

立法會
Legislative Council

LC Paper No. CB(1) 2308/01-02
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EA/1

**LegCo Panel on Environmental Affairs and
LegCo Panel on Transport**

**Minutes of joint meeting
held on Thursday, 13 June 2002, at 8:30 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)
* Ir Dr Hon Raymond HO Chung-tai, JP
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 Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Dr Hon LO Wing-lok
Hon Audrey EU Yuet-mee, SC, JP

Members of the LegCo Panel on Transport

Hon Miriam LAU Kin-ye, JP (Chairman)
Dr Hon David CHU Yu-lin, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon CHAN Kwok-keung
Hon LAU Chin-shek, JP
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon Albert CHAN Wai-yip

Members absent : Members of the LegCo Panel on Environmental Affairs

Hon Cyd HO Sau-lan (Deputy Chairman)
Hon WONG Yung-kan
* Hon LAU Kong-wah
Hon LAW Chi-kwong, JP
* Hon LAU Ping-cheung

Members of the LegCo Panel on Transport

Hon Abraham SHEK Lai-him, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon Andrew WONG Wang-fat, JP
Dr Hon TANG Siu-tong, JP
Hon LEUNG Fu-wah, MH, JP
Hon WONG Sing-chi

(*Also members of the LegCo Panel on Transport)

Public officers attending : **For item II**

Environment and Food Bureau

Mr Thomas CHOW
Deputy Secretary

Mr Howard CHAN
Principal Assistant Secretary

Transport Bureau

Ms Carolina YIP
Principal Assistant Secretary

Transport Department

Mr Peter LUK
Assistant Commissioner/New Territories

Environmental Protection Department

Mr TSE Chin-wan
Assistant Director (Air)

For item III

Environment and Food Bureau

Mr Thomas CHOW
Deputy Secretary

Mr Howard CHAN
Principal Assistant Secretary

Environmental Protection Department

Mr TSE Chin-wan
Assistant Director (Air)

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

Nominated by Ms Emily LAU and seconded by Ms Miriam LAU, Miss CHOY So-yuk was elected Chairman of the joint meeting.

II Light buses using cleaner fuel

(LC Paper No. CB(1) 1973/01-02(01) — Submission from the Hong Kong Public-Light Bus Owner & Driver Association

LC Paper No. CB(1) 1973/01-02(02) — Submission from the G.M.B. Maxicab Operators General Association Ltd

LC Paper No. CB(1) 1973/01-02(03) — Letter from Crown Motors Ltd to Hon CHOY So-yuk

LC Paper No. CB(1) 1934/01-02 — Background brief prepared by the Legislative Council Secretariat

LC Paper No. CB(1) 1973/01-02(04) — Information paper provided by the Administration)

2. The Deputy Secretary for the Environment and Food (DSEF) briefed members on the latest development of the proposed incentive scheme to encourage owners of diesel light buses to replace their vehicles with ones that were run on liquefied petroleum gas (LPG) or electricity by highlighting the salient points in the information paper.

Performance of diesel and LPG light buses

3. Referring to Annex 1 to the submission from the Environmental Light Bus Alliance which was tabled at the meeting, Ms Miriam LAU noted that the nitrogen oxide emission from LPG light buses was comparable to that of diesel Euro III light buses. This was at variance with the information given at paragraph 4(b) of the Administration's paper (LC Paper No. CB(1) 1973/01-02(04)) which stated that LPG light buses emitted only 50% of the nitrogen oxides of a Euro III diesel light bus. She sought clarification on the performance of LPG light buses and how it compared to that of diesel light buses.

4. In response, DSEF said that the emission standard in Annex 1 to the submission from the Environmental Light Bus Alliance referred to the standard for new diesel light buses only. In actual operation, the level of nitrogen oxide emitting from diesel light buses was much higher than that of LPG light buses. Particulate emission from diesel Euro III light buses was also 20 times higher than LPG light buses. The Assistant Director of Environmental Protection (Air) (ADEP(A)) added that according to findings on the exhaust emission from diesel and LPG light buses at the trial of LPG light buses, the level of hydrocarbon and nitrogen oxide emitting from LPG light buses was 51% lower than Euro III diesel models whereas the level of carbon oxide was 87% lower. In addition, particulate emission from LPG light buses was almost close to zero and there was no emission of black smoke. Ms LAU however pointed out that it was difficult to compare the performance of vehicles based on these standards since the levels of emission of individual pollutants differed.

(Post-meeting note: The submission from the Environmental Light Bus Alliance was circulated to members vide LC Paper No CB(1) 2001/01-02.)

5. Mr David CHU said that as Euro III diesel light buses were commonly used in developed countries with stringent emission control, these could be allowed for continued use in Hong Kong, thereby dispensing with the need to proceed with the incentive scheme in haste. Moreover, a longer phasing out period would allow sufficient time for the introduction of alternative LPG models and the testing of their performance. He added that unlike LPG taxis which had a long performance history, LPG light buses were relatively new in the Hong Kong market and operators of public light buses (PLBs) did have concerns about their viability. DSEF explained that since the incentive scheme was meant to be a voluntary scheme, operators could choose to continue with the use of diesel light buses if they did not wish to participate in the scheme. He added that LPG vehicles had been in use for many years in European countries and Japan.

6. Dr LO Wing-lok said that as a medical practitioner, he would support measures to achieve zero emission. However, he was concerned that the efforts made in replacing diesel light buses with LPG ones would be wasted if newer technologies to reduce vehicle emissions were available. DSEF advised that it was the Administration's policy to advocate the use of vehicle models which would best meet environmental needs. Apart from First Registration Tax (FRT) exemption, a one-off grant of \$80,000 would be offered to owners of diesel PLBs who replaced their vehicles with an electric model which had zero emission. He assured members that the Administration would keep abreast of latest developments in vehicle technology such as fuel cell engines which required the use of alternative fuel like hydrogen. However, according to estimates in the market, it would take about 10 more years for fuel cell vehicles to be developed for affordable use by the public. At present, the use of LPG was confined to taxis and light buses.

Eligibility for the proposed incentive scheme

7. Ms Miriam LAU enquired about the criteria for the provision of one-off grant. She noted that unlike owners of existing diesel public light buses (PLBs) who would be offered a one-off grant if they replaced their vehicles with a LPG model, owners of existing diesel private light buses, including school light buses, would only be offered FRT exemption. Given that diesel emissions from school light buses would likely affect school children who were more vulnerable to pollution than adults, Ms LAU considered it necessary that the same financial incentives for diesel PLB owners should similarly be extended to cover owners of diesel private school light buses to encourage them to replace their vehicles with an LPG model. Her concern was shared by Ms Emily LAU.

8. DSEF advised that the one-off grant would be provided to an owner of a diesel PLB who opted to replace it with a LPG PLB within the specified time-frame. He added that at present, there were about 1 200 private school light buses registered in Hong Kong. Operators of LPG private school light buses had more flexibility in refilling as their routes were more diverse and most of them did not run schedules which were as intensive as PLB operators. They would benefit from FRT exemption and lower fuel price if they opted to replace their diesel light buses with LPG models. The same would also apply to other private light buses. He added that as financial resources were limited, the Administration had to make the best use of the public funds to achieve the greatest possible environmental benefits. As such, the limited financial resources should be deployed on replacing diesel PLBs which contributed to 80% of the emission from the diesel light bus fleet. Besides, emission from private school light buses could be minimized through the control on idling engines. The Administration therefore considered that the one-off grant could not be extended to owners of private school light buses.

9. Given the limited number of 1 200 private school light buses, Ms Miriam LAU considered that the proposed inclusion of private school light buses in the incentive scheme would not incur substantial financial resources, particularly when some of the operators might not wish to replace their vehicles under the scheme. She urged the

Administration to seriously re-consider the proposal. Mr Andrew CHENG echoed that an equitable arrangement was essential for the success of the incentive scheme for early replacement of diesel light buses.

10. The Chairman asked if the Administration would consider offering incentives to owners of diesel PLBs who switched to Euro III diesel or LPG PLBs within the next two years. DSEF said that as Euro III emission standard was effectively the minimum standard for all newly registered vehicles, it was not justified to offer any incentive to owners who replaced their vehicles with Euro III diesel PLBs. If incentives were to be provided to encourage the switch to cleaner vehicles, these should be considered for application across the board and not only confined to PLBs.

Availability of LPG light bus models

11. Ms Miriam LAU remarked that the proposed incentive scheme was not well thought out. She pointed out that apart from the LPG light bus model which was currently in use, there was no guarantee on the availability of alternative LPG models. The price of LPG vehicles would be much higher if there was only one model available in the market. As such, PLB owners did have a legitimate concern on whether there was a choice of light bus models from which they could choose from. There might be a need for the Administration to extend the deadlines for application for the incentives until there was a wider choice of LPG models available in the market.

12. DSEF noted that there were divergent views on the proposed incentive scheme and that was why the Administration had decided to implement the scheme on a voluntary rather than a mandatory basis. As Hong Kong was a free economy, efforts would be made to encourage the introduction of more LPG light bus models into the Hong Kong market. It was anticipated that with the provision of one-off grants and the increased demand for LPG PLBs, vehicle manufacturers/importers would seize the opportunity to manufacture/import 16-seat light buses which would meet the required standards in Hong Kong. Besides, the Transport Department (TD) had decided to relax the gross vehicle weight limit of light buses from 4 to 5.5 tonnes and would introduce the necessary legislative changes to formalize the arrangement. Meanwhile, administrative measure would be taken to allow the registration of light buses exceeding 4 tonnes. DSEF however stressed that the supply of alternative LPG light bus models would depend on market forces. Hence, a definite time frame on their availability was not possible at the moment. He added that it was unlikely that the price of a LPG light bus would be set at an unreasonably high level because if that was the case, owners would opt for a diesel model instead.

13. On the choice of PLG light bus models, DSEF said that apart from the existing Toyota light buses, the Zung Fu Company had advised that it would be importing Mercedes-Benz LPG light buses and the first two vehicles that could meet the approved standards would arrive in Hong Kong in late June 2002. However, the air-conditioning performance of these LPG light buses for use as PLBs had yet to be tried out in Hong

Kong. He added that the Crown Motors Ltd had advised that no complaints had been received on the performance of the 156 Toyota LPG light buses (of which 136 were PLBs) which had been licensed and running on the road. A recent survey conducted by TD on the air-conditioning performance of different diesel and LPG PLB models revealed that they were comparable to each other and in certain cases, the air temperature inside some LPG PLBs was one degree Centigrade lower than their diesel counterparts.

14. As the Mercedes Benz light buses were new to Hong Kong, Ms Miriam LAU pointed out that their performance on the road had yet to be tried out. Unlike the LPG Taxi Scheme which was well tried out with a variety of LPG models, there was no alternative choice of LPG light buses under the present scheme from which PLB operators could choose from. DSEF explained that when the LPG Taxi Scheme was first launched, the feedback was not at all encouraging and there were concerns over the horsepower and air-conditioning of LPG taxis as well as the attractiveness of the Scheme. As it turned out, the Scheme was met with popular support and was highly successful. The experience served to show that it was unnecessary to satisfy all their concerns before the launching of an incentive scheme.

15. Referring to the submission from the HK Public Light Bus Owner and Driver Association (LC Paper No. CB(1) 1973/01-02(01)), Ms Emily LAU noted with concern the allegation that the proposed incentive scheme would lead to profiteering of public funds by a monopolized group of companies. She asked how the Administration could prevent this from happening. DSEF said that the proposed one-off grants would be offered to owners of diesel PLBs who chose to replace their vehicles with LPG ones. It would also apply to those who made the switch before the implementation of the incentive scheme.

16. Mr Albert CHAN said that he had no objection to the incentive scheme but was more concerned about the way it was implemented. He pointed out that the stringent requirements imposed by the Government had limited the availability of LPG light buses in Hong Kong. Despite the proposed relaxation of weight limit for LPG light buses from 4 to 5.5 tonnes, there was at present only one LPG light bus model which could meet the specified requirements. Given the relatively small market in Hong Kong, few vehicle manufacturers would have the incentive to tailor-made a light bus model to meet the specific requirements of Hong Kong. To enable the availability of LPG light bus models worldwide in Hong Kong, there was a need for the Administration to further relax the limits on weight and size of light buses. Ms Emily LAU echoed that more should be done to open up the market for 16-seat PLB models in Hong Kong.

17. DSEF explained that at present there were three diesel and two LPG makes of light buses available in Hong Kong. The length limit of seven metres was considered sufficient as most light bus models were around six metres long. Any further relaxation on the size limit might have traffic and transport implications. The Administration had taken the initiative to advise the Motor Traders Association of Hong Kong on the relaxation of weight limit of light buses and the likely demand on LPG light buses upon implementation of the incentive scheme. The Principal Assistant Secretary for

Transport said that the relaxation on gross vehicle weight limit from 4 to 5.5 tonnes would facilitate the import of more light bus models to Hong Kong. At present, there were over 10 light bus models worldwide which could meet the revised limits. The Assistant Commissioner of Transport (New Territories) said that TD would consider, on a case by case, to allow for registration of vehicles which exceeded the statutory limits. It remained a commercial decision of vehicle dealers on the type of vehicle to be imported to Hong Kong.

18. Mr Albert CHAN said that he had been urging the Administration to relax the restrictions on import of LPG light buses but to no avail. He strongly reprimanded the Administration for its rigidity which was detrimental to the transport development in Hong Kong. He cautioned that the unavailability of alternative LPG models might lead to inequity and monopolization. Expressing similar concern, Ms Miriam LAU requested the Administration to provide an information paper on the statutory specifications for both diesel Euro III and LPG light buses and the LPG models worldwide that could meet these specifications before seeking funding approval from the Finance Committee.

Extension of the deadline for application for incentives

19. DSEF advised that as about 50% of diesel PLBs and 30% of diesel private light buses were over 10 years old, there was a need to impose deadlines for application for the incentives to encourage the early replacement by LPG models. On members' request for extending the deadlines pending the availability of more LPG light bus models, DSEF said that it was not advisable to extend the deadlines further given the urgent need to improve the air quality in Hong Kong and the marked improvements achieved by the switch from diesel to LPG.

20. Ms Miriam LAU noted with concern that the provision of LPG filling stations was way behind schedule. At present, there were only 34 LPG filling stations in operation as against 45 by mid-2002 as pledged by the Government. She stressed that the availability of LPG filling stations was vital to the successful implementation of the incentive scheme. Mr Andrew CHENG said that since the geographical coverage of LPG filling stations would affect the operation of LPG PLBs, the request by some operators that the deadline for application for the incentives be extended to two years from the date of completion of the last LPG station was not without grounds. Given that affected PLB operators should not be deprived of the time for applying for the incentives as a result of the delay in provision of LPG filling stations, Mr Albert CHAN concurred that the deadlines for application for should likewise be extended.

21. DSEF said that apart from the 34 LPG filling stations in operation, there were nine under construction, and two undergoing risk assessment studies. It was expected that there would be at least 43 stations serving the fleet of LPG taxis and PLBs by the third quarter of 2002. It should be noted that the geographic location of LPG filling stations was more crucial to the PLB trade than their number. Operators of PLB routes which were not served by a nearby LPG filling station would unlikely opt to switch to the use of LPG PLBs. Notwithstanding, the Administration was already prepared to extend

the deadline of application from end-2003 to end-2004 for owners of existing diesel light buses aged 10 or above at the time of de-registration; and from end-2004 to end-2005 for owners of existing diesel light buses below 10 years old at the time of de-registration.

22. As the air quality in Hong Kong was much worse than most European countries, Ms Emily LAU considered it necessary for the Administration to expedite the implementation of air quality improvement measures. She supported that the incentive scheme be introduced as soon as possible to provide the needed improvements to air quality. The Chairman said that in setting the deadlines for application for incentives, the Administration should ensure that there would be an adequate provision of LPG filling stations and a wider choice of LPG PLB models.

Tendering of new PLB routes

23. Ms Emily LAU enquired whether operators of LPG PLBs were given priority for tendering new PLB routes. DSEF advised that this was not the case. He said that in a recent tendering exercise for a new PLB route for a private housing development, the developer had suggested that environmental consideration be taken into account in assessing tenders. As a result, a scoring system was introduced whereby extra credit was given to the use of LPG PLBs. However, the extra credit was only a minor factor in the tendering of bus routes. At members' request, the Administration undertook to provide the criteria and scoring system for tendering of new PLB routes.

Way forward

24. Members were in general supportive of the principle of the incentive scheme which was aimed at improving air quality. However, there were some technical issues, such as the availability of alternative LPG PLB models, deadlines of applications for the incentives and inclusion of private school light buses, which had to be sorted out. Ms Miriam LAU remained of the view that the same incentives for owners of PLBs be similarly applied to operators of private school light buses, and that the deadlines for application for the incentives be extended. She also requested the Administration to regularly report on the progress of the scheme so that members could carefully monitor the provision of incentives. Her views were shared by Ir Dr Raymond HO. Ms Emily LAU said that she would support the early implementation of the incentive scheme and the use of more proactive measures to enable the introduction of a wider choice of LPG light buses in Hong Kong.

25. DSEF said that the proposed incentive scheme was part of the package of measures to reduce road side pollution. In the 1999 Policy Address, the Administration had pledged to reduce particulate emission by 80% and nitrogen oxide by 30% by 2005. He cautioned that the Administration would not be able to achieve the pledge if the deadlines for application for the incentives were extended as proposed by members. Mrs Selina CHOW opined that the Administration should be held responsible for any delay in environmental improvements given its bureaucratic way of handling the situation. Instead of merely informing vehicle manufacturers to apply for exemption

from statutory restrictions, the Administration should take a proactive role in fostering a better business environment conducive to fair competition. In this connection, the Administration was requested to provide an information paper on the measures which had been taken and would be taken to enable the supply of a wider choice of LPG light bus models in order to avoid possible monopolization by any vehicle manufacturer.

(Post-meeting note: The requested supplementary information was provided by the Administration and circulated vide LC Paper No. CB(1) 2194/01-02.)

26. As a consolidated views of members, Ms Miriam LAU moved the following two motions -

- (a) “That this Panel urges the Administration to include private school light buses in the proposed incentive scheme so that owners who replace their vehicles with a LPG model will be offered a one-off grant of \$60,000”; and
- (b) “That this Panel urges the Administration to extend the deadline of application for incentives as follows-
 - (i) from end-2003 to end-2005 for owners of existing diesel light buses aged 10 or above at the time of de-registration; and
 - (ii) from end-2004 to end-2006 for owners of existing diesel light buses below 10 years old at the time of de-registration.”

27. The two motions were put to a vote. The first motion was unanimously passed by all members present at the meeting. As for the second motion, it was passed by all members present except Ms Emily LAU who voted against it. The Chairman declared that both motions were carried.

(Post-meeting note: A letter on the two motions were issued to the Administration on 13 June 2002.)

III Air quality in Hong Kong

- (LC Paper No. CB(1) 1629/01-02 — An information paper entitled “Improving air quality in Pearl River Delta Region”
- LC Paper No. CB(1) 1973/01-02(05) — Information paper provided by the Administration)

28. Owing to time constraints, members agreed to defer the discussion on the subject to a special meeting to be held on Tuesday, 16 July 2002 at 10:45 am.

(Post meeting note: It was subsequently decided that the subject be included in the agenda for the regular meeting on 22 July 2002.)

IV Any other business

29. There being no other business, the meeting ended at 10:30 am.

Legislative Council Secretariat

18 July 2002