

General Block Exemption Regulation (GBER) - state aid scheme for broadband rollout in Norway

A. Part I: Description of the Norwegian state aid scheme

A.1 Objective

The main objective of the state aid scheme is to improve the overall NGA broadband coverage in Norway. The state aid investments will be located in areas where there is no infrastructure of the same category (NGA network), and where no such infrastructure is likely to be developed on commercial terms within three years. Aid will only be granted to projects in areas that do not have NGA network (areas that lack broadband with capacity of minimum 30 Mbit/s). The projects that receive aid must offer NGA networks of minimum 30 Mbit/s capacity. This is considered to be a step change.

In Norway, a detailed mapping of the national broadband coverage is carried out each year based on data collection from all broadband providers. This mapping exercise is funded by the Government, and information about coverage and available capacity at national and regional levels is published. The Ministry of Local Government and Modernisation will on the basis of this exercise calculate a total sum of funds for each county that the county authorities may initiate projects within. The total sum of funds available for each county is based on the latest available broadband coverage data, and the total amount of state aid granted annually for broadband rollout by the Norwegian Government presented in the national budget. The county councils will be the granting authorities and will select which areas and projects that will receive state aid for broadband development within the county. The project owner will be either the county councils or the municipalities. The Norwegian Communications Authority (Nkom) will provide guidance to the counties on the criteria under the state aid scheme, wholesale access and wholesale access pricing. The Ministry of Local Government and Modernisation will monitor that the administration of the scheme is executed in a proper manner.

Fyll ut her hvordan fylket ser for seg utvelgelsen av hvilke prosjekter/områder som vil motta støtte.

A.2 Securing compliance

- **Fyll inn fylkeskommunen** is responsible for the administration of the allocated state aid within the county.
- The project owners has to confirm to the county that the projects comply - and will continue to comply - with the criteria for the scheme, including GBER requirements. The county will assess the relevant project proposals against the scheme criteria.
- **Fylkeskommunen må beskrive her hvordan de vil sikre at prosjektene i fylket gjennomføres i tråd med GBER forpliktelsene og statsstøtteregelverket. Dersom**

fylkeskommunene vil bruke aktseptskjema overfor kommunene/prosjekteier, kan det opplyses om her.

- The county council will within five months after receiving information about the total sum of fund available, inform Nkom about which projects in the county that will receive funding. The information to Nkom will consist of the name and location of the project, households covered, financial scope and other relevant statistics of the project.
- The county will submit a final report to Nkom after completion of the project.

A.3 Criteria

Some specific criteria set under the scheme are:

- The funds given under the scheme will be in line with the General Block Exemption Regulation.
- Local co-financing shall amount to a minimum of 25% of the sum of the total cost of all projects in a county.
- The broadband rollout under the scheme must offer broadband of minimum 30 Mbit/s (NGA)
- The projects applying for funds shall be technology neutral.
- The network operator receiving state aid shall offer active and passive wholesale access to the infrastructure.

B. Part II Compatibility of the aid to GBER Chapter 1: Common

Provisions

Fyll inn fylket considers the broadband scheme compatible with the conditions outlined in Chapter 1 in Commission Regulation No. 651/2014 (The General Block Exemption Regulation – GBER).

The scheme's aim is to improve the overall NGA broadband coverage in Norway. Fyll inn fylket considers the scheme to be within the scope of the GBER, cf. Article 1 paragraph 1 (i) - aid for broadband infrastructures.

The annual accumulated grants under the scheme from the state, the counties and the municipalities will not exceed NOK fyll inn et omtrentlig årlig totalbeløp hvor all offentlig støtte skal inngå, inkludert støtte fra kommunen og fylkeskommunen. Totalbeløpet er rammen for hvor mye støtte som kan gis i fylket årlig, og må derfor settes høyt nok for å sikre at totalsummen for alle prosjektene er innenfor denne rammen million. No project proposal with accumulated state aid from government, county and municipality level above the threshold for aid for broadband infrastructure projects set in GBER Article 4 paragraph 1 (y), 70 million

euros, will be accepted under this scheme, cf. Article 8 paragraph 1. The county council will verify this during the review of the project proposals.

The aid will comprise of precisely calculated grants, therefore the aid is transparent in accordance with Article 5 paragraphs 1 and 2 (a).

In accordance with Article 6 paragraph 1, the aid must have an incentive effect. Before start of work on the aid projects the proposed aid projects must be sent to the county council for assessment. The proposed aid projects must contain information in line with Article 6 paragraph 2: Description of the project including its start and end dates, location of the project, list of project costs, type of aid and amount of public funding needed for the project. The aid will be allocated on the basis of an open, transparent and non-discriminatory competitive selection process. The undertaking's name and size will be clear after the competitive selection process is completed.

The aid is given as grants. As per Article 52, there is no limitation in aid intensity under GBER for broadband projects beyond the project threshold specified in Article 4 paragraph 1 (y). The eligible costs will be according to Article 52 paragraph 2. The conditions regarding aid intensity and eligible costs are in line with Article 7.

In accordance with Article 9, information on all aid measures and the individual aid granted are available on the web page of [fyll inn fylkets webside](#) and on Nkoms web page www.Nkom.no. The information shall be available for at least 10 years from the date on which the aid was granted. Individual aid awards of EUR 500.000 or more will be published in the Norwegian State Aid Register <https://data.brreg.no/rofs/eng>.

C. Part III Compatibility of the aid to GBER Chapter 3

C.1 Article 52

C.1.1 Eligible costs

The eligible costs will be in accordance with GBER Article 52 paragraph 2. The eligible costs will primarily be investment costs for the deployment of NGA networks, but may also include deployment of passive broadband infrastructure and broadband-related civil engineering works. The proposed projects to the county council shall provide an overview of project costs and the costs to be funded by state aid.

C.1.2 Target Area

The investment will be located in areas where there is no infrastructure of the same category, (NGA network) and where no such infrastructure is likely to be developed on commercial terms within three years from the moment of publication of the planned aid measure. The county council will verify this through an open public consultation on www.doffin.no. This is in line with GBER Article 52 paragraph 3. Mapping data of the existing broadband coverage will be made available for the local authorities by Nkom.

C.1.3 Competitive selection process

The aid will be allocated on the basis of an open, transparent and non-discriminatory competitive selection process respecting the principle of technology neutrality, in accordance with GBER Article 52 paragraph 4. The tender will be published on the national database for public procurement, Doffin, www.doffin.no.

C.1.4 Wholesale access

According to GBER Article 52 paragraph 5, the network operator shall offer the widest possible active and passive wholesale access, according to Article 2 point 139, under fair and non-discriminatory conditions. This includes physical unbundling in the case of NGA networks. The widest possible access to be provided over the relevant network shall include, on the basis of the current technological developments, at least the following access products. For FTTH/FTTB networks: ducts access, access to dark fibre, unbundled access to the local loop, and bit-stream access. For cable networks: duct access and bit-stream access. For FTTC networks: duct access, sub-loop unbundling and bit-stream access. For passive network infrastructure: duct access, access to dark fibre and/or unbundled access to the local loop. For xDSL-based broadband networks: unbundled access to the local loop, bit-stream access. For mobile or wireless networks: bit-stream, sharing of physical masts and access to the backhaul networks.

Wholesale access shall be granted for at least seven years, for all parties who seek access. The right of access to ducts or poles shall not be limited in time. In the case of aid for construction of ducts, the ducts shall be large enough to cater for several cable networks and different topologies.

The operators will be informed about the wholesale access requirements in the competitive selection process, and the project owner will be obliged to reflect those requirements in the contract with the winning bidder.

C.1.5 Wholesale access pricing

In order to ensure effective wholesale access and to minimize potential distortion of competition, wholesale access prices will be based on pricing principles set by Nkom and on benchmarks that prevail in other comparable, more competitive areas of Norway or the EEA-area. Wholesale access prices will take into account the aid received by the network operator. Nkom will be consulted on access conditions including pricing, and in the event of dispute between the access seeker and the subsidized infrastructure operator. This is in line with GBER Article 52 paragraph 6.

C.1.6 Monitoring and claw-back mechanism

It is considered highly unlikely that the total amount of aid granted for a single project will exceed 10 million EUR. However, for any project with accumulated state aid exceeding 10 million EUR there will be put in place a monitoring and claw-back mechanism in line with GBER article 52 paragraph 7.