

### Concept Selection Study

Sustainable and Precise pricing model for the use of Roads to Reduce External Costs

- Context
- Process
- Concepts, Pricing models
- The decision and key findings

Project Manager Morten Tveit





## External costs caused by Traffic







Wear and tear



Noise



Accidents



Local emission, dusts etc

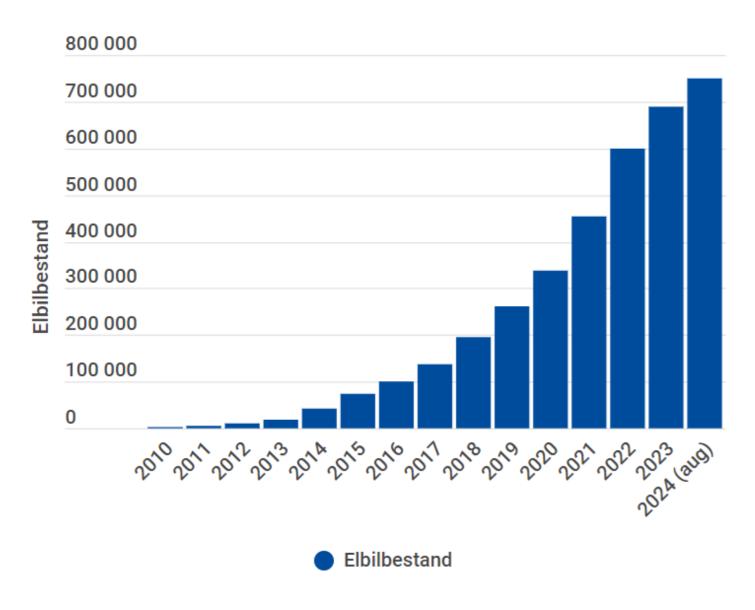


Global environment

## Applies to all types of vehicles

Fossil only CO<sub>2</sub> tax

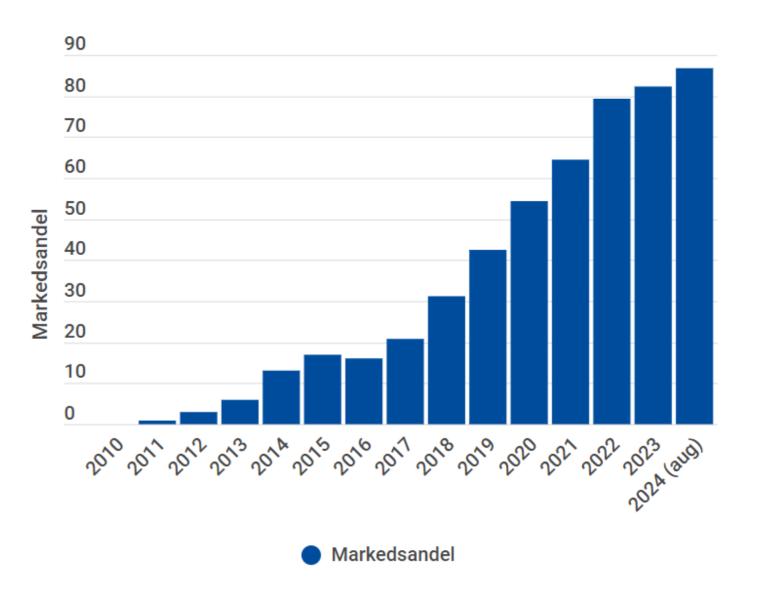
## Norway has close to 800 000 Electric Vehicles (EV), 25% of the fleet 90% market share for new EV Passenger cars



Totalt antall registrerte elektriske personbiler, og markedsandel av nybilsalget.

Sist oppdatert 31.08.2024

Kilde: Opplysningsrådet for veitrafikken (www.ofvstatistikk.no)



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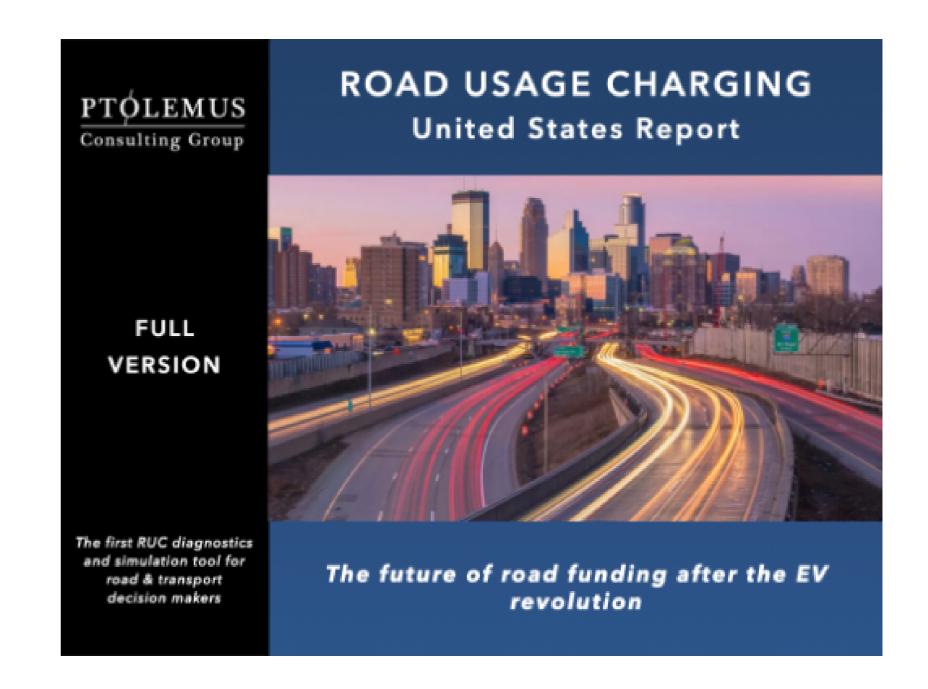
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### How will the US fund its roads in the next 10 years?

The motor fuel tax is no longer an effective road funding model. Existing infrastructure financing gaps can only widen with the rise of electric vehicles (EVs). In 2022, battery EV sales reached 5.6% of new car sales. By 2030, they are expected to make up more than 50% of new car sales.

For each EV sold, the government (state & federal) will lose \$3,000 in gas tax revenues over the vehicle's life. Hitting its 2030 EV sales target implies that the



government will lose over \$20 billion in revenues in that year alone!

## Concept Zero - results in falling tax revenue and increased external cost

Road usage tax

Fossil cars



• Fossil cars pay road usage tax when they fill up petrol or diesel

Zero-emission cars



• Zero-emission vehicles do not pay road usage tax to the state

Tolls



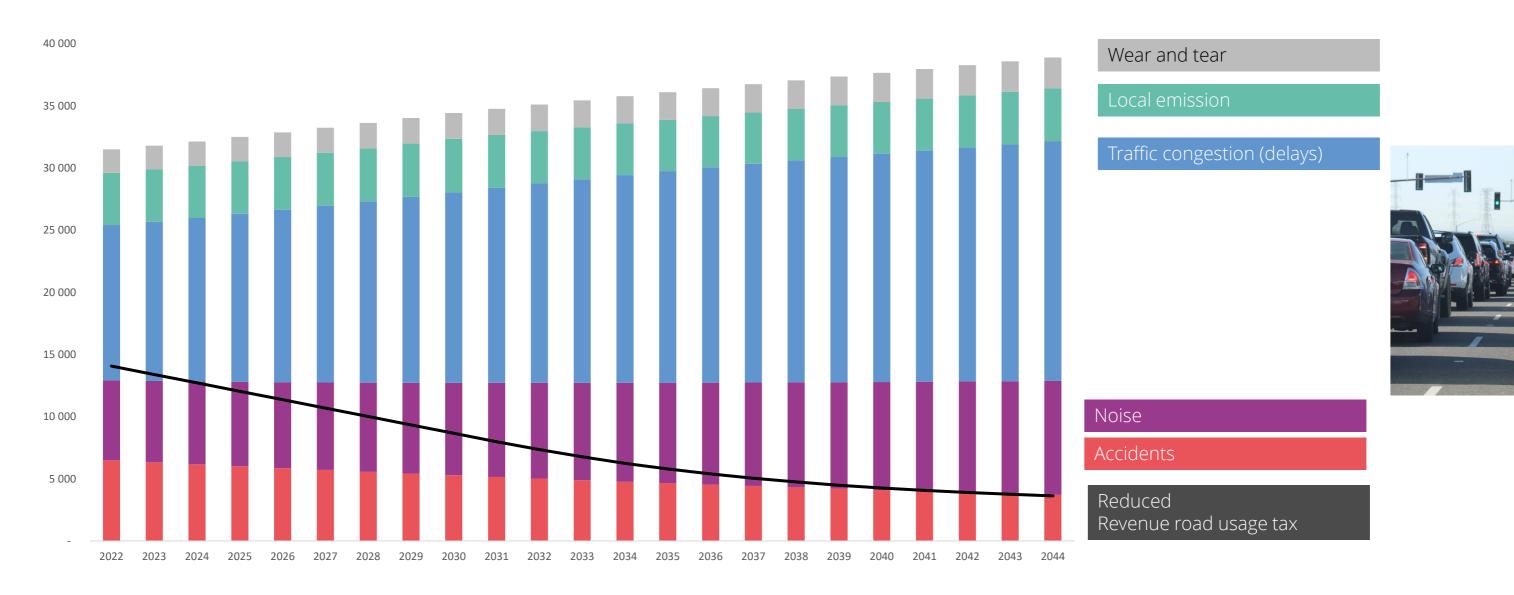
- Fossil cars pay normal rate in toll rings and toll projects
- Rush hour tax like today



• Zero-emission vehicles pay a lower rate in toll rings and toll projects.

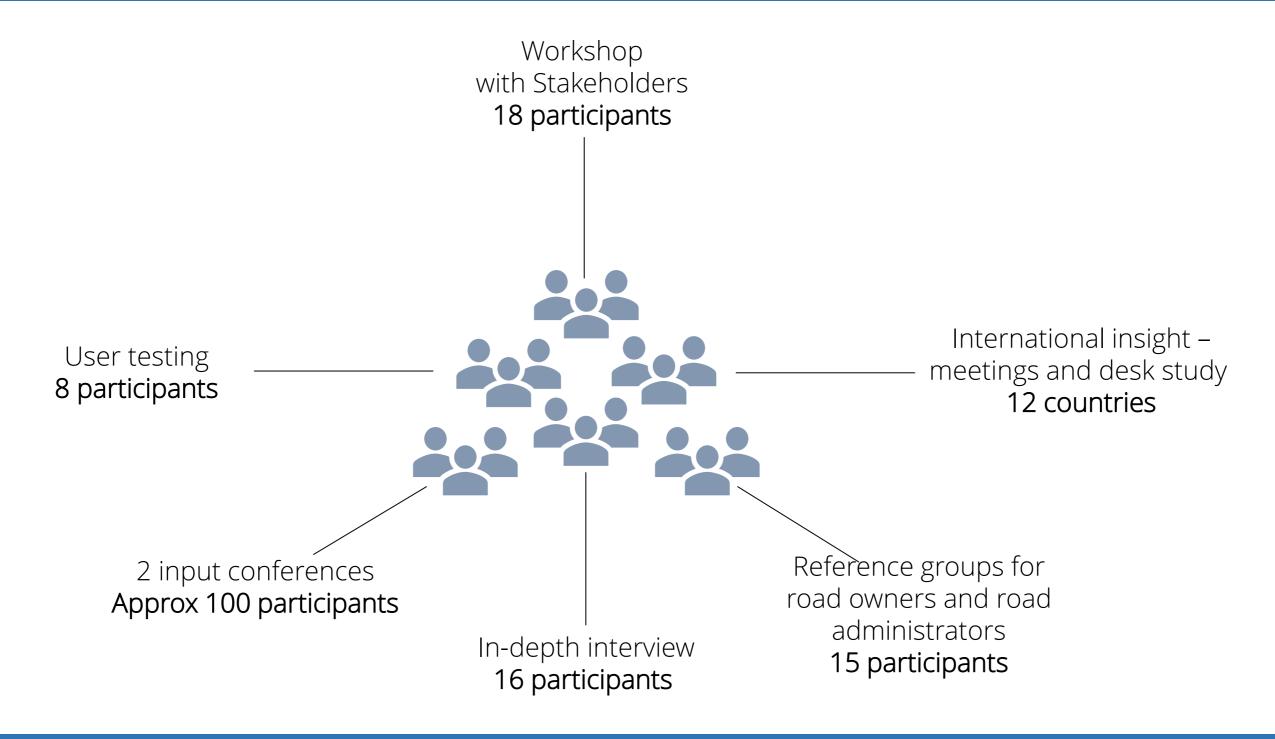
## Existing road user tax model results in Increased External costs and Reduced Tax revenue

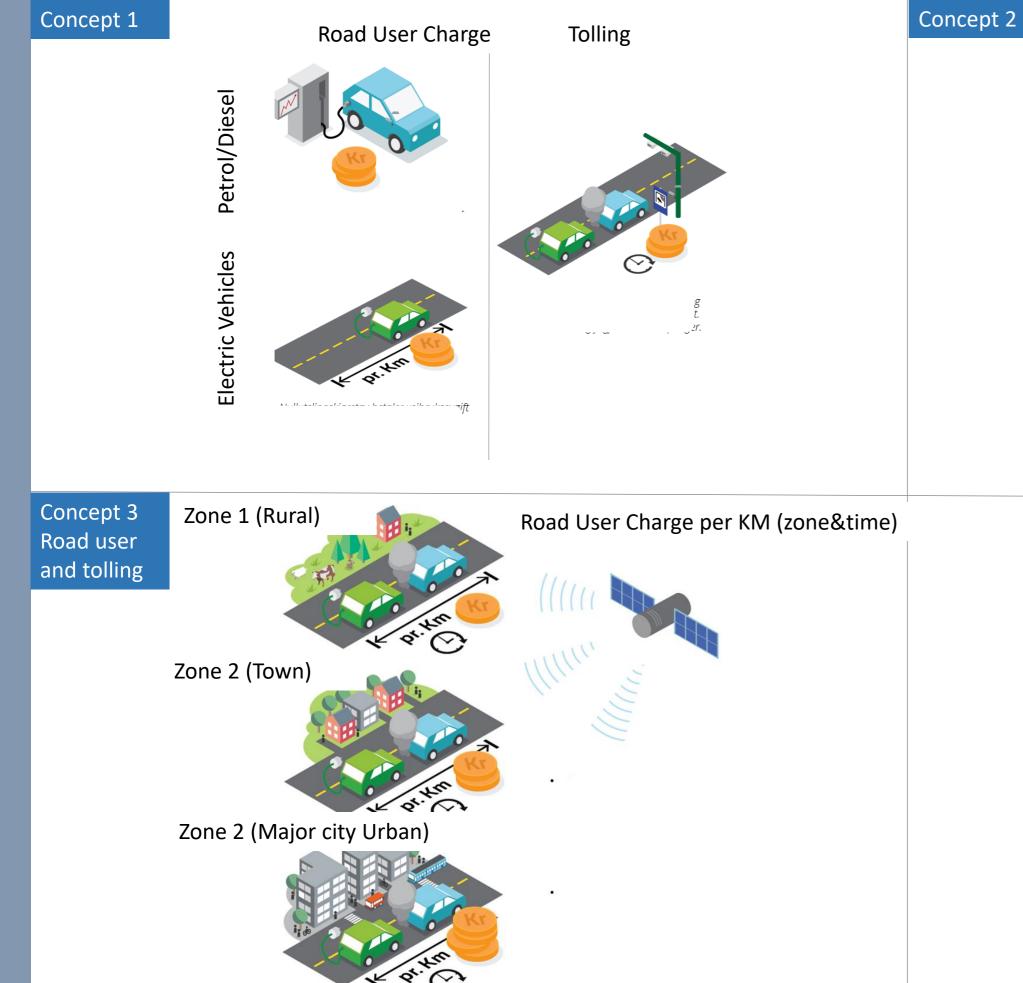
#### Mill NOK

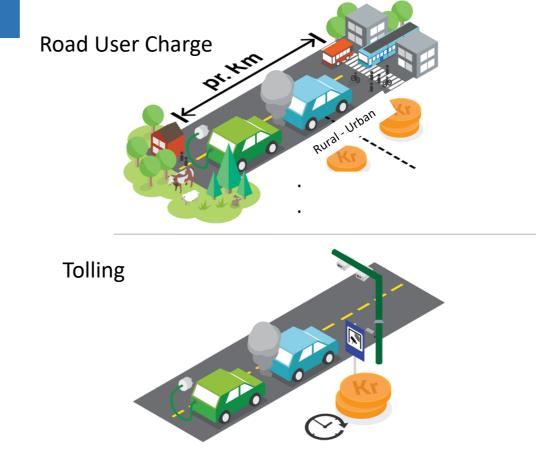


Source: Institute of Transport Economy (TOI.NO)

## An extensive user insight work was carried out





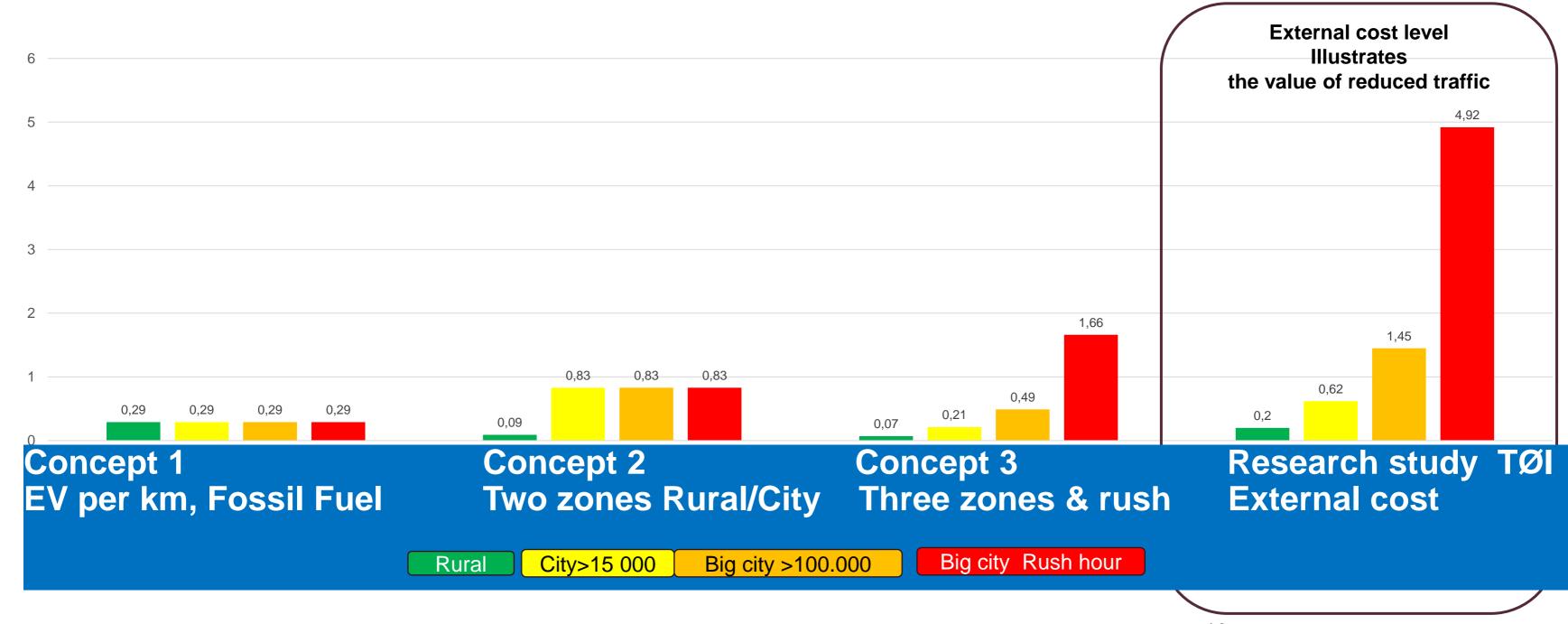




# Concept price models for Road Usage Tax Price in NOK per kilometre various zones



#### **Statens vegvesen**

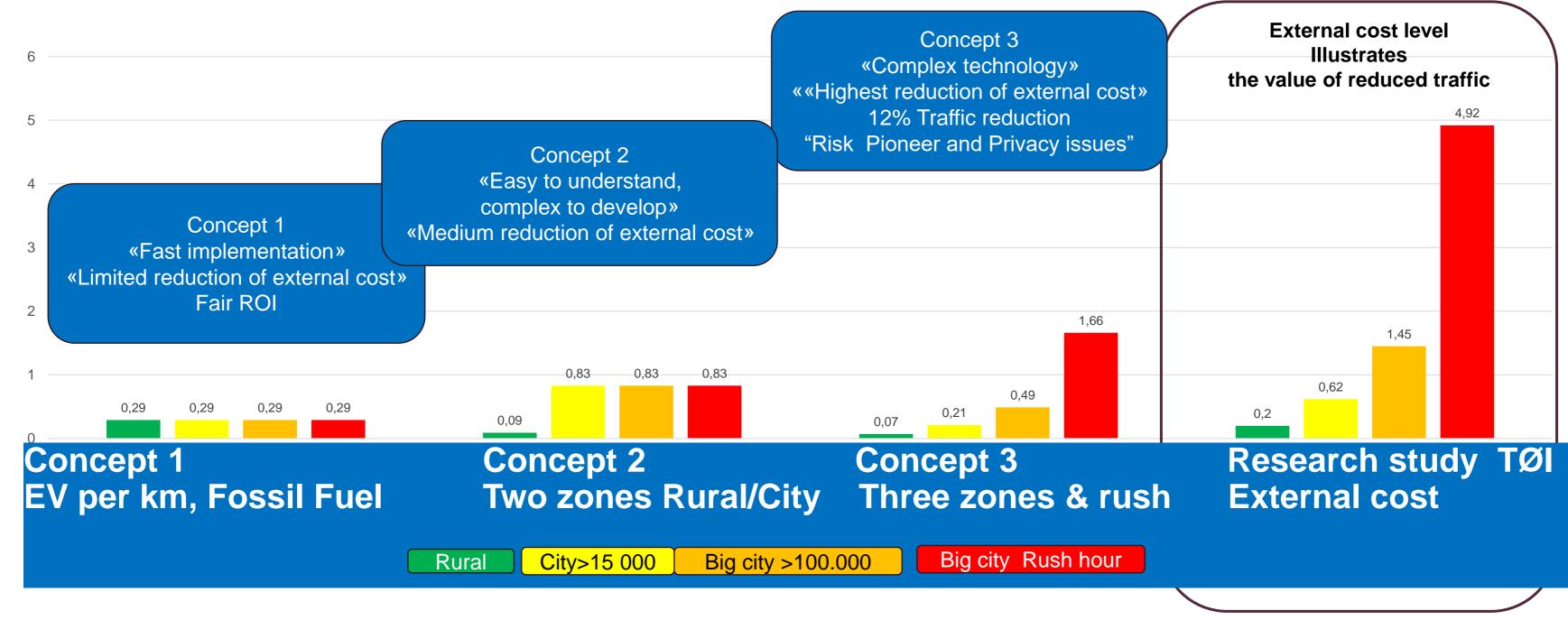




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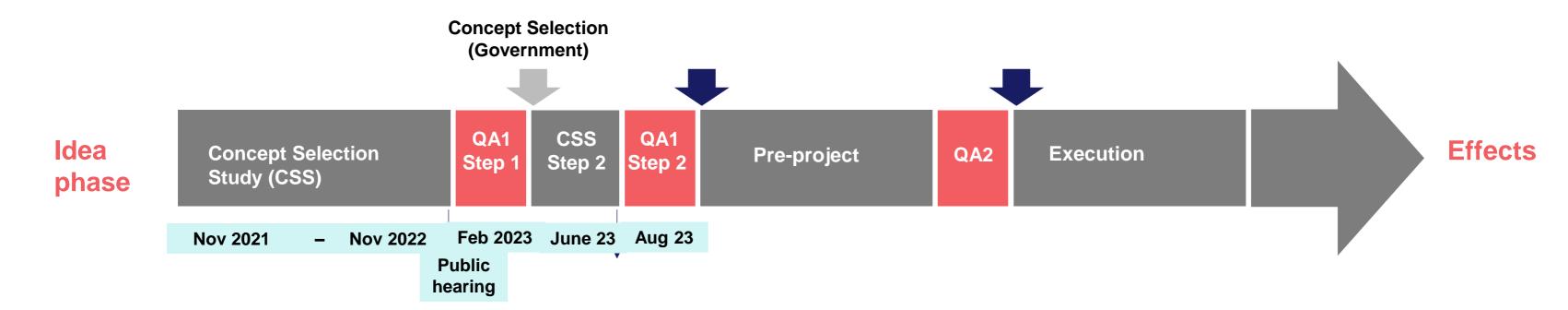


#### **Statens vegvesen**

### Minister of Finance 4<sup>th</sup> sept 2023

## «Cancel the restructuring of the Road user charging»









## Learning

- Involve stakeholders at an early stage
  - Public hearing, 37 support/no comments vs10 against
- Great value from Research & Development
  - New chip GPS, Sintef, Q-Free, Norw. Publ. Road admin
  - Institute of Transport Economy (TOI) Traffic analysis
- High interest for the study among other countries









## Additional information



**Statens vegvesen** 



Konseptvalgutredning for framtidig ordning for veibruksavgift og bompenger

## Road Usage Tax and Tolls, Concept Selection Study – Translated Version

The translated sections cover key findings, recommendations, and analysis related to road usage tax and toll charges in Norway. Please note that the translated sections may not encompass the entire report but include significant portions that convey the main ideas and conclusions.

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Road Usage Tax and Tolls - Concept Selection Study Norway (PDF, 6 MB)



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