

CB(1)143/00-01(06)

**有線電視****CABLE TV**

3 November 2000

Panel on Planning, Lands & Works,
Legislative Council,
C/o 2A, Overseas Trust Bank Building,
95-97 Yuen Long Main Road,
Yuen Long,
N.T.

Attention: Mr. Tang Siu Tong, Chairman

Dear Mr. Tang,

Proposed Charging and Penalty System for Road Opening Works

I understand that the captioned proposal would be put forward to the LegCo Panel on Planning, Lands and Works on 6 November 2000. This proposal has caused much contention among the Government and utility companies ever since it was raised, and many of the disputes still remain to be settled. To let you have a balanced view on this proposal, I have listed the viewpoints to the proposal from our perspective for your consideration:

1. The proposals would add to the financial burden to utility companies in the magnitude of tens of million dollars on an annual basis. These charges would inevitably be passed on to the customers in the end. Moreover, the proposal would create excessive administrative overhead to both the Government and utility companies. Eventually all citizens of Hong Kong would be suffered from the unnecessary extra charges.
2. Utility companies are already paying considerable amount of government levied fees on annual basis. As licensees, we are obligated to pay such fees and, in return, we presume that the Government would have obligation to administer activities which are crucial to our daily operations, such as issuing Excavation Permit (EP). We therefore do not agree to the principle of user pays as an argument for imposing charges on processing EPs.
3. There are already well established and fully functionally control process among the Government and utility companies in co-ordination and control of site works, making the proposal not meaningful.
4. Road opening works are arising from the need of providing services to customers. The imposition of the proposal is unlikely to reduce road-opening activities significantly.

/...2



3 November 2000

Page 2

5. We understand that among all road opening works, excavation in carriageways would cause most disturbances and create most complaints from the public. Nevertheless, according to passed statistics, most of such excavation works were done by various Government Departments, not the utilities. In other words, most of Hong Kong Cable's excavation works are done on footway, so do other utility companies. Therefore the proposal may not effectively lessen these disturbances, unless the Government Departments are also required to pay the same fee and cut back their activities accordingly.
6. The proposal would disincentivise utility companies to invest on infrastructure development. We would have thought the Government should encourage the private sector to continue investing on infrastructural development, rather than to introduce yet another draconian measure to stifle investors' incentives.
7. The Commerce and Industry Bureau has recently conducted a workshop participating by government agencies, utility companies and contractors to exploit potential improvement to the road opening process, and there have been a lot of controversies yet to settle. In view of the impact of the proposal, we opined that the Government should further consult the utility companies before they resubmit the amendment bill to the LegCo.

Hong Kong Cable respectfully request that you and your fellow Legco Panel members to consider our plight. We look forward for an opportunity to meeting with you for a thorough presentation of our views.

Yours sincerely,

Allen Law
General Manager
OSP Engineering & Construction
i-CABLE Network



3 November 2000

Page 3

Distribution

Members of Legco Panel on Planning, Lands and Works

Hon LAU Ping-cheung
Ir Dr Hon Raymond HO Chung-tai, JP
Hon James TO Kun-sun
Hon WONG Yung-kan
Hon LAU Wong-fat, GBS, JP
Hon Timothy FOK Tsun-ting, SBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Hon Ip Kwok-him, JP

Members of JUPG

Cable & Wireless HKT Ltd.
CLP Power Hong Kong Ltd.
Hutchison Global Crossing Ltd.
New T & T Hong Kong Ltd.
New World Telephone Co. Ltd.
Hong Kong & China Gas Co. Ltd.
Hong Kong Electric Co. Ltd.
Drainage Services Department
Highways Department
Hong Kong Tramways Ltd.
Water Supplies Department

Mr. S.W. Tang
Mr. Paul Poon
Mr. Stephen Hong
Mr. Patrick So
Mr. C.L. Wong
Mr. Dennis Kwok
Mr. K.W. Li
Mr. K.F. Tam
Mr. C.S. Wai
Mr. Steven Chan
Mr. K.W. Chan