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Information and Notices

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[1] Text with EEA relevance

(Continued overleaf)

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(1) Text with EEA relevance

(Continued on inside back cover)

I

(Resolutions, recommendations and opinions)

RECOMMENDATIONS

EUROPEAN CENTRAL BANK

RECOMMENDATION OF THE EUROPEAN CENTRAL BANK

of 1 July 2010

to the Council of the European Union on the external auditors of Národná banka Slovenska

(ECB/2010/6)

(2010/C 184/01)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 27.1 thereof,

Whereas:

(1) The accounts of the European Central Bank (ECB) and national central banks are audited by independent external auditors recommended by the ECB's Governing Council and approved by the Council of the European Union.

(2) The mandate of Národná banka Slovenska's current external auditors ended after the audit for the financial year 2009. It is therefore necessary to appoint external auditors from the financial year 2010.

(3) Národná banka Slovenska has selected Ernst & Young Slovakia, spol. s r.o. as its external auditors for the financial years 2010 to 2014,

HAS ADOPTED THIS RECOMMENDATION:

It is recommended that Ernst & Young Slovakia, spol. s r.o. should be appointed as the external auditors of Národná banka Slovenska for the financial years 2010 to 2014.

Done at Frankfurt am Main, 1 July 2010.

The President of the ECB

Jean-Claude TRICHET

IV

(Notices)

NOTICES FROM EUROPEAN UNION INSTITUTIONS, BODIES, OFFICES AND AGENCIES

EUROPEAN COMMISSION

Euro exchange rates [1]

7 July 2010

(2010/C 184/02)

1 euro =

	Currency	Exchange rate		Currency	Exchange rate
USD	US dollar	1,2567	AUD	Australian dollar	1,4821
JPY	Japanese yen	109,56	CAD	Canadian dollar	1,3311
DKK	Danish krone	7,4532	HKD	Hong Kong dollar	9,7913
GBP	Pound sterling	0,83190	NZD	New Zealand dollar	1,8160
SEK	Swedish krona	9,6160	SGD	Singapore dollar	1,7480
CHF	Swiss franc	1,3312	KRW	South Korean won	1 536,73
ISK	Iceland króna		ZAR	South African rand	9,6505
NOK	Norwegian krone	8,1010	CNY	Chinese yuan renminbi	8,5169
BGN	Bulgarian lev	1,9558	HRK	Croatian kuna	7,1913
CZK	Czech koruna	25,548	IDR	Indonesian rupiah	11 408,78
EEK	Estonian kroon	15,6466	MYR	Malaysian ringgit	4,0459
HUF	Hungarian forint	284,47	PHP	Philippine peso	58,512
LTL	Lithuanian litas	3,4528	RUB	Russian rouble	39,1503
LVL	Latvian lats	0,7095	THB	Thai baht	40,818
PLN	Polish zloty	4,1220	BRL	Brazilian real	2,2422
RON	Romanian leu	4,2318	MXN	Mexican peso	16,3773
TRY	Turkish lira	1,9632	INR	Indian rupee	59,1290

[1] *Source*: reference exchange rate published by the ECB.

NOTICES FROM MEMBER STATES

Commission communication pursuant to Article 16(4) of Regulation (EC) No 1008/2008 of the European Parliament and of the Council on common rules for the operation of air services in the Community

Public service obligations (modified) in respect of scheduled air services

(Text with EEA relevance)

(2010/C 184/03)

Member State	United Kingdom
Concerned routes	Oban–Coll Oban–Colonsay Oban–Tiree Coll–Tiree
Date of entry into force of the public service obligations	2 March 2007
Address where the text and any relevant information and/or documentation related to the modified public service obligations can be obtained	Argyll and Bute Council Council Offices Kilmory Lochgilphead Argyll PA31 8RT Scotland UNITED KINGDOM Tel. +44 1546604141 Fax +44 1546606443 (Contact: Sandy Mactaggart, Development and Infrastructure Services) E-mail: sandy.mactaggart@argyll-bute.gov.uk

Commission communication pursuant to Article 17(5) of Regulation (EC) No 1008/2008 of the European Parliament and of the Council on common rules for the operation of air services in the Community

Invitation to tender in respect of the operation of scheduled air services in accordance with public service obligations

(Text with EEA relevance)

(2010/C 184/04)

Member State	United Kingdom
Concerned routes	Oban–Coll Oban–Colonsay Oban–Tiree Coll–Tiree
Period of validity of the contract	1 October 2010-31 March 2014
Deadline for submission of tenders	2 months after the date of publication of this notice
Address where the text of the invitation to tender and any relevant information and/or documentation related to the public tender and the modified public service obligations can be obtained	Argyll and Bute Council Council Offices Kilmory Lochgilphead Argyll PA31 8RT Scotland UNITED KINGDOM Tel. +44 1546604141 Fax +44 1546606443 (Contact: Sandy Mactaggart, Development and Infrastructure Services) E-mail: sandy.mactaggart@argyll-bute.gov.uk

NOTICES CONCERNING THE EUROPEAN ECONOMIC AREA

EFTA SURVEILLANCE AUTHORITY

Invitation to submit comments pursuant to Article 1(2) of Part I of Protocol 3 to the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice on State aid with regard to the financing of the fitness centre at Kippermoen Leisure Centre

(2010/C 184/05)

By means of Decision No 537/09/COL of 16 December 2009, reproduced in the authentic language on the pages following this summary, the EFTA Surveillance Authority initiated proceedings pursuant to Article 1(2) of Part I of Protocol 3 to the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice. The Norwegian authorities have been informed by means of a copy of the decision.

The EFTA Surveillance Authority hereby gives the EFTA States, EU Member States and interested parties notice to submit their comments on the measure in question within one month from the publication of this notice to:

EFTA Surveillance Authority
Registry
Rue Belliard 35
1040 Bruxelles/Brussel
BELGIQUE/BELGIË

The comments will be communicated to the Norwegian authorities. Confidential treatment of the identity of the interested party submitting the comments may be requested in writing, stating the reasons for the request.

SUMMARY

On 27 January 2009, the Norwegian authorities notified the financing of the fitness centre at the Kippermoen Leisure Centre (hereinafter referred to as the KLC) as a no-aid measure for legal certainty reasons. The Authority sent two requests for information to which the Norwegian authorities have replied.

The KLC was established in the 1970s. It is located in the city of Mosjøen which is part of the municipality of Vefsn, in the county municipality of Nordland, which is the second northernmost county municipality of Norway. The centre is owned by the municipality of Vefsn and is not organised as a separate legal entity.

Initially the centre consisted of an indoor swimming pool, a solarium, a sports hall and a fitness centre. In 1997 the KLC (including the fitness centre) was modernised and expanded. The fitness centre was expanded again in 2006 and 2007.

New or existing aid

Insofar as the financing of the fitness centre at the KLC involves the grant of State aid, the question is whether this measure represents new or existing aid.

The KLC has been financed directly by the municipality of Vefsn since it was established in the early seventies. In addition to this, the KLC has, ever since it was established, been financed by the revenue generated from various user fees, determined by the municipality. This method of financing was in place before the entry into force of the EEA Agreement on 1 January 1994, and could for these reasons seem to constitute existing aid within the meaning of Article 1(b)(i) of Part II of Protocol 3.

Although according to the information provided, the 2006/07 expansion was supposed to be financed on the basis of the same funding mechanism as that for operational costs, the Authority has not received sufficiently specific information on how the expansion of 1997 was financed.

Furthermore, the ticketing system has been changed since the entry into force of the EEA Agreement. The changes seem to have affected the price, the types of tickets offered and the system of allocation of ticket revenue. The Authority has not been provided with specific information concerning these developments, and has accordingly not been able to exclude that these changes involve a form of new aid.

Regarding the beneficiary, as far as the premises are concerned, according to the information made available to the Authority, the fitness centre was initially modestly equipped. The question is whether the sports facilities existing in the 1970s have been merely upgraded in accordance with new demands or whether the current fitness centre must be considered as a new facility. It is the Authority's understanding that the current fitness centre is not only significantly bigger but it also offers a much broader range of fitness activities than the old modestly equipped fitness centre. In this respect, the Authority has doubts as to whether the expansions of 1997 and/or 2006/07, which took place after the entry into force of the EEA Agreement, changed the character of the operations of the fitness centre. According to case law, the enlargement of the scope of activities does generally not imply that the measure involves new aid. Nevertheless, given the apparently significant changes and expansion in the activities of the fitness centre [1] the Authority has not been able to exclude that the classification of the aid could have changed.

The presence of State aid

Advantages involving State resources granted to an undertaking

The municipality of Vefsn covers the annual deficit of the KLC as a whole. Municipal resources are State resources within the meaning of Article 61 of the EEA Agreement [2]. The fitness centre has been financed with users fees determined and allocated by the municipality in such a way that it has a surplus whereas the rest of the KLC runs under deficit. Due to the practice of not maintaining a clear separation of accounts, the Authority cannot exclude that cross-subsidisation of the fitness centre has taken place.

The fitness centre has also received funds from *Norsk Tipping AS*, a gaming company fully owned by the Norwegian State and under the jurisdiction of the Ministry of Culture and Church Affairs [3]. The gaming funds are collected, administered and distributed under the control of the State and, as a consequence, represent State resources within the meaning of Article 61(1) of the EEA Agreement.

Furthermore, the fitness centre may have been financed by resources stemming from the municipality of Nordland.

The fitness centre which forms part of the KLC largely operates as a normal fitness centre and in that respect, it seems to constitute an undertaking. Although the Norwegian authorities have argued that no State aid is granted to the fitness centre in the sense of the Altmark case law, at this stage the Authority cannot exclude that the financing of the fitness centre at the KLC confers an advantage on the fitness centre at the KLC.

Distortion of competition and effect on trade between contracting parties

The advantage conferred on the fitness centre at the KLC seems to threaten to distort competition in the fitness centre market. However, the Authority has doubts as to whether the measure threatens to affect intra-EEA trade within the meaning of Article 61(1) of the EEA Agreement. In general, fitness centres seem to provide a service which by its very nature has a limited attraction zone. The fitness centre at the KLC does not appear so unique as to attract visitors from afar. It is located in the second-northernmost county of Norway approximately 60 km by road from the nearest Swedish border. However, a few undertakings involved in intra-EEA trade are active on the Norwegian fitness centre market. On the other hand, it seems like these undertakings tend to establish themselves in more densely populated areas of Norway.

[1] See communication from the Commission on the application of State aid rules to public service broadcasting, OJ C 257, 27.10.2009, p. 1, paragraphs 25-31 and 80 ff.

[2] See the Authority's Decision No 55/05/COL section II.3. p. 19 with further references, published in OJ L 324, 23.11.2006, p. 11 and EEA Supplement No 56, 23.11.2006, p. 1.

[3] See Annual and Social Report of *Norsk Tipping AS* for 2008, p. 3, Available online (https://www.norsk-tipping.no/page?id=207).

Compatibility of the aid

The Authority has doubts as to whether the operation of what, to a large extent, appears to be a normal fitness studio can represent a service of general economic interest within the meaning of Article 59(2) of the EEA Agreement.

Furthermore, the Authority is in doubt as to whether the financing of the fitness centre can be compatible with the EEA Agreement on the basis of the cultural derogation in Article 61(3)(c) of the EEA Agreement, as argued by the Norwegian authorities.

Finally, the Authority is in doubt as to whether the financing of the expansions of 1997 and 2006/07 can, in part or in full, be compatible with the functioning of the EEA Agreement on the basis of Article 61(3)(c) and the chapters of the Authority's guidelines on regional aid.

Conclusion

In light of the foregoing considerations, the Authority decided to open the formal investigation procedure in accordance with Article 1(2) of Part I of Protocol 3 to the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice with regards to the funds stemming from the municipality of Vefsn to the fitness centre at the KLC. Interested parties are invited to submit their comments within one month from publication of this Decision in the *Official Journal of the European Union*.

EFTA SURVEILLANCE AUTHORITY DECISION

No 537/09/COL

of 16 December 2009

to initiate the procedure provided for in Article 1(2) in Part I of Protocol 3 to the Surveillance and Court Agreement with regard to the financing of the fitness centre at the Kippermoen Leisure Centre

(Norway)

THE EFTA SURVEILLANCE AUTHORITY [1],

Having regard to the Agreement on the European Economic Area [2], in particular to Articles 61 to 63 and Protocol 26 thereof,

Having regard to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice [3], in particular to Article 24 thereof,

Having regard to Article 1(2) of Part I and Articles 4(4) and 6 of Part II of Protocol 3 to the Surveillance and Court Agreement [4],

[1] Hereinafter referred to as the Authority.
[2] Hereinafter referred to as the EEA Agreement.
[3] Hereinafter referred to as the Surveillance and Court Agreement.
[4] Hereinafter referred to as Protocol 3.

Having regard to the Authority's Guidelines on the application and interpretation of Articles 61 and 62 of the EEA Agreement [1], and in particular the Chapters on Public service compensation [2] and National Regional Aid [3] thereof,

Having regard to the Authority's Decision of 14 July 2004 on the implementing provisions referred to under Article 27 of Part II of Protocol 3 [4],

Whereas:

I. FACTS

1. Procedure

By letter dated 27 January 2009, the Norwegian authorities notified a measure financing the publicly owned fitness centre at the Kippermoen Leisure Centre (KLC) (*Kippermoen Idrettssenter*), pursuant to Article 1(3) of Part I of Protocol 3. The letter was registered by the Authority the 28 January 2009 (Event No 506341).

By email dated 3 March 2009 (Event No 511153), the Norwegian Association for Fitness Centres (NAFC) (*Norsk Treningssenterforbund)* submitted comments to the notification.

By letter dated 27 March 2009 (Event No 511172), the Authority forwarded the comments from NAFC to the Norwegian authorities and requested additional information. By letter dated 29 May 2009 (Event No 520013), the Norwegian authorities replied to the information request. By letter dated 29 July 2009 (Event No 525457), the Authority requested additional information from the Norwegian authorities. By letter dated 9 September 2009 (Event No 529846), the Norwegian authorities replied to the information request.

The Authority and the Norwegian authorities discussed the notification in a meeting in Oslo on 16 September 2009. By email dated 28 September 2009, the Authority requested further information and clarifications, to which the Norwegian authorities replied by email dated 29 September 2009 (the two emails are archived as Event No 531832).

2. The KLC

2.1. *Overview of the development of the KLC*

The KLC was established in the 1970s. It is located in the city of Mosjøen which is part of the municipality of Vefsn, in the county of Nordland. The centre is owned by the municipality and is not organised as a separate legal entity.

Initially, the centre consisted of two separate buildings, one hall encompassing an indoor swimming pool with a solarium and a sports hall. Furthermore, the KLC housed a modestly equipped fitness centre.

The two halls of the KLC were managed separately until 1992, when the department of culture at Vefsn municipality started coordinating the management of the two halls. In the same year, the municipality of Vefsn initiated a project in cooperation with the county municipality of Nordland aiming to increase the physical activity of the general population in the county.

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[1] Guidelines on the application and interpretation of Articles 61 and 62 of the EEA Agreement and Article 1 of Protocol 3 to the Surveillance and Court Agreement, adopted and issued by the Authority on 19.1.1994, published in the *Official Journal of the European Union* (hereinafter referred to as OJ) L 231, 3.9.1994, p. 1 and EEA Supplement No 32, 3.9.1994, p. 1 as amended. Hereinafter referred to as the State Aid Guidelines. The updated version of the State Aid Guidelines is published on the Authority's website (http://www.eftasurv.int/state-aid/legal-framework/state-aid-guidelines).

[2] Adopted by the Authority by Decision No 328/05/COL of 20.12.2005, published in OJ L 109, 26.4.2007, p. 44 and EEA Supplement No 20, 26.4.2007, p. 1.

[3] The Chapter on National Regional Aid 2007–13 was adopted by the Authority by Decision No 85/06/COL of 6.4.2006, published in OJ L 54, 28.2.2008, p. 1 and EEA Supplement No 11, 28.2.2008, p. 1 and is applicable from 1 January 2007 onwards. Prior to that date, reference must be made to the provisions of the Chapter on National regional aid adopted by Decision No 316/98/COL of 4.11.1998, published in OJ L 111, 29.4.1999, p. 46 and EEA Supplement No 18, 29.4.1999, p. 1.

[4] Decision No 195/04/COL of 14 July 2004 (published in OJ L 139, 25.5.2006, p. 37 and EEA Supplement No 26, 25.5.2006, p. 1), as amended. A consolidated version of the Decision can be found online (http://www.eftasurv.int).

In 1997, as a consequence of a broadening of the cooperation with the county municipality under the so-called FYSAK programme, Vefsn municipality arranged for an expansion and renovation of the entire KLC, including the fitness centre.

In 2006 and 2007, the fitness centre was expanded with an annexe (*Mellombygningen*) linking together the existing buildings of the KLC. Furthermore, squash courts were established at the KLC. Nowadays, the KLC comprises a combined football and multi-purpose hall (*Mosjøhallen*) and outdoors facilities such as a toboggan run and a shooting range, in addition to the sports hall and the hall with indoor swimming pool established in the early 1970s and the fitness centre. However, the notification submitted by the Norwegian authorities only concerns the fitness centre.

2.2. *The financing of the KLC and its fitness centre*

Since its foundation in 1970s, the municipality of Vefsn has financed the KLC over the municipal budget. Moreover, since its foundation, the KLC has been financed by the revenues generated from fees levied on users. The prices are set by decisions of the municipal council of Vefsn. At the present time, individual users are charged a fee for the use of the fitness centre, squash courts, swimming pool and the solarium, and can choose among different types of season tickets and single tickets granting access to the various facilities. The Norwegian authorities have explained that the current system of allocation of ticket revenue entails that all revenue generated from the sale of all-access season tickets is allocated to the fitness centre. The revenue stemming from the various single tickets, including those granting access to the fitness centre, is allocated to the other facilities at the KLC. Groups of users, like local schools, seem to be charged for the use of the facilities at the KLC on a cost basis, where the compensation paid seems to be allocated to the relevant facility. In the years 2006-08, the total annual revenue generated by user fees represented between NOK 3,6 and 3,7 million. The Norwegian authorities state that approximately NOK 2,6 million (approximately 70 %) of this revenue has been allocated to the fitness centre ([1]).

From 2000, the municipality of Vefsn intended that the fitness centre part of the KLC was to be self-financed in the sense that the revenue generated from the fees levied on users of the fitness centre should cover all its costs. In order to ensure that the fitness centre part of the KLC is self-financed, the municipality has attempted to keep separate accounts for the fitness centre and the other activities of the KLC, where the fitness centre carries a proportionate share of common costs. However, a complete separation of accounts does not yet seem to be fully implemented ([2]).

According to the annual accounts of 2006-08, the fitness centre at the KLC has operated with an annual profit of between NOK 700 000 and 900 000 on account of the revenue generated by the user fees. In contrast to the fitness centre, the KLC as a whole, operates with an annual deficit. This annual deficit is covered by the operating budget of the municipality of Vefsn.

According to the NAFC, the KLC has received grants from the county municipality of Nordland. Despite the request made by the Authority, the Norwegian authorities have not provided any information regarding whether, and in that case how, these funds have been allocated to KLC and whether they were spent for the fitness centre or for other premises within the KLC.

The two expansions of the whole KLC in 1997 and 2006/07 have been financed through various sources. Regarding the 1997 expansion, it was mainly financed by a NOK 10 million loan. The Authority received no information on the identity of the lender, the terms of the loan or how it was serviced ([3]). Additionally, the expansion seems to have been financed by gaming funds granted by *Norsk Tipping AS* ([4]).

The 2006/07 expansion was partly financed through a NOK 10 million bank loan with an interest based on three year government bonds plus 1 % ([5]), a proportionate part of which was intended to be serviced by the fitness centre. The expansion was further financed by NOK 4 million of gaming funds from

([1]) See letter from Norwegian authorities dated 29.5.2009 (Event No 520013) p. 11.
([2]) Ibid p. 12.
([3]) See letter from the municipality of Vefsn to the Norwegian competition authorities dated 3.11.1998, p. 3 (added as sub-Appendix 2 to Appendix 2 of the letter from the Norwegian authorities dated 27.1.2009 (Event No 506341)). The expansion was apparently also financed through other sources, but these funds were seemingly earmarked for areas of the KLC that were not connected to the fitness centre.
([4]) L.c.
([5]) For 2007 the interest rate on three year government bonds was 3,74 %, consequently the interest rate for 2007 was (3,74 % + 1 %) 4,74 %.

Norsk Tipping AS, which were mainly, but apparently not exclusively, used to finance the expansion of other parts of the KLC ([1]).

2.3. *Legal basis for the financing of the KLC*

The legal basis for the financing of the KLC including the fitness centre, seems to be decisions made by the municipal council of Vefsn. According to the budgetary decisions made by Vefsn municipality, ever since the KLC was established in 1970s the operating costs of the KLC have been partly covered by the municipality's operating budget. The two expansions of 1997 and 2006/07 also seem to have been undertaken in accordance with decisions made by the municipality of Vefsn.

3. **Comments by the Norwegian authorities**

The Norwegian authorities argue that the fitness centre is run as a part of the municipal healthcare service and provides a service of general economic interest. Since 1997, the municipality of Vefsn has operated the KLC under the FYSAK programme — a programme managed by the county municipality of Nordland in order to aid the municipalities of Nordland in fulfilling their obligations to promote health in accordance with the Municipal Health Service Act ([2]). According to its Article 2(1) the municipality has a legal obligation to provide 'necessary healthcare' to anyone residing or temporarily staying within the area of the municipality. According to Articles 1(2) and 1(4), the Norwegian municipalities shall prevent and treat diseases, injuries and other health problems, and when providing such services, the municipalities shall promote public health, public well-being and the quality of the general social environment.

The Norwegian authorities hold that the financing of the fitness centre at the KLC merely represents compensation for services rendered by the fitness centre which is provided in line with the *Altmark* criteria ([3]). Consequently, it does not constitute aid within the meaning of Article 61(1) of the EEA Agreement.

In any event, the Norwegian authorities argue that the financing of the fitness centre at the KLC, as far as it could be held to constitute State aid within the meaning of Article 61(1) of the EEA Agreement, must be considered compatible either as a public service compensation on the basis of Article 59(2) of the EEA Agreement, or alternatively as a cultural measure on the basis of Article 61(3)(c) of the EEA Agreement.

4. **Comments from the NAFC**

The NAFC has submitted comments to the notification. The association holds that the fitness centre at the KLC has received State aid within the meaning of Article 61 of the EEA Agreement. As to the sources of such aid, the NAFC claims that the fitness centre has been allocated State resources from the municipality of Vefsn, *Norsk Tipping AS* and the county municipality of Nordland.

The NAFC argues that the aid can neither be held to be compatible with the functioning of the EEA on the basis of Article 61(3)(c), nor constitute a service of general economic interest within the meaning of Article 59(2). Finally, the NAFC holds that the aid exceeds the *de minimis* threshold.

II. **ASSESSMENT**

1. **Scope of the State aid assessment in this Decision**

As mentioned above under Section I.2.2, the fitness centre at the KLC has received financing from different sources. It has been financed by the municipality of Vefsn on a regular basis since its establishment. Furthermore, the KLC has received funds from *Norsk Tipping AS* whereby the Norwegian authorities have not excluded that some of these funds were allocated to the fitness centre. Finally, the fitness centre has allegedly received funds stemming from the county municipality of Nordland.

([1]) See letter from the Norwegian authorities dated 29.5.2009 (Event No 520013) p. 12.
([2]) *Lov om helsetjenesten i kommunene* of 19 November 1982 No 66. Hereinafter referred to as the MHS Act.
([3]) Case C-280/00 *Altmark Trans and Regierungspräsidium Magdeburg* (2003) ECR I-7747. See also case T-289/03 *BUPA* (2008) ECR II-81.

1.1. ***Funds stemming from the county municipality of Nordland***

The Authority received no information or documentation regarding the funds potentially received from the county municipality of Nordland. The Norwegian authorities are invited either to confirm that the fitness centre at the KLC did not receive any funds from the county municipality of Nordland or to provide the necessary information for the assessment of the State aid character of those funds and of the compatibility with the rules of the EEA Agreement.

1.2. ***Funds stemming from Norsk Tipping AS***

The funds stemming from *Norsk Tipping AS* are gaming funds collected, administered and distributed on the basis of the Gaming Act from 1992 that entered into force on 1 January 1993 ([1]), before the entry into force of the EEA Agreement. The Ministry of Culture and Church Affairs has the general responsibility for the operation of *Norsk Tipping AS*, the company entrusted with the administration of the gaming funds.

The profit generated by the activities of *Norsk Tipping AS* was originally distributed by thirds: a third for sporting purposes, a third for cultural purposes and a third for scientific purposes ([2]). By Act No 37 of 21 June 2002, the distribution formula was amended to the effect that the profits were to be distributed equally between sports and cultural objectives.

In 2003, a bill was passed that gave *Norsk Tipping AS* an exclusive right to operate slot machines. In that connection, a new distribution formula set at 18 % the allocation to non-sports related NGOs, 45,5 % for sports and 36,5 % for culture.

With reference to the case law cited in Section II,1.3 below, the Authority considers that the introduction of a new group of recipients does not affect the classification of aid granted to culture and sports ([3]).

Accordingly, the Authority considers the activities of *Norsk Tipping AS* to constitute an existing system of State aid within the meaning of the provisions of the EEA Agreement.

Although *Norsk Tipping AS* only granted financing to the fitness centre at the KLC in 1997 and 2006/07, the Authority considers that it benefited from the application of an existing system of State aid. Individual grants under an existing system do not qualify as new aid within the meaning of Article 1(c) of Part II of Protocol 3.

Thus, based on the above, the Authority considers that any gaming funds potentially allocated to the fitness centre at the KLC in connection with the 1997 or 2006/07 expansions are grants stemming from a system of existing aid within the meaning of Article 62 of the EEA Agreement. For that reason, the compatibility with the functioning of the EEA Agreement of the grant of gaming funds from *Norsk Tipping AS* to the fitness centre at the KLC is not assessed in this Decision.

1.3. ***Funds stemming from the municipality of Vefsn***

Insofar as the financing of the fitness centre at the KLC with resources from the municipality of Vefsn involves the grant of State aid, the question is whether this measure represents new or existing aid.

The KLC has been financed by the municipality of Vefsn since it was established in the early seventies. The annual deficit of the KLC has been covered by the municipal operating budget. In addition to this, the KLC has, ever since it was established, been financed by the revenue generated from various user fees, determined by the municipality. This method of financing was in place before the entry into force of the EEA Agreement on 1 January 1994, and would for these reasons as such seem to constitute existing aid within the meaning of Article 1(b)(i) of Part II of Protocol 3.

It follows from Article 1(c) to the same Protocol that alterations to existing aid constitute new aid. Moreover, it follows from the case law that where such alterations affect the actual substance of the original scheme the latter may be transformed into a new scheme. There can be no question of such a

([1]) The Gaming Act replaced Law No 92 of 20.12.1985 on Lotto.

([2]) The funds for sporting purposes are distributed by the King (i.e. the Government), whereas the funds for other purposes are partly distributed by the Norwegian Parliament (*Stortinget*), in accordance with Article 10 of the Gaming Act and Regulation No 1056 adopted on 11.12.1992, which entered into force on 1.1.1993, i.e. before the entry into force of the EEA Agreement in Norway.

([3]) The system is explained in the Preparatory Works to the amendment, Ot.prp. No 44 (2002-2003) Chapter 4.6.2.

substantive alteration where the new element is clearly severable from the initial scheme ([1]). In this regard, it is worth noting that the emergence of new aid or the alteration of existing aid cannot be assessed according to the scale of the aid or, in particular, its amount in financial terms at any moment in the life of the undertaking if the aid is provided under earlier statutory provisions which remain unaltered. Whether aid may be classified as new aid or as alteration of existing aid must be determined by reference to the provisions providing for it ([2]).

Thus, the qualification of the financing mechanism as existing aid does not mean that the financing of an expansion or alteration of the KLC necessarily would be considered as existing aid. On the contrary, alterations that are not severable from the existing scheme and that affect its substance could entail that the scheme in its entirety is considered as new aid.

Regarding the financing of the fitness centre, the KLC was established in the 1970s, and has primarily been financed by the operating budget of the municipality of Vefsn and allocation of revenue generated by user fees. The method of financing the KLC seems to have been established by decisions of the municipal council of Vefsn in the early 1970s before it was constructed, and has essentially remained unchanged since then. The debts incurred by the 2006/07 expansion were supposed to be serviced in line with this established method of financing, and accordingly the method of financing as such does not seem to have changed within the meaning of the above referenced case law. However, the Authority has not received sufficiently specific information on how the expansion of 1997 was financed. The Authority notes that the specific circumstances relating to the legal basis for the expansion and how the expansion was financed could represent changes entailing that it should be considered as alterations of existing aid.

Furthermore, the ticketing system has been changed since the entry into force of the EEA Agreement. The changes seem to have affected the price, the types of tickets offered and the system of allocation of ticket revenue. The Authority has not been provided with specific information concerning these developments, and has accordingly not been able to exclude that these changes involve a form of new aid.

Regarding the beneficiary, as far as the premises are concerned, according to the information made available to the Authority, the fitness centre was initially modestly equipped. The question is whether the sports facilities existing in the 1970s have been merely upgraded in accordance with new demands or whether the current fitness centre must be considered as a new facility. It is the Authority's understanding that the current fitness centre is not only significantly bigger but it also offers a much broader range of fitness activities than the old modestly equipped fitness centre. In this respect, the Authority has doubts as to whether the expansions of 1997 and/or 2006/07, which took place after the entry into force of the EEA Agreement, changed the character of the operations of the fitness centre. According to case law, the enlargement of the scope of activities does generally not imply that the measure involves new aid. Nevertheless, given the apparently significant changes and expansion in the activities of the fitness centre ([3]) the Authority has not been able to exclude that the classification of the aid could have changed.

1.4. *Conclusion — scope of the State aid assessment in this Decision*

Based on the lack of information regarding the funds that have allegedly been granted by the county municipality of Nordland to the fitness centre at the KLC, and the existing aid nature of the grants from *Norsk Tipping AS*, the following State aid assessment is confined to the financing of the fitness centre at the KLC with resources stemming from the municipality of Vefsn.

2. **State aid within the meaning of Article 61(1) of the EEA Agreement**

Article 61(1) of the EEA Agreement reads as follows:

> 'Save as otherwise provided in this Agreement, any aid granted by EC Member States, EFTA States or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Contracting Parties, be incompatible with the functioning of this Agreement.'

It follows from this provision that, for State aid within the meaning of the EEA Agreement to be present, the following conditions must be met:

([1]) See Case T-195/01 *Government of Gibraltar* v *Commission* (2002) ECR II-2309 paragraph 111.
([2]) See Case C-44/93 *Namur-Les Assurances du Crédit SA* v *Office Nationale du Ducroire* (1994) ECR I-3829 paragraph 28.
([3]) See Communication from the Commission on the application of State aid rules to public service broadcasting, OJ C 257 of 27.10.2009, p. 1, paragraphs 25-31 and 80 ff.

— the aid must be granted through State resources,

— the aid must favour certain undertakings or the production of certain goods, i.e. the measure must confer a selective economic advantage upon the recipient,

— the recipient must constitute an undertaking within the meaning of the EEA Agreement,

— the aid must threaten to distort competition and affect trade between the Contracting Parties.

2.1. ***Presence of State resources***

The measure must involve the consumption of State resources and/or be granted by the State. The State for the purpose of Article 61(1) of the EEA Agreement covers all bodies of the state administration, from the central government to the municipality level or the lowest administrative level as well as public undertakings and bodies.

The municipality of Vefsn covers the annual deficit of the KLC as a whole. Municipal resources are State resources within the meaning of Article 61 of the EEA Agreement ([1]).

From 2006 to 2008, the fitness centre at the KLC has operated with an annual surplus, which stems from the revenue generated by user fees ([2]). On the other hand, the KLC as a whole, has run with an annual deficit that has been covered by the operating budget of the municipality of Vefsn. The Authority notes that the municipality of Vefsn controls the ticketing system at the KLC; the prices, the types of tickets offered and the system of allocation of ticket revenue is determined by the municipal council. If the municipality allocates ticket revenues to the fitness centre beyond those collected from the actual users of the premises of the fitness centre, these ticket revenues will qualify as State resources within the meaning of Article 61(1) of the EEA Agreement. A system of allocation of ticket revenue, under the complete control of public authorities, can involve State aid where the principles of allocation do not correspond to the customers' use of the different facilities.

The criteria applied for the allocation of revenue generated by the sale of tickets granting admission to the KLC do not appear to be particularly exact. Under the current system, all revenues generated by the sale of all-access season tickets are allocated to the fitness centre although these tickets enable the holder to access other facilities of the KLC. All revenues stemming from the various single tickets, including single tickets giving access to the fitness centre, are allocated to the other facilities at the KLC. As described in Section I.2.2 of this Decision, this entails that the fitness centre of the KLC receives about 70 % of the total ticket revenue. The Norwegian authorities state that this represents a correct allocation of revenue as an informal examination carried out in 2006 indicated that about 70 % of the adult visitors mainly use the fitness centre. However, in the absence of additional information and documentation, the Authority has doubts as to whether the current method of allocation corresponds to the customers' use of the different facilities thereby ensuring that there is no cross-subsidisation involving State resources from other parts of the KLC to the fitness centre.

As described under Section I.2.2 of this Decision, the municipality has not maintained a clear and consistent separation of the accounts for the different activities of the KLC. On the basis of this, the Authority cannot exclude that a form of cross-subsidisation of the fitness centre occurs.

Furthermore, the 2006/07 expansion was partly financed through a NOK 10 million bank loan. The fitness centre was intended to share the financing by servicing a proportionate part of the loan. However, its annual accounts from 2008 show that the fitness centre has only partially serviced its part of the loan according to the cost-allocation plan ([3]). In 2008, the fitness centre contributed NOK 185 000 in interest of the budgeted NOK 684 000, and an instalment of NOK 200 000 of the budgeted NOK 405 000. Thus, the fitness centre at the KLC only covered NOK 385 000 of the total NOK 1 089 000. The remaining part of the 2008 cost of the loan seems to have been serviced by the municipality of Vefsn. In light of this the Authority cannot to exclude that the 2006/07 expansion of the fitness centre at the KLC has been financed with resources from the municipality.

([1]) See the Authority's Decision No 55/05/COL Section II.3. p. 19 with further references, published in OJ L 324, 23.11.2006, p. 11 and EEA Supplement No 56, 23.11.2006, p. 1.
([2]) The Authority has not been provided with figures for earlier years.
([3]) This has been confirmed by Norwegian authorities in the letter dated 9.9.2009 (Event No 529846) p. 2-3.

2.2. ***Favouring certain undertakings or the production of certain goods***

In order to constitute State aid within the meaning of Article 61 of the EEA Agreement the measure must confer a selective economic advantage upon an undertaking.

2.2.1. *The concept of undertaking*

Firstly, it is necessary to establish whether the fitness centre constitutes an undertaking within the meaning of Article 61 of the EEA Agreement. According to settled case law, an undertaking encompasses every entity engaged in an economic activity, regardless of the legal status of the entity and the way it is financed ([1]). Activities consisting in offering services on a given market qualify as economic activities ([2]), and entities carrying out such activities must be classified as undertakings. The fitness centre at the KLC offers its services to the general population in competition with other undertakings operating on the same market. In light of this, the fitness centre at the KLC seems to constitute an undertaking within the meaning of Article 61 of the EEA Agreement.

2.2.2. *Compensation for providing services of general economic interest*

As the fitness centre seems to constitute an undertaking, the Authority must assess whether it has received an economic advantage within the meaning of Article 61 of the EEA Agreement.

The Norwegian authorities argue that the fitness centre is run as a part of the municipal healthcare service and provides a service of general economic interest within this context, and that the financing of the fitness centre at the KLC merely represents compensation for services rendered provided in accordance with the *Altmark* criteria ([3]), and consequently does not constitute aid within the meaning of Article 61(1) of the EEA Agreement.

Indeed, a measure is not caught by Article 61(1) of the EEA Agreement where it 'must be regarded as compensation for the services provided by the recipient undertakings in order to discharge public service obligations, so that those undertakings do not enjoy a real financial advantage and the measure thus does not have the effect of putting them in a more favourable competitive position than the undertakings competing with them' ([4]).

In the *Altmark* judgment the Court of Justice held that compensation for public service obligations does not constitute State aid when four cumulative criteria are met:

— first, the recipient undertaking must actually have public service obligations to discharge and such obligations must be clearly defined,

— second, the parameters on the basis of which the compensation is calculated must be established in advance in an objective and transparent manner,

— third, the compensation cannot exceed what is necessary to cover all or part of the costs incurred in the discharge of the public service obligations, taking into account the relevant receipts and a reasonable profit,

— finally, where the undertaking which is to discharge public service obligations is not chosen pursuant to a public procurement procedure which would allow for the selection of the tenderer capable of providing those services at the least cost, the level of compensation needed must be determined on the basis of an analysis of the costs which a typical undertaking, well run and adequately equipped, would have incurred ([5]).

When these four criteria are met cumulatively, the State compensation does not confer an advantage upon the undertaking. As to the present case, the Authority is in doubt as to whether the fitness centre at the KLC is entrusted with a clearly defined public service obligation as required under the first *Altmark* criterion ([6]). Furthermore, the Authority has doubts as to whether the method of calculating the compensation has been

([1]) Case C-41/90 *Höfner and Elsner* v *Macrotron Gmbh* (1991) ECR I-1979 paragraph 21.
([2]) Case C-35/96 *Commission* v *Italy* (1998) ECR I-3851 paragraph 36.
([3]) Case C-280/00 *Altmark Trans and Regierungspräsidium Magdeburg*, cited above.
([4]) Case C-280/00, *Altmark Trans and Regierungspräsidium Magdeburg*, cited above, paragraph 87.
([5]) Case C-280/00 *Altmark Trans and Regierungspräsidium Magdeburg*, cited above, paragraphs 89-93.
([6]) With regard to the question of whether the fitness centre at the KLC is entrusted with a clearly defined service obligation, see Section II.4.1.

established in advance in an objective and transparent manner (the 2nd *Altmark* criterion). Moreover it cannot be determined at this stage on the basis of the information provided that it does not exceed what is necessary (the 3rd *Altmark* criterion) ([1]). Finally, the Authority notes that the fitness centre at the KLC has not been selected in a public procurement procedure and that the Norwegian authorities have not provided the Authority with information enabling a verification of whether the costs incurred by the fitness centre at the KLC correspond to the costs of a typical undertaking, well run and adequately equipped as required by the fourth *Altmark* criterion. Thus, the Authority cannot exclude that the financing of the fitness centre at the KLC gives it an advantage.

Should an advantage have been granted to the fitness centre at the KLC, it would be selective as it only concerns this particular undertaking.

2.3. *Distorting competition and affecting trade between Contracting Parties*

The aid measure must distort competition and affect trade between the Contracting Parties. Under settled case law, the mere fact that a measure strengthens the position of an undertaking compared with other undertakings competing in intra-EEA trade, is enough to conclude that the measure is likely to affect trade between Contracting Parties and distort competition between undertakings established in other EEA States ([2]).

The State resources allocated to the fitness centre at the KLC seem to constitute an advantage that strengthens the fitness centre's position compared to that of other undertakings competing in the same market. Therefore, the measure seems to threaten to distort competition between undertakings.

The question is whether the financing of the fitness centre at the KLC threatens to affect intra-EEA trade.

A privately owned fitness centre, *Friskhuset Mosjøen* ([3]), a franchisee under the *Friskhuset* franchisor, is established in Mosjøen, the same city as the KLC. Based only on the available information, the Authority has not been able to determine whether the franchisor or the franchisee are involved in intra-EEA trade.

Regardless of this, the financing of the fitness centre at the KLC might threaten to affect intra-EEA trade in other ways. In the practice of the European Commission, the geographical attraction zone of a service has been held to be an important benchmark when establishing a measure's effect on intra-EEA trade ([4]). In the Authority's view, fitness centres, in general, seem to provide a service which by its very nature has a limited attraction zone. Based on the information made available to the Authority, the fitness centre at KLC does not seem to be so unique as to attract visitors from afar. Furthermore, the KLC is situated approximately 60 km (by road) from the nearest Swedish border. A distance of about 50 km from the closest EEA State was held to be sufficient to exclude impact on intra-EEA trade from the operation of a swimming pool in Dorsten, Germany ([5]).

Further indications of lack of effect on intra-EEA trade, held to be relevant in Commission practice, seem to be present. The fitness centre at the KLC does not belong to a wider group of undertakings ([6]). The information provided to the Authority does not indicate that the fitness centre at the KLC attracts investments to the region where it is established ([7]).

Moreover, the Authority has not been provided with sufficient information relating to the market share of the fitness centre at the KLC to make a thorough assessment of the impact, or lack thereof, on intra-EEA trade ([8]).

([1]) See Section II.4.1.

([2]) Case 730/79 *Philip Morris Holland* (1980) ECR 2671 paragraphs 11-12.

([3]) The ownership of the privately owned fitness centre has changed over the years. It has been owned by *Centrum Fysikalske Institutt AS* which in the year 2000 merged with another undertaking and changed name to *Helsehuset Fysioterapi og Manuell Terapi Mosjøen AS*. From 2007 the fitness centre operated as a franchisee under the *Friskhuset* franchisor. The Authority has doubts as to whether any of the previous owners have been involved in intra-EEA trade.

([4]) See notice from the Commission on a simplified procedure for treatment of certain types of State aid, published in OJ C 136, 16.6.2009, p. 3 paragraph 5(b) viii, footnote 6 which references the following Commission Decisions in Cases N 258/2000 (Germany, leisure pool Dorsten), N 486/02 (Sweden, Aid in favour of a congress hall in Visby), N 610/01 (Germany, Tourism infrastructure program Baden-Württemberg) and N 377/07 (the Netherlands, support to Bataviawerf).

([5]) See Commission Decision in Case N 258/2000. See also Commission Decision in Case N 610/01 Section 4.3.

([6]) See the criteria listed in the notice from the Commission on a simplified procedure for treatment of certain types of State aid, published in OJ C 136, 16.6.2009, p. 3 paragraph 5(b) viii, footnote 6.L.c.

([7]) L.c.

([8]) L.c.

It is worth noting that several of the undertakings active on the Norwegian fitness centre market are involved in intra-EEA trade. However, it seems that these undertakings tend to establish fitness centres in more densely populated areas than that of Vefsn municipality [1].

In light of the above, the Authority is in doubt as to whether the financing of the fitness centre at the KLC threatens to affect intra-EEA trade.

2.4. *Conclusion on the presence of State aid*

The Authority consequently has doubts as to whether the measures under scrutiny involve State aid within the meaning of Article 61 of the EEA Agreement.

3. **Notification requirement and standstill obligation**

The Norwegian authorities submitted a notification of the financing of the fitness centre at the KLC on 27 January 2009 (Event No 506341). Insofar as the financing of the fitness centre at the KLC may constitute State aid within the meaning of Article 61 of the EEA Agreement, and that this aid constitutes 'new aid' within the meaning of Article 1(c) of Part II of Protocol 3, the Norwegian authorities should have notified the aid before putting it into effect pursuant to Article 1(3) of Part I of Protocol 3.

It should be recalled that any new aid which is unlawfully implemented and which is finally not declared compatible with the functioning of the EEA Agreement is subject to recovery in accordance with Article 14 of Part II of Protocol 3. However, the Authority notes that any State aid granted more than 10 years before any action is taken by the Authority is deemed to be existing aid not subject to recovery pursuant to Article 15 of Part II of Protocol 3.

4. **Compatibility of the aid**

The Norwegian authorities have argued that the financing of the fitness centre at the KLC, as far as it is held to constitute State aid within the meaning of Article 61(1) of the EEA Agreement, must be considered to be compatible either as compensation for providing a service of general economic interest on the basis of Article 59(2) of the EEA Agreement, or alternatively as a cultural measure on the basis of Article 61(3)(c) of the EEA Agreement.

4.1. *Service of general economic interest — Article 59(2) of the EEA Agreement*

Article 59(2) of the EEA Agreement reads as follows:

'Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly shall be subject to the rules contained in this Agreement, in particular to the rules on competition, in so far as the application of such rules do not obstruct the performance, in law or in fact, of the particular tasks assigned to them. The development of trade must not be affected to such an extent as would be contrary to the interests of the Contracting Parties.'

The Norwegian authorities consider that operating the fitness centre at the KLC, as such, constitutes a service of general economic interest [2]. The Norwegian authorities argue that the purpose of operating the fitness centre at the KLC is to stimulate all the residents of the municipality of Vefsn to be more physically active and consequently improve the general health of the local population. However, there seems to be no specific mechanisms in place ensuring that the fitness centre at the KLC is available to as many users as possible. The so-called FYSAK pass seems to be available to everyone above the age of 15 at the same price, there seems to be no specific means-tested discount available to those of lesser means, although some discounts seem to be granted for young people below the age of 20 and senior citizens [3]. The Norwegian authorities seem to acknowledge this by stating that '(a) very small number of groups are excluded due to price' [4]. In that sense, the fitness centre seems to function, at least partly, as a normal fitness centre. Furthermore, the Authority questions whether there is a need to subsidise a fitness centre in the specific area of Mosjøen since a privately owned fitness centre has been operating in the same city for more than a decade.

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[1] Vefsn municipality is located in the second northernmost county of Norway. The KLC is located in a region eligible for regional aid, see the Authority's Decision No 226/06/COL of 19.7.2006, published in OJ L 54, 28.2.2008, p. 21 and EEA Supplement No 11, 28.2.2008, p. 19.

[2] See letter accompanying the notification of the measure dated 27.1.2009 (Event No 506341), p. 14-19, and letter from Norwegian authorities dated 29.5.2009 (Event No 520013) p. 3-7.

[3] See http://www.kippermoen.com/index.asp?side=priser

[4] See letter from Norwegian authorities dated 29.5.2009 (Event No 520013) p. 13.

The Authority acknowledges that the Norwegian authorities have a wide margin of discretion regarding the nature of services that could be classified as constituting services of general economic interest [1]. However, in light of the above, the Authority has doubts as to whether the operation the fitness centre at the KLC can constitute a service of general economic interest within the meaning of Article 59(2) of the EEA Agreement.

In this respect, reference is made to the Authority's guidelines on State aid in the form of public service compensation [2]. The following cumulative criteria must be fulfilled in order for a State aid measure to be considered compatible with the functioning of the EEA Agreement on the basis of Article 59(2) in conjunction with the public service guidelines:

— the service must constitute a genuine service of general economic interest,

— the undertaking must be entrusted with the operation of the service by way of one or more official acts,

— the amount of compensation must not exceed what is necessary to cover the costs incurred in discharging the service.

According to the information provided by the Norwegian authorities, the fitness centre seems to provide certain special preventive and convalescent services to individuals with specific needs in accordance with the municipality's obligations under Article 1-2 of the MHS Act. Such services seem to be provided to individuals with a so-called FYSAK prescription (*FYSAK Resept*) which can be obtained from a doctor, physical therapist or certain public bodies [3]. However, the Authority has not received specific information pertaining to how the fitness centre at the KLC is compensated for providing such services, and cannot exclude that the compensation does not exceed what is necessary within the meaning of the public service guidelines.

At this stage, the Authority has not been able to assess whether the financing of the fitness centre at the KLC in part or in full can constitute compensation for a service of general economic interest that could be compatible with the functioning of the EEA within the meaning of Article 59(2).

4.2. *Article 61(3)(c) of the EEA Agreement*

Article 61(3) of the EEA Agreement reads as follows:

> 'The following may be considered to be compatible with the functioning of this Agreement: […] (c) aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest.'

The Norwegian authorities hold that the aid granted to the fitness centre at the KLC should be considered compatible with the functioning of the EEA Agreement on the basis of the exemption in Article 61(3)(c) of the EEA Agreement, and more specifically that the operation of the fitness centre must be regarded as a measure to promote culture within the meaning of the provision in Article 107(3)(d) of the Treaty on the Functioning of the European Union.

The EEA Agreement does not include a corresponding provision. The Authority nevertheless acknowledges that State aid measures may be approved on cultural grounds on the basis of Article 61(3)(c) of the EEA Agreement [4].

In this respect, reference must be made to the European Commission's White Paper on Sports [5], which acknowledges that sport is crucial to the well-being of European society. The vast majority of sporting activities take place in non-profit making structures, many of which depend on public support to provide access to sporting activities to all citizens.

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[1] See the public service guidelines paragraph 8.
[2] Hereinafter referred to as the public service guidelines.
[3] See http://www.kippermoen.com/index.asp?side=akt_res
[4] See for example paragraph 7 (with further references) of the Chapter of the Authority's guidelines on State aid to cinematographic and other audiovisual work, adopted by the Authority by Decision No 774/08/COL of 17 December 2008, not yet published in the OJ or the EEA Supplement, available at the Authority's web page (http://www.eftasurv.int/state-aid/legal-framework/state-aid-guidelines/).
[5] White Paper on Sport, COM(2007) 391 final.

However, based on the information available, the Authority has doubts as to whether the operation of the fitness centre at the KLC constitutes a cultural activity.

The Authority notes that the KLC is located in a region eligible for regional aid ([1]) and points to the fact that financing connected to the expansion of 2006/07 could under certain circumstances be considered compatible with the functioning of the EEA Agreement ([2]). However, the information made available to the Authority during its preliminary examination of the financing of the fitness centre at the KLC does not enable it to make a definite assessment of this question.

5. **Conclusion**

Based on the information submitted by the Norwegian authorities, the Authority cannot exclude the possibility that the funds received by the fitness centre at the KLC constitute State aid within the meaning of Article 61(1) of the EEA Agreement.

As explained under Section II.1.2 above, the Authority considers that the funds stemming from *Norsk Tipping AS* have been granted in accordance with an existing aid scheme, they are not covered by this Decision to open the formal investigation procedure.

The Authority has doubts as to whether the financing of the fitness centre at the KLC with funds stemming from the municipality of Vefsn, in particular concerning those funds allocated on the basis of the two expansions in 1997 and 2006/07, constitute 'new aid', which pursuant to Article 1(3) of Part I of Protocol 3 should have been notified to the Authority prior to its implementation.

The Authority has doubts as to whether the aid granted is compatible with the functioning of the EEA Agreement, in accordance with Article 59(2) or Article 61(3)(c) of the EEA Agreement.

In accordance with Article 4(4) of Part II of Protocol 3, the Authority is obliged to open the procedure provided for in Article 1(2) of Part I of Protocol 3. The decision to open proceedings is without prejudice to the final decision of the Authority, which may conclude that the measures in question do not constitute State aid, are to be classified as existing aid or are compatible with the functioning of the EEA Agreement.

In light of the foregoing considerations, the Authority, acting under the procedure laid down in Article 1(2) of Part I of Protocol 3, invites the Norwegian authorities to submit their comments within one month of the date of receipt of this Decision.

In light of the foregoing considerations, within one month of receipt of this Decision, the Authority request the Norwegian authorities to provide all documents, information and data needed for assessment of the compatibility of the financing of the fitness centre at the KLC. In particular, the Authority invites the Norwegian authorities to provide detailed information regarding any funding from the county municipality of Nordland to the fitness centre at the KLC, as mentioned under Section II.1.1 of this Decision.

It invites the Norwegian authorities to forward a copy of this Decision to the potential aid recipient of the aid immediately.

The Authority would like to remind the Norwegian authorities that, according to the provisions of Protocol 3, any incompatible aid unlawfully put at the disposal of the beneficiaries will have to be recovered, unless this recovery would be contrary to the general principle of law,

([1]) See the regional aid maps of assisted areas for Norway registered in the Authority's Decision No 327/99/COL of 16.12.1999 and Decision No 226/06/COL of 19.7.2006.

([2]) For any aid granted after 1 January 2007, Chapter of the Authority's guidelines on National Regional Aid 2007-13. For aid granted before that date, reference must be made to the provisions of the Chapter on National Regional Aid adopted by Decision No 319/98/COL of 4.11.1998.

HAS ADOPTED THIS DECISION:

Article 1

The EFTA Surveillance Authority has decided to open the formal investigation procedure provided for in Article 1(2) of Part I of Protocol 3 against Norway regarding the financing of the fitness centre at the Kippermoen Leisure Centre.

Article 2

The Norwegian authorities are invited, pursuant to Article 6(1) of Part II of Protocol 3, to submit their comments on the opening of the formal investigation procedure within one month from the notification of this Decision.

Article 3

The Norwegian authorities are requested to provide within one month from notification of this Decision, all documents, information and data needed for assessment of the compatibility of the aid measure.

Article 4

This Decision is addressed to the Kingdom of Norway.

Article 5

Only the English version is authentic.

Done at Brussels, 16 December 2009.

For the EFTA Surveillance Authority

Per SANDERUD
President

Kristján Andri STEFÁNSSON
College Member

Invitation to submit comments pursuant to Article 1(2) in Part I of Protocol 3 to the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice on State aid with regard to a sale of land to Asker Brygge AS by the municipality of Asker

(2010/C 184/06)

By means of Decision No 538/09/COL of 16 December 2009, reproduced in the authentic language on the pages following this summary, the EFTA Surveillance Authority initiated proceedings pursuant to Article 1(2) in Part I of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice. The Norwegian authorities have been informed by means of a copy of the decision.

The EFTA Surveillance Authority hereby gives the EFTA States, EU Member States and interested parties notice to submit their comments on the measure in question within one month from the publication of this notice to:

EFTA Surveillance Authority
Registry
Rue Belliard 35
1040 Bruxelles/Brussel
BELGIQUE/BELGIË

The comments will be communicated to the Norwegian authorities. Confidential treatment of the identity of the interested party submitting the comments may be requested in writing, stating the reasons for the request.

SUMMARY

By letter received by the Authority 13 February 2009, the Norwegian authorities submitted a notification of a sale of a plot of land by the municipality of Asker to the company Asker Brygge AS.

The municipality of Asker and Asker Brygge entered into an agreement in 2001, according to which Asker Brygge was granted an option to buy land until 31 December 2009 for a fixed sum of NOK 8 million, adjusted according to the consumer price index. In 2005, Asker Brygge called upon the option to buy the land. After negotiations the parties agreed to a sales price of NOK 8 727 462 and entered into a sales agreement on 21 March 2007. The land was transferred to Asker Brygge on the same date although the sales sum would be paid in two instalments, as already laid down in the 2001 option agreement. The second instalment corresponds to 70 % of the sales sum (NOK 6 109 223) and is due at the latest 31 December 2011. The municipality of Asker will not charge any interest rate on this second instalment.

The Authority has doubts as to whether the transaction for the sale of the plot of land was carried out in accordance with the market economy investor principle. The conditions for the later sale were laid down in the option agreement signed in 2001. Thus, the Authority has assessed whether the option agreement of 2001 was entered into on market terms. The Authority questions whether Asker Brygge paid for the option as such, and whether the favourable conditions for the buyer were balanced by corresponding obligations for the buyer or rights for the seller. The option agreement not only gave Asker Brygge a right to acquire the property at any given time over the years to come but also fixed the price for such a later transfer. The option thereby entailed a possibility for Asker Brygge to observe the development of property prices over a number of years, for thereafter calling on the option and buy the property for the price agreed in 2001. On the other hand, the municipality was barred from selling the property to someone else in the same period. Moreover, it enabled Asker Brygge to actively approach the municipality in order to reregulate the property for purposes that would increase the market value. In addition, the municipality would not receive any payment in case no subsequent sale.

The option agreement also included other elements that appear to be capable of increasing the value of the option, inter alia Asker Brygge had a right to request renegotiations of the price if property prices should decrease considerably whereas the municipality did not have a corresponding right of renegotiation; the price was adjusted according to the consumer price index although property prices are not included in that index; the municipality of Asker agreed to postpone the payment of 70 % of the agreed sales price without charging any interest for this deferral although the full ownership of the land was immediately transferred.

For these reasons, the Authority doubts that a private operator would have entered into such a long option agreement, on similar conditions as the municipality of Asker without requiring remuneration for the option and the favourable conditions as such.

As it cannot be determined at this stage whether the option agreement fulfilled the criteria of the market economy investor principle, the Authority must further examine whether the property was transferred at a price below market value in 2007 when the sales was actually carried out and whether Asker Brygge thereby received State aid within the meaning of Article 61 EEA. The Authority has compared the price of NOK 8 727 462 paid by Asker Brygge with the available information on the market value of the property at the time of the sale. Three value assessments of the property were submitted by the Norwegian authorities. The first report dated 30 June 2006 estimated the value of the land in 2001, the time the option contract was entered into, at NOK 9,6 million, with a possible variation of +/– 15 %. A second report dated 18 January 2008, considered that the market value of the land in 2007 amounted to NOK 26 million, which corresponded to NOK 17 million in 2001. The third report, dated 16 June 2008, drafted by the same value assessors, corrected the value to NOK 14 million in 2007 and NOK 8 million in 2001 after considering a value reduction of an additional obligation put upon Asker Brygge with regard to the use of part of the property by Slependen Båtforening AS.

The Authority has doubts as to which, if any, of the reports correctly determines the value of the property gbnr 32/17 and questions whether market price was paid for the property and whether a private market investor would have accepted a deferral of payment of the sales sum without interest.

Support measures caught by Article 61(1) of the EEA Agreement are generally incompatible with the functioning of the EEA Agreement, unless they qualify for a derogation in Article 61(2) or (3) of the EEA Agreement. The Authority, however, doubts that the transaction under assessment can be justified under the State aid provisions of the EEA Agreement.

Conclusion

In the light of the foregoing considerations, the Authority decided to open the formal investigation procedure in accordance with Article 1(2) of the EEA Agreement. Interested parties are invited to submit their comments within one month from publication of this Decision in the *Official Journal of the European Union*.

EFTA SURVEILLANCE AUTHORITY DECISION

No 538/09/COL

of 16 December 2009

to initiate the procedure provided for in Article 1(2) in Part I of Protocol 3 to the Surveillance and Court Agreement with regard to the notification of sale of land in the municipality of Asker

(Norway)

THE EFTA SURVEILLANCE AUTHORITY [1],

Having regard to the Agreement on the European Economic Area [2], in particular to Articles 61 to 63 and Protocol 26 thereof,

Having regard to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice [3], in particular to Article 24 thereof,

Having regard to Article 1(2) of Part I and Articles 4(4) and 6 of Part II of Protocol 3 to the Surveillance and Court Agreement [4],

[1] Hereinafter referred to as the Authority.
[2] Hereinafter referred to as the EEA Agreement.
[3] Hereinafter referred to as the Surveillance and Court Agreement.
[4] Hereinafter referred to as Protocol 3.

Having regard to the Authority's Guidelines on the application and interpretation of Articles 61 and 62 of the EEA Agreement [1], and in particular the chapter on State aid elements in sales of land and buildings by public authorities [2],

Having regard to the Authority's Decision of 14 July 2004 on the implementing provisions referred to under Article 27 of Part II of Protocol 3 [3],

Whereas:

I. FACTS

1. Procedure

By letter of 15 December 2008 (Event No 508884), received by the Authority on 13 February 2009, the Norwegian authorities notified a sale of land by the municipality of Asker, pursuant to Article 1(3) of Part I of Protocol 3.

By letter dated 8 April 2009 (Event No 512188), the Authority requested additional information. The Norwegian authorities replied by letter dated 11 May 2009 (Event No 518079).

By letter of 7 July 2009 (Event No 521778), the Authority sent a second request for information. The Norwegian authorities responded by letter dated 14 August 2009 (Event No 527555).

2. Description of the notification

The Norwegian authorities have notified a sale of a plot of land by the municipality of Asker to the company Asker Brygge AS (hereinafter referred to as Asker Brygge).

The municipality of Asker and Asker Brygge entered into an agreement in 2001 (hereinafter referred to as the option agreement), according to which Asker Brygge was granted an option, lasting until 31 December 2009, to buy land for a fixed sum of NOK 8 million, adjusted according to the consumer price index. According to the option agreement the municipality intended to give Asker Brygge the option to buy the property at market price provided that Asker Brygge undertook extensive planning and research with the aim of obtaining a reregulation of the property and then developing the property.

In 2004 the option agreement was renewed, and the validity of the option was extended until 31 December 2014 under similar conditions regarding the progress of the reregulation work. In 2005, Asker Brygge called upon the option to buy the land. The property is registered in the Norwegian property register as *Nesøyveien 8, gnr. 32 bnr. 17* in the municipality of Asker and is approximately 9 700 m^2. After negotiations the parties agreed to a sales price of NOK 8 727 462 and entered into a sales agreement on 21 March 2007. The land was transferred to Asker Brygge on the same date although the sales sum was to be paid in two instalments. The first instalment of 30 % of the sales sum was paid in 2007 on the date of the transfer of the property. The second and largest instalment, 70 % of the sales sum (NOK 6 109 223), is due at the latest 31 December 2011. The municipality of Asker will not charge any interest rate on the second instalment.

The municipality of Asker and Asker Brygge are of the opinion that the sales contract does not entail any State aid because the sales price reflects the market value. The Norwegian authorities have nonetheless decided to notify the transaction for reasons of legal certainty.

II. ASSESSMENT

1. The presence of State aid within the meaning of Article 61(1) EEA Agreement

Article 61(1) of the EEA Agreement reads as follows:

'Save as otherwise provided in this Agreement, any aid granted by EC Member States, EFTA States or through State resources in any form whatsoever which distorts or threatens to distort competition by

[1] Guidelines on the application and interpretation of Articles 61 and 62 of the EEA Agreement and Article 1 of Protocol 3 to the Surveillance and Court Agreement, adopted and issued by the Authority on 19.1.1994, published in the *Official Journal of the European Union* (hereinafter referred to as OJ) L 231, 3.9.1994, p. 1 and EEA Supplement No 32, 3.9.1994, p. 1. Hereinafter referred to as the State Aid Guidelines. The updated version of the State Aid Guidelines is published on the Authority's website (http://www.eftasurv.int/state-aid/legal-framework/state-aid-guidelines/).

[2] Hereinafter referred to the Guidelines on sale of land.

[3] Decision No 195/04/COL of 14 July 2004 (published in OJ L 139, 25.5.2006, p. 37 and EEA Supplement No 26, 25.5.2006, p. 1), as amended. A consolidated version of the Decision can be found online (http://www.eftasurv.int).

favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Contracting Parties, be incompatible with the functioning of this Agreement'.

1.1. ***Market investor principle***

1.1.1. *Introduction*

If the transaction was carried out in accordance with the market economy investor principle, i.e. if the municipality sold the land for its market value and the conditions of the transaction would have been acceptable for a private seller, the transaction would not involve the grant of State aid.

In the following the Authority will assess whether the municipality of Asker has granted illegal State aid to Asker Brygge in connection with the sale of the plot of land gbnr 32/17. The sale of land could qualify as State aid if the sale was not carried out at market price. As a point of departure, the assessment of whether a property has been sold at market value should be assessed at the time of the conclusion of the contract. The circumstances of this sale of land are somewhat particular in the sense that there exists several agreements concerning the sale: An option agreement from 2001, an extended option agreement from 2004 and a sales agreement from 2007.

The option agreement not only gave Asker Brygge a right to acquire the property at any given time over the years to come but also fixed the price for a later transfer. The option thereby entailed a possibility for Asker Brygge to observe the development of property prices over a number of years, thereafter to take up the option to buy the property for the price agreed in 2001. While the Authority fully recognises the right for public authorities also to operate in a market on commercial terms, it nevertheless finds reason to consider carefully whether a similar agreement would have been concluded by a private market operator. The Authority will in that regard consider whether Asker Brygge paid for the option as such, and whether the favourable conditions for the buyer appear to be balanced by corresponding obligations for the buyer or rights for the seller.

If the option agreement as such cannot be said to comply with the private market investor principle, the Authority will assess whether the property was transferred at market value when the sales agreement was concluded in 2007. Thus, the Authority will in the following firstly assess the option agreement of 2001 (and the extension signed in 2004) and, secondly, whether the actual sale of land in 2007 was accomplished at market price.

1.1.2. *The market price of the option agreement signed in 2001*

As regards the option agreement, it has to be examined whether a private investor operating in a market economy would have chosen to enter into a similar agreement regarding the price and terms as the one signed between the municipality of Asker and Asker Brygge in 2001. In making that assessment, the Authority cannot replace the municipality's commercial judgement with its own, which implies that the municipality, as the seller of the plot of land, must enjoy a margin of judgement. There can be a number of commercially sound reasons to enter into an agreement under given conditions. When there is no plausible explanation for the municipality's choice the measure could qualify as State aid.

On the basis of the information available to the Authority, the conditions for the later sale were laid down in the option agreement signed in 2001. This agreement gave Asker Brygge a right, but not an obligation, to buy the property on predetermined conditions at any given time until 31 December 2009. On the other hand, the municipality was barred from selling the property to someone else in the same period. The main features of the option agreement which are relevant for the State aid assessment are (i) the agreed price of NOK 8 million, adjusted in accordance with the consumer price index, (ii) the right of renegotiation agreed for Asker Brygge in case property prices should decrease considerably before the option was invoked (there was no corresponding right of renegotiation for the municipality should the property prices increase considerably), (iii) the payment in two instalments, whereby 70 % of the sales price would be paid before 31 December 2011 at the latest, but no interest would be charged for this delay. In 2004 the municipality and Asker Brygge prolonged the option agreement until 2014, but did not modify any of the other conditions for the transaction.

According to the information available to the Authority, the municipality carried out no value assessment of the property before it entered into the agreement with Asker Brygge in 2001. Thus, it is not clear to the Authority on which basis the municipality arrived at the agreed price of NOK 8 million for the sale of land gbnr 32/17. In the information presented to the Authority, Asker municipality nevertheless appears to argue that this amount was indeed the market value of the property in 2001.

Even if it is assumed that NOK 8 million represented the market price for the property as such in 2001, the Authority questions whether the market value of the option agreement only corresponds to the value of the property or whether the market value of the other elements agreed upon should be taken into account. In

the Authority's view, if only the market value for the property had to be considered, that would entail that Asker Brygge got the option as such for free. As mentioned above, this option enabled the company to observe the development of property prices for a number of years. Statistically, property prices tend to increase over time. Furthermore, Asker is located close to Oslo and has experienced a continuous growth in population, something that would usually influence property prices positively.

The option agreement barred the municipality from selling the property to another buyer, and thus tied up capital for which the municipality could have found alternative uses or received interest. Indeed, the extension in 2004 prolonged the option with an additional five years without remuneration. It enabled Asker Brygge to actively approach the municipality in order to reregulate the property for purposes that would increase the market value. Moreover, the municipality would not receive any payment in case of no subsequent sale.

Under the option agreement, some aspects of a possible future sales contract were also agreed upon. In particular, regarding the reregulation of the area, Asker Brygge had an obligation to finish the preparatory works that would lead to the reregulation process. If this condition was not met, the municipality of Asker could terminate the contract. The Norwegian authorities argue that there is an uncertainty or risk connected to the reregulation process. Nevertheless, the option agreement gave Asker Brygge the opportunity to work on it for several years before deciding to buy the property, which in the opinion of the Authority reduced the risk considerably. In addition, if the property was reregulated, this would increase the value of the property. Hence, the option agreement did not entail any real risk for Asker Brygge.

In the Authority's preliminary view, that option itself, independent of whether it was exercised or not, had a value in 2001 when the agreement was concluded. From the documentation and explanations the Authority has received so far, there is no information that the buyer paid for the option as such.

The option agreement also included other elements that appear to be capable of increasing the value of the option. The first element concerns the mechanism to regulate the price. Asker Brygge had the right to request renegotiations of the price if property prices in Asker should decrease considerably before the option was invoked. As mentioned above, the agreement did not provide a corresponding right of renegotiation for the municipality should the property prices increase considerably. According to the Norwegian authorities, the background for including a right for Asker Brygge to renegotiate the agreement was that the municipality of Asker considered the property to be difficult to develop, inter alia due to the short distance to the highway (E-18), and the transaction would therefore involve substantial economic risk. The Authority however, has doubts as to whether a private market investor would have entered into such an agreement without a mutual right to adjustment if property prices should increase or decrease considerably. In this regard, the right for the municipality to adjust the price in accordance with the consumer price index appears not to be sufficient to compensate for the lack of a corresponding right of renegotiation.

In addition, the Authority doubts that the consumer price index would be the correct index to use when adjusting for changes in property prices. The consumer price index is a measure estimating the change in the average price of consumer goods and services purchased by households, and does not reflect the price movements of the property market. Property prices develop at a different pattern than other prices, and real estate prices are therefore normally not taken into account when determining the consumer price index.

In addition, the municipality of Asker agreed to postpone the payment of 70 % of the agreed sales price until 31 December 2011 at the latest [1] without charging any interest for this deferral. According to the Norwegian authorities, the postponement of full payment without any interest was accepted because the property was considered difficult to develop. The Authority doubts that a private operator would have agreed to postpone the payment over such a long period of time without requiring any interest payments. Moreover, it doubts whether a private operator would have transferred full ownership of the property before full payment had been received.

For these reasons, the Authority doubts that a private operator would have entered into such a long option agreement, on similar conditions as the municipality of Asker without requiring remuneration for the option and the favourable conditions as such. By simply requiring a remuneration corresponding to the value of the property in 2001, the municipality of Asker ran the risk of granting State aid later if property prices should increase. It is therefore necessary to examine whether the property was transferred at a price

[1] According to the sales contract clause 3, the payment shall take place prior to any building activity starts and in any case before 31.12.2011.

below market value in 2007 and whether Asker Brygge thereby received State aid within the meaning of Article 61 EEA. The Authority will therefore in the following assess the available information regarding the market value in 2007.

1.1.3. *The market value of the property at the time of the sales agreement*

In 2005, Asker Brygge called upon the option and negotiations started with the municipality. Although the conditions for the sale were laid down in the 2001 option agreement, the sales contract was concluded in 2007.

In the following, the Authority will therefore compare the price of NOK 8 727 462 paid by Asker Brygge with the market value of the property at the time of the sale.

1.1.3.1. The value of the plot of land gbnr 32/17

According to the Authority's State Aid Guidelines on sale of land, a sale of land and buildings following a sufficiently well-publicised and unconditional bidding procedure, comparable to an auction, accepting the best or only bid, is by definition at market value and consequently does not contain State aid. Alternatively, to exclude the existence of aid when a sale of land is conducted without an unconditional bidding procedure, an independent valuation should be carried out by one or more independent asset valuers prior to sales negotiations in order to establish the market value on the basis of generally accepted market indicators and valuation standards. The valuer should be independent in the execution of his tasks, i.e. public authorities should not be entitled to issue orders as regards the result of the valuation. In the case at hand, the municipality of Asker did not arrange for an unconditional bidding procedure nor collect an independent expert evaluation before entering into the agreement. Thus, the existence of State aid cannot automatically be excluded.

In the notification, the Norwegian authorities have submitted three value assessments of the property in question. None of the value assessments were conducted before the option agreement was entered into in 2001.

The first report dated 30 June 2006 was conducted by licensed property surveyors of Verditaskt AS, Takst Senteret and Agdestein ([1]). According to this report the estimated value of the land in 2001, the time the option contract was entered into, was NOK 9,6 million, with a possible variation of +/– 15 %. However, this appears to be a very approximate estimation.

The Norwegian authorities enclosed with the notification two additional value assessments which TJB Eiendomstaksering — Ek & Mosveen AS — Bjørn Aarvik had carried out on behalf of the municipality. In the first report dated 18 January 2008 ([2]), the market value of the land in 2007 was estimated at NOK 26 million. As the contract between the municipality and Asker Brygge was entered into in 2001, this price was discounted to 2001 values. The discounted value of NOK 26 million of 2007 using a rate of 5,5 % over 7,5 years was NOK 17 million in 2001.

In the second report dated 16 June 2008 ([3]), TJB Eiendomstaksering — Ek & Mosveen AS — Bjørn Aarvik estimated the market value of the land in 2007 at NOK 12 million. The discounted value of NOK 12 million of 2007 using the same discount rate as before (i.e. 5,5 % over 7,5 years) corresponded to NOK 8 million in 2001. Thus, the discrepancy between the two reports is NOK 9 million for the value of the property in 2001 and NOK 14 million for the value of the property in 2007.

The Norwegian authorities have explained that this difference is based on the estimated value reduction of an additional obligation put upon Asker Brygge with regard to the use of part of the property by Slependen Båtforening AS ([4]). The option agreement of 2001 includes a clause saying that a part of the property is let to Slependen Båtforening as a marina for small boats and that Asker Brygge would have to compensate for their right to a small-boat marina/compensation vis-à-vis the municipality of Asker if development of the property started before the rental contract expires. The rental contract expired in June 2009. Furthermore, in clause 3 of the option agreement it is stated that Asker Brygge will, together with the municipality of Asker, reach a satisfying solution regarding the needs of Slependen Båtforening within the scope of the activity at the time of the agreement.

When the option agreement was entered into in 2001, Slependen Båtforening paid an annual lease of NOK 19 500 to the municipality of Asker ([5]). Although it was difficult to state the exact economic consequence of the obligation for Asker Brygge at the time the option agreement was entered into,

([1]) Enclosure 9 to the notification.
([2]) Enclosure 5 to the notification.
([3]) Enclosure 3 to the notification.
([4]) Hereinafter referred to as Slependen Båtforening.
([5]) This sum was determined on the basis of an agreement signed in 1999 between the Municipality of Asker and Slependen Båtforening. Enclosure 8 to the letter dated 11.5.2009.

Asker Brygge and Slependen Båtforening signed an agreement on 1 June 2006 according to which the latter was to pay NOK 850 000 (cf. clause 2.4 in the agreement). According to the explanations provided by the Norwegian authorities, the value assessment from January 2008 was based on an incorrect interpretation of an agreement between Asker Brygge and Slependen Båtforening since it did not reflect the obligation to pay NOK 850 000. The asset valuers interpreted the clause in the option agreement in such a way that Slependen Båtforening would have had the right to rent or buy the boat places at market price after the expiry of the rental contract. However, the Norwegian authorities are of the opinion that the sum of NOK 850 000, which represents the fulfilment of the obligation towards Slependen Båtforening, had to be taken into consideration when the market value of the property was assessed for 2001 and 2007. Thus, the municipality of Asker instructed TJB Eiendomstaksering — Ek & Mosveen AS — Bjørn Aarvik to use NOK 850 000 as the basis for the value estimation of Slependen Båtforenings's 65 boat places in their assessment dated 16 June 2008. The Authority considers that this sum is relevant for the assessment of the 2007 property value, as this was known information at the time.

The Authority has doubts as to which of the reports correctly determine the value of the property gbnr 32/17. Furthermore, the Authority notes that the estimations of the different value assessments are not only very different but are also more uncertain due to the fact that they were carried out several years after the option agreement was entered into, and two of them, the year after the sales agreement was entered into. The latest value assessment, the second report, dated 16 June 2008 ([1]), carried out by TJB Eiendomstaksering — Ek & Mosveen AS — Bjørn Aarvik, estimated the market value of the land in 2007 at NOK 12 million, which is NOK 3 272 538 more than the price paid. This is an indication that the sale was not carried out at market price and also that the consumer price index was not the correct adjustment index. Thus, the Authority questions whether market price was paid for the property.

1.1.3.2. The value of the interest advantage of the soft loan

According to the Norwegian authorities the interest rate advantage is taken into consideration by the property surveyors in the report of 2006. However, as far as the Authority can see, the interest rate advantage is not mentioned or discussed in the report referred to, nor is it mentioned in any of the other reports.

In the opinion of the Authority, the municipality might have therefore forgone interest payments that a private market player would normally have required. Thus, the Authority has doubts as to whether a private market investor would have accepted the long deferral of payment without interest.

1.1.4. *Conclusion on the market investor principle*

For the above mentioned reasons, the Authority has doubts regarding the price agreed upon in the option agreement and whether it corresponded to the market price for such an agreement, which should reflect the property value at the time of the agreement combined with the value of the option and the special arrangements granted to the buyer. Moreover, the Authority has doubts regarding the actual price agreed upon in the sales agreement and whether it corresponded to the market price of the property at the time the sales agreement was concluded. Therefore, on the basis of the information provided by the Norwegian authorities, the Authority cannot conclude that the sale of the concerned plot of land gbnr 32/17 to Asker Brygge AS for the sales price of NOK 8 727 462 was carried out in accordance with the market investor principle.

1.2. ***State resources***

In order to qualify as State aid, the measure must be granted by the State or through State resources. The concept of State does not only refer to the central government but embraces all levels of the state administration (including municipalities) as well as public undertakings.

If the municipality sold the land below its market price, it would have foregone income. In such circumstances, Asker Brygge should have paid more for the land and therefore there is a transfer of resources from the municipality.

For these reasons, the Authority considers that if the sale did not take place in accordance with market conditions, State resources within the meaning of Article 61(1) of the EEA Agreement would be involved.

1.3. ***Favouring certain undertakings or the production of certain goods***

First, the measure must confer on Asker Brygge advantages that relieve the undertaking of charges that are normally borne from its budget. If the transaction was carried out under favourable terms, in the sense that Asker Brygge would most likely have had to pay a higher price for the property if the sale of land had been

([1]) Enclosure 3 to the notification.

conducted according to the market investor principle, and to have paid market interest rates for the loan if it was to borrow the same amount from a bank, the company would have received an advantage within the meaning of the State aid rules.

Second, the measure must be selective in that it favours 'certain undertakings or the production of certain goods'. There is only one possible beneficiary of the measure under assessment, i.e. Asker Brygge. The measure is thus selective.

1.4. *Distortion of competition and effect on trade between Contracting Parties*

The aid must distort competition and affect trade between the Contracting Parties of the EEA Agreement.

A support measure granted by the State would strengthen the position of Asker Brygge vis-à-vis other undertakings that are competitors active in the same business areas of real estate and property development. Any grant of aid strengthens the position of the beneficiary vis-à-vis its competitors and accordingly distorts competition within the meaning of Article 61(1) of the EEA Agreement. To the extent that the company is active in areas subject to intra-EEA trade, the requirements of Article 61(1) of the EEA Agreement for a measure to constitute State aid are fulfilled.

1.5. *Conclusion*

For the above mentioned reasons, the Authority has doubts as to whether or not the transaction concerning the sale of the plot of land gbnr 32/17 to Asker Brygge as laid down in the option agreement signed in 2001 and later agreements entail the grant of State aid.

2. **Procedural requirements**

Pursuant to Article 1(3) of Part I of Protocol 3, 'the EFTA Surveillance Authority shall be informed, in sufficient time to enable it to submit its comments, of any plans to grant or alter aid. […] The State concerned shall not put its proposed measures into effect until the procedure has resulted in a final decision'.

The Norwegian authorities submitted a notification of the sale of land on 13 February 2009 (Event No 508884). However, the municipality had, in 2001, already entered into an option agreement which determined the future conditions for the sale in March 2007. Moreover, the property was transferred and a soft loan granted to Asker Brygge in March 2007, when the sales agreement was signed, the transaction accomplished and the payment in instalments was agreed. Therefore, the Authority concludes that if the measure constitutes State aid, the Norwegian authorities have not respected their obligations pursuant to Article 1(3) of Part I of Protocol 3.

3. **Compatibility of the aid**

Support measures caught by Article 61(1) of the EEA Agreement are generally incompatible with the functioning of the EEA Agreement, unless they qualify for a derogation in Article 61(2) or (3) of the EEA Agreement.

The derogation of Article 61(2) is not applicable to the aid in question, which is not designed to achieve any of the aims listed in this provision. Nor does Article 61(3)(a) or Article 61(3)(b) of the EEA Agreement apply to the case at hand. Further, the area where the property is located cannot benefit from any regional aid within the meaning of Article 61(3)(c) of the EEA Agreement.

The Authority therefore doubts that the transaction under assessment can be justified under the State aid provisions of the EEA Agreement.

4. **Conclusion**

Based on the information submitted by the Norwegian authorities, the Authority has doubts as to whether or not Asker Brygge has received unlawful State aid within the meaning of Article 61(1) of the EEA Agreement in the context of the transaction regarding the sale of a plot of land.

The Authority has moreover doubts that this State aid can be regarded as complying with Article 61(3)(c) of the EEA Agreement.

Consequently, and in accordance Article 4(4) of Part II of Protocol 3, the Authority is obliged to open the procedure provided for in Article 1(2) of Part I of Protocol 3. The decision to open proceedings is without prejudice to the final decision of the Authority, which may conclude that the measures in question are compatible with the functioning of the EEA Agreement.

In light of the foregoing considerations, the Authority, acting under the procedure laid down in Article 1(2) of Part I of Protocol 3, invites the Norwegian authorities to submit their comments within one month of the date of receipt of this Decision.

In light of the foregoing considerations, within one month of receipt of this decision, the Authority request the Norwegian authorities to provide all documents, information and data needed for assessment of the compatibility of the said transaction.

It invites the Norwegian authorities to forward a copy of this decision to Asker Brygge immediately.

The Authority would like to remind the Norwegian authorities that, according to the provisions of Protocol 3, any incompatible aid unlawfully put at the disposal of the beneficiaries will have to be recovered, unless this recovery would be contrary to the general principal of law.

HAS ADOPTED THIS DECISION:

Article 1

The EFTA Surveillance Authority has decided to open the formal investigation procedure provided for in Article 1(2) of Part I of Protocol 3 against Norway regarding the transaction concerning the sale of the plot of land gbnr 32/17 to the company Asker Brygge AS by the municipality of Asker.

Article 2

The Norwegian authorities are invited, pursuant to Article 6(1) of Part II of Protocol 3, to submit their comments on the opening of the formal investigation procedure within one month from the notification of this Decision.

Article 3

The Norwegian authorities are requested to provide within one month from notification of this decision, all documents, information and data needed for assessment of the compatibility of the aid measure.

Article 4

This Decision is addressed to the Kingdom of Norway.

Article 5

Only the English version is authentic.

Done at Brussels, 16 December 2009.

For the EFTA Surveillance Authority

Per SANDERUD
President

Kristján Andri STEFÁNSSON
College Member

V

(Announcements)

ADMINISTRATIVE PROCEDURES

EUROPEAN COMMISSION

CALL FOR PROPOSALS — EAC/10/10

Lifelong Learning Programme — Support for two competitions on the promotion of language learning through short audiovisual productions

(2010/C 184/07)

1. **Objectives and Description**

This call for proposals is based on the Decision No 1720/2006/EC [1] establishing the Lifelong Learning Programme which was adopted by the European Parliament and Council on 15 November 2006, amended by Decision No 1357/2008/EC, adopted by the European Parliament and Council on 16 December 2008.

The objective of the call is to award a grant for the organisation of two competitions for short audiovisual productions in two successive years (one competition in 2011 and one in 2012). The competitions and the resulting audiovisual short productions are aimed at the promotion of language learning with a focus on the benefits of Europe's linguistic and cultural diversity.

The participation of the selected audiovisual productions in the renowned PRIX EUROPA Festival represents the highlight in the dissemination and exploitation of the project results.

2. **Eligible applicants**

Organisations working in the audiovisual production, advertising and emerging media sectors, such as schools in the field of audiovisual arts and advertising, are invited to develop, manage and coordinate the competitions.

Applicants must be established in one of the following countries:

— the 27 Member States of the European Union,

— the EFTA and EEA countries: Iceland, Liechtenstein, Norway,

— the candidate country Turkey.

There are on-going negotiations with Croatia, the former Yugoslav Republic of Macedonia and Switzerland as regards the future participation in the LLP, which is subject to the result of these negotiations. Please consult the website of the Directorate-General for Education and Culture for updates to the list of participating countries.

[1] Decision No 1720/2006/EC of the European Parliament and of the Council of 15 November 2006 establishing an action programme in the field of lifelong learning: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:327:0045:0068:EN:PDF and Decision No 1357/2008/EC of the European Parliament and of the Council of 16 December 2008 amending Decision No 1720/2006/EC: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:350:0056:0057:FR:PDF

3. **Budget and project duration**

The maximum grant will be EUR 500 000,00 covering both the competition in 2011 and 2012.

Financial contribution from the European Union cannot exceed 75 % of the total eligible costs.

The Commission reserves the right not to distribute all the funds available.

Activities must start between 1 January 2011 and 31 January 2011

Activities must end before 31 January 2013

The maximum duration of projects is 24 months.

4. **Deadline**

Applications must be sent to the Commission no later than 30 September 2010.

5. **Further information**

The full text of the call for proposals and the application forms are available on the following website: http://ec.europa.eu/dgs/education_culture/calls/grants_en.html

Applications must comply with the requirements set out in the full text and be submitted using the form provided.

PROCEDURES RELATING TO THE IMPLEMENTATION OF COMPETITION POLICY

EUROPEAN COMMISSION

Prior notification of a concentration

(Case COMP/M.5908 — Honeywell/Sperian)

(Text with EEA relevance)

(2010/C 184/08)

1. On 30 June 2010, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 ([1]) by which Honeywell International Inc. ('Honeywell', USA) acquires within the meaning of Article 3(1)(b) of the Merger Regulation control of the whole of Sperian Protection SA ('Sperian', France) by way of purchase of shares.

2. The business activities of the undertakings concerned are:

— for Honeywell: global manufacturer active in various business areas (energy, safety and security) including Personal Protective Equipment,

— for Sperian: global manufacturer of Personal Protective Equipment.

3. On preliminary examination, the Commission finds that the notified transaction could fall within the scope the EC Merger Regulation. However, the final decision on this point is reserved.

4. The Commission invites interested third parties to submit their possible observations on the proposed operation to the Commission.

Observations must reach the Commission not later than 10 days following the date of this publication. Observations can be sent to the Commission by fax (+32 22964301), by e-mail to COMP-MERGER-REGISTRY@ec.europa.eu or by post, under reference number COMP/M.5908 — Honeywell/Sperian, to the following address:

European Commission
Directorate-General for Competition
Merger Registry
J-70
1049 Bruxelles/Brussel
BELGIQUE/BELGIË

([1]) OJ L 24, 29.1.2004, p. 1 (the 'EC Merger Regulation').

OTHER ACTS

EUROPEAN COMMISSION

Publication of an application pursuant to Article 6(2) of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs

(2010/C 184/09)

This publication confers the right to object to the application in accordance with Article 7 of Council Regulation (EC) No 510/2006 ([1]). Statements of objection must reach the Commission within six months of the date of this publication

SINGLE DOCUMENT

COUNCIL REGULATION (EC) No 510/2006

'MIELE DELLE DOLOMITI BELLUNESI'

EC No: IT-PDO-0005-0776-09.06.2009

PGI ( ) PDO (X)

1. **Name:**

'Miele delle Dolomiti Bellunesi'

2. **Member State or Third Country:**

Italy

3. **Description of the agricultural product or foodstuff:**

3.1. *Type of product:*

Class 1.4. Other animal products

3.2. *Description of the product to which the 'Miele delle Dolomiti Bellunesi' designation applies:*

'Miele delle Dolomiti Bellunesi' is produced from the nectar of flowers in the mountainous Belluno region by the local ecotype of 'Apis mellifera', which results from the natural cross-breeding of various honey bee subspecies, predominantly the Italian bee and the Carniolan honey bee; over time, it has adapted particularly well to the characteristics of the mountain environment of the Belluno region and can provide good yields of honey.

Depending on the various botanical species which flower in different phases during the production period and the consequent floral sources, a distinction is made between the following types of 'Miele delle Dolomiti Bellunesi': Millefiori (Wildflower), Acacia (Acacia), Tiglio (Lime), Castagno (Chestnut), Rododendro (Rhododendron) and Tarassaco (Dandelion).

([1]) OJ L 93, 31.3.2006, p. 12.

A. Chemico-physical characteristics

All types of 'Miele delle Dolomiti Bellunesi' must have the following chemico-physical characteristics:

HMF content (on release for consumption) < 10 mg per kg

The different types of 'Miele delle Dolomiti Bellunesi' must display the following chemico-physical characteristics:

Honey type	Water (%)		pH		Fructose + glucose (%)		Sucrose (%)	
	Min	Max	Min	Max	Min	Max	Min	Max
Millefiori (Wildflower)	15	18	3,4	4,4	69	78	0	3,8
Acacia (Acacia)	15	18	3,7	4,1	61	77	0	10
Tiglio (Lime)	16,5	17,8	4,0	4,1	67	70	0,8	4,6
Castagno (Chestnut)	16,5	18	4,4	5,8	61	74	0	2,4
Rododendro (Rhododendron)	16	17,7	3,7	4,2	65	72	0,1	0,7
Tarassaco (Dandelion)	17	18	4,3	4,7	37,8	38,5	0,1	0,4

B. Pollen characteristics

The general pollen spectrum is typical of that of mountain flora. Nevertheless, depending on the floral source, the pollen spectra of the various types of 'Miele delle Dolomiti Bellunesi' must meet the following requirements:

Honey type	Pollen
Millefiori (Wildflower)	Predominantly dandelion, lime, chestnut, rhododendron and various *labiacaea*
Acacia (Acacia)	> 30 % Robinia pseudoacacia L.
Tiglio (Lime)	> 10 % Tilia spp.
Castagno (Chestnut)	> 70 % Castanea sativa M.
Rododendro (Rhododendron)	> 20 % Rhododendron spp.
Tarassaco (Dandelion)	> 5 % – < 30 % Taraxacum spp.

C. Organoleptic characteristics

Organoleptic characteristics depend on the floral source and thus differ for the various types of honey.

Millefiori (Wildflower) or multiflora (multiflower): pale yellow to amber colour, sweet taste, soft, with pronounced tendency to granulate.

Acacia (Acacia) or Robinia (False Acacia): pale to amber colour, translucent, delicate, very sweet taste, with scent reminiscent of acacia flowers, typically liquid.

Tiglio (Lime): variable colour, from yellow to light green, slightly bitter aftertaste, fresh, aromatic smell, creamy appearance, with late granulation.

Castagno (Chestnut): dark brown colour, limited sweetness, bitter, tannic taste, strong, aromatic smell, generally liquid.

Rododendro (Rhododendron): from practically colourless to white or light beige after granulation, delicate flavour, leafy and fruity aroma, liquid aspect, before turning creamy and then finely granulated.

Tarassaco (Dandelion): honey with yellow tinges, limited or normal sweetness, usually tart, slightly bitter and astringent.

3.3. *Raw materials:*

Not applicable.

3.4. *Feed:*

For any protein nutrition given to bee families, it is forbidden to use products containing pollen other than that of immediately local origin.

A commonly adopted practice involves harvesting pollen combs or just pollen by means of traps and drying it or storing it in a freezer during periods of high pollen production and then reusing it in periods when pollen is less readily available.

3.5. *Specific steps in production that must take place in the identified geographical area:*

'Miele delle Dolomiti Bellunesi' is produced, handled and processed in the geographical area indicated in 4.

The honey is produced in fixed hives which are periodically moved within the mountain production zone; the honey is drawn directly from the honeycombs by means of a centrifuge.

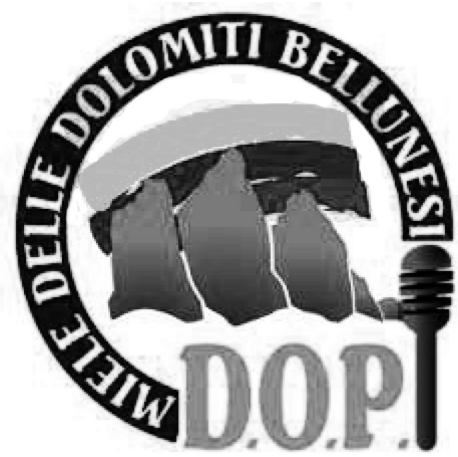
Honey harvesting is always carried out in successive phases, in relation to the flowering periods of plants, in order to obtain a differentiated monofloral product.

3.6. *Specific rules concerning slicing, grating, packaging, etc.:*

Glass containers of 250 g, 500 g and 1 kg, with metal tops sealed by the label are used to pack 'Miele delle Dolomiti Bellunesi'. Packaging of the honey in single-serving formats in glass, sachets, dishes or other containers in appropriate materials is also allowed.

3.7. *Specific rules concerning labelling:*

The logo for 'Miele delle Dolomiti Bellunesi DOP' is made up of an irregular-shaped ring laid out as follows: in the upper part, written in white letters on a green band are the words 'MIELE DELLE DOLOMITI BELLUNESI'; inside the ring are three irregular stripes of yellow, blue and green with a sketch of the three Lavaredo peaks rendered by drops of honey coming from a traditional honey dipper; at the bottom, 'D.O.P.' is written in yellow letters as shown in the illustration. The additional wording 'prodotto della montagna' (mountain product) may be added in accordance with national legislation.



4. **Concise definition of the geographical area:**

The production area of 'Miele delle Dolomiti Bellunesi' PDO covers the whole territory of Belluno Province, which is entirely located in a mountainous area, surrounded on all sides by mountain ranges which naturally separate the production area from the neighbouring provinces and regions and from Austria to the North.

5. **Link with the geographical area:**

5.1. *Specificity of the geographical area:*

Environmental factors

The production area consists of a mountainous region, made up of valleys and high slopes with the characteristic soil, climate and ecological conditions of an Alpine area, with extensive woods and pastures.

Inside the production zone there are no major industrial installations, intensive agricultural activities or even significant transport routes, potential sources of pollution, including for bee products. These conditions make it possible to produce a clean, wholesome honey, untainted by heavy metals and environmental pollutants.

The climate and environmental conditions prevailing in the Belluno area, such as average temperatures and rainfall taken from the historical records, are very different from those in the surrounding lowland areas, and from the averages for the Veneto Region, and have a positive influence on nectar secretion, product quality and its shelf life.

Thanks to low temperatures and high rainfall, the Belluno region is pre-eminent for the extent of its meadows and pastures, which play a decisive role in supporting the area's very diverse Alpine flora, growing, for the most part on the dolostone, limestone substrata, and which comprises over 2 200 species (one-third of the plant species of the entire territory of Italy), enabling bees to choose the best plant sources from which to gather nectar and pollen.

The Belluno Dolomites achieved fame centuries ago for the floral wealth of their Alpine meadows and pastures; the extent and particular nature of that flora constitutes one of the main scientific reasons for the Community, national and regional recognition of the Belluno parks.

Of major importance among the high-growing trees are the woods of larch, beech, Scots pine and red spruce which typify the area. Along the bottom of rock faces lie dense forests of broadleaf trees and conifers and high-altitude meadows with a wealth of flora, including endemic species, such as rhododendrons, thistles, edelweiss and other mountain plants. In the valleys, the vascular plants of the Belluno area cover a significant variety comprising 1 400 entities, among which no small number warrant recording, as they are endemic, rare or of great importance for plant geography.

The mixed grassy and tree flora contains a broad range of species which are considered to be among the best in terms of beekeeping and pollen, such as the false acacia, the rhododendron, the dandelion, the lime, heather and clover, in addition to the long list of species entering into the composition of wildflower honey.

The presence in the area of nectar-producing species such as the chestnut (Castanea Sativa) and the thistle (Carduus sp) is also very important since nectar represents the food essential for the bees' biological cycle. Graduate theses and research work show that plants grown high in the mountains produce more nectar than those growing in lowland locations.

Human factors

Beekeeping has always been a common activity in the Belluno mountains, even a very long time ago, when, with the use of rough skeps, honey harvesting demanded great skill on the part of producers in order to avoid destroying the whole colony of bees.

Even in more difficult times, beekeeping remained widely practised in the territory, with the predominant use of primitive hives. The innovative introduction of the Dadant hive facilitated honey production, but even now in the Belluno mountains beekeeping remains very much a cottage industry, demanding specific skills in positioning and regulating the hives, safeguarding and developing colonies, the means of harvesting and the choice of the period in order to differentiate between honey types of different floral sources, as well as storage techniques.

At present, most beekeepers operate in the Belluno and Feltrina valleys, in addition to which there are numerous high-altitude producers making honey which is particularly appreciated, such as rhododendron honey.

5.2. *Specificity of the product:*

The monofloral honey types reflect the species of the area, which are considered to be among the best from a beekeeping standpoint in terms of pollen and nectar production, such as false acacia, rhododendron, dandelion, lime and chestnut, most of which only exist in mountain territories and for this reason make the 'Miele delle Dolomiti Bellunesi' appreciated. The Wildflower variety is produced using a wide variety of Alpine species, selected by the bees from among the more than 2 200 which characterise the Belluno mountains.

In addition to its 'floral wealth', the quality of 'Miele delle Dolomiti Bellunesi' is based on other fundamental factors, like its purity, wholesomeness and lengthy shelf life, which is also attested to by its low HMF content. These factors are attributable to the geographical area and the know-how of local producers.

5.3. *Causal link between the geographical area and the quality or characteristics of the product (for PDOs) or a specific quality, the reputation or other characteristics of the product (for PGIs):*

The Alpine mountain environment, characterised by low temperatures, high rainfall and dolomitic soil which allow for the growth of a diverse range of alpine flora, comprising trees and grasses of great interest from a beekeeping standpoint, make the Belluno region an ideal area to produce honey of value from plant species which are only or predominantly present in an Alpine, mountain environment.

The low temperatures throughout the year, much lower than the regional or national averages, also have a positive influence on the quality of the honey and its shelf life, since they prevent any anomalous fermentation and make it possible to retain the organoleptic qualities of the product and its ingredients for longer.

Limited human pressure (in terms of inhabitants, industry and transport routes), the typical state of isolation of the mountain area and, above all, the skill of the producers in carrying out what very much remains a craft give rise to a purer, more wholesome product than would be the case in lowland areas.

Beekeeping, which has always been widespread in the Belluno area, in addition to supplementing the income of its inhabitants, historically provided a reserve of energy to be used as food over the months of winter isolation and a sweetener for culinary purposes in the preparation of various traditional local recipes. 'Miele delle Dolomiti Bellunesi' has been marketed under the name for over 35 years and, under the name, it has been entered in numerous local agricultural fairs and events in the mountains since the 1980s, as is demonstrated by the many diplomas, photos of producers at beekeeping gatherings and press articles from the 1980s. Photos from the same period attest to the reputation of the name 'Miele delle Dolomiti Bellunesi' under various brands and labels. 'Miele delle Dolomiti Bellunesi' has always been used in a great many typical dishes, as an ingredient in characteristic Cadore and Ampezzo desserts and bread, as well as in the typical honey liqueur and as an accompaniment to local cheeses. The product is now much sought after by consumers, particularly tourists, who recognised the peculiarities which set it apart and buy it during their holidays to eat it all year round, taking it back with them to all the other regions of Italy.

Reference to publication of the specification:

(Article 5(7) of Regulation (EC) No 510/2006)

The Ministry launched the national objection procedure with the publication of the proposal for recognising 'Miele delle Dolomiti Bellunesi' as a protected designation of origin in the *Official Gazette of the Italian Republic* No 285 of 5 December 2008.

The full text of the product specification is available on the following web site:

www.politicheagricole.it/DocumentiPubblicazioni/Search_Documenti_Elenco.htm?txtTipoDocumento=Disciplinare%20in%20esame%20UE&txtDocArgomento=Prodotti%20di%20Qualit%E0>Prodotti%20Dop,%20Igp%20e%20Stg

or by going directly to the home page of the Ministry of Agricultural, Food and Forestry Policy (www.politicheagricole.it) and clicking on 'Prodotti di Qualità' (on the left of the screen) and finally on 'Disciplinari di Produzione all'esame dell'UE (Regulation (EC) No 510/2006)'.

OTHER ACTS

European Commission

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