusively on a special law of the Republic of Lithuania.

Chairperson of the Commission Donatas Katkus