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Legislative Council

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LegCo Panel on Environmental Affairs and
LegCo Panel on Transport

Minutes of joint meeting
held on Thursday, 24 January 2002 at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Members of the LegCo Panel on Environmental Affairs

Hon CHOY So-yuk (Chairman)
Hon Cyd HO Sau-lan (Deputy Chairman)
* Ir Dr Hon Raymond HO Chung-tai, JP
Hon WONG Yung-kan
* Hon LAU Kong-wah
Hon LAW Chi-kwong, JP
* Hon Tommy CHEUNG Yu-yan, JP
* Hon LAU Ping-cheung
Hon Audrey EU Yuet-mee, SC, JP

Members of the LegCo Panel on Transport

Hon Miriam LAU Kin-yee, JP (Chairman)
Hon Abraham SHEK Lai-him, JP (Deputy Chairman)
Dr Hon David CHU Yu-lin, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, JP
Hon LAU Chin-shek, JP
Hon Andrew CHENG Kar-foo
Hon Albert CHAN Wai-yip
Hon WONG Sing-chi

Members absent : Members of the LegCo Panel on Environmental Affairs

Hon Martin LEE Chu-ming, SC, JP
Hon CHAN Yuen-han, JP
Hon SIN Chung-kai
Hon Emily LAU Wai-hing, JP
Hon Henry WU King-cheong, BBS
Hon Michael MAK Kwok-fung
Dr Hon LO Wing-lok

Members of the LegCo Panel on Transport

Hon Albert HO Chun-yan
Hon CHAN Kwok-keung
Hon Andrew WONG Wang-fat, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon LEUNG Fu-wah, MH, JP

(*Also members of the LegCo Panel on Transport)

Public officers attending : Environment and Food Bureau

Ms Jessie WONG
Principal Assistant Secretary (C)2

Transport Bureau

Mr William SHIU
Principal Assistant Secretary (T)4

Environmental Protection Department

Mr Elvis AU
Assistant Director (Environmental Assessment and Noise)

Agriculture, Fisheries and Conservation Department

Mr C C LAY
Assistant Director (Conservation)

Planning Department

Mr David O Y WONG

Chief Town Planner (Housing Task Force Section)

Kowloon Canton Railway Corporation

Mr James BLAKE
Senior Director, Capital Projects

Mr K K LEE
Director, East Rail Extensions

Mr J JESUDASON
General Manager, Construction

Mr Raymond K H WONG
Corporate Affairs Manager (Media and Institutional Relations)

Mr Vic McNALLY
Environmental Manager

Attendance by invitation : The Association of Consulting Engineers of Hong Kong

Mr Charles LAW Wing-hing
Member

Mr Glen PLUMBRIDGE
Member

The Hong Kong Institution of Engineers

Ir Dr Joseph M K CHOW
President

Ir KOO Yuk-chan
Council Member (Division)

The Hong Kong Institute of Architects

Mr WONG Wah-sang
Hon Secretary

Mr Christopher LAW
Chairman of Heritage and Conservation Committee

Kadoorie Farm and Botanic Garden

Mr L C WONG
Conservation Officer

Heung Yee Kuk New Territories

Mr LAM Kwok-cheong
Co-opted Councillor

Mr SIT Ho-yin
Co-opted Councillor

The University of Hong Kong

Professor Billy C H HAU
Assistant Professor/Department of Ecology and Biodiversity

Conservancy Association

Mr Albert K T LAI
Chairman

Dr HUNG Wing-tat
Director

Dr NG Cho-nam
Director

World Wide Fund for Nature Hong Kong

Ms WOO Lai-yan
Conservation Officer

Clerk in attendance : Miss Becky YU
Chief Assistant Secretary (1)1

Staff in attendance : Mrs Mary TANG
Senior Assistant Secretary (1)2

I Election of Chairman

At members' request, Ms Miriam LAU took the chair for the joint meeting.

II Protection of wetlands in Long Valley in light of the latest development of the Spur Line Project

Meeting with deputations

2. The Chairman said that the meeting was a continuation of the last meeting on 13 December 2001. To allow sufficient time for discussion and for the Administration and Kowloon Canton Railway Corporation (KCRC) to respond to the concerns being raised, the Chairman suggested and members agreed that only representatives from professional institutes who had not attended the last meeting would be invited to present their views. As per its request, the Conservancy Association would also be invited to supplement its views expressed at the last meeting.

The Association of Consulting Engineers of Hong Kong (ACEHK)
(LC Paper No. CB(1) 882/01-02(01))

3. Mr Charles LAW took members through the submission from ACEHK. He said that with the advancement in the design of the equipment required for the construction of tunnels, particularly after the introduction of Earth Pressure Balance (EPB) technology in tunnel boring machines (TBM), ingress of groundwater and loss of ground at the face could be prevented, thereby ensuring minimal dewatering and /or ground settlement. The EPB technology had been well proven elsewhere in Asia and the rest of the world. It was also adopted in the construction of the twin tube tunnel of the West Rail Contract DB320 and no effect on hydrogeology had been detected. As the design, tunnel boring machine and method of tunnel construction similar to that of DB320 would be adopted for the Spur Line tunnel, the risk of water ingress and major failure would be low.

Hong Kong Institution of Engineers (HKIE)
(LC Paper No. CB(1) 882/01-02(02))

4. Ir Dr Joseph CHOW said that HKIE noted the urgency of the Spur Line project and supported its early commissioning. While agreeing that both viaduct and tunnel options were viable engineering solutions, HKIE held the view that KCRC should proceed with the tunnel scheme since it would have considerable difficulties in substantiating the environmental acceptability of the viaduct option. However, as a fall-back arrangement, it was highly recommended that KCRC should continue with the further work for completion of the Environmental Impact Assessment (EIA) report for the viaduct option pending the public consultation exercise of the tunnel option which would end in March 2002. HKIE also supported the use of TBM technology, which was successfully adopted in the construction of Tsing Tsuen tunnel, in the tunnel option given the similar ground conditions of both sites. Besides, HKIE had no reason to doubt about KCRC's engineering capabilities and determination to properly investigate and resolve all related concerns.

Hong Kong Institute of Architects (HKIA)
(LC Paper No. CB(1) 892/01-02(01))

5. Mr WONG Wah-sang said that HKIA was in support of the adoption of a rail alignment which would be able to conserve the wetlands in Long Valley on the one hand and meet the transport need of the community on the other. If the tunnel option were to be adopted, efforts should be made to minimize the adverse impact on the ecology of wetlands in line with the recommendations of the EIA studies. He added that there should be greater transparency in the designation of places with natural and built heritage. Mr Christopher LAW opined that acquisition of land was not the ultimate solution for the protection of heritage as this would be too costly in the long run. He stressed the need for setting up a Heritage Development Trust for the long-term protection of places with natural and built heritage, so that these could be better managed and utilized as in the case of many overseas countries. Cooperation and participation of local residents in the protection of heritage was of vital importance. Although the work was not easy as illustrated by the failure and subsequent closure of a heritage trail in the New Territories, this must be done. Efforts should also be made to develop the educational, scientific, leisure, historical, employment and other economic potentials of the conservation areas for the benefit of the villagers and the community as a whole.

Conservancy Association (CA)
(LC Paper Nos. CB(1) 565/01-02(01) and 882/01-02(04))

6. In view of the substantial construction cost of $10 billion for the Spur Line project, Mr Albert LAI queried if the Administration had conducted detailed analysis on the cost effectiveness of different options. He said that CA had make strenuous efforts in analyzing the available information, and had come to the conclusion that the Prioritized Northern Link (PNL) option would be more cost-effective than the Spur Line. At a cost of $9 billion, the PNL option would be less expensive than the Spur Line and would benefit at least 40% of the total population in Hong Kong. It was expected that PNL would be able to divert 152 000 trips from Lo Wu, thereby easing the congestion at East Rail. The travel time by PNL could be shortened by 10 to 38 minutes per trip depending on the trip-originating district. The total annual savings as a result would amount to 15 million hours or $907 million in economic terms. He hoped that members and the Administration would seriously consider the cost benefits of the PNL option.

Meeting with the Administration and general discussion
(TBCR 25/1016/97 -- LegCo Brief provided by the Transport Bureau
LC Paper No. CB(1) 390/01-02(02) -- Information paper on Long Valley provided by the Environment and Food Bureau
LC Paper No. CB(1) 390/01-02(03) -- Follow-up paper on the Lok Ma Chau Spur Line project provided by the Transport Bureau

LC Paper No. CB(1) 295/01-02	--	Background brief on the protection of wetlands in Long Valley in light of the latest development of the Spur Line project prepared by the Legislative Council Secretariat
LC Paper No. CB(1) 869/01-02	--	An executive summary of the Environmental Impact Assessment Report on tunnel/viaduct option of the Sheung Shui to Lok Ma Chau Spur Line
LC Paper No. CB(1) 882/01-02(05)	--	Summary of views expressed by members and deputations at the joint meeting on 13 December 2001 on the protection of wetlands in Long Valley in light of the latest development of the Spur Line Project
LC Paper No. CB(1) 882/01-02(06)	--	Administration's response to CB(1) 882/01-02(05))

The Northern Link (NOL) versus the Spur Line

7. The Principal Assistant Secretary for Transport (PAS/T) said that according to the Railway Development Strategy (RDS) 2000, six new railway projects were prioritized for development, namely, the Shatin to Central Line, Island Extension Line, Kowloon Southern Link, Northern Link, Regional Express Line and Port Rail Line. While these rail schemes were designed to interface and complement one another, their priority and timing were dependent on transport and development needs. The Shatin to Central Line, Island Extension Line and Kowloon Southern Link were expected to be completed between 2008 to 2013 whereas NOL between 2011 to 2016. He added that both NOL and Spur Line were required to connect West Rail and East Rail in the Northern New Territories to meet the growing boundary-crossing passenger traffic. These two projects were complementary to, instead of replacing, each other. The Spur Line was to provide relief to the congestion at Lo Wu through an alternative cross boundary rail link. Despite the delay in delivery of the project from 2004 to 2007, it remained the speediest way to ease the cross boundary traffic as the planning for the project and the EIA report had already been completed. He nevertheless assured members that the Administration would closely monitor the progress of the land use planning of North West New Territories and review the implementation programme of NOL in the light of cross boundary passenger traffic demand. Under RDS 2000, stations were proposed for the NOL to serve for planned strategic growth areas at Ngau Tam Mei, San Tin and Au Tau.

8. Mr LAW Chi-kwong said that Members of the Democratic Party supported the construction of both NOL and Spur Line to provide the necessary rail links for East and West Rails. The Yuen Long District Council (YLDC) was also in support of expediting NOL as it would provide the West Rail cross-border link between Yuen Long and Lok Ma Chau. In this way, passengers could travel from Sham Shui Po to Lok Ma Chau via Yuen Long using West Rail and NOL, thereby easing the congestion at East Rail and Lo

Wu. He urged the Administration to expedite NOL without awaiting the detailed planning of the rural districts and to keep members informed of the progress of its development. Mr WONG Sing-chi echoed that with the provision of NOL, passengers from Northwest New Territories could benefit from a more direct route to Lok Ma Chau, without having to switch to East Rail at Sheung Shui for connection to Lo Wu. This would help relief the congestion at Sheung Shui which was an interchange point for passengers residing in Northwest New Territories. As NOL was the ultimate solution to ease the congestion problem in the North District, the North District Council (NDC) would certainly prefer to have NOL rather than the Spur Line. As the Chairman of Transport Committee of NDC, Mr WONG said that he was not aware that NDC had been consulted on the provision of the Spur Line in 2007.

9. PAS/T affirmed that the Administration had consulted the Heung Yee Kuk, YLDC and NDC on the Spur Line project. He said that when details of the options of the Spur Line was discussed at the meeting among the two DCs, the Administration, and KCRC on 11 October 2001, both DCs had supported the early commissioning of the Spur Line on condition that the traffic impact arising from the construction would be minimized. The Spur Line was aimed at diverting traffic from Lo Wu to Lok Ma Chau. The planned capacity for the new Lok Ma Chau Control Point was 150 to 300 thousand passengers per day upon the completion of stage 1 and subsequent stage of the Lok Ma Chau project respectively. As regards NOL, PAS/T reiterated that it was still at an initial planning stage and issues such as land use, environmental impact, need for land resumption, etc had yet been to be determined. Besides, building NOL would take at least seven or eight years even if the Administration embarked on its detailed planning and design at this juncture. He nevertheless assured members that the Administration would continue to closely monitor the progress of the land use planning of North West NT and review in light of traffic demand the project implementation programme. Meanwhile, the proposed NOL alignment had been taken account of in the relevant planning studies.

10. Given that PNL was more cost-effective than the Spur Line, Dr HUNG Wing-tat/CA was not convinced that the latter should be accorded priority simply because it was the speediest option to ease the cross-border traffic. He pointed out that as the passenger traffic demand at the West Rail was expected to be higher than the East Rail, it made sense to prioritize NOL to provide linkage between the two rails so that they could complement each other. It was therefore worthwhile for the Administration to re-examine the different available options from an engineering point of view to decide the most expedient solution taking into account the changing circumstances over the past years, including the early delivery of West Rail.

11. Mrs Selina CHOW remarked that the Spur Line was meant to ease cross-border traffic. The provision of NOL would further improve the situation but it could not replace the need for the Spur Line. The Chairman agreed that both the Spur Line and NOL were necessary and it was a matter of priority for completion. To this end, she enquired whether the construction of NOL could be accorded priority for completion

in 2007. Mr Albert CHAN said that he was frustrated with the long and unfruitful discussions with the Transport Bureau (TB) on the Long Valley project. He criticized TB for being slow in responding to transport demands and urged for the expedition of NOL so that it could be commissioned in parallel with the Spur Line to resolve the congestion problem.

12. PAS/T said that the Administration had to take into account various factors such as railway engineering and safety requirements, land use and planning requirements, environmental impact, impact on the local community and project programme in the planning of rail development to ensure a proper balance of all factors in meeting the traffic demand. The Administration considered that the combined tunnel/viaduct option of the Spur Line would be able to address environmental concerns as well as traffic demand. While agreeing to review the completion programme of NOL, PAS/T pointed out that as the planning and construction of a railway project would take at least seven to eight years, it was not possible to complete the NOL project in 2007. The Chairman said that the Subcommittee on Matters Relating to the Development of Railway Development Projects would follow up the development of NOL.

13. As to whether KCRC would continue with the further work of the EIA report for the viaduct option as a fall-back arrangement, Mr James BLAKE, Senior Director, Capital Projects, KCRC advised that the Appeal Board had made the point that there were a few issues, including the impact of farming practice and habitat creation, efficacy of Dura-base, and hydrology of Long Valley, arising from the viaduct EIA report that need to be further developed. As studying these issues would require at least two years, with no certainty of universal acceptance on completion, KCRC and its environmental experts considered it necessary to develop the combined tunnel/viaduct option which was the speediest way to resolve the growing congestion problem at Lo Wu. Notwithstanding, the EIA report for viaduct option was still in existence. Given the urgency in easing the cross-border traffic, Mr LAU Kong-wah supported the early provision of the Spur Line. He added that the suggested reversion to the original viaduct option would cause further delay, as this would re-open previous discussions on a subject which had already gone through the legislative appeal process. As regards NOL, Mr LAU agreed that this should be accorded priority for construction. He however expressed doubt that this could be completed before 2007 in view of the uncertainties associated with this project.

Engineering feasibility

14. In response to Ir Dr Raymond HO's questions, Mr Charles LAW/ACEHK advised that there was no evidence of the presence of geological faults in the Long Valley area. He also confirmed that the EPB TBM to be used in the tunnel option would be the same as that adopted in the tunneling works for Stage I of the Harbour Area Treatment Scheme, except that a closed face instead of an open face would be used to prevent the ingress of groundwater to the tunnel. In addition, the contractor would need

to apply the latest technology and to carry out stabilizing works in parallel with tunneling works.

15. Mr WONG Sing-chi remained concerned about the loss of underground water as a result of tunneling works since this would adversely affect the wet agriculture and associated ecology of Long Valley, rendering the additional $2 billion investment incurred from the tunnel option worthless. He enquired if the EPB TMB referred to had ever failed before and if so, the necessary remedial measures. Ir KOO Yuk-chan/HKIE said that the feasibility of tunneling works would depend on geological and groundwater conditions. Mr Charles LAW/ACEHK remarked that before implementing tunneling works, site investigations had to be conducted to identify problematic areas. The works would be closely monitored during the course of construction and where necessary, grouting would be applied to prevent the loss of groundwater. Ir Dr Joseph CHOW said that while problems were common in all engineering projects, he was not aware of any major failures of EPB TBM that could not be resolved.

16. Through the chair, Mr J JESUDASON, General Manager, Construction, KCRC advised that the said EPB TBM was fully contained and the whole of the tunnel would be fully enclosed. Given that repair works could be performed at the front end of the machine, anything went wrong with it could be repaired without going outside the tunnel. Besides, the water levels would be closely monitored before, during and after the passage of the machine. Computer systems would also be in place to monitor the progress of works. As the General Manager Construction of the Tsing Tsuen Tunnel Project for six years, Mr JESUDASON stated that nothing had gone wrong in terms of impact on the outside environ. Mr James BLAKE, Senior Director, Capital Projects, KCRC added that the EPB technology was a proven technology, and that the tunnel scheme would not be the first tunnel using this technology. The same contractors of DB320 in Hong Kong had used the EPB technology in constructing tunnel in France and Australia which had been operating in entire satisfaction. There was another tunnel under construction in Holland using the same technology, below an ecologically sensitive area with fresh water above sea water. The Dutch authorities had permitted use of this technology. As such, KCRC was convinced that the technology was appropriate for the tunnel scheme and there was absolute confidence that the tunnel would remain dry during construction and subsequent operation, and that there would be no loss of ground water. At members' request, Mr James BLAKE of KCRC undertook to provide through the Administration information on the tunnel project in Holland.

17. Mr LAU Kong-wah however pointed out that the recent failures of some construction projects involving ground settlement as a result of loss of underground water had cast doubt on the feasibility of tunneling works. He also expressed concern that the assurance given by KCRC would become obsolete when those responsible for the project had retired or left the company. He shared the same view with Ms Cyd HO that a mechanism should be in place to delineate the extent of responsibility and accountability of the relevant authorities, so that they would be held responsible if any thing went wrong with the project. PAS/T explained that the Environmental Protection

Department and the Agriculture, Fisheries and Conservation Department would closely monitor the EIA process. Enforcement actions would be taken against non-compliance with conditions in the environmental permits (EPs). The Transport Bureau would monitor the Spur Line project to ensure that KCRC would complete the project on schedule to meet the urgent cross-boundary transport need while the Railway Development Office of the Highways Department would monitor the progress of the engineering works of the rail development and coordinate activities with relevant government departments with a view to resolving technical and interface matters. Railway Inspectorate would take charge of the safety and operation of railways. Mr James BLAKE, Senior Director, Capital Projects, KCRC added that the responsibility of contractors to comply with the permit conditions would be clearly spelt out in the construction contracts, and contractors would be held liable for non-compliance. The objective would, however, be to have in place measures to ensure compliance.

Environmental considerations

18. The Assistant Director of Environmental Protection (Environmental Assessment and Noise) (ADEP(EA&N)) said that the EIA report for the combined tunnel/viaduct option had been published for public inspection and comments should reach the Director of Environmental Protection (DEP) on or before 5 February 2002. If the report was endorsed by DEP after public consultation, the recommended mitigating measures would be included in the relevant EP for implementation by KCRC. It would be an offence for KCRC if it failed to comply with the permit conditions. Environmental monitoring and auditing would be performed in the course of construction to ensure compliance.

19. Mr James BLAKE, Senior Director, Capital Projects, KCRC said that KCRC had taken the points raised by the green groups into consideration, and the hydrogeological problem of the tunnel scheme could be dealt with through the use of advanced tunneling technology. The latest technology combined with proposals in the EIA report and the long-term management of natural habitat could be seen as an important milestone in protecting the Hong Kong environment. The EIA report for the combined tunnel/viaduct option had answered all the issues that had been raised. It highlighted the importance to balance human and environmental needs and recognized the timing of the Spur Line as an overriding factor. In sustainable environmental terms, the railway presented the best possible means to enhance transport links in Hong Kong and the Mainland.

20. Ms Cyd HO remained concern about the groundwater level in Long Valley. Mr Vic McNALLY, Environmental Manager, KCRC said that there was a fail-safe mechanism to prevent any ingress of water into the tunnel as explained in the EIA report. The water used in Long Valley did not come from underground sources but from the River Beas. The water was channeled from the River to the middle of Long Valley.

Mr BLAKE informed members that the water level in the surrounding rivers could be controlled as a back-up to the avoidance of loss of groundwater from Long Valley.

21. While agreeing that the environmental problems as set out in the EIA report for the combined tunnel/viaduct option were not insurmountable, Mr LAW Chi-kwong was concerned that in the absence of a clear conservation policy, the Long Valley could not be well protected even with the additional construction cost of $2 billion for the tunnel. Mr Albert CHAN echoed that although the Environment and Food Bureau would be conducting a review of the conservation policy for wetlands, this would not be completed until the end of the year. During the interim, no measures were taken to protect the wetlands from destructive actions which might undermine the ecological value of Long Valley. The efforts and the additional cost to build the tunnel would become futile once the ecological value of the wetlands was lost. He requested the Administration to undertake that before proceeding with the tunnel project, it would implement a series of measures to protect the wetlands in Long Valley, including the setting up of a trust fund to acquire land at the Long Valley for conservation purpose. Ms Cyd HO added that consideration could be given to fostering a partnership with the land owners in realizing the development potential of Long Valley.

22. The Principal Assistant Secretary for the Environment and Food (PAS/EF) said that Long Valley was currently zoned for agricultural uses. Unless permission for change of land use from the Town Planning Board was obtained, it could not be used for development or other uses such as carparks or container storage. It was noted that as most of the land in Long Valley was privately owned, it would not be possible for Government to implement any active management plan for the conservation of the area. The Administration was working on a review of the conservation policy and would be consulting the public by late 2002. Efforts would be made to identify practical measures to better conserve private land of high ecological value. Measures such as setting up of trust funds or fostering a partnership with owners were possible options that needed to be further examined. According to the existing information, there were over ten sites on private land that had similar or higher conservation value compared with the Long Valley, it was not appropriate to treat it as a stand-alone case. A holistic approach should be adopted in examining how to better conserve these sites in the context of the review. In addition, possible environmental impacts on Long Valley arising from the Spur Line project would be addressed in the EIA report for the combined option. DEP would take into account the comments received when deciding whether the EIA report should be approved, and would ensure that mitigation measures would be in place to reduce the environmental impact to an acceptable level before issuing the EP.

23. In view of the imminent development of the Spur Line, Mr Andrew CHENG considered that there was an urgency for the Administration to work out a conservation plan for Long Valley without awaiting the outcome of the review. He also enquired about the Administration's stance on the proposal to encourage landowners to manage their land for conservation purposes by changing their "hope value for development" to "hope value for conservation". PAS/EF noted that the said proposal was put forward by

CA at the last meeting on 13 December 2001. The Administration held the view that as most private land in the rural area were agricultural lots demised for agricultural uses within which building developments were generally not permitted under the land leases, whether there was any legitimate "hope value for development" for such land was in doubt. In response to the Chairman, CA would provide a written response setting its views on the issue.

Cost considerations

24. While acknowledging that there was general consensus on the urgency to resolve the congestion at Lo Wu, Mrs Selina CHOW emphasized the need to ensure that preservation of ecologically important areas would not be compromised. She enquired if the proposed tunnel option would meet both transport as well as environmental needs. If so, the additional $2 billion was worth spending and the project should be allowed to proceed as soon as practicable. Ir Dr Joseph CHOW said that both the Spur Line and NOL would serve as important rail links to meet the growing passenger traffic. He also agreed that there should be a balanced consideration on the environmental and cost implications in deciding the option to be adopted. Although environmental damages were inevitable in implementing construction projects, care should be taken to minimize these damages. The tunnel option would be able to avoid many environmental problems as most of the construction works would proceed underground. It would also have the added advantage of having more certainty of completion as compared to the contentious viaduct option.

25. Mr James BLAKE, Senior Director, Capital Projects, KCRC said that apart from prudent commercial principle, KCRC had also taken into account cost effectiveness in recommending the combined tunnel/viaduct option for the Spur Line. As regards NOL, Mr BLAKE said that only a very preliminary study had been conducted. As such, there was no reliable cost estimate to enable a comparison on the cost effectiveness between the Spur Line and NOL. He also took the opportunity to clarify a misunderstanding on the part of CA that a rail project could be completed within six years. He pointed out that in order to meet the requirements under the EIA Ordinance (Cap. 499) and the Railways Ordinance (Cap. 519), the completion programme had to be extended by a period of two to three years on account of the preliminary project study.

26. Noting that the estimated cost for the Spur Line would escalate from $8 to $10 billion, representing a 25% increase, if the tunnel option was to be adopted, Mr LAW Chi-kwong expressed concern about the possible cost implications on passenger fare, which had yet to take account of future operating expenses. He cautioned that the high fare would discourage passengers from using the rail. Mr BLAKE said that there was no direct linkage between project cost and passenger fare. Project cost had to be funded against an acceptable rates of return, while passenger fares would only be considered nearer the time of operation, taking into account the overall transport competition and fare structure at that time. In response to the Chairman's enquiry about the operating expenses of the Spur Line, Mr K K LEE,

Director, East Rail Extensions, KCRC said that the electricity cost for the tunnel option would be higher in view of the need for ventilation but this would only comprise a small percentage of below 5% of the operating expenses.

Way forward

27. On the way forward for the Spur Line, PAS/T said that the Spur Line project had been undergoing the legislative process under the EIA Ordinance and the Railways Ordinance respectively, after which the railway scheme would be submitted to the Executive Council for consideration. The Chairman considered it necessary for the Administration to brief members on the progress of development of the Spur Line and to address members' concern on the need to spend the additional $2 billion for the tunnel scheme. Ir Dr Raymond HO remarked that engineering-wise, the tunnel option was feasible. In view of the delay of the Spur Line project, he urged the Administration to expedite the entire process and revert back to members as soon as practicable. PAS/T undertook to provide a written response to members' concerns and to report on the progress of development in due course.

III Any other business

28. There being no other business, the meeting ended at 12:56 pm.

Legislative Council Secretariat
18 March 2002