

立法會

Legislative Council

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(These minutes have been seen
by the Administration and
cleared with the Chairman)

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LegCo Panel on Transport and LegCo Panel on Environmental Affairs

**Minutes of Joint Meeting held on
Tuesday, 25 September 2001, at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Members of the LegCo Panel on Transport

- * Hon Mrs Miriam LAU Kin-ye, JP (Chairman)
- * Ir Dr Hon Raymond HO Chung-tai, JP
Hon CHAN Kwok-keung
Hon WONG Sing-chi
- * Hon LAU Ping-cheung

Members of the LegCo Panel on Environmental Affairs

Hon Cyd HO Sau-lan (Deputy Chairman)
Hon Martin LEE Chu-ming, SC, JP
Hon WONG Yung-kan
Hon Emily LAU Wai-hing, JP
Hon Henry WU King-cheong, BBS

(* Also members of the LegCo Panel on Environmental Affairs)

Members absent : Members of the LegCo Panel on Transport

- * Hon Abraham SHEK Lai-him, JP (Deputy Chairman)
Hon David CHU Yu-lin, JP
Hon Albert HO Chun-yan
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon Andrew WONG Wang-fat, JP

Hon LAU Chin-shek, JP
Hon LAU Kong-wah
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
* Hon Tommy CHEUNG Yu-yan, JP
* Hon Albert CHAN Wai-yip

(* Also members of the LegCo Panel on Environmental Affairs)

Members of the LegCo Panel on Environmental Affairs

Hon Bernard CHAN
Hon CHOY So-yuk
Hon LAW Chi-kwong, JP
Hon Michael MAK Kwok-fung
Dr Hon LO Wing-lok
Hon Audrey EU Yuet-mee, SC, JP

**Public officers
attending**

: Environment and Food Bureau

Mr Howard CHAN
Deputy Secretary for Environment and Food (C) (Acting)

Environmental Protection Department

Mr W C MOK
Principal Environmental Protection Officer
(Motor Vehicle Emissions)

Electrical & Mechanical Services Department

Mr FU Tai-pun
Chief Engineer/Gas Production & Supply

Transport Bureau

Mrs Sharon YIP
Principal Assistant Secretary for Transport

Transport Department

Mr Daniel AU
Assistant Commissioner for Transport (New Territories)

Mr LI Ying-ming
Senior Engineer/Vehicle Regulations & Standards

Attendance by invitation : Environmental Light Bus Alliance

Mr CHAN Man-chun
Initiator of Environmental Light Bus Alliance

Dr Jane LEE, PhD
Chief Executive,
Hong Kong Policy Research Institute Ltd.

GMB Maxicab Operators General Association Ltd.

Mr HIEW Moo-siew
Chairman

Mr SO Sai-hung
Director

HK Public-Light Bus Owner & Driver Association

Mr Paul LAW

Mr LAI Ming-hung

Clerk in attendance : Mr Andy LAU
Chief Assistant Secretary (1)2

Staff in attendance : Ms Alice AU
Senior Assistant Secretary (1)5

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I Election of Chairman

In the absence of a quorum at the time when the joint meeting started, members agreed that the meeting should begin as a meeting of the Environmental Affairs Panel until a quorum for the joint meeting was attained. Ms Cyd HO therefore took the chair.

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II Way forward on alternative-fuelled light buses

Meeting with deputations/the Administration

2. The Chairman advised that at the previous meeting of the Environmental Affairs Panel held on 3 July 2001, members were briefed by the Administration on the findings of the trial of alternative-fuelled light buses (the trial). At the present meeting, three deputations from the public light bus (PLB) trade had been invited to give their views on the issue.

3. At the request of Mrs Miriam LAU, members agreed that each attending deputation should be invited to briefly introduce its composition before its presentation so that members would have an idea of which section of the PLB trade it represented.

The Environmental Light Bus Alliance (ELBA)
(LC Paper No. CB(1)2075/00-01(01))

4. Mr CHAN Man-chun, Initiator of ELBA, said that the Alliance was an organization formed by some of the trade members of the Monitoring Committee of the Alternative Fuel Light Bus Trial to represent the views of the PLB trade on the issue. With operators of both green minibuses (GMBs) and red minibuses (RMB) as members, ELBA represented more than 80% of the PLBs in Hong Kong including 13 RMB trade associations.

5. Dr Jane Lee, Chief Executive of Hong Kong Policy Research Institute Ltd. (HKPRI), presented the main results of a consultancy study commissioned by ELBA in July 2001 on the impact of the Government's intended policy on liquefied petroleum gas (LPG) light buses on the business operation of the PLB trade. The Executive Summary of the findings of the consultancy study was given in LC Paper No. CB(1)2075/00-01(01).

6. Dr Lee stated that a questionnaire survey was conducted on the operators of 64 GMB routes on the Hong Kong Island to assess the impact of the introduction of LPG light buses on their operation and to project possible changes to the existing levels of profits and losses. Separately, operators of more than 300 GMB routes were asked to give views on the introduction of LPG light buses. She then highlighted the following key points for members' consideration:

- (a) Fuel prices and gas refuel time were two major variables affecting the operation and business of the PLB operators.
- (b) Regarding fuel prices, impact assessment was made on the basis of LPG selling prices at dedicated filling stations (\$2.025 per litre) and non-dedicated stations (\$3.88 per litre), as well as the average of the updated prices of the existing 12 in-service stations (\$2.27 per litre). Based on these fuel prices, it was found that 53.3%, 100% and 80% respectively of

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the surveyed GMB routes would suffer from a negative change in terms of profits, i.e. with profits reduced, recorded further losses or changed from profits to losses.

- (c) Regarding refuelling time, it was found that distance of stations would have a major impact on the number of runs (i.e. incomes) of the PLBs. Most of the respondents estimated that they would have to travel for a longer distance and use more time for refuelling. As the number of dedicated filling stations would only be slightly increased from five to nine in the near future, a majority of the PLBs would have to use the service of non-dedicated stations and pay a higher price for fuel. Otherwise, they would have to travel for a longer distance to the dedicated stations.
- (d) Owing to the lack of information, maintenance was not included as a variable in the analysis. However, the respondents were very worried about maintenance problems because of the more stringent safety and maintenance standards required for LPG vehicles which might lead to higher maintenance costs and longer maintenance time. They were also concerned that if they had to rely on vehicle suppliers to provide maintenance and repair services, a higher cost and longer queuing time might incur and hence, affecting their income.
- (e) While 69.3% of the respondents agreed to the introduction of LPG light buses, 90.5% considered that the operating losses caused by the use of LPG might partly be offset by increasing the number of PLB seats.

Dr LEE concluded that if the Administration decided that LPG light buses should be used, PLB operators would be confronted with the dilemma of maintaining the same level of income without having to increase fare after switching to LPG light buses. Some of the pressures faced by the operators would be addressed if LPG prices could be kept low. However, problems created by the inadequate and uneven distribution of filling stations were unlikely to be resolved in the short-term. As regards the issues relating to vehicle maintenance, it would require close communication and discussions between the Administration, vehicle suppliers, and the PLB trade.

GMB Maxicab Operators General Association Ltd (GMBMOGA)
(LC Paper No. CB(1)2075/00-01(02))

7. Mr HIEW Moo-siew, Chairman of GMBMOGA, said that the Association represented more than 170 GMB routes all over the territory. He advised that the GMB trade was in support of the Government's initiatives to clean up the air and had correspondingly taken actions to use cleaner diesel and light buses which met more stringent emission standards, as well as to participate in the Government's trial of alternative-fuelled light buses. Expressing general agreement with the findings presented by Dr LEE, Mr HIEW called for an early decision by the Administration on the

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way forward for the use of alternative-fuelled light buses in Hong Kong. He stated that the Association's major views on the issue were as follows:

- (a) As long as the operating costs of the trade could be maintained at a comparable level with existing diesel vehicles, the GMB trade would agree to consider switching to other alternative-fuelled light buses.
- (b) Given the problem of larger fuel consumption as identified in the Government's trial which would lead to higher operating costs, GMBMOGA strongly urged the Administration to consider allowing the parallel use of LPG and Euro III diesel light buses for the time being so that a comparative study on their environmental benefits and operation viability could be conducted.
- (c) Taking into account the higher operating costs incurred for switching to more environmentally-friendly fuel, GMBMOGA considered that the Government should either provide duty concession to the trade or increase the seating capacity of PLBs.
- (d) As a related issue, the restriction on permitted gross vehicle weight of light buses, i.e. four tonnes, should be relaxed to enhance safety so that suitable improvements could be made.

8. Mr SO Sai-hung, Director of GMBMOGA, supplemented that the useful life of a diesel light bus was about 10 to 12 years. Should the Administration decide to introduce LPG light buses and phase out diesel light buses, compensation should be provided to the trade accordingly for early replacement of existing diesel light buses. Echoing the point raised by Dr LEE about the trade's worries on maintenance of LPG vehicles, Mr SO suggested that as part and parcel of the Administration's plan to introduce LPG light buses, the Administration should consider providing suitable sites to the vehicle maintenance trade to ensure adequate supply of such services.

*HK Public-Light Bus Owner & Driver Association (HKPLBO&DA)
(LC Paper No. CB(1)2075/00-01(03))*

9. Mr LAI Ming-hung of HKPLBO&DA stated that the Association was established in March 2000 to safeguard the interests of individual owner-drivers of RMBs. Currently, HKPLBO&DA had about 300 members. Highlighting the difficult operating conditions faced by RMBs, he said that there were fundamental differences between the operation of RMBs and GMBs and he stressed that HKPLBO&DA was strongly of the view that LPG light buses were not suitable for RMB operation. The Association's major concerns were summarized as follows:

- (a) As most RMB operators were individual owner-drivers, their viable operation would be adversely affected by the higher operating costs associated with the use of LPG light buses. Unlike GMBs which operated

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on fixed route and schedule with a stable passenger base, the suggestion to increase PLB seating capacity could not alleviate the livelihood problem faced by RMB individual owner-drivers.

- (b) Another concern was the long maintenance time required. While repairing works for diesel vehicles could now be undertaken by small to medium-scale servicing garages within a relatively short period of time, RMB individual owner-drivers were worried that in future, such works would have to be carried out by vehicle suppliers and their operation might have to be suspended for days. As they would have no income at all while waiting for the vehicles to be repaired, their livelihood would be seriously affected.
- (c) HKPLBO&DA urged both members and the Administration to consider the plight of RMB individual owner-drivers. The Administration should revisit its policy of requiring the mandatory switching of diesel light buses to LPG light buses and allow the parallel use of LPG and Euro III diesel light buses in Hong Kong. Otherwise, many RMB individual owner-drivers might be forced out of business.

Discussion between members and deputations

10. Noting the divided stances taken by the three deputations, Mrs Miriam LAU asked whether their differences could be resolved so that the PLB trade would stand as a united front in the matter and that their interests would be better safeguarded. In this connection, she sought the deputations' views on the use of Euro III diesel vis-à-vis LPG light buses.

11. Mr CHAN Man-chun said that ELBA supported LPG light buses on the basis of relevant information provided by the Administration. However, as long as the operating costs could be maintained, ELBA would accept the use of either LPG or Euro III diesel light buses. Mr HIEW Moo-siew said that according to results of the trial, GMBMOGA formed the view that LPG light buses might be a cleaner type of vehicle in terms of emission of respirable suspended particulates. But as the case had yet to be proven irrevocably, GMBMOGA urged the Administration to consider allowing the parallel use of LPG and Euro III diesel light buses for the time being so as to ascertain their environmental benefits and operation viability. Mr LAI Ming-hung responded that as Euro III vehicles were used by franchised bus operators, HKPLBO&DA considered that PLBs should also be given the same choice. Their primary concern was the livelihood problems created for RMB individual owner-drivers by the introduction of LPG light buses.

12. Miss Emily LAU considered that the Government's policy in this matter should aim at bringing about a cleaner environment while ensuring the viable operation of the PLB trade. Noting the livelihood problems that might be created for RMB individual owner-drivers and HKPLBO&DA's opposition to LPG light buses, she enquired about

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the Association's stance on the use of other environmentally-friendly fuel for light buses and the inclination of RMB individual owner-drivers to convert to GMB operation. Stating the support of RMB operators for the Government's initiatives to improve the environment, Mr LAI Ming-hung advised that they were willing to test out any other alternative fuel. However, the livelihood of RMB individual owner-drivers should not be affected.

13. Both Mr CHAN Man-chun and Mr HIEW Moo-siew also reiterated the PLB trade's support for the Government's environmental initiatives. Hence, they called on the Administration to make an early decision in this matter and consult the views of the trade accordingly. In particular, Mr HIEW pointed out that any further delay might have serious consequences in road safety as the replacement of more and more old diesel PLBs became overdue. To supplement, Mr CHAN referred to the decision of one major light bus supplier to stop importing diesel light buses to Hong Kong. With only one supplier left, delivery for Euro III diesel light buses was delayed until November. The trade was thus left in a very difficult position.

14. Referring to the conversion of LPG taxis, Mr CHAN Kwok-keung highlighted the various site and business problems faced by operators of taxis servicing garages after the replacement of new LPG taxis. He considered that it was very unsatisfactory that the Government had failed to take care of the interests of related trades which might be affected by the introduction of a new policy. Drawing this experience as a reference, he was concerned that the servicing garages for diesel light buses might meet with the same fate. If PLB operators could only rely on the suppliers for maintenance and repair works, it would invariably incur higher costs and longer waiting time. Mrs Miriam LAU also expressed concern about the problems faced by the vehicle maintenance trade. The Chairman said that the relevant issues could be pursued by the Panels separately at another meeting.

15. On the scope of the study undertaken by HKPRI, Dr Jane LEE advised that as LPG taxis were only introduced into Hong Kong quite recently, its experience on maintenance might not adequately reflect the situation with LPG light buses. Hence, it was decided that the analysis would not incorporate maintenance as a variable.

16. The Chairman thanked the deputations for attending the meeting.

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Meeting with the Administration

- (LC Paper No. CB(1) 1658/00-01(04) - Background brief on Trial scheme of liquefied petroleum gas and electric light bus prepared by the Legislative Council Secretariat for the Environmental Affairs Panel meeting on 3 July 2001;
- LC Paper No. CB(1) 1658/00-01(05) - Report of the Alternative Fuel Light Bus Trial;
LC Paper No. CP 1281/00-01 - Minutes of the case conference on alternative fuelled light bus held on 31 August 2001;
- LC Paper No. CP 1283/00-01(02) - A comparison between the LPG Taxi Scheme and the LPG Light Bus Scheme prepared by the Secretariat;
- LC Paper No. CB(1) 2075/00-01(04) - Extracts from the draft minutes of the meeting of the Environmental Affairs Panel held on 3 July 2001; and
- LC Paper No. CB(1) 2075/00-01(05) - Information paper provided by the Administration)

17. The Chairman invited the Administration to respond to the views and suggestions raised by the deputations at the meeting.

18. The Deputy Secretary for Environment and Food (C) (Acting) (DSEF(C)(Atg.)) noted the views expressed by the deputations, as well as the findings of the consultancy study conducted by HKPRI which indicated that the introduction of LPG light buses was supported by 70% of the respondents. He said that there was a clear common ground among members, the PLB trade and the Administration for improving air quality.

19. Addressing the concerns on maintenance of LPG light buses, DSEF(C)(Atg.) advised that according to the information provided by the vehicle suppliers, LPG light buses were comparable with diesel light buses in terms of design, maintenance requirements and length of useful life. Only the fuel system required special maintenance and repair. He stressed that given Hong Kong's crowded urban environment, it was appropriate to require that repair on the fuel system should only be carried out by qualified mechanics in approved LPG vehicle workshop to ensure safety. The Administration was aware of the concerns raised by the vehicle maintenance trade and it was found that some suitable sites were available at industrial estates. Subject to commercial decisions of individual operators, these sites could be converted to LPG vehicle workshops. The Administration would closely monitor the provision of ancillary services and facilities to support the use of LPG vehicles in Hong Kong.

20. As for the concerns on gas refuel time and fuel price, DSEF(C)(Atg.) said that the Administration would continue with plans to expand the network of LPG filling stations to support the operation of LPG vehicles. By mid-2002, the total number of LPG filling stations would increase from 14 to 45, out of which 12 would be dedicated stations. He also stated that the Administration had no intention to alter the existing arrangement of granting duty exemption for auto-LPG. In case any future changes were contemplated,

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the Administration would carefully consider all relevant factors including the likely impact on the operation of the trade.

21. DSEF(C)(Atg.) further said that the Administration would carefully consider the way forward for alternative-fuelled light buses in the light of the views expressed by members, the feedback received from the trade and the public, as well as all other relevant factors such as the improvement in the network of LPG filling stations, enlargement of the fuel tank by vehicle suppliers and the price of auto-LPG. He pointed out that as the trial was carried out on seven PLB routes only. The Administration was conducting a detailed analysis to examine the impact of the use of LPG on PLB routes in different parts of the territory. In parallel, the Administration had been meeting trade members to gauge their views and concerns on the use of alternative-fuelled light buses. Noting the call from the trade for an early decision, DSEF(C)(Atg.) stressed that the Administration would make every endeavour to come up with a proposed way forward on alternative-fuelled light buses for consultation with the trade and the Legislative Council as soon as possible and planned to do so before the end of the year.

22. Mrs Miriam LAU observed that unlike the experience with LPG taxis, there was a general sense of uneasiness among the PLB trade in this matter. She was not convinced that the Administration's analysis could truly reflect the operational difficulties faced by the trade. Rather than adopting a high-handed approach, she called on the Administration to listen to the views and suggestions expressed by members so as to create a win-win situation. Given the common call from the trade to test out both Euro III diesel and LPG light buses more thoroughly, the Administration should formulate the relevant standards for Euro III light buses so that this type of vehicles could be imported to Hong Kong.

23. Sharing similar views, the Chairman pointed out that according to some green groups, the emission of other poisonous gas from LPG vehicles might be higher than that from Euro III vehicles. Referring to the delays in the replacement of old and damaged light buses and the decision of one supplier not to import diesel light buses to Hong Kong, she considered that in order to ease the problems faced by the trade, an undertaking should be given by the Administration that the parallel use of diesel and LPG light buses would be allowed in the interim and suitable transitional arrangements would be made to allow the trade enough time to gradually convert to LPG light buses. Mrs Miriam LAU opined that before a final decision was made in the matter, the Administration should have the responsibility to help resolve the replacement problems faced by the trade. Miss Emily LAU also enquired about the concrete actions that could be taken by the Administration.

24. Mr Martin LEE however did not agree that such a guarantee should be given by the Administration. He considered that if both Euro III diesel and LPG light buses were allowed to be used, the problem of air pollution caused by vehicle emissions would not be tackled at root. He thus called on the Administration to make an early decision on introducing LPG light buses to Hong Kong.

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25. In response, DSEF(C)(Atg.) stressed that the decision on which type of vehicles to be introduced to Hong Kong was made by the suppliers on a commercial basis and the Administration had not made any requests to the vehicle suppliers. He said that while he could not give an undertaking as requested by the Chairman, the Administration would take note of all the views and concerns expressed by members and the deputations at the meeting and make every effort to expedite the on-going analysis and consultation process. In the meantime, the Administration would continue to liaise with the suppliers to ensure adequate supply of light buses.

26. Unconvinced by the Administration's rely, Miss Emily LAU cautioned that the Administration should be held responsible for any accidents that might have happened as a result of delayed replacement of old light buses.

27. Referring to the heavy reliance on Japanese manufacturers for the supply of light buses to Hong Kong, Mrs Miriam LAU called on the Administration to review whether the restriction on permitted gross vehicle weight of light buses should be relaxed so that LPG light buses which met the specifications more commonly adopted by other countries could be imported to Hong Kong to enable a wider choice for the trade.

28. In response, the Principal Assistant Secretary for Transport assured members that the Administration was aware of the views put forward by members and the trade in this matter. As she had indicated in the case conference on alternative fuelled light bus held on 31 August 2001, the Administration had planned to relax the relevant requirement so that in-vehicle safety improvements such as the installation of seat belts and high seat back could be made. In addition, the Administration's plan for the introduction of LPG light buses would also be taken into consideration in finalizing the revised restriction on vehicle weight of light buses.

29. Summing up the discussion, the Chairman invited the Administration to take into account the concerns expressed by members and the deputations at the meeting when formulating the way forward for alternative-fuelled light buses. In order to address the replacement problems faced by the trade, the Administration should make its decision as early as possible.

III Any other business

30. There being no other business, the meeting ended at 12:40 pm.

Legislative Council Secretariat

31 January 2002