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Norwegian Ministry of Trade, Industry and Fisheries
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[Non-confidential version]

[The information in square brackets is covered by the obligation of professional secrecy]

Subject: The Coastal Route Contracts Bergen-Kirkenes (2021-2030)

1 Summary

- (1) The EFTA Surveillance Authority (“the Authority”) wishes to inform the Norwegian authorities that, having assessed the notified public service compensation for the Coastal Route Contracts Bergen-Kirkenes (“the public service compensation”), it considers that the measure does not constitute state aid¹ within the meaning of Article 61(1) of the EEA Agreement.
- (2) The Authority has based its decision on the following considerations.

2 Procedure

- (3) The Norwegian authorities notified their plans to grant the public service compensation by letter of 22 June 2018.²

3 Description of the measure

3.1 Background

- (4) On 29 March 2017, the Authority adopted [Decision No 70/17/COL](#) on the Coastal Agreement for Hurtigruten Maritime Services 2012-2019 (“the 2017 Decision”), concluding that the public service compensation to Hurtigruten was compatible aid pursuant to Article 59(2) of the EEA Agreement.³
- (5) In the 2017 Decision, with a view to the new tender for the Coastal Route that the Norwegian authorities were planning to launch, in order to cover the period as from 1 January 2021,⁴ the Authority also provided guidance on how the Norwegian authorities could attain the widest possible opening-up to genuine competition, by taking measures “[...] such as a more limited entrustment in terms of duration or scope, or separate entrustments, for example by

⁽¹⁾ Reference is made to Article 4(2) of the Part II of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice.

⁽²⁾ Documents No 919310, 919312, 919314, 919316, 919318, 919320, 919322, 919324, 919326, 919328, 919330, 920452 and 920453.

⁽³⁾ OJ L 158, 21.6.2018, p. 19 and the EEA Supplement No 40, 21.6.2018, p. 1.

⁽⁴⁾ The current contract includes an option to extend operation until the end of 2020.

unbundling the route into different stretches or day schedules, and in combination with the extension of the time-limit from the deadline for submitting bids until the service start-up date”.⁵

- (6) The new tender was launched on 19 September 2017. This tender resulted in the submission of bids from three operators: Hurtigruten AS (“Hurtigruten”), Havila Holding AS (“Havila”) and Greenships Invest AS (“Greenships”).

4 Tender procedure and awards of contracts

- (7) The new tender for the Coastal Route was launched by the Ministry of Transport and Communications (“the Ministry”).
- (8) Given that the Coastal Route service requires eleven routes/departures (and therefore 11 vessels), in order to conduct daily sailings to the specified ports of call and in order to reduce entry barriers and thereby facilitate competition, the service was split into three smaller packages:
- Package 1: three routes (three vessels)
 - Package 2: four routes (four vessels)
 - Package 3: four routes (four vessels)
- (9) In particular, according to the tender specifications, the Coastal Route service could be planned as follows: the operator of Package 1 sails from Bergen on days 1, 4 and 7; the operator of Package 2 sails from Bergen on days 2, 5, 8, and 10; and the operator of Package 3 sails from Bergen on days 3, 6, 9 and 11. The cycle then restarts.⁶
- (10) All the tenderers were invited to submit bids on one or more packages. A tenderer could bid for Package 2 and 3, even if it only had the capacity to service one of these packages. In this case, the Ministry would decide which package the tenderer would be awarded (if any).
- (11) Hurtigruten and Greenships submitted bids for all three packages, whereas Havila submitted a bid for one package of four vessels (either Package 2 or Package 3).
- (12) The bid from Greenships was rejected as the company did not fulfil all the selection criteria, as specified in the tender documents.
- (13) The contracts were to be awarded on the basis of the lowest price.
- (14) The Ministry awarded two contracts to Hurtigruten for three and four vessels respectively, and one contract to Havila for four vessels.

5 The contracts and the compensation for the provision of the Coastal Route services

- (15) The Coastal Route service consists of the combined transport of persons and goods along the Norwegian coast from Bergen to Kirkenes, as illustrated below:

⁽⁵⁾ The 2017 Decision, paragraph 113.

⁽⁶⁾ A different division of the routes can also be established, if parties agree and find it more appropriate.

The Bergen – Kirkenes route

- (16) The operation of the service is to have a duration of 10 years, covering the period from 1 January 2021 to 31 December 2030.
- (17) Under the contracts, the operators are to perform daily sailings throughout the year with calls at 32 ports between Bergen and Kirkenes. For the Tromsø – Kirkenes and Kirkenes – Tromsø routes, freight transport are also to be provided. The services are to be operated in line with certain capacity and vessel requirements, as stipulated in the contracts, taking into account certain particularities (i.e. long distances, rough weather, etc.). Vessels used on the coastal route are to have, as a minimum, a passenger capacity for 300 passengers, berth capacity in cabins for 120 passengers and freight capacity for 150 euro pallets of dry and refrigerated cargo. They are also to meet legal, technical and environmental requirements (such as safety and accessibility, and holding valid certificates).
- (18) Concerning the environmental requirements in particular, in order to reduce emissions from the service by 20% compared to the current emission level, and in line with national environmental regulations and targets, the contracts limit the maximum allowed CO₂ emissions from the vessels serving the Coastal Route. The maximum allowed emissions are 162 000 tonnes of CO₂ on average for the whole contract period. This implies an increased cost for the operators, compared to the previous contract.

- (19) The contracts include a clause regarding the conclusion of a co-operation agreement between the operators to ensure a sufficiently uniform and cohesive service. This agreement regulates matters such as liability, process and terms on transfer of employees, route planning, mutual information about the service and cargo operations and arrangements, and shall be in compliance with national and EEA competition rules.
- (20) The compensation for the contracts was determined by a transparent and non-discriminatory public procurement procedure. The Ministry will pay Hurtigruten an annual compensation of NOK 234 million for the three vessels contract and NOK 312 million for the four vessels contract. Havila will receive an annual compensation of NOK 242 million for the four vessels contract.
- (21) The compensation is expressed in 2018 prices and will be adjusted in accordance with Statistics Norway's cost index for domestic sea transport. If that index is unavailable, Statistics Norway's Consumer Price Index will be used.
- (22) In addition, Hurtigruten's contracts include a clause concerning adjustment of compensation in case of a significant loss of revenues (due to a considerable reduction in the number of public service passengers for the whole service), should the new operator (i.e. Havila) not perform all or parts of the services entrusted to it for at least consecutive 30 days. Hurtigruten must document that its loss of revenues and the reduction of the public service passengers is directly related to the non-performance by Havila, which, as a result, has affected customer preferences for the whole service. This clause comes into effect only if the loss of revenue constitutes more than 5% of the public service compensation granted by the State. Havila was offered the inclusion of a corresponding clause in its contract, but it declined.
- (23) According to the contracts, the operators are obliged to report accounting and financial data on the delivery of the public service activities, as well as audited financial statements for both public service and commercial activities. The operators are thus obliged to keep separate accounts for the public service activities on the Coastal Route and other activities outside the scope of the contracts to allow for proper auditing and reporting.
- (24) The compensation paid for discharging the public service obligations under the contracts is calculated on the classification and estimation of capacity and passenger costs and based on an appropriate allocation methodology. As explained in the 2017 Decision, capacity costs are allocated to the public service activities on the basis of the share of capacity reserved by the state compared to the total capacity of the fleet, whereas passenger costs are allocated on the basis of estimated kilometres sailed by public service travellers relative to the total number of passenger kilometres for all travellers on the fleet.⁷

6 Presence of state aid

- (25) 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”.

⁽⁷⁾ The 2017 Decision, paragraph 65.

- (26) The qualification of a measure as aid within the meaning of this provision requires that the measure must (i) be granted by the state or through state resources; (ii) confer an advantage on an undertaking; (iii) favour certain undertakings (selectivity); and (iv) be liable to distort competition and affect trade.

6.1 *No advantage*

6.1.1 *Introduction*

- (27) As explained in the following, the Authority concludes that the public service compensation does not confer an advantage on Hurtigruten and Havila.
- (28) It follows from the *Altmark* judgment that where a state grants compensation for services provided by the recipient undertakings, in order to discharge public service obligations, such a measure is not caught by Article 61(1) of the EEA Agreement, provided four cumulative criteria are met:
- i. “First, the recipient undertaking must actually have public service obligations to discharge and such obligations must be clearly defined.
 - ii. Second, the parameters on the basis of which the compensation is calculated must be established in advance in an objective and transparent manner [...].
 - iii. 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 for discharging those obligations.
 - iv. Fourth, 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 to the community, 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 provided with means of transport so as to be able to meet the necessary public service requirements, would have incurred in discharging those obligations, taking into account the relevant receipts and a reasonable profit for discharging the obligations.”⁸

- (29) In addition, the Authority has issued a set of guidelines on the [application of the state aid rules to compensation granted for the provision of services of general economic interest](#).⁹

6.1.2 *Clearly defined public service obligations (first Altmark condition)*

- (30) In the 2017 Decision,¹⁰ the Authority concluded that the public service obligations were clearly defined. These obligations related to route production requirements (i.e. the daily, year round and regular passenger sailings between Bergen and Kirkenes with calls at 32 ports, as well as freight transportation between Tromsø and Kirkenes), vessel requirements, and fare and discount requirements, with the exception of freight transportation.
- (31) Further, the Authority considered that the public service obligations for the reserve capacity requirement of the Hurtigruten Agreement were clearly defined. The setting of a minimum

⁽⁸⁾ Judgment in *Altmark*, C-280/00, EU:C:2003:415, paragraphs 87-93.

⁽⁹⁾ OJ L 161, 13.6.2013, p. 12 (Annex I) and EEA Supplement No 34, 13.6.2013, p. 1 (Annex I).

⁽¹⁰⁾ Paragraphs 84-103.

reserve capacity was necessary and proportionate to a real public service need, taking into account safety requirements.

- (32) The public service obligations defined in the new contracts with Hurtigruten and Havila are very similar to those of the Hurtigruten Agreement for the period 2012-2019. Minor adjustments include a reduction in the reserve capacity requirement from 320 to 300 passengers on deck, and whereas the duration of the Hurtigruten Agreement is 8 years, the new contracts have a duration of 10 years. The Ministry decided to extend the contract period to attract new entrants who would need to invest in new ships (with economic useful life greatly exceeding 10 years). This is objectively justified as the duration is not longer than the period required for the depreciation of the vessels.¹¹
- (33) Further, the market dialogue that was carried out before the tender was launched revealed that the Coastal Route continued to be a unique service that cannot be delivered at satisfactory price and/or quality by the market alone.
- (34) The Authority therefore concludes that the public service compensation granted to Hurtigruten and Havila constitutes compensation for a clearly defined service of general economic interest and the first *Altmark* condition is hence met.

6.1.3 The parameters of the public service compensation predetermined in advance (second Altmark condition)

- (35) In the 2017 Decision, the Authority held that the Hurtigruten Agreement had adequately described the compensation mechanism and defined the parameters of the compensation in an objective and transparent manner by establishing separation of accounts, and appropriate allocation keys between public service activities and commercial activities.¹²
- (36) The nature of costs and revenues in the new contracts remains the same: costs related to the capacity and sailing pattern, costs and revenues related to passengers, and costs and revenues related to cargo transport.
- (37) Directly traceable costs and revenues related to passengers and berths are allocated directly to the public service or commercial activities respectively. Costs related to capacity and sailing patterns (e.g. safety manning, fuel costs and port fees, depreciation, maintenance and repairs) are allocated to the public service activities on the basis of the minimum reserve capacity required to deliver the service (i.e. 300 passengers, berth capacity in cabins for 120 passengers) relative to the total capacity of the vessel. The Authority considers this minimum capacity to be reasonable and it serves as a proxy for the capacity costs related to the size of the vessels used. As the Authority held in the 2017 Decision, the regularity of the service on the Coastal Route, as well as safety considerations, would justify a certain size of vessel.¹³
- (38) Concerning cargo transport, the operating costs and revenues are assigned separately to the public service and the commercial activities, whereas the capacity costs related to the reserved cargo capacity (i.e. 150 euro pallets of dry and refrigerated cargo) are allocated on the basis of the net income for cargo transport between Tromsø and Kirkenes, i.e. revenues deducted from operating costs, taking into account a 15% profit margin.

⁽¹¹⁾ See [Communication from the Commission on the interpretation of Council Regulation \(EEC\) No 3577/92 applying the principle of freedom to provide services to maritime transport within Member States \(maritime cabotage\)](#), COM(2014) 232 final, 22.4.2014 section 5.5.2.

⁽¹²⁾ Paragraphs 137-145.

⁽¹³⁾ Paragraph 97.

- (39) In view of the above, the Authority considers that the parameters to calculate the public service compensation have been predetermined as part of the tender documentation in an objective and transparent manner and the second *Altmark* condition is therefore met.

6.1.4 *Absence of overcompensation (third Altmark condition)*

- (40) The amount of public service compensation must not exceed what is necessary to cover the net cost of discharging the public service obligations including a reasonable profit. The latter should be taken to mean the rate of return on capital that would be required by a typical company considering whether or not to provide the public service for the whole entrustment period, taking into account the level of risk. The level of risk depends on the sector concerned, the type of service and the characteristics of the compensation mechanism.¹⁴
- (41) Following the principles of the [Authority's SGEI Framework for state aid in the form of public service compensation](#) ("the Framework"),¹⁵ the Norwegian authorities have calculated the compensation based on a cost and revenue allocation methodology.
- (42) Given that both Hurtigruten and Havila intend to use their vessels to carry out both commercial activities and the public service obligations under the contracts, the Norwegian authorities require the undertakings to keep separate accounts for both passenger and cargo transport, where revenues and costs directly related to the discharging of the public service obligations are registered. In addition, an appropriate share of common costs and a reasonable profit determine the public service compensation.
- (43) Because of this account separation, the assessment of the public service activities is based on complete, transparent and objective information as to the costs and revenues entailed, and the public compensation is thus calculated in the context of elements that are specific, clearly identifiable and capable of being controlled.¹⁶ The allocation of the fixed common costs to the commercial activities is based, as regards passenger transport, on a share of total passenger capacity reserved for public service passengers, and as regards cargo transport, on net income.
- (44) The Authority has already accepted, also in the context of the 2017 Decision, that the minimum reserve capacity is part of a clearly defined public service obligation. Given, moreover, that the accounting system implemented by the operators allows the identification of the different costs and revenues for the public service and the commercial activities, based on objective and transparent parameters as described above, the Authority concludes that any cross-subsidisation of commercial activities is excluded.
- (45) The Authority notes that, although both Hurtigruten and Havila will use the same number of vessels to service four routes, Hurtigruten will receive on an annual basis a higher level of compensation, of approximately NOK 70 million. The Coastal Route service constitutes a homogeneous service for both Hurtigruten and Havila in terms of frequency and sailing pattern. However, due to the special requirements of the service for both passenger and cargo transport, the operators may use (for example) different-sized vessels, which can result in disparities concerning the estimated costs and revenues. Provided therefore that these costs and revenues are correctly accounted, as explained above, the Authority takes the view that this difference does not imply that Hurtigruten will be overcompensated.

⁽¹⁴⁾ See the Authority's Guidelines on the application of the state aid rules to compensation granted for the provision of services of general economic interest, paragraph 65.

⁽¹⁵⁾ OJ L 161, 13.6.2013, p. 12 (Annex II) and EEA Supplement No 34, 13.6.2013, p. 1 (Annex II).

⁽¹⁶⁾ Joined Cases E-10/11 and E-11/11 *Hurtigruten* [2012] EFTA Ct. Rep. 758, paragraphs 152-153.

- (46) The level of reasonable profit on the public service activities is set *ex ante* at 9% return on capital. If either Hurtigruten or Havila achieve a return on capital between 9% and 12%, they are to reimburse the Ministry 50% of the excess return, whereas 100% of returns above 12% are to be reimbursed. If the operators achieve a return higher than 12% on their commercial activities, all return on the public service activities exceeding 9% is to be reimbursed to the Ministry.
- (47) The Authority notes that a comparative analysis of six shipping companies operating in the cruise passenger market, but without any public service obligations, were made by BDO *ex ante*.¹⁷ The study found that the group of firms had a weighted average cost of capital of [7.2-9.3]%. BDO also analysed the historical returns of those six companies over the period 2000-2016 and found that the average return on capital over that period was [7.7-8.4]%.
- (48) The Authority regards the expected return on capital of 9% agreed *ex ante* as reasonable for this type of activity, considering *inter alia* the efficiencies created and the particular risks involved in the discharging of the public service obligation in the Coastal Route (e.g. large fixed cost base invested in assets with long payback periods, long contract period with uncertainties in future transport needs, fleet tied up to the public service obligations, additional costs for potential refit of vessels etc.).
- (49) In view of the above, the Authority concludes that the third *Altmark* condition is met.

6.1.5 The public procurement process (fourth *Altmark* condition)

- (50) In the 2017 Decision, the Authority concluded that the public procurement process with Hurtigruten being the sole bidder, was not sufficient to ensure “the least cost to the community”.¹⁸
- (51) In particular, the Authority stated that “[...] the public procurement process as designed [...], although it did not unjustifiably and directly exclude any potential bidders, did not attain the widest possible opening-up to genuine competition. As a result the outcome produced with only one bid being submitted cannot be considered adequate to reflect competitive market conditions”.¹⁹
- (52) In the 2017 Decision, the Authority provided guidance concerning measures that the Norwegian authorities could introduce in order to stimulate competition and increase the number of participants in the tender process for the new Coastal Route contracts.
- (53) For the new Coastal Route contracts, the Norwegian authorities introduced competition for three smaller packages, in compliance with national and EEA rules on public procurement, having first carried out a preliminary market consultation with potential service providers, in order to stimulate interest in the competition.
- (54) This competition resulted in the participation of three tenderers: Hurtigruten, Havila and Greenships. Although the latter was disqualified from the process as not fulfilling certain selection criteria and having submitted an incomplete tender (e.g. concerning economic and

⁽¹⁷⁾ BDO memo, “*Beskrivelse av modell for kostnadsfordeling og resultatmåling på Kyststruten*” (Authority’s unofficial translation: “*Description of the cost allocation model and performance evaluation of the coastal route*”), Oslo 20.6.2017.

⁽¹⁸⁾ See the Guidelines on the application of the state aid rules to compensation granted for the provision of services of general economic interest, paragraph 65.

⁽¹⁹⁾ Paragraphs 113-114.

financial capacity, climate and environmental budget), its participation nevertheless demonstrates the competitive nature of the public procurement process.

- (55) The packages are as identical as possible, with the only difference being that two packages each contain four vessels and a third package contains three vessels. Bearing in mind that Hurtigruten currently operates the coastal route service with eleven ships, this splitting up of the service was meant to attract new entrants that would only be able or willing to invest in acquiring or building a lesser number of vessels needed for the period required.
- (56) The time between the signing of the contracts and the starting date of the service was set at nearly three years, in order to facilitate the acquisition or building of new vessels, which again would facilitate new entrants.
- (57) As regards other requirements or conditions in the tender process, the Authority notes that the request for tender prohibited tenderers from offering discounts when bidding for more than one package. This way, tenderers bidding for one package would not be in a disadvantageous position *vis-à-vis* tenderers bidding for two or all three packages.
- (58) Further, the selection criteria and technical requirements (e.g. status of tax payments, company registration and authorisation, economic and financial capacity, technical and professional qualifications) were set at the lowest possible level to stimulate new entrants, without however jeopardising the level of quality or the standards required for this particular service.
- (59) Tenderers could also offer the same vessels for a package of four or three vessels. That way, tenderers were invited to submit their best bids on all packages, without being in a position to know in advance which winning package they would be assigned to. According to the tender documentation, in cases of bidding for more than one package, each package would be priced individually, enabling the Ministry to select bidders with the lowest price and thereby ensuring the best price for the route as a whole.
- (60) The Norwegian authorities moreover introduced strict limitations on any dissemination of information regarding the number and identity of tenderers participating in the competition. As reported by the Ministry, only a few members of the staff were allowed access to the tender information during all stages of the procedure.
- (61) The Authority takes the view that the Norwegian authorities, by splitting up the Coastal Route in three smaller packages, opened up the market to more operators and eventually managed to attract more than one tenderer.²⁰ All tenderers participated in a single procurement procedure and could bid for one or more packages, without having access to information concerning other potential tenderers throughout the process. The Authority considers that the procurement procedure, as designed, created incentives for the tenderers to bid efficiently.
- (62) In addition, the Ministry achieved through the negotiations a price reduction for all three contracts awarded of [...]%. This shows that the tenderers finally submitted their lowest price capable of covering their costs to conduct the public service obligations plus a reasonable profit. At the same time, as shown in the previous section, all financial

⁽²⁰⁾ See the Guidelines on the application of the state aid rules to compensation granted for the provision of services of general economic interest, paragraph 68.

safeguards were taken into account, in order to ensure that no overcompensation would occur for either Hurtigruten or Havila.

- (63) According to the Authority's guidelines on the application of the state aid rules to compensation granted for the provision of services of general economic interest, a negotiated procedure with prior publication confers discretion upon the national authorities and may restrict participation of potential tenderers. As a result, such a procedure can only be considered to be sufficient to satisfy the fourth *Altmark* criterion in exceptional cases.²¹
- (64) The Authority nevertheless holds that the fact that the public procurement procedure designed by the Ministry entailed negotiations does not exclude the selection of the tenderer capable of providing the service at "the least cost to the community".
- (65) All the selection and award criteria were set in the tender documentation and were therefore known to all potential tenderers at the outset. None of these requirements or criteria were amended during the negotiations, which were conducted in line with the principles of transparency, objectivity and non-discrimination.²² The scope of discretion from the Ministry was very limited from the beginning, as it clearly specified the service upfront and required full initial tenders to be submitted.²³
- (66) As regards the clause in Hurtigruten's contract concerning adjustment of compensation in case of a significant loss of revenues (see above, paragraph (22)), the Authority notes that this clause was included during the negotiations at the request of Hurtigruten, in order to safeguard its interests in case of non-performance of the other operator. In the end, the Ministry managed to receive a reduced bid from Hurtigruten under the condition that this clause was included in the contract. Havila found the inclusion of a corresponding clause in its contract unnecessary.
- (67) The Authority considers the inclusion of the clause to be within the scope of the negotiations carried out between the parties in order to reduce the level of compensation paid by the State. It therefore does not alter the overall nature of the service; nor does it restrict participation of the potential interested operators, given that the selection and award criteria set in the tender documentation remained unchanged. Additionally, the Ministry imposed strict conditions on the applicability of this clause, as Hurtigruten would need to provide material evidence of the direct relevance of Havila's non-performance to its significant loss of revenues. In any case, any adjustments in the compensation due to non-performance, shall, according to the contract, reflect actual changes in the costs and revenues, in line with the predetermined parameters of compensation and the principles of account separation.

⁽²¹⁾ Paragraph 66.

⁽²²⁾ See Article 37(2), (4) and (6) of Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts, OJ L 94, 28.3.2014, p. 1, incorporated into point 6f of Annex XVI to the EEA Agreement.

⁽²³⁾ On this point, section 4.2 of the invitation to tender states the following: "Opening of negotiations does not entail that any of the original tenders have been rejected. Similarly, a call to submit an improved tender during the negotiations does not mean that any of the previously submitted tenders have been rejected. On conclusion of the negotiations, the tenderers will be requested to submit a final tender. Nor does such a request mean that previously submitted tenders have been rejected. There will not be an opportunity to perform further negotiations on these final tenders. The tenders are binding on the tenderers until the tender validity deadline; see Chapter 2.10" (Ministry's unofficial translation).

- (68) In view of the foregoing, the Authority concludes that the public procurement process for the new Coastal Route contracts has achieved the “least cost to the community”. The fourth *Altmark* condition is therefore fulfilled.

6.2 Conclusion concerning the presence of state aid

- (69) The Authority concludes that the public service compensation does not confer an advantage on either Hurtigruten or Havila. Given that not all the conditions of Article 61(1) of the EEA Agreement are satisfied, the public service compensation does not constitute state aid within the meaning of that Article.

7 Final conclusion

- (70) On the basis of the foregoing assessment, the Authority considers that the public service compensation for the new Coastal Route Contracts Bergen-Kirkenes (2021-2030) does not constitute state aid within the meaning of Article 61(1) of the EEA Agreement.

For the EFTA Surveillance Authority, acting under [Delegation Decision No 068/17/COL](#),

Yours faithfully,

Bente Angell-Hansen
President
Responsible College Member

Carsten Zatschler
Countersigning as Director,
Legal and Executive Affairs

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