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14 March 2003

The Honourable Mr. Lau Ping-cheung
Chairman, Bills Committee on the
Land (Miscellaneous Provisions) (Amendment) Bill 2002
Legislative Council Secretariat
3/F Citibank Tower
3 Garden Road
Central
Hong Kong

By fax (2121 0420) and mail

Dear Mr. Lau,

**Land (Miscellaneous Provisions) (Amendment) Bill 2002 (the "Bill")
Proposed Economic Charge for Delay in Completion of Excavation on Footpaths**

Wharf T&T is very concerned with the imposition of the proposed economic charge for delay in completion of excavation on footpaths raised in the Lands Bill Committee meeting on 5 March 2003 for the following reasons:

1. In accordance with the guidelines from Highways Department and OFTA, each permittee or licensee has to circulate its road opening plans to relevant government departments and all utilities undertakers (UUs) for work coordination well in advance of the excavation works. If the permittee (in most cases UUs) or any other party concerned were to encounter any difficulties with the progress of excavation works, they should be able to work out efficient solutions among themselves to resolve any problems fairly shortly. Excessive government regulations and controls would just make the project overly costly and less accessible than it once could be. Additional layers of government control and further charges or penalties will not help to avoid the delay if its cause is a pure act of God. Under normal circumstances, those involved in the project would be eager to complete it as quickly as possible because they lack every incentive to do otherwise.
2. Moreover, before the commencement of the excavation works, the permittee would work very closely with the shop owners, building management offices and other related parties about the logistics and the approximate time required in order to minimize the impact caused to them. Moreover, publicity board with the anticipated completion date and hotline would be displayed at work sites for public enquiry. Wharf T&T has a 24-hour hotline in response to public enquiry and a well-established system for our trained staff to handle and resolve any complaints and

queries. In this light, it is absolutely unnecessary for the government to apply more charges or penalties on the unlikely delay or complaints due to the subject excavation works.

3. Delay of excavation works definitely increases the project cost and the lead-time to provide services to our customers. Our company has established a functional merit / demerit system to monitor the performance of our contractors. It is almost impossible for them to delay on purpose any excavation works as it would seriously affect their chances to be offered any other jobs next time. The imposition of the economic charge due to delay would not promise any certainty but quite on the contrary, it will just jack up the overall costs as the contractors will use that as an excuse to include such probable charge as part of their fundamental costs. The Government has to foster more trust on the UUs and/or the project owners via such market self-regulation.

4. The Government should be very careful before it decides to impose such charges on all excavation works as it is a subject that involves multi-layered issues which should be better served by self-regulatory business solutions.

We look forward to your favourable consideration of our referenced views and concerns and would be much obliged if you could reflect them to your fellow members of LegCo accordingly.

Yours sincerely,

Bill Yeung
General Manager
Engineering

Cc All members of the Bills Committee on the Land (Miscellaneous Provisions) (Amendment) Bill 2002 via Legislative Council Secretariat

Clerk to the Bills Committee on the Land (Miscellaneous Provisions) (Amendment) Bill 2002 (Attn: Ms. Alice Au)

All members of Joint Utility Policy Group