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Ministry of Transport Pb. 8010 Dep 0030 Oslo Norway

Dear Sir/Madam,

Brussels, 17 August 2023 Case No: 89936

Document No: 1391762

## Subject: Supplementary Request for Information concerning Maritime PSO **Routes in Norway**

Reference is made to previous correspondence between the Internal Market Affairs Directorate ("the Directorate") of the EFTA Surveillance Authority ("the Authority") and the Norwegian Ministry of Transport ("the Ministry") regarding the subject matter, most recently the Ministry's letter of 28 April 2023 (your ref. 15/3597) in response to the Directorate's Request for Information of 21 February 2023 (Doc No 1344776).

The Directorate hereby requests supplementary information from Norway on the issues mentioned below.

## Length of contracts

In its letter (referenced above), the Ministry provided a general explanation of criteria used in Norway to determine the length of maritime PSO contracts. The Ministry explained that most contracts within domestic ferry services in Norway have a duration of between 8 and 10 years, contracts with a length of up to 10 years have been used due to the need for large investments.

The Directorate takes note of the justifications provided by the Ministry for the use of a contract of 15 years starting from October 2025 for the connection Bodø - Værøy - Røst - Moskenes, and in general for the use of contracts up to 10 years. However, the Directorate observes that the market overview for ferries of January 2023 contains several other contracts of a duration longer than 10 years to which no specific explanation is given.

The following contracts have a duration of 10 to 14 years:

- 14 years
  - Åfarnes Sølsnes
  - Aukra Hollingsholmen
  - Eidsdal Linge
  - Festøya Hundeidvika
  - Molde Sekken
  - Sæbø Leknes
  - Sæbø Leknes Skår Trandal Standal (ved driftsavbrudd)
  - Solholmen Mordalsvågen
  - Standal Trandal Sæbø Skår-Valderøya-Store Kalvøy
  - Stranda Liabygda

## 11-12 years

Hareid - Sulesund

- Sykkylven Magerholm
- (Stavanger) Østhusvik Foldøy
- Årvika Koparneset
- Larsnes Åram Voksa Kvamsøya
- Volda Lauvstad
- Brevikeidet Svensby
- Lyngseidet Olderdalen

## 10-11 years

- Brevik Sandøya
- Arasvika Hennset
- Edøy Sandvika
- Kvanne Rykkjem
- Seivika Tømmervåg
- Tangen Horn
- Geiranger Hellesylt
- Kragerø Bærø Langøy
- Kragerø Gumøy Jomfruland
- Kragerø Skåtøy
- Kragerø Tåtøy Stabbestad
- Gudvangen Kaupanger
- Abelnes Andabeløy
- Launes Kvellandstrand
- Festøya Solavågen
- Halsa Kanestraum
- Volda Folkestad
- Barmen Barmsund

The Directorate takes note of the information provided by the Ministry as regards fast boats. In the most recent market overview (2023), the following three contracts appear to be of a duration of 25 years:

- Oslo Nesodden (B10)
- Oslo Nesodden Lysaker Nesoddens vestside
- Oslo Vollen Slemmestad (linje B20)
- The Directorate observes that, in a previous version of the same table (2022), the
  two latter contracts were indicated as having a duration of approximately 15 years.
  The Norwegian Government is invited to explain the change of the end date of
  these contracts and the process leading to this change.
- The Norwegian Government is invited to comment on, and to offer reasoning and evidence setting out justifications for the length of the contracts mentioned in the present section of this letter. The decision to not include a reference to other contracts in this request for information, is without prejudice to any potential future examination of those contracts.

<u>Proposal for national regulations on zero and low emission requirements for ferries and fast boats</u>

<sup>&</sup>lt;sup>1</sup> In its letter, the Ministry provided the following link to a separate market overview that also includes fast boats (indicated with "passasjer" in column C of the table): <a href="https://kollektivtrafikk.no/innsikt/markedsoversikt-sjo/">https://kollektivtrafikk.no/innsikt/markedsoversikt-sjo/</a>. For the purpose of this letter, the Directorate has relied on the 2023-version of the table.



In its letter of 28 April 2023, the Ministry informed the Authority that there is currently no legal obligation to include requirements of zero or low emission technology in tenders in Norway, but that the Norwegian Public Procurement Regulations<sup>2</sup> require that a public purchaser places emphasis on minimizing the environmental impact and promoting climate-friendly solutions and that the inclusion of emission requirements in tenders is one way to ensure compliance with the Public Procurement Regulations.

The Directorate is aware that a proposal for new regulations introducing requirements for zero emissions of greenhouse gases from ferries and fast boats was published on 10 May 2023.<sup>3</sup>

- 3. The Norwegian Government is invited to clarify how it views this proposal in light of Article 4(2) of Regulation 3577/92 as to which requirements member states may set when imposing public service obligations and the obligation to consult the Authority in line with Article 9 of the said regulation.
- 4. The Directorate understands that, as the proposal currently stands, the new requirements will cover only routes that are tendered out. The Norwegian Government is kindly requested to give a brief description of the Norwegian ferry and fast boat market, including whether any such routes are operated on commercial basis and information on if and then how those routes would be affected by the abovementioned proposal.

The Norwegian Government is invited to submit the above information, as well as any other information it deems relevant to the case, so that it reaches the Authority by 29 September 2023.

Yours faithfully,

Valgerdur Gudmundsdottir Deputy Director Internal Market Affairs Directorate

This document has been electronically authenticated by Valgerdur Gudmundsdottir.

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Regulations No 974 of 8 December 2016 relating to Public Procurement.

The proposal is currently subject to public consultation and is available on the following link: <a href="https://www.regjeringen.no/no/dokumenter/horing-av-krav-om-nullutslipp-av-klimagasser-fra-ferjer-og-hurtigbater/id2975642/?expand=horingsnotater">horingsnotater</a>.