

Case handler: Katrine Lillerud
Tel: (+32)(0)2 286 1865
e-mail: kli@eftasurv.int

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EFTA SURVEILLANCE
AUTHORITY

Advokat Jon Rikard Kleven
Holteveien 5
N-3880 Drammen
Norway

Case: Letter informing the complainant of the Competition and State Aid Directorate's preliminary view and intention to close the case concerning Gaustadtoppen Skisenter AS

1 Introduction

Reference is made to your complaint dated 17 March 2014 (Event No 703011) and your further comments dated 23 June 2014 (Event No 712339). Following your complaint the Competition and State Aid Directorate (CSA) sent the Norwegian authorities a request for information on 9 May 2014 (Event No 706597). The Norwegian authorities answered with a letter dated 25 June 2014 (Event No 712340).

In this letter it was informed that municipality of Tinn granted a loan of NOK 1.2 million to Gaustadtoppen Skisenter AS in 2003 and a loan of NOK 15 million pluss a contribution of NOK 1.6 million in 2009. In 2012, in accordance with a negotiated proposition to resettle the debt of Gaustadtoppen Skisenter AS, the municipality reduced its loan to NOK 2 million.

2 Preliminary view - lack of an effect on trade

In order to constitute state aid within the meaning of Article 61(1) of the EEA Agreement, the measure, in this case grant of loans and contributions, must be liable to distort competition and affect trade between the Contracting Parties to the EEA Agreement.¹

With regard to state aid to ski resorts the European Commission (Commission) has in several cases concluded that support measures for ski resorts did not affect trade within the EEA. From the Commission's practise the threshold for when a ski resort mainly has a local catchment area and therefore cannot be said to affect trade is either when the ski resort include;²

- no more than three slopes whose total length does not exceed 3 km;
- or when there is lower than or equal to 2000 hotel rooms and which sale of week passes does not exceed 15% of the total number of ski passes sold.

¹ Case C-372/97 *Italy v Commission* [2004] ECR I-3679, paragraph 44 and joined Cases E-5/04, E-6/04, E-7/04 *Fesil ASA and Finnffjord Smelteverk AS v EFTA Surveillance Authority* [2005] EFTA Ct. Rep.117, paragraph 94.

² See the European Commission case SA.32737 (2001/N) Greek aid for the renovation and upgrade of the Parnassos ski resort (OJ C 239, 17.08.2011) paragraph 20. See also case N676/2002 Cableways 2002 - Valle d'Aosta (OJ C 131, 28.05.2005) and case N731/2007 Aid to cableways in small ski resorts - Veneto, Italy' (OJ C 106 26.04.2008).

According to the reply from the Norwegian authorities the total number of beds/rooms in the Gaustadtoppen area today is 1600 beds, including cabins, hotels and apartments. The total number of beds between 2003 and 2009 was also lower.

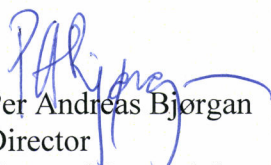
Between 2003 and 2008, the maximum of yearly visitors was 34 138 (in 2008). The minimum was 26 764 (in 2005). With regard to the ratio of week passes sold compared to day passes, the number of week ski passes sold compared to the total number of ski passes sold was at the highest in 2004 with 13% and at the lowest in 2008 with 10.5%.

Between the years 2009 and 2014, the maximum number of yearly visitors was 35 473 (in 2009), the minimum was 27 189 visitors (in 2011). The number of week ski passes compared to the total number of ski passes was 13.3% at the highest (in 2011) and 8.4% at the lowest (in 2014). During the whole period from 2003 until today, the average percentage of week ski passes sold compared to the total amount of ski passes sold was 11.2%.³

From the above, Gaustadtoppen Skisenter AS does not reach the thresholds set by the decision practice of the Commission in order to have an effect on trade. Therefore, the CSA does not consider that the measure addressed in your complaint involves state aid within the meaning of Article 61(1) of the EEA Agreement. Thus we do not see sufficient grounds to continue the investigation at this stage.

If further comments are not provided within one month from the date of this letter, at the latest before the **11 August 2014** the case will be closed without any further notice.

Yours faithfully,


Per Andreas Bjørgan
Director
Competition and State Aid Directorate

³ Confer appendix 1a and 1c (Event No 712340).