

立法會

Legislative Council

LC Paper No. CB(1)309/00-01
(These minutes have been seen
by the Administration)

Ref : CB1/PL/TP/1

Legislative Council Panel on Transport

**Minutes of Meeting held on
Friday, 24 November 2000, at 10:45 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Mrs Miriam LAU Kin-yee, JP (Chairman)
Hon Abraham SHEK Lai-him, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, JP
Hon CHAN Kwok-keung
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
- Members absent** : Hon David CHU Yu-lin
Hon WONG Sing-chi
Hon LAU Ping-cheung

**Public officers
attending**

: Agenda Item IV

Transport Bureau

Ms Linda LAI
Deputy Secretary for Transport (2)

Transport Department

Mr Robert FOOTMAN
Commissioner for Transport

Agenda Item V

Transport Bureau

Ms Shirley LAM
Principal Assistant Secretary for Transport (5)

Ms Doris CHEUNG
Principal Assistant Secretary for Transport (6)

Transport Department

Mr Robert FOOTMAN
Commissioner for Transport

Mr Daniel AU
Assistant Commissioner for Transport

Mr Y M LEE
Chief Engineer

Highways Department

Mr John CHAI
Principal Government Engineer/Railway Development

Mr CHAN Wai-cheung
Deputy Project Manager/Major Works (2)

Attendance by invitation : Agenda Item IV

MTR Corporation Limited

Mr Jack SO
Chairman

Mr Phil GAFFNEY
Operations Director

Mrs Miranda LEUNG
Corporate Relations Manager

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 Confirmation of minutes and matters arising

- (LC Paper No. CB(1)202/00-01 - Minutes of meeting held on 18 October 2000; and
LC Paper No. CB(1)208/00-01 - Minutes of meeting held on 27 October 2000)

The minutes of meeting held on 18 October 2000 and 27 October 2000 were confirmed.

II Information papers issued since last meeting

- (LC Paper No. CB(1)186/00-01 - Western Harbour Crossing - Toll Increase;
LC Paper No. CB(1)205/00-01(01) - Measures to improve traffic signs and road markings; and
LC Paper No. CB(1)205/00-01(02) - Castle Peak Road Improvement between Area 2 and Ka Loon Tsuen, Tsuen Wan)

2. Members noted the above information papers issued since the last meeting. The Chairman informed members that in order to make way for the discussion of an urgent item "Lantau North-South Road Link between Tai Ho Wan and Mui Wo", the item on

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"Measures to improve traffic signs and road markings" which was originally proposed for discussion at the present meeting had been deferred. In this connection, she invited members to note the relevant information paper provided by the Administration (LC Paper No. CB(1)205/00-01(01)). Members also noted that the proposed project on "Castle Peak Road Improvement between Area 2 and Ka Loon Tsuen, Tsuen Wan" as set out in LC Paper No. CB(1)205/00-01(02) would be discussed by the Public Works Subcommittee of the Finance Committee at its meeting on 6 December 2000. Members did not raise any questions on the papers.

3. Referring to the late submission of papers by the Administration, the Chairman remarked that the item on "Lantau North-South Road Link between Tai Ho Wan and Mui Wo" was only included in the agenda early this week at the request of Dr TANG Siu-tong and it took time for the Administration to prepare for the discussion paper. Regarding the submission of other information papers, the Chairman remarked that the papers could have been forwarded to members earlier rather than two to three days before the meeting. Members agreed that the Administration should be requested to provide papers to Panel well in advance before a meeting. Members also agreed that instead of sending out the papers for a meeting in one-go, papers could be sent out in batches.

Clerk

III Items for discussion at the next meeting scheduled for 15 December 2000

- (LC Paper No. CB(1)205/00-01(03) - List of outstanding items for discussion; and
LC Paper No. CB(1)205/00-01(04) - List of follow-up actions)

4. Members agreed that the following items would be discussed at the next meeting scheduled for 15 December 2000:

- (a) Policy on public light buses; and
- (b) Toll differential amongst different tunnels and the resulting traffic implications.

5. Members noted the following two items proposed by the Administration for discussion at the forthcoming meeting to be held on 15 December 2000 but considered it more appropriate for the Administration to brief members on the items by means of papers before a decision was made on whether it was necessary to follow up on the items at a separate meeting:

- (a) Report on parking demand and supply and progress of improvement measures; and
- (b) Road opening works.

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6. Separately, members agreed that the Administration should be requested to provide information papers on the following two items:

- (a) Traffic impact assessment of the proposed link roads at Siu Lam and So Kwun Wat to connect Route 10 on Tuen Mun Road; and
- (b) Progress report on the provision of a multi-storey carpark at Stanley Market.

7. In response to Mr Andrew WONG's enquiry, the Chairman advised that a joint meeting would be held by the Transport Panel and the Environmental Affairs Panel to discuss the measures to address the noise impact of existing roads and the proposed implementation programme.

(Post-meeting note: The joint meeting was scheduled to be held on 15 December 2000 at 9:30 am.)

IV Improvement to mass transit railway service after privatization

- (LC Paper No. CB(1)205/00-01(05) - Information paper provided by the MTR Corporation Limited; and
- LC Paper No. CB(1)205/00-01(06) - Submission from the Eastern District Council)

8. At the invitation of the Chairman, Mr Jack SO, the Chairman of the MTR Corporation Limited (Chairman/MTRCL), provided members with an update of mass transit railway (MTR) services and its related business since the MTR Corporation Limited (MTRCL) had been listed on the Hong Kong Stock Exchange on 5 October 2000. Details of which were set out in LC Paper No. CB(1)205/00-01(05).

9. Mr Phil GAFFNEY, the Operations Director of MTRCL (OD/MTRCL) then gave a presentation introducing major refurbishment and improvement projects of MTR stations in the following areas:

- (a) Station improvement programme;
- (b) Platform screen doors (PSDs);
- (c) Station modification;
- (d) Enhancement of Octopus Ticketing System;
- (e) Improvement to operational systems; and

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(f) Escalators.

(Post-meeting note: A set of presentation materials tabled at the meeting was subsequently issued to members vide LC Paper No. CB(1)222/00-01.)

10. Citing MTRCL's rejection to previous requests made by the Tsuen Wan community for improvement works to the Tsuen Wan station in respect of the installation of escalators and noise barriers, Mr Albert CHAN expressed grave dissatisfaction that the interests of residents in the New Territories had been ignored as improvement projects presently proposed were mainly catered for stations in urban areas. In reply, OD/MTRCL clarified that it was absolutely not the case as improvement to operational systems would be made across the whole MTR system. Regarding the Tsuen Wan District Council's request for the provision of an escalator outside Tsuen Wan station to facilitate interchange of passengers from public light buses, green minibuses and franchised buses at street level, he explained that the proposal was considered technically not feasible after careful study. However, the Corporation had now identified an alternative solution to the problem by creating an additional entrance at street level and it was anticipated that related work would be completed by September 2001.

11. Regarding the noise created by MTR operation, OD/MTRCL said that the matter was taken seriously by the Corporation and the level of railway noise was kept under constant monitoring to ensure compliance with legal requirements. Various mitigation measures had also been taken including intensive wheel and track maintenance, as well as the use of damper device and noise barrier. As for areas around the Tsuen Wan station, OD/MTRCL confirmed that the noise level from existing rail operation was about 65dB(A) after 11:00 pm which had not exceeded the statutory noise limit. In supplement, Mrs Miranda LEUNG, the Corporate Relations Manager of MTRCL also assured members that if noise emissions of the railway was in excess of the statutory requirement, every effort would be made to bring that down to the permissible limit.

12. Mr Albert CHAN was unconvinced by the Corporation's explanation as the noise level quoted by OD/MTRCL was only an average value. Much nuisance was in fact caused to nearby residents who were intermittently awoken late at night by railway noise. He thus urged the Corporation to revisit its position on the provision of noise barriers in the area. The Chairman also opined that apart from compliance with statutory noise limits, the plight of local residents caused by excessive noise every night, albeit only for a short period of time, should be taken seriously by the Corporation.

Fare revision

13. Referring to the historical adjustment of MTR fare which was in line with inflation, Mr LAU Chin-shek asked whether the Corporation would consider a downward fare adjustment in times of deflation and consult public views accordingly

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under the statutory consultation mechanism. Chairman/MTRCL replied that it was only through conscientious cost control effort that MTR fare could be kept unchanged for the past few years. He further explained that apart from staff costs, other operating costs such as energy, parts and spares imported from other countries would in no way be affected by deflation.

14. Responding to Mr LAU's request for an undertaking to maintain the present fare level for a specific period of time, Chairman/MTRCL advised that when the fare level was reviewed next year, due regard would be given to all relevant factors including general economic situation, public affordability, competition from other public transport providers and shareholders' return. Views as to the acceptability of any proposed fare revision would be collected in accordance with the consultation mechanism. However, he could not make a firm commitment as regards the timeframe of fare review.

Property development

15. Reiterating the Democratic Party's strong opposition to the continued granting of property development rights above new railway stations and depots to MTRCL after its privatization which constituted a case of granting subsidy to a private company, Mr Albert HO was worried that any loss suffered by MTRCL in property development might have to be borne by railway passengers. In response, Chairman/MTRCL assured members that the Corporation would continue to operate within prudent commercial principles in all its undertakings. By adopting a profit-sharing arrangement with property developers, financial risks associated with property developments undertaken by MTRCL would be kept to a minimum. As the land premium and development costs were all borne by the developer, it was unlikely that the Corporation would have to contribute towards a loss-making development scheme. Furthermore, he advised that fare review would be considered separately from the Corporation's business in property development. Mr HO nevertheless took the view that if the business of MTRCL suffered a loss as a whole, its development plan for other extension lines would invariably be affected.

Admin. 16. Mr Albert HO opined that as the property development rights were not awarded through open tender, the Government was not receiving the full market value of those rights. He also remarked that it would be most important to increase the transparency of the valuation process. He also requested the Administration to provide information on the land premium to be charged by the Government for the three development sites mentioned in paragraph 12 of the paper. In response, the Deputy Secretary for Transport (2) (DS for T(2)) explained that as she did not have the information at hand, she would consult the Lands Department and provide the requested information to members after the meeting. In addition, Chairman/MTRCL stressed that the Corporation had to pay full market value premium for the land to be developed and no revenue was foregone by the Government. Any so-called "discount" on land premium

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was in fact the value added onto the land by the development of MTR network.

Retrofitting PSDs

17. Responding to Mr TAM Yiu-chung and the Chairman, OD/MTRCL said that the contract for PSDs was awarded through an international tendering exercise to a Swiss company which was by far the most competitive. Out of the five companies pre-qualified, bids were received from three companies and other tenderers included a UK company and a French company with a Japanese joint venture partner. He further advised that the project would have a high local content because alterations to air conditioning and ventilation, as well as the actual installation of the screen doors would be carried out by Hong Kong contractors.

18. Mr CHENG Kar-foo opined that the target completion date of 2006 was too slow and installation progress should be expedited. Moreover, he was dissatisfied that an additional charge of ten cents per passenger trip was levied on users of Octopus ticket to fund the programme cost which was unfair to Octopus ticket users and was indeed a case of indirect fare increase. Mr Albert CHAN remarked that many members of the public were also against this surcharge which was imposed arbitrarily on the passengers.

19. In this connection, the Chairman drew members' attention to the submission provided by the Eastern District Council stating their opposition to the additional charge levied by MTRCL (LC Paper CB(1)205/00-01(06)).

20. In response, Chairman/MTRCL emphasized that the additional charge of ten cents per passenger trip was intended to fund part of the substantial cost involved in retrofitting PSDs which was not covered in the original investment plan of the urban lines of MTR. However, in view of practical considerations, it was not possible to levy an across-the-board surcharge and there was no question of unfair treatment for the Octopus ticket users as Octopus fare was comparatively lower than single fare. In order to facilitate monitoring by members, Mr CHENG Kar-foo requested for information on the project cost of retrofitting PSDs to 30 underground MTR stations and the share of MTRCL such cost from passenger contribution. Chairman/MTRCL agreed to provide such information to members after the meeting.

21. Mr Andrew WONG opined that from a policy point of view, there might be a case for the Administration to borne the full cost of retrofitting if such work was considered necessary in addition to the Corporation's responsibility for ensuring passenger safety. In response, DS for T(2) clarified that while the Administration welcomed MTRCL's decision to proceed with the retrofitting programme, it was not the Administration's policy to request for such work to be undertaken as PSDs were not considered an absolute requirement for safe railway operation.

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22. Worrying that other surcharges might be levied by MTRCL in future, Mr CHENG Kar-foo considered that it would be most important to ensure that any adjustment in either train fare or other surcharges contemplated by MTRCL would strictly adhere to the consultation mechanism for fare revision that had been formalized and included into the MTRCL's Operating Agreement (OA) under the Mass Transit Railway Ordinance (Cap. 556).

23. In reply, Chairman/MTRCL assured members that the surcharge for retrofitting PSDs was an exceptional case. MTRCL would be responsible for all refurbishment and improvement projects undertaken as part of its operational and safety requirements and it was not envisaged that any other additional charge would be levied. Mr CHENG Kar-foo and Mr Andrew WONG nevertheless had queries about the exact scope of MTRCL's responsibility. In response, Chairman/MTRCL confirmed that various refurbishment and improvement projects as outlined by OD/MTRCL and connecting facilities between MTR stations and stations of other transport system would be covered. Even the complete overhaul of railway tracks due to an exceptional emergency would come under the responsibility of MTRCL. Responding to Mr Andrew WONG's further enquiry, Chairman/MTRCL explained that as the cost of installing PSDs had been included in the project estimate of new stations, no additional charge would be levied for the purpose.

24. Focusing on the Administration's monitoring role, Mr CHENG Kar-foo sought confirmation from the Administration that surcharges in any form or description that might be imposed by MTRCL would be under the scope of the statutory consultation mechanism. In response, DS for T(2) said that all fare revision decisions made by MTRCL would be closely monitored by TB to ensure compliance with statutory requirements. Funding for works in relation to service provision and safety requirements within the Corporation's responsibility would be considered under the Operating Agreement and extensive consultation with the public, the Panel on Transport and the Transport Advisory Committee was required.

25. Expressing dissatisfaction with the Administration's non-committal reply, both Mr CHENG Kar-foo and Mr Andrew WONG took the view that if the Administration did not have a clear stance in the matter, public interest would not be adequately safeguarded as the Corporation could in fact bypass the required consultation process and increase its fares on the pretext of surcharges for improvement works that were not part of its responsibility. The Administration would have no way to monitor the situation. In response, Chairman/MTRCL assured members that such would not be the case and that no additional surcharges for future improvement works would be levied.

26. Summing up the discussion, the Chairman said that MTRCL should stand by its statement that the additional charge for retrofitting PSDs was well and truly the only exception and no other surcharges would be levied again.

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V Lantau North-South Road Link between Tai Ho Wan and Mui Wo
(LC Paper No. CB(1)205/00-01(07) - Information paper provided by the Administration)

27. The Principal Assistant Secretary for Transport (5) (PAS for T(5)) briefed members on the latest position of the Lantau North-South Road Link between Tai Ho Wan and Mui Wo (the project) following the decision made by the Director of Environmental Protection (DEP) on 13 November 2000 to reject the Environmental Impact Assessment (EIA) report of the project. Details of which were set out in the information provided by the Administration (LC Paper No. CB(1)205/00-01(07)).

28. With the aid of Powerpoint, the Principal Government Engineer/Railway Development of the Highways Department presented members with visuals on possible alignment corridors and options available for the project within the geographical constraints of Lantau Island.

Way forward for the project

29. Worrying about the serious safety implications caused by another setback in the implementation of the project, members were generally dissatisfied with the way the project had been handled. Some considered that the decision of DEP had failed to maintain a proper balance between road safety and environmental concerns. Given that the crux of the problem was a lack of proper co-ordination within various policy bureaux and government departments, members expressed grave concerns as to how the project could be taken forward in a meaningful and co-operative manner within the Administration so that an alternative option that was viable in terms of engineering, environmental and cost considerations could be identified as soon as possible to meet the dire transport needs of the Lantau residents.

30. Dr TANG Siu-tong sought explanation on the rationale behind TB's decision to take the project further even after the first EIA report submitted by the Highways Department (HyD) was rejected by DEP in November 1999. He opined that efforts should have been made to identify alternative alignment options back in 1999, thereby saving the community from the present situation. In response, PAS for T(5) explained that when the initial EIA report was rejected, TB and HyD were given to understand that in the opinion of DEP, many potentially serious adverse environmental issues arising from the project had not been resolved. On that understanding and following further close liaison with DEP, a revised EIA report which included more detailed information and a series of additional mitigation measures to alleviate the environmental impact of the project was re-submitted by HyD in September 2000. While thorough consideration and environmental comparison of alternative alignments and options had been made in the context of the revised EIA study, TB and HyD still considered that the proposed overland alignment between Mui Wo and Tai Ho Wan was the most promising in terms

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of finding a compromise solution to the traffic requirements and environmental impact.

31. Given the on-going liaison between the two sides, Dr TANG said that he failed to understand why DEP would reject the revised EIA which was prepared with input from his own staff. He considered that the project could in no way be taken forward under a co-operation and consultation mechanism that was seriously flawed. The Chairman concurred with his view and opined that such last minute rejection by DEP was quite incomprehensible and unreasonable.

32. In order to get down to the root of the problem, Mrs Selina CHOW remarked that the Panel should invite representatives of DEP to attend its meeting and give members an explanation. She was concerned about the measures to be taken by TB to ensure that any alternative option it proposed would not meet with the same fate as the overland alignment between Mui Wo and Tai Ho Wan. While concurring with her view, Mr LAU Kong-wah opined that the development of the project should be closely monitored by the Panel and there might be a case for the establishment of a subcommittee to follow-up on the issues involved.

33. In response, PAS for T(5) assured members that the Administration was also concerned about the unsatisfactory condition of Tung Chung Road and that public safety would be the most important consideration. She emphasized that TB was committed to building an environmentally acceptable road that could both meet the need of Lantau residents and support the conservation of the island's ecologically important areas.

34. Mr LAU Kong-wah asked whether the rejected proposal could benefit from new input which might help address the environmental concerns raised by DEP. In reply, PAS for T(5) stated that although a statutory appeal mechanism was provided under the Environmental Impact Assessment Ordinance (Cap. 499), TB had decided that there would be no merit in pursuing the proposal further as DEP had concluded that the proposal was environmentally unacceptable. In order to fast-track the selection process, work was proceeding urgently in association with relevant departments including EPD, the Planning Department and the Agriculture, Fisheries and Conservation Department to shortlist any option or alignment that was considered not acceptable at the outset. Initially, one possible option might be the Tung Chung to Tong Fuk tunnel alignment which had been cited by DEP as an alternative that would likely result in limited ecological impacts. Given the population concentration in Mui Wo, other alignments linking the area with North Lantau would also be considered. Responding to Mr LAU's enquiry on the timeframe of the shortlisting process, PAS for T(5) said that hopefully, a proposed route could be identified within two to three months.

35. Referring to the estimate that some \$5 billion would be required for the tunnel alignment mentioned above, Mr Albert CHAN sought elaboration on the Administration's stance on the provision of the project in terms of cost consideration. Given the anticipated low traffic volume vis-à-vis the substantial project cost, he

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worried that the tunnel option might not be considered acceptable by the Finance Bureau in terms of cost effectiveness even though it might be accepted by DEP on environmental grounds. As a result, the implementation of the project would turn into a deadlock. While re-affirming the Administration's determination to implement the project, PAS for T(5) said that public safety would always take precedence in this matter. She also explained that \$5 billion was just a preliminary estimate. Pending a firm decision on alignment, actual project cost would be calculated and funding resources would be sought accordingly.

Interim measures for Tung Chung Road

Admin.

36. Mr Albert CHAN pointed out that with substantial works carried out previously on Tung Chung Road, 70% of the road could accommodate two-way traffic, and hence, a higher utilization by local residents should be allowed. In response, the Commissioner for Transport (C for T) said that during the interim period before the completion of the new north-south road link, every effort would be made to ensure that Tung Chung Road was put to the best possible use. Local improvement works would be carried out at various locations along the road to enhance its safety. The Transport Department (TD) would also work with HyD to go over the entire road again to identify whether any further improvements could be made. In this connection, the Chairman requested for an information paper on the details of such interim measures being contemplated by TD.

37. Referring to the call of local residents to open Tung Chung Road from 6:00 pm to 8:30 am and from 12:00 noon to 3:00 pm, the Chairman asked whether such request would be considered by TD. In reply, the Assistant Commissioner for Transport (AC for T) advised that the traffic situation of Tung Chung Road had recently been reviewed with the completion of two major local improvement works. According to traffic flow survey results, TD considered that, in principle, the prohibition hours could be relaxed on a trial basis from 7:30 am - 7:00 pm to 8:00 am - 6:00 pm. The Traffic and Transport Committee of the Islands District Council would be consulted on the implementation of this proposed relaxation at its forthcoming meeting. Both the Chairman and Mr Albert CHAN requested the Administration to consider whether further relaxation in the prohibition hours as requested by the residents was possible. While noting the members' suggestion, AC for T said that TD would continue to closely monitor the situation and carefully review the results of the trial.

38. In response to criticisms raised by Mr Albert CHAN on the closed road permit system, AC for T clarified that buses and Lantau taxis allowed to operate via Tung Chung Road also required such permits. Regarding the closed road permit for Tung Chung Road, it was mainly issued to local residents, companies and public utilities providing various services (e.g. delivery of perishable/bulky goods) or carrying out works in Lantau, government departments, etc. on a need basis. In addition, the Principal Assistant Secretary for Transport (6) stressed that in view of the substandard conditions of Tung Chung Road and the safety risks involved, there was a need to

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maintain the road permit system in order to regulate traffic throughput. She advised that during a recent review by TD, questions such as whether the permits issued should be re-allocated and whether additional permits would be issued had been examined, and views from the Islands District Council would be sought accordingly.

39. Concluding discussion, the Chairman remarked that in order to bring the project forward, TB had to work out ways in which DEP's support for its proposed route would be secured. At her suggestion, members agreed that representatives of TB and EPD, as well as relevant government departments would be invited to attend a special meeting of the Panel tentatively scheduled to be held in January 2001 to brief members on the alternative option identified. In response, PAS for T(5) assured members that the proposal to be presented to the Panel would have the tentative agreement of all the departments concerned and that its financial viability would also have been taken into account.

VI Any other business

40. The Chairman reminded members that the demonstration on KMB's new "Multi-Media On Board" buses would be held at 12:00 noon on 28 November 2000.

41. There being no other business, the meeting ended at 1:00 pm.

Legislative Council Secretariat

13 December 2000