

Agreement text

Kilometer-based toll for trucks

The green transition of heavy goods transport is an important and necessary step towards the realisation of the Danish Climate Act's target of 70% greenhouse gas reduction by 2030 and climate neutrality by 2050. A new kilometer-based and CO₂-differentiated toll for trucks contributes to this transition.

Under the new kilometer-based tolling scheme, trucks pay a toll based on the amount of CO₂ emitted from driving. Green trucks therefore pay less tolls than their conventional counterparts.

A kilometer-based toll not only provides incentives for the green transition of heavy goods transport, but also entails a more accurate taxation of the other environmental impacts of truck traffic, including wear and tear on the road network, accidents, noise, air pollution and contributions to congestion. Tolls for truck traffic are currently set well below these costs to society.

With a more accurate taxation, the new kilometer-based toll is estimated to provide socio-economic benefits. Socio-economic gains are also expected in terms of simultaneous optimisation and adaptation of the Danish national weight and dimension regulation for trucks doing road goods transport.

Against this background, the Danish government, the Danish Social Liberal Party (Radikale Venstre), Green Left (Socialistisk Folkeparti) and the Red/Green alliance (Enhedslisten) have agreed on a concrete model for a kilometer-based toll for trucks. This agreement thus follows up on the *Agreement on Green Transformation of Road Transport* from December 2020.

The agreement implies that Denmark as of 1 January 2025 will withdraw from the cooperation on the existing period-based road user charge for trucks (Eurovignette) and replace it with a kilometer-based toll for trucks.

The parties acceding to the agreement have also agreed to amend the Danish national rules on the weight and dimensions of trucks in road goods transport. The measure contributes to the reduction of CO₂ emissions and is associated with socio-economic benefits. The increased lengths of trucks are limited by EU rules in this area, so these changes are conditioned on their implementation as pilot schemes which are notified to the European Commission. The measures will also enter into force on 1 January 2025.

Overall, the agreement is estimated to reduce CO₂ emissions by around 0.3 million tonnes in 2025 and around 0.4 million tonnes in 2030. The agreement is associated with socio-economic benefits, and the CO₂ reductions are thus achieved with a negative shadow price.

The parties acceding to the agreement agree that a kilometer-based toll should contain the following elements:

CO2 differentiation of tolls

It follows from the EU legal framework for road charging that the toll must be differentiated according to the CO2 emissions of trucks. The parties acceding to the agreement agree on a maximum differentiation within this framework in order to create the greatest incentives for the green transition and thereby maximise the expected CO2 reductions. The toll is thus estimated to reduce CO2 emissions by around 0.2 million tonnes in 2025 and around 0.3 million tonnes in 2030.

Environmental zones

Environmental zones are currently in place in Copenhagen/Frederiksberg, Odense, Aarhus and Aalborg. The parties acceding to the agreement agree to increase the toll rate for driving in the urban areas currently covered by environmental zones.

An increase in the toll rates in the environmental zones reflects, among other things, the fact that many citizens in these areas are more exposed to air pollution and noise from truck traffic and road accidents involving heavy traffic. The increased toll rates in the environmental zones help increase the socio-economic benefits of the tolling scheme.

Vehicles covered

The parties agree that the new tolling scheme will cover trucks and road trains (trucks with trailers or semi-trailers) for the transport of goods with a maximum permissible weight of 12 tonnes or more. This will, in principle, apply the same delimitations as apply to the existing period-based road user charge.

However, the parties agree that trucks with a maximum permitted weight of between 3.5 and 12 tonnes used for the carriage of goods will be subject to the toll system from 1 January 2027. The parties agree that, from the same date, trucks in this weight category will be subject to road user charges on the same scale as trucks which are currently subject to road user charges corresponding to the EU minimum rates. The change in the road user charges for trucks in this weight category will take effect from the first toll period for each vehicle from 1 January 2027.

The parties have also agreed to exempt the same vehicles which are currently exempt from road user charges under Article 11 of the Danish Road User Charges Act (Vejbenyttelsesafgiftsloven).

Road network covered

The parties acceding to the agreement have agreed that the road network subject to the toll will comprise approximately 7,300 km for a period of three years from 1 January 2025, which includes the state road network (approx. 4,000 km, including 1,300 km of motorways) and parts of the municipal road network (approx. 3,300 km, including approx. 1,000 km in environmental zones), for a period of three years from 1 January 2025. The final definition of the road network subject to the toll will be set out in the draft legislation to be adopted when the scheme is implemented.

From 1 January 2028, the taxable road network will be extended to cover the entire public road network, totalling some 75,000 km. This phased approach is linked to implementation considerations, which argue in favour of starting with a smaller part of the road network and gradually extending the tolled road network.

Making road goods transport more efficient

The parties acceding to the agreement agree that, from 1 January 2025, 11 initiatives will be implemented together with the kilometer-based toll to allow for an increase in the maximum weight or length of heavy vehicles.

The new opportunities to make road goods transport in Denmark more efficient are expected to give rise to positive economic consequences because it allows for an increased volume of goods per truck. At the same time, goods will be transported on fewer trucks, which will lead to a positive CO₂ gain. On the other hand, wear and tear on the road network will increase.

From 2025 the initiatives are estimated to contribute to a reduction of the transport sector's CO₂ emissions of about 0.1 million tonnes per year, which goes beyond the effects of the toll. Similar to the CO₂ reduction from road toll charging, the CO₂ reduction from the initiatives that improve the efficiency of road goods transport will have a negative shadow price. The parties acceding to the agreement agree that the financing of the derived consequences for the public sector from e.g. increased wear and tear will be done by increasing the toll rate for the new kilometer-based toll for trucks. This contributes to further CO₂ reductions.

Better conditions for rail goods in Denmark

During the transitional period leading up to the construction of the Fehmarnbelt link, the new signalling programme and the electrification of the railways, particular challenges exist for rail goods services as not all locomotives will be able to run on the new signalling programme and freight operators may need to hire diesel locomotives on sections of the rail network that are not electrified by means of contact wires.

The parties have therefore agreed to allocate a pool of DKK 10 million per year for 2023-2030 to enable rail goods operators to borrow locomotives free of charge for use on lines equipped with the new signalling system or on lines that are not electrified. The precise design of the loan scheme will comply with state aid rules.

The parties acceding to the agreement note that, despite a number of initiatives, it has not been possible to make good use of the rail goods terminals at Hirtshals and Esbjerg. For this reason, the parties agree that a survey of current challenges in relation to the use of the terminals will be carried out with the involvement of the two ports, freight operators and other relevant actors. The survey will be carried out by the Danish Ministry of Transport and will be reported by mid-2023.

Charging structure

The overall charging structure follows the EU legal framework for tolls. The parties acceding to the agreement agree that the charge will be differentiated according to the CO₂ emissions of trucks based on their so-called CO₂ emission classes. The division of trucks into CO₂ emission classes follows from the EU legal framework, which also involves differentiation according to the maximum technically permissible gross weight of trucks.

The parties have agreed on the following toll structure for 2025-2027 as shown in Table 1. The toll rates for trucks between 3.5 and 12 tonnes will only apply from 1 January 2027. It should be noted that the toll rates will be consolidated when a legislative proposal is put forward.

DKK/km (2022)	3.5 – 12 tonnes		12 – 18 tonnes		18 – 32 tonnes		Above 32 tonnes	
	Others	Environmental zone	Others	Environmental zone	Others	Environmental zone	Others	Environmental zone
CO2 emission class 1	0,82	0,93	0,89	1,01	1,01	1,13	1,07	1,22
CO2 emission class 2	0,73	0,83	0,80	0,92	0,89	1,03	0,96	1,12
CO2 emission class 3	0,63	0,74	0,69	0,82	0,79	0,92	0,86	1,01
CO2 emission class 4	0,43	0,53	0,47	0,59	0,52	0,66	0,56	0,71
CO2 emission class 5	0,16	0,26	0,16	0,27	0,16	0,29	0,16	0,30

Remark: The charging structure will be consolidated when a legislative proposal is made and the revenue implications re-examined.

The parties also agree that the toll rates will increase from 2028 in connection with the expansion of the road network and the agreed financing contribution, after which the toll rate structure will be as in Table 2.

DKK/km (2022)	3.5 – 12 tonnes		12 – 18 tonnes		18 – 32 tonnes		Above 32 tonnes	
	Others	Environmental zone	Others	Environmental zone	Others	Environmental zone	Others	Environmental zone
CO2 emission class 1	1,01	1,12	1,08	1,21	1,19	1,32	1,26	1,42
CO2 emission class 2	0,89	0,99	0,96	1,08	1,06	1,19	1,13	1,28
CO2 emission class 3	0,76	0,87	0,83	0,95	0,92	1,06	0,99	1,14
CO2 emission class 4	0,52	0,63	0,56	0,68	0,62	0,75	0,66	0,81
CO2 emission class 5	0,21	0,30	0,21	0,32	0,21	0,33	0,21	0,35

Remark: The charging structure will be consolidated when a legislative proposal is made and the revenue implications re-examined.

Administrative consequences

The parties acceding to the agreement agree that the administrative costs will be financed in connection with the agreement.

The parties agree that up to DKK 275 million per year from 2025 onwards will be allocated to the administration of the scheme. The funding allocated includes expenditure in the Danish Ministry of Justice, the Danish Ministry of Transport, including Sund & Bælt, and the Danish Tax Administration. The final determination and distribution of the administrative costs will take place in connection with the introduction of the bill.

Public finances

The revenue implications of the agreement are shown in table 3.

The tax is estimated to provide the agreed financing contribution of DKK ½ billion in 2025-2027 (2022-level) and DKK 1 billion from 2028 onwards, as agreed in the *Agreement on Green Transformation of Road Transport*.

Table 3. Revenue implications								
Million DKK (2022)	2023	2024	2025	2026	2027	2028	2029	2030
Immediate revenue	-	-	2,450	2,400	2,425	3,600	3,525	3,475
After behaviour and iterations	-	-	1,500	1,425	1,375	2,000	1,925	1,850
Cost of road wear, etc.	-	-	-200	-200	-200	-200	-200	-225
Abolition of road user charges	-	-	-425	-400	-400	-375	-375	-350
Administrative costs	-	-	-275	-275	-275	-275	-275	-275
Improving conditions for rail freight in Denmark	-10	-10	-10	-10	-10	-10	-10	-10
Total financial contribution	-10	-10	600	550	500	1,125	1,075	1,000

Remark: The charging structure will be consolidated when a legislative proposal is made and the revenue implications re-examined. The revenue after 'behaviour and surcharges' includes a reduced revenue due to the lower road user charge for trucks between 3.5 and 12 tonnes. The cost of road wear etc. results from the optimization of the national weight and dimension regulation. Differences in totals are due to round-off effects.

Source: Own calculations.

Evaluation of the agreement

The parties agree that the agreement will be regularly evaluated, including in 2023 in the context of a revisit of the *Agreement on Green Transformation of Road Transport*.

Entry into force

The kilometer-based toll will enter into force on 1 January 2025. On the same date, Denmark will withdraw from the cooperation with Sweden, the Netherlands and Luxembourg on the existing road user charge for trucks (Eurovignette).

Nature of the agreement

The elements of the agreement comprise a voting agreement. The parties acceding to the agreement are obligated to vote in favour of the legislative proposals and authorised warrants which put into practice the content of the agreement.

The parties note that the overall toll scheme will be notified to and approved by the European Commission before the scheme becomes effective.

Annex 1. Administration of the scheme

The parties acceding to the agreement have agreed that the task of implementation, including the development and purchase of equipment, and the subsequent operation of the toll scheme, including the calculation, collection and control of the toll, will be placed with Sund & Bælt.

Commercial toll service providers will be responsible for the provision of satellite-based vehicle equipment to users and for the collection of tolls from users once the toll collector (Sund & Bælt) has calculated the toll for users. The Toll Charger also provides a route purchase solution for users who do not wish to use the vehicle equipment, or users who cannot use the vehicle equipment, because it is defective or cannot be used for other similar reasons. The toll collector then arranges for the payment of settled toll revenue to the owner of the scheme (the Danish Ministry of Taxation).

Administrative penalty notice

The parties acceding to the agreement agree that penalties for infringements of the scheme will be imposed by means of an administrative penalty notice.

The parties also agree that the Danish Road Traffic Authority under the Danish Ministry of Transport will be authorised to issue administrative penalty notices to owners/users who infringe the proposed rules. This implies that the Danish Road Traffic Authority will notify such an owner/user that the case can be settled without court proceedings if he/she pleads guilty to the infringement and agrees to pay the fine set out in the administrative penalty notice within a specified period. Otherwise, the case will have to be handed over to the police and prosecutors with a view to bringing the matter before the courts, where appropriate.