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Decision No 123/20/COL

Ministry of Trade, Industry and Fisheries
P.O. Box 8090 Dep
0032 Oslo
Norway

Subject: Grant scheme for local broadcasting

1 Summary

- (1) The EFTA Surveillance Authority (“ESA”) wishes to inform Norway that, having assessed the notification of the grant scheme for local broadcasting (“the measure”), it considers that the measure constitutes state aid within the meaning of Article 61(1) of the EEA Agreement and decides not to raise objections,¹ as it is compatible with the functioning of the EEA Agreement, pursuant to its Article 61(3)(c). ESA has based its decision on the following considerations.

2 Procedure

- (2) The Norwegian authorities notified the measure on 22 September 2020.²
- (3) On 2 October 2020, ESA requested clarifications from the Norwegian authorities,³ which provided the requested clarifications on 8 October 2020.⁴

3 Description of the measure

3.1 Background

- (4) Norwegian authorities have a duty to facilitate public discourse and the free flow of information. According to Norwegian policy, local broadcasters are an important and necessary part of the overall media diversity. The so-called infrastructure requirement of the Norwegian Constitution (Section 100, paragraph 6) from 2004 obliges the authorities to actively ensure that individuals and groups are provided with the means to express their opinions, obtain information and participate in an open political debate.
- (5) As a part of a coordinated digital switchover from FM to DAB radio in Norway, the distribution on the FM network of national commercial radio channels, and of local commercial radio channels in the four largest cities, was brought to an end in 2017. To ease the burden of the digital transition process, the Norwegian authorities already in 2015 decided that the FM network would still be available to non-commercial national radio stations, and to commercial local radio channels outside of the four largest cities, until 31 December 2021. In the budget proposal

¹ Reference is made to Article 4(3) 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 1153982, 1153984, 1153986 and 1153988.

³ Document No 1157444.

⁴ Documents No 1157445 and 1157446.

for 2021, the Government stated its intention to prolong the FM concessions until 31 December 2026.

- (6) A grant scheme for local broadcasting purposes entered into force in 2001. Grants are awarded in accordance with the *de minimis* Regulation.⁵ In 2016, the grant scheme was expanded to include also contributions to digitisation of local radio. The measure is a continuation of this scheme, but with a maximum aid amount that exceeds *de minimis* aid.
- (7) The Norwegian Broadcasting Act⁶ defines broadcasting as the distribution of speech, music, images and the like through electronic communication networks, intended or suitable for being seen or heard directly and simultaneously by the general public.

3.2 Objectives

- (8) The main objectives are to contribute to media pluralism and freedom of speech, and to strengthen the democratic function of local broadcasting.

3.3 National legal basis and allocation of funding

- (9) The national legal basis is Regulation of 19 February 2016 No 166 on grants to local broadcasting (“the Regulation”).⁷
- (10) The funding is allocated in the Norwegian Parliament’s (*Stortinget*) annual budget decision. The Regulation will be updated in accordance with the budget decision.

3.4 Granting authority

- (11) The granting authority is the Norwegian Media Authority (“the Media Authority”).

3.5 Beneficiaries

- (12) The beneficiaries are companies with a license to provide local radio or TV broadcasting, registered broadcasters that mainly provide content targeted at a local audience, national associations for local broadcasters, and companies with an operating license in digital networks for the transmission of local radio.

3.6 Aid instrument and aid intensity

- (13) The aid is awarded as grants. The maximum aid intensity is 80%.

3.7 Aid categories, prioritisation criteria, eligible costs

- (14) The measure consists of seven different aid categories, with corresponding prioritisation criteria, eligible costs, and yearly maximum aid threshold for the individual beneficiaries:

(a) Investment aid for the digitisation of local radio. The following general prioritisation criteria will be applied: (i) the probability for realising the project, (ii) the geographical size and population of the area that the project will cover, (iii) the expected diversity of local radios collaborating on the project, and (iv) the geographical areas where the commercial resources for developing digital

⁵ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty of the Functioning of the European Union to *de minimis* aid ([OJ L 352, 24.12.2013, p. 1](#)), incorporated into Article 1ea of [Annex XV](#) to the EEA Agreement.

⁶ [LOV-1992-12-04-127](#), article 1-1 letter a.

⁷ [FOR-2016-02-19-166](#).

networks for transmitting local radio are limited. The eligible costs are costs for the construction of local digital radio networks.

(b) Operating aid for the digitisation of local radio. The following general prioritisation criteria will be applied: (i) applicants with a limited transmission time or applicants with transmissions covering an area with a limited commercial basis for the operation of local radio, (ii) applicants subject to restrictions in regulations regarding the possibility to generate commercial income, (iii) radio stations with a documented cooperation agreement with the holder of a facility licence, and (iv) holders of a facility licence who offer binding rental agreements to a diverse set of local radios in the region. For local radio stations, the eligible costs are costs related to transmitting radio in a digital network, such as the costs of renting capacity in a local DAB network, or costs for transmitting radio over the internet (in Norwegian: “*linjeleie*”). For holders of a facility licence (“*anleggskonsesjonærer*”), the eligible costs are the costs of running the network, such as costs for upkeep and repair and fees to station owners (such as Telenor or Norkring).

(c) Operating aid to national associations of local broadcasters. The following general prioritisation criteria will be applied: (i) number of members, (ii) ownership diversity among members, and (iii) the level of activity based on the budget and documented activities. Typical eligible costs are personnel costs, materials and supplies related to the daily operation of – or specific projects within – the organisation, advisory and support services, and travel expenses.

(d) Operating aid for local radio stations directed towards ethnic and linguistic minority groups. Maximum NOK 75 000 per radio station per year. Typical eligible costs are costs for materials and supplies and rent or lease of real estate, and to a lesser degree personnel costs.

(e) Investment and operating aid for local programme productions. Innovative ideas will be prioritised. Maximum NOK 250 000 per project per year. Eligible costs are costs for the production of specific radio programmes outside of the ordinary/regular scheduled programming.

(f) Investment and operating aid for individual competence development that contributes to quality improvements to local broadcasting as a medium, or quality improvements in a specific media organisation. Applications regarding quality improvements in journalism, media competence, technical competence and similar fields will be given priority. Maximum NOK 100 000 per project per year. Typical eligible costs are costs for participating in seminars and courses, including travel expenses, and costs for competence activities arranged by the broadcasters themselves, such as fees for hiring an external lecturer as well as course materials.

(g) Investment and operating aid for development projects stimulating activity that increases local programme quality and breadth. This includes, among other things, organisational development, development of new programme concepts, and various local co-operation initiatives. Innovative ideas are prioritised. Maximum NOK 100 000 per project per year. Typical eligible costs are personnel costs, costs for advisory and support services, and investments in new technical equipment and software.

- (15) Local radio stations that choose transmission via the internet will be eligible for aid for the digitisation of local radio under categories (a) and (b) above, on an equal footing with radio stations transmitting through DAB. According to the Norwegian authorities, the prioritisation criteria for investment and operating aid to the digitisation of local radio (categories (a) and (b) above) shall ensure technology neutrality as regards digitisation.

3.8 Overall maximum aid amounts, aid instalments and duration of aid

- (16) The overall maximum aid amount per beneficiary is NOK 1.5 million per year.
- (17) Project and investment aid are paid out in two instalments: the first is paid out at start-up, the second when the Media Authority has received and controlled the accounts and reports from the recipient.
- (18) Operating aid is paid out in two instalments: one instalment when the beneficiary receives the letter of commitment, the other in the second half of the year, after the report and the accounts have been received and controlled. Alternatively, the operating aid may be paid in full at the end of the year.
- (19) The beneficiaries can apply for operating aid for more than one year. However, aid is awarded on an annual basis, meaning that beneficiaries applying for operating aid are not guaranteed operating aid for more than one year at a time.

3.9 Budget and duration

- (20) The annual budget will be NOK 22 million. The duration is from 1 January 2021 to 31 December 2026.

3.10 Overlap with other schemes

- (21) There are already several aid schemes in place in the field of news and current affairs media.⁸ However, according to the Norwegian authorities, the schemes in the media sector are in general set up in such a way that there is very little overlap of eligible costs between schemes. Accordingly, the likelihood of a beneficiary receiving grants under more than one scheme is low. The measure will, in particular, promote continued pluralism and quality of local broadcasting media. Further, the objective of continued pluralism and quality of local broadcasting media cannot be achieved through these other aid schemes or less distortive types of policy instruments. The Norwegian authorities further note that there are no existing measures except the grant scheme for local broadcasting supporting the continued pluralism and quality of local broadcasting media.

3.11 Cumulation

- (22) Prospective beneficiaries applying for aid for local programme productions, individual competence development and/or projects that increase local programme quality and breadth (section 3.7, aid categories (e), (f) and (g)), may

⁸ Such as: the Norwegian innovation and development scheme for news and current affairs media (Decision No 061/18/COL, OJ C 335, 20.9.2018, p. 18, and EEA Supplement No 62, 20.9.2018, p. 1); the production grants scheme for news and current affairs media (Decision No 112/14/COL, OJ L 207, 3.7.2014, p. 44, and EEA Supplement No 39, 3.7.2014, p. 2); compensation to commercial public broadcaster (granted under the rules of the SGEI Decision); zero rate VAT for electronic news services (Decision No 23/16/COL, OJ C 396, 27.10.2016, p. 6, and EEA Supplement No 59, 27.10.2016, p. 37); and *Skattefunn* for R&D projects (GBER 44/2014/R&D&I).

in principle be eligible for aid under the Norwegian innovation and development scheme for news and current affairs media.⁹

- (23) However, applicants are obliged to disclose any other public support relevant, when calculating aid ceilings or aid intensities. The Media Authority will, on the basis of this information, ensure that the maximum aid ceiling of NOK 1.5 million and the maximum aid intensity of 80% are respected.

3.12 Reporting, control mechanisms and sanctions

- (24) Beneficiaries are obliged to immediately notify the Media Authority if there are changes in the conditions for the grant before or during the project period. Beneficiaries shall, as soon as possible, and at the latest within the deadline laid down in the letter of commitment, send the Media Authority a report on the implementation of the relevant project. In the report, the beneficiary shall explain whether the measure has been implemented in accordance with the prevailing conditions.
- (25) Accounts showing the allocation of the grant in conjunction with the budget must be enclosed with the report. The accounts must be signed by the beneficiary. For grants of more than NOK 200 000, the accounts must in addition be audited by a state-authorized or registered auditor.
- (26) The Media Authority shall control the reporting. The control consists of a formal check and reasonableness check, meaning that the report is signed and certified, and that the basis for the figures does not appear unlikely. The Media Authority, the Ministry of Culture and the office of the Auditor General may initiate a control procedure to assess whether the grant is used according to the conditions. To that end, the beneficiary is obliged to keep their accounts for ten years.
- (27) The Media Authority may require repayment of all or a part of the grant if a beneficiary provides incorrect information, does not meet the reporting obligations pursuant to the Regulation, or does not comply with the applicable conditions.

4 Presence of state aid

- (28) 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."
- (29) The qualification of a measure as aid within the meaning of this provision therefore requires the following cumulative conditions to be met: (i) the measure must be granted by the State or through State resources; (ii) it must confer an advantage on an undertaking; (iii) favour certain undertakings (selectivity); and (iv) threaten to distort competition and affect trade.

4.1 Presence of state resources

- (30) The measure is financed from the national budget and therefore involves state resources.

⁹ Decision No [061/18/COL](#), OJ C 335, 20.9.2018, p. 18, and EEA Supplement No 62, 20.9.2018, p. 1.

4.2 Confer an advantage on an undertaking

- (31) The beneficiaries are local broadcasters and national associations for local broadcasters. Broadcasting, whether local or national, constitutes an economic activity and consequently the beneficiaries qualify as undertakings within the meaning of Article 61(1) of the EEA Agreement. The direct grants obtained by these beneficiaries constitute an advantage that they would not receive under normal market conditions. The measure therefore provides an economic advantage to these undertakings.

4.3 Selectivity

- (32) The measure benefits undertakings involved in the production of media services, which meet the applicable conditions. Not all undertakings involved in the production of media services fulfil the conditions under the measure, and not necessarily all applicants that fulfil the conditions may receive aid, due to the budgetary constraints. Consequently, the measure confers a selective advantage on the undertakings that receive grants.

4.4 Distortion of competition and effect on trade

- (33) It cannot be ruled out that the beneficiaries to some extent may compete with other undertakings involved in the production of local media services, or other undertakings involved in developing the DAB network for distribution of local radio, including those that do not benefit from the measure. Therefore, the measure is liable to distort competition.
- (34) Most of the beneficiaries operate in the market for local media. The measure is therefore unlikely to have a significant effect on intra-EEA trade. However, the media services covered by the measure constitute an economic activity open to competition and trade between EEA States, and national associations for broadcasters also operate in the national market. Furthermore, many of the eligible undertakings may be active in other markets, for instance for advertising space, which are also subject to trade and competition. Consequently, it cannot be excluded that the advantage given to the beneficiaries may affect intra-EEA trade.

4.5 Conclusion

- (35) In light of the above, ESA concludes that the measure constitutes state aid within the meaning of Article 61(1) of the EEA Agreement.

5 Procedural requirements

- (36) Pursuant to Article 1(3) 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 ("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."
- (37) The Norwegian authorities have notified the aid measure and have yet to let it enter into force. They have therefore complied with the obligations under Article 1(3) of Part I of Protocol 3.

6 Compatibility of the aid measure

- (38) ESA can declare state aid compatible with the functioning of the EEA Agreement under its Article 61(3)(c) provided that certain compatibility conditions are fulfilled. For most cases, these conditions are outlined in ESA's state aid guidelines. However, in this case there are no existing state aid guidelines applicable to the measure. ESA will therefore assess the measure directly under Article 61(3)(c) of the EEA Agreement.
- (39) ESA's assessment is based on the following common assessment principles:
- contribution to a well-defined objective of common interest;
 - need for state intervention;
 - appropriateness of state aid as a policy instrument;
 - existence of an incentive effect;
 - proportionality of the aid amount (aid limited to the minimum necessary);
 - avoidance of undue negative effects on competition and trade; and
 - transparency.

6.1 Objective of common interest

- (40) State aid must aim at a well-defined objective of common interest recognised by the Contracting Parties.
- (41) The Norwegian authorities submit that the main objectives of the measure are to contribute to media pluralism and freedom of speech, and to strengthen the local broadcasters' democratic function in the society.
- (42) The importance of media pluralism and diversity was confirmed by ESA as an objective of common interest in [Decision No 061/18/COL](#) of 14 June 2018 regarding the Norwegian innovation and development scheme for news and current affairs media.¹⁰
- (43) The importance of freedom of speech is emphasised in ESA's state aid guidelines on public service broadcasting.¹¹ The Court of Justice also ensures the respect for this general principle of law, embodied in Article 10 of the European Convention on Human Rights.¹²
- (44) ESA acknowledges that local media play an important part of ensuring media pluralism and diversity, with regard to the pluralism of media outlets and the pluralism of media output. As further described in section 6.2 below, the digitisation of local radio will contribute to continued media pluralism. The measure contributes directly to media pluralism and/or to continued media pluralism through technological development.
- (45) In conclusion, media pluralism and freedom of speech, as well as the strengthening of local broadcasters' democratic function in the society, reflect well-defined objectives of common interest, and the measure will contribute towards these objectives.

¹⁰ OJ C 335, 20.9.2018, p. 18, and EEA Supplement No 62, 20.9.2018, p. 1.

¹¹ OJ L 124, 11.5.2012, p. 40, and EEA Supplement No 26, 11.5.2012, p. 1.

¹² Judgment in *Elliniki Radiophonia Tileorassi*, C-260/89, EU:C:1991:254, paras 41–45.

6.2 Need for state intervention

- (46) In order to assess whether state aid is effective to achieve the identified objective of common interest, it is necessary first to identify the problem that needs to be addressed. State aid should be targeted towards situations where aid can bring a material improvement that the market alone cannot deliver, for example by remedying a market failure or addressing an equity or cohesion concern.
- (47) The Norwegian authorities note that news and current affairs media are facing significant challenges in the transition to the digital sphere. In particular, due to the mass proliferation of the internet and smart phones, on which the internet may be accessed, the way media are consumed has radically changed. In addition, competition for the public's attention has never been greater. The use of social media and media streaming services take up a significant share of the public's time, meaning the traditional media outlets must fight for the public's attention, as well as advertising revenue, as never before. Social media, search engines and streaming services are owned by large multinational corporations with limited investments in new editorial and original news and current affairs content.
- (48) According to the Norwegian authorities, these developments increase the difference between optimal social welfare (in this case the production and consumption of a plurality of news and current affairs content) and consumers' perceived utility of using news and current affairs media, as well as the perceived utility of producing such content.
- (49) Small, local media companies are especially vulnerable in the transition to the digital market. The low population base and challenging topography make it challenging to put in place financially realistic development projects without aid, especially in areas with few companies that can share the development costs.
- (50) According to the Norwegian authorities, the cost picture of the development of the transmitter network in the Multiplex for local digital radio shows that the digitisation investment need is considerable, which suggests that large parts of the industry face financial challenges in investing significantly in digitisation development.
- (51) Although existing aid measures for the media sector reduce the impact of the aforementioned negative general market developments, they are not considered sufficient to address specific problems that local broadcasters face. The Norwegian authorities therefore maintain that there is a need for an aid measure to address the increasing failures of the market in the digital transition for local broadcasters and increase the possibility of achieving the objectives of common interest.
- (52) Based on the above, ESA concludes that there is a need for state intervention to achieve the identified objective of common interest. The measure, being both of a limited duration and budget, with maximum aid amounts of NOK 1.5 million per year and targeted at remedying challenges that local broadcasters face related to the transition to the digital sphere, responds directly to this need.

6.3 Appropriateness of state aid

- (53) State aid must be an appropriate instrument to address the identified objective of common interest. An aid measure is not compatible with the functioning of the EEA Agreement if the same positive contribution to the common objective can be

achieved through other less distortive policy instruments or other less distortive aid instruments.

- (54) An alternative measure to enhance the coordinated digital switchover from FM to digital radio would be to shut down the FM network also for non-commercial national radio stations and commercial local radio channels outside of the four largest cities. Although this would lead to a more rapid digital transition, according to the Norwegian authorities, many non-commercial and local radio stations do not have the financial abilities to make the necessary investments. The result would be a significant reduction in the number of non-commercial and local radio stations in Norway, and a corresponding reduction of media pluralism and diversification.
- (55) *Skattefunn* is an existing tax credit scheme in Norway for research and development projects in all sectors. According to the Norwegian authorities, several of the aid categories of the measure fall outside the realm of *Skattefunn*: investment grants for the digitisation of local radio, operating grants to national associations for local broadcasters, operating grants for local radio stations directed towards ethnic and linguistic minority groups, and grants for individual competence development. Further, *Skattefunn* does not support initial projects, which are considered to be of high importance for media with limited resources. In sum, *Skattefunn* is, according to the Norwegian authorities, not designed to address the challenges addressed by the measure.
- (56) According to the Norwegian authorities, there are no existing measures, except the current *de minimis* version of the grant scheme for local broadcasting, that specifically supports the continued pluralism and quality of local broadcasting media.
- (57) The Norwegian authorities note that the objective of continued pluralism and quality of local broadcasting media cannot be achieved through less distortive policy instruments or aid instruments, because the relevant projects are not of a kind that would be undertaken without support through grants (see further section 6.4 below).
- (58) ESA considers that the measure is appropriate, in order to address the challenges that local broadcasters face related to the digital transition, which are not covered by existing schemes, such as the *Skattefunn* and the various media support schemes. As explained by the Norwegian authorities, the measure will be complementary to existing schemes and beneficiaries under the measure will not be able to receive also grants from existing schemes, with the limited exceptions explained in section 3.11 above.
- (59) Based on the above, ESA concludes that the direct grants are appropriate instruments to address the identified objective of common interest.

6.4 Incentive effect

- (60) State aid is only compatible with the functioning of the EEA Agreement if it has an incentive effect. An incentive effect occurs when the aid induces the beneficiary to change its behaviour to further the identified objective of common interest, a change in behaviour that it would not undertake without the aid.

- (61) According to the Norwegian authorities, the measure has been designed to partly subsidise the development of digitisation of local radio and the production of programmes that would not have been carried out at all – or not with the same scope – without the aid. The measure will reward projects contributing to its objectives and is thus expected to increase local broadcasters' incentives to initiate and implement such projects. The measure is especially directed towards projects benefitting small local media with limited resources to finance projects without support and the digitisation of local radio.
- (62) The Norwegian authorities note that the development of digital radio transmitters for local radio has started in most regions, but as of 2019 there were few or no networks that had been fully developed. It is demanding to put in place financially realistic development projects, partly because of the low potential number of consumers and challenging topography.
- (63) As of 2019, the transmitting plants had been developed without *de minimis* grants only in two of the 37 regions in the Multiplex for local digital radio. Figures from the local radio operators' annual reports from 2018 illustrate a significant decrease in the operating result for the local radios with analogue licences, while several of the pure digital radios ran a deficit in 2018. This implies that considerable parts of the industry will find it financially challenging to invest significantly in the development of digital networks.
- (64) The Norwegian authorities require that applicants confirm that the aid applied for relates to either (i) costs connected to projects/investments that have not yet started, or (ii) a continuation/expansion of an existing project/investment. Aid for such projects/investments will only cover costs that have yet to be incurred. As confirmed by the Norwegian authorities, the projects/investments would not materialise to the same extent without the aid, due to the limited commercial potential and limited available resources.
- (65) Accordingly, ESA considers that the measure provides a sufficient incentive to digital transition for the local broadcasters, thus contributing to the objective of ensuring media plurality and freedom of speech, as well as strengthening the local broadcasters' democratic function in the society.

6.5 Proportionality

- (66) State aid is proportionate if the aid amount per beneficiary is limited to the minimum needed to achieve the identified objective of common interest.
- (67) As concerns state aid to the media, ESA has not adopted guidelines that define the maximum aid intensities. However, the Commission has approved a Swedish scheme concerning development and innovation aid for written media, which allowed for an aid intensity of 75% for newspapers or projects targeting specific groups, with no maximum annual aid cap per beneficiary.¹³ The Commission has also approved a corresponding Danish scheme, which allowed for an aid intensity up to 75% for development projects of particular importance to children, young

¹³ Commission decision in SA.43271 (Sweden), Development aid for written news media, [OJ C 129, 12.4.2016, p. 1](#).

people and other special groups, with an annual cap of approximately EUR 2.5 million per beneficiary.¹⁴

- (68) The measure has an annual cap per beneficiary as low as NOK 1.5 million, or approximately EUR 136 000. This is less than a tenth of the cap under the Danish scheme, while the Swedish scheme has no corresponding cap at all.
- (69) In conclusion, ESA considers the measure proportionate.

6.6 Avoidance of undue negative effects on competition and trade

- (70) For state aid to be compatible with the functioning of the EEA Agreement, the negative effects of the aid measure in terms of distortions of competition and impact on trade between Contracting Parties must be limited and outweighed by the positive effects in terms of contribution to the objective of common interest.
- (71) The measure may potentially distort competition between local news and current affairs media, as media receiving grants for their projects will gain a benefit compared to others. The local broadcasters compete at least partially with national broadcasters and with local news and current affairs media distributed through publication (either digitally or in print).
- (72) The criteria under the measure are intended to ensure that the measure efficiently targets local broadcasters. This sector consists of a variety of companies offering both broad, general content and content focused on specific interests, for instance culture and religion, or directed at specific ethnic or linguistic minorities.
- (73) The national broadcasters are by and large also in a different financial position than local broadcasters, regarding the ability to invest in competence development and the development of quality programming and technical solutions.
- (74) According to the Norwegian authorities, the transition from FM to digital transmission ensures the infrastructure for increased media plurality in the future. The FM network has limited frequency resources, and the technology is mature. There is no possibility for increasing the number of radio channels transmitting through FM, and it is not feasible to develop new services on this platform. The digital platforms enable an increased number of radio channels, and the development of new digital services connected to radio transmission.
- (75) Given the relative size of the media concerned, as well as their limited potential outreach outside Norway, the overall effect on trade should be limited.
- (76) The characteristics of the measure, including the limited budget and the relatively low maximum cap of NOK 1.5 million per beneficiary per year, limit the distortion of competition and trade.
- (77) Accordingly, ESA finds that the limited negative effects in terms of distortions of competition and impact on trade between Contracting Parties potentially resulting from the measure are outweighed by the positive effects of the measure in terms of its contribution to the objectives of common interest.

¹⁴ Commission decision in SA.36366 (Denmark), Production and innovation aid to written media, [OJ C 371, 18.12.2013, p. 9.](#)

6.7 Transparency

- (78) The Norwegian authorities will publish the full text of the measure and any individual aid award exceeding EUR 500 000 in the Norwegian state aid register: <https://data.brreg.no/rofs/eng>. The transparency requirement is thus fulfilled.

7 Conclusion

- (79) ESA finds that the grant scheme for local broadcasting constitutes state aid with the meaning of Article 61(1) of the EEA Agreement. Since no doubts are raised that this aid is compatible with the functioning of the EEA Agreement, pursuant to its Article 61(3)(c), ESA has no objections to the implementation of the measure.

For the EFTA Surveillance Authority,

Yours faithfully,

Bente Angell-Hansen
President
Responsible College Member

Frank J. Büchel
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This document has been electronically authenticated by Bente Angell-Hansen, Carsten Zatschler.