



**Hong Kong Cable Television Limited Submission on
Consultation Document on the
Proposed Charging and Penalty System for Street Excavation Works
under the Land (Miscellaneous Provisions) Amendment Ordinance**

Hong Kong Cable Television Limited (HKC) welcomes the invitation from the Planning, Lands and Works Panel of the Legislative Council to present its views on the captioned document.

The proposed charging and penalty system for street works has been controversial and it has raised doubt on its fairness and reasonableness. The proposals have not recognised the continuous improvement in past performance of utility undertakers to ensure minimum disruption to the vehicular and pedestrian traffic on the streets. HKC have grave reservation on the proposals as they will have significant negative impact not just to the utility undertakers but also to the community. The viewpoints of HKC are summarised hereunder for members' consideration:

1. The proposed charging and penalty system may not be effective to trim down the number of road openings. According to past statistics, Government Departments accounted for most of the excavation works in the carriageway and pavement. As such, unless Government Departments are treated on the same base as private utility undertakers, it is doubtful if the proposed charging and penalty system could achieve its purported objective.
2. The proposal has different penalty treatment to Government utility undertakers and private utility undertakers. We strongly object to such unfair and discriminatory proposal.
3. The proposal is in fact cost-oriented, not what it purported to achieve, i.e. to further improve roadwork efficiency.
4. The proposal will not serve to improve the cost effectiveness of utility undertakers nor will it bring materialistic benefits to the ultimate utility users.
5. The proposed charge of administrative cost and daily fee were in fact, the reimbursed cost of a disparate system to govern excavation works for installation of utility facilities to better the Hong Kong environment. Putting in place such a charging scheme will inevitably increase administrative resources and induce unnecessary additional cost on the part of the utilities, in other words, shifting such administrative cost from Government to utility undertakers and finally to the community. Under the present economic climate, it is indeed unrealistic and not beneficial to the public at large.



6. The utility undertakers are already paying considerable amount of Government levied fees, such as licence fees or franchise royalty, on an 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).
7. This cost-oriented proposal is not an incentive to encourage continuous development of Hong Kong's infrastructure. It seems to be contradictory that on one hand the Government requires the utilities to invest more in the infrastructure but on the other hand, imposes more charges on them to expand their road works. The cost recovery scheme is thus disincentive to utilities to invest on and improve their backbone infrastructure to better serve the community, and to enhance Hong Kong's competitive environment.
8. An important objective of the proposed cost-oriented scheme is said to relive current spatial constraints of underground services in footway, and to minimize the disruption to heavy vehicular and pedestrian traffic. We submit that the same objective could be achieved by better collaborating the service requirement of utility undertakers, continuous co-ordination and control of the well-established and fully functioned three-tier system, rather than penalising the utilities monetarily
9. The proposed additional charge based on economic cost of traffic delay for EP extension is enormous. Such delays are often caused by the intricate EP management system and unexpected circumstances at the external and ground conditions that are beyond the control of the utility undertakers. Placing all the burden solely on private undertakers is unfair.
10. There may be conflict of interest as Highways Department is responsible for their own excavation works and at the same time also acts as the inspector and prosecutor under the proposed charging scheme.
11. We are disappointed that the Government insisted on introducing the proposed charging system under the current economic downturn. Not only will it not reduce excavations and improve roadwork quality, it will also impose intensive burden to utility companies and might lead to higher utility charges, adding frost to the already depressed economy.

Hong Kong Cable Television Limited
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