

## Letterhead of Kowloon-Canton Railway Corporation

CB(1)1715/00-01(01)

My ref.: CCE/CAD/PRS/105-9

4 July 2001

The Honourable Miriam Lau Kin-ye, JP  
Chairman of Legislative Council Transport Panel  
Legislative Council Building,  
8 Jackson Road,  
Central,  
Hong Kong.

Dear Ms. Lau,

### **KCRC Fare Review**

I would like to express my gratitude to you and your fellow Members of the Legislative Council Transport Panel for giving my colleagues and I the time on 22 June to explain the background to the Corporation's recent fare review. This letter informs you of the decision made subsequently by the Managing Board of the KCRC in the light of comments made by the Panel and others.

The Managing Board of the KCRC has decided to defer the introduction of the fare increase (by an overall weighted average of 3.1%) from 1 September 2001 to 1 April 2002. The increase will apply to all fares on East Rail, Light Rail and feeder bus services.

The Managing Board's unanimous decision was taken only after very careful consideration, having regard to many relevant factors, including the current economic situation, public reaction and the future financial commitments of the Corporation. These commitments exceed \$12.5 billion in terms of capital investments spread over the four years 2001 to 2004.

The Managing Board was conscious of the fact that, while the Corporation is charged with operating under prudent commercial principles and has autonomy to decide fares, its interests must coincide where possible with those of the travelling public it serves.

.../2.

The Honourable Miriam Lau Kin-ye, JP  
Chairman of Legislative Council Transport Panel  
Page 2 of 2

I trust that the Panel will consider the Corporation's decision to be reasonable and responsive in the circumstances.

Yours sincerely,

(K.Y. Yeung)  
Chairman and Chief Executive

c.c. All Members of the Legislative Council Transport Panel