

立法會
Legislative Council

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Legislative Council
Panel on Transport

Minutes of special meeting held on
Wednesday, 23 January 2002, at 8:00 am
in the Chamber of the Legislative Council Building

- Members present** : Hon Miriam LAU Kin-ye, JP (Chairman)
Hon Abraham SHEK Lai-him, JP (Deputy Chairman)
Dr Hon David CHU Yu-lin, JP
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon CHAN Kwok-keung
Hon Andrew WONG Wang-fat, JP
Hon LAU Chin-shek, JP
Hon LAU Kong-wah
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
Hon LAU Ping-cheung
- Non-Panel members** : Hon James TIEN Pei-chun, JP
Attending Hon Eric LI Ka-cheung, JP
Hon Emily LAU Wai-hing, JP
- Members absent** : Hon Albert HO Chun-yan
Hon WONG Sing-chi

**Public officers
Attending**

: Transport Bureau

Mr Nicholas NG
Secretary for Transport

Mr Paul TANG
Deputy Secretary for Transport

Ms Shirley LAM
Principal Assistant Secretary for Transport

Highways Department

Mr Bob LLOYD
Project Manager/Major Works

Mr E J ROBLIN
Deputy Project Manager/Major Works (1)

Mr Adrian NG
Deputy Project Manager/Major Works (3)

Mr Norman MAK
Chief Engineer/Major Works

Transport Department

Mr George LAI
Deputy Commissioner for Transport
(Planning & Technical Services)

Mr Brian GROGAN
Assistant Commissioner for Transport (Planning)

Mr Tony SO
Chief Engineer/Strategic Roads

**Attendance by
Invitation**

: Individual

Mr Richard YU
Planning Consultant

Port and Maritime Board

Dr Sir Gordon WU, KCMG, FICE
Chairman

Ir Leo K K LEUNG
Assistant to Sir Gordon WU

Route 3 (CPS) Company Limited

Mr Gary K H LUK
General Manager

Mr Edwin HULL
Technical Director, Wilbur Smith Associates Limited

Ha Tsuen Rural Committee

Mr TANG Chik-kit
Vice Chairman

Tuen Mun Rural Committee

Mr CHOI Wah-tong
屯門鄉事委員會執行委員

Clerk in attendance : Mr Andy LAU
Chief Assistant Secretary (1)2

Staff in attendance : Ms Alice AU
Senior Assistant Secretary (1)5

Action

I Shenzhen Western Corridor, Deep Bay Link and Route 10

The Chairman drew members' attention to the new submissions provided by the Route 3 (CPS) Company Limited (the Route 3 Company) vide LC Paper Nos. CB(1)890/01-02(01) and (02), and CB(1)893/01-02(01). The Administration had also provided supplementary information in response to members' queries raised at the last special meeting held on 17 January 2002 vide LC Paper No. CB(1)890/01-02(03).

Presentation by the Route 3 Company

2. The Chairman advised that the Route 3 Company had requested to show members a short video showing the latest traffic conditions on Route 3 during peak periods on the previous day. Members raised no objection to the request. A short video was then shown to members.

3. Mr Edwin HULL, Technical Director, Wilbur Smith Associates Limited (WSA) said that at the time the video was taken, traffic on Route 3 and Ting Kau Bridge during peak periods was rather smooth. There was no signs of saturation. He further said that the Third Comprehensive Transport Study (CTS-3) model was not a project specific model and was therefore not appropriate for application in the Route 10 project. WSA had recently analyzed future traffic demand in the Northwest New Territories based on a specific model designed for the purpose. The analysis indicated that Route 3 would not approach its practical capacity until 2016.

4. Mr Gary K H LUK, General Manager of the Route 3 Company reiterated that based on the latest traffic forecasts prepared by the consultant, Route 3 and Tuen Mun Road would have sufficient capacity to cater for the forecast traffic demand up to 2016. As such, there was no immediate need to speed up the delivery of Route 10. It was also doubtful whether Route 10, being a tolled road, would be able to achieve traffic diversion. Instead of committing \$22 billion for Route 10 to provide even more spare capacity at this stage, the Administration should make the best use of Route 3 to provide relief to the anticipated increase in traffic flow. Mr HULL added that traffic management measures could be introduced to spread out the traffic demand on Tuen Mun Road and Route 3.

Opening remark by the Secretary for Transport

5. The Secretary for Transport (S for T) said that the Administration had all along stated that the existing local network would have sufficient capacity to cater for the cross-boundary traffic demand up to 2010/11. However, in order to have the flexibility of completing the Route 10 Northern Section between 2007/08 and 2010/11, the Administration proposed to start the detailed design of the Northern Section of Route 10 at this stage, taking into account the views expressed by the local community. Regarding the video shown by the Route 3 Company, he said that it was not appropriate to say that traffic on Route 3 would not be saturated in the next 10 years simply on the ground that there were no signs of saturation on certain days.

Government's undertakings during the tender stage of Route 3

6. Referring to the remark made by S for T that the Administration had not received any proposal from the Route 3 Company on how to promote utilization of Route 3, Mr LUK replied that the Company had been providing concessionary tolls to motorists. While the Company would accept its financial loss as business risks in investment, it should be recognized that the Government's present proposal

represented a serious breach of the mutual understanding reached between the Company and the Government when the franchise was negotiated. The then undertaking was that no other highway in competition with Route 3 would be built until the latter had achieved a sufficient capacity which would ensure "a reasonable but not excessive return" for the Company. Further, during the tender stage, the Company was informed that Route "Y" would only be built until the initial capacity of Route 3 be filled. If the low range scenario in the Project Brief for Route 3 was used as a basis for traffic projection, Route 3 would not be saturated until 2021. He therefore queried why there was a need to speed up the delivery of Route 10. On suggestion to promote utilization of Route 3, he said that there were suggestions in recent discussions from members and deputations that Government should "subsidize" certain road users of Route 3 in order to improve its utilization. However, the Government did not accept the suggestions.

7. Referring to the Project Brief for Route 3, which stated that the Government's policy was "to optimise private sector participation in the construction and operation of road infrastructure which is capable of providing a reasonable but not excessive return on investment", Mr Eric LI was concerned about the remark made by the Administration that all commercial decisions carried risks and should be borne by investors themselves. He was worried that this might discourage private sector investment, bearing in mind the hefty sum involved in the development of infrastructure in the next 10 to 15 years and the prevailing operating deficits faced by the Government.

8. S for T replied that the Government and the two railway corporations would be investing \$300 billion in transport-related infrastructure in the next 10 years. Of which, \$200 billion was related to railway development by the two railway corporations. The remaining \$100 billion was for road infrastructure which would mainly be out of public purse. Whilst the Administration did not preclude the possibility of inviting participation of the private sector through the Build-Operate-Transfer (BOT) mode, it had to consider the financial viability of individual projects before making a decision. For major infrastructural projects, it was common that an initial operating loss would be recorded. However, after seven to eight years of operation, the operators would be able to obtain a positive return. This would likely apply to the Route 3 Company. On the financial assessment of Route 3 during the tender stage in 1993, he said that the then average traffic volume forecast was around 40 000 vehicles for 2001 under the low range scenario. Under the same low range scenario, this was expected to go over 90 000 vehicles by 2011. With this traffic volume, it would be a matter for the Route 3 Company to judge whether they were making a reasonable profit or not.

9. Mr Eric LI further enquired whether bidders of Route 3 were fully informed of the Government's intent to build a parallel route west of Route 3 to cater for north-south traffic movements.

10. Mr Abraham SHEK also remarked that the investment decision of the Route 3

Company was made on the basis of the Administration's plan to build an additional north-south link east of Route 3 rather than west of Route 3. The proposed alignment and timing for Route 10 would therefore have implications on the Company. On the Secretary's remark that the average traffic volume forecast on Route 3 during the tender stage was 40 158 vehicles for 2001 under the low range scenario which was very close compared to the existing flow of over 43 000 vehicles, Mr SHEK remarked that this level of utilization was only attainable at the expense of the Company which had introduced concessionary tolls to attract motorists.

11. S for T replied that Route 10 was a strategic highway project first identified in the CTS-2 Update published in 1993 as Route "Y" which served as a new north-south road link in addition to Route 3. Route "Y" was made known to bidders of Route 3 through the Project Brief for the project. He further explained that back in 1993, the cross-boundary traffic flow was mainly concentrated in the eastern part of the territory. This explained why the conceptual alignment of Route "Y" was put on the eastern side of Route 3. The need and alignment for Route 10 was subsequently confirmed in CTS-3 completed in 1999, taking into account the latest changes in land use in Shenzhen and Hong Kong. The latest traffic forecasts also indicated a need for the Route 10 Southern Section by 2007/08 and the Northern Section in 2010/11 taking into account all relevant updated factors including the opening of West Rail and the latest development of port-related infrastructure. The plan to advance Northern Section of Route 10 to 2007 was mainly in response to local demand.

12. Mr HULL remarked that CTS-3 recommended that the function of Route 10 should be reviewed if there were changes to the development plans to exclude port development on Lantau Island.

13. In view of the divergent views put forward by the Route 3 Company and the Administration on the information contained in the Project Brief and other related documents during the tender stage of Route 3, the Clerk was instructed to prepare a comparison of views presented by the Route 3 Company and the Administration on planning and transport-related information for Route 3 (Country Park Section).

(Post-meeting note: The requested information was circulated to members vide LC Paper No. CB(1)955/01-02.)

Need for Shenzhen Western Corridor, Deep Bay Link and Route 10

14. Mr Tommy CHEUNG said that the Liberal Party was very concerned about the reliability of traffic forecasts, and the alignment and timing for Route 10. Given the divergent views over the subject matter and in order to ensure efficient use of the limited public resources, the Liberal Party did not support the proposed implementation of Route 10 at this stage. The Administration should further examine the project with reference to the logistics development in Hong Kong. It however would support the proposed implementation of Shenzhen Western Corridor/Deep Bay Link (SWC/DBL).

15. Mr Abraham SHEK said that prior to implementation of Route 10, it would be necessary to ascertain its tolling strategy and whether and how it could help achieve traffic diversion, bearing in mind the combined capacity of Tuen Mun Road and Route 3 should be able to cater for the traffic demand generated by SWC. He called on the Administration to keep a close watch on the use of public resources.

16. In view of the congestion at the existing vehicular boundary crossings, Mr LAU Kong-wah opined that SWC should have been built earlier. He therefore indicated his support for the early implementation of SWC.

17. Mr Albert CHAN queried whether it was cost-effective to spend some \$33 billion on new infrastructure to cater for the daily traffic flow of about 28 000 vehicles generated by SWC/DBL. He also asked whether the Administration had reviewed the present proposal when the Hong Kong Lantau Link of Route 10 was dropped from the original blueprint, and whether the present alignments were the best options available to address the demand generated by cross-boundary traffic, and the congestion in the Northwest New Territories.

18. Echoing the view of Mr Albert CHAN, Mr Abraham SHEK also queried the justification for spending \$22 billion on Route 10 to cater for the forecast daily traffic flow of SWC/DBL which would be 28 000 vehicles.

19. On the projected utilization of SWC, S for T remarked that at the initial opening of SWC in 2006, there would be about 28 000 vehicles a day. This would gradually be increased to 46 000 vehicles and 80 000 vehicles in 2011 and 2016. He reiterated that the existing network would not be able to cater for the anticipated demand by 2011. There was a need to put in place sufficient road infrastructure to cater for the demand. On the proposed fast-track approach for Route 10 Northern Section, he saw the need for the Administration to set out the local views for members' consideration.

20. S for T further said that Route 10 was a strategic highway. It provided a convenient alternative access for Lantau and the airport. It could meet forecast traffic demand generated by cross-boundary activities and meet anticipated demand in the Northwest New Territories.

Traffic forecasts

21. Members noted that WSA had made the following comments in respect of the traffic forecasts prepared by the Administration as set out in LC Paper No. CB(1)893/01-02(01):

- (a) The average traffic growth on Route 3 in the past three years (i.e. from 1999 to 2001) was 13% per year, not 20% as claimed by the Administration.

- (b) The average peak hourly flow through the Cross Harbour Tunnel was 4 900 passenger car units (pcus) not 4 200 pcus as claimed by the Administration. The volume capacity (v/c) ratio was 1.36 if a 1 800 pcu per hour per lane basis was used.
- (c) The low range forecast as set out in the "Invitation for Expression of Interest in Developing the Country Park Section of Route 3" (March 1993) was that 80% of Route 3 traffic would be goods vehicles whereas in reality only 28% of such traffic were goods vehicles.

22. The Deputy Commissioner for Transport/Planning and Technical Services provided the following information in response to the comments made by WSA:

- (a) The three years referred to by the Administration was 1998 to 2000.
- (b) The average peak hourly flow through the Cross Harbour Tunnel was derived from the annual traffic survey conducted by the Transport Department during morning peak periods on weekdays.
- (c) The traffic projection conducted in 1993 showed that by 2001, the fleet size of private cars and goods vehicles were 298 000 and 207 000 respectively. Whilst the actual numbers of vehicles in 2001 were roughly the same as those of the projection, the distribution was a bit different. The fleet size of private cars and goods vehicles in 2001 were 367 000 and 112 000 respectively.

23. Mr Albert CHAN expressed grave concern about the variation between the two sets of traffic forecasts prepared by the Administration and WSA. Under such circumstances, it would be difficult for members to judge the reliability of traffic forecasts.

24. S for T said that traffic projections were not an exact science and were affected by various external factors. Whilst CTS-3 provided a blueprint for the planning of transport infrastructure, the programme of individual projects was subject to further study having regard to latest traffic projections as well as other socio-economic changes. The latest traffic projections prepared by the Administration were based on the most updated assumptions and realistic scenarios.

Commissioning of consultancy

25. Miss Emily LAU was concerned about the engagement of consultants to undertake traffic studies and whether this would be a waste of public resources. She remarked that notwithstanding the fact that WSA was the consultant who undertook the CTS-Study for the Government, the Secretary had repeatedly remarked that they would not rely totally on the findings and recommendations of consultants.

26. S for T replied that whilst the engagement of consultants could render professional advice to the Administration, their recommendations would not be adopted without detailed examination, having regard to the latest development and other socio-economic changes. This was the approach presently adopted by the Administration.

Additional easterly link road

27. Noting that the Administration now proposed to include the planning of an additional more direct link between DBL and the existing road network, including Route 3, to the east in the detailed design of SWC/DBL, Mr LAU Kong-wah sought the view of the Route 3 Company on this proposal. He also asked the Company whether it had assessed the traffic conditions at Tuen Mun Road, given the Company's remark that Route 10 would not be required until 2016.

28. Mr LUK replied that whilst the Company supported the implementation of SWC, it considered that an additional road linking SWC to Route 3 via Yuen Long Highway should be provided with a view to maximizing the use of existing road resources.

29. Mr HULL remarked that the combined capacity of Route 3 and Tuen Mun Road should be able to cope with the anticipated demand until 2016. Traffic management measures could be implemented to spread out the traffic through Tuen Mun Road and Route 3.

30. Referring to the morning peak v/c ratio at Tuen Mun Road without Route 10, S for T remarked that by 2011, the v/c ratio at the Tuen Mun Town section and Sham Tseng section would be 1.08 and 1.31 respectively.

31. Members noted that the provision for the detailed design of an additional easterly link road from DBL to Yuen Long Highway was \$20 million.

Co-ordination among different bureaux

32. Mr James TIEN queried whether different bureaux within the Administration including the Economic Services Bureau and Commerce and Industry Bureau had reached a consensus view over the implementation of Route 10. With the uncertainty over the future sites for new container terminal and the lack of realistic assessments on the impact of China's accession to the World Trade Organization on cargo flow, he queried the need and timing for the proposed implementation of Route 10, bearing in mind the budget deficits faced by the Government and the resulting implication on the need to introduce new revenue proposals.

33. S for T replied that the latest traffic projections prepared by the Administration had already excluded the traffic demand generated by the container terminal development at south-east Lantau. Whilst new potential sites for container terminals

had yet to be identified, the Administration would introduce new infrastructure to meet the demand in a timely manner. He reiterated that Route 10 was a strategic route to cater for the committed developments in the territory.

34. S for T further advised that a common set of planning data would be adopted by the Administration. However, individual bureau would include specific planning parameters in their own forecasts. He also confirmed that the Transport Bureau would present a paper to the P-logistics Project Group of the Hong Kong Logistics Development Council (LOGSCOUNCIL) on 24 January 2002 covering various planned transport infrastructure items including Route 10 which had a bearing on logistics development. He also confirmed that the planned implementation of Route 10 had been discussed within the Administration and the relevant bureaux were fully informed of the programme.

35. Due to prior engagement, the Chairman left at this juncture. The Deputy Chairman took over the chair.

36. Miss Emily LAU echoed the views of Mr James TIEN. She suggested that the Panel Chairman should raise the issue at the forthcoming House Committee meeting seeking the House Committee's agreement for its Chairman to raise the Panel's concerns with the Chief Secretary (CS) and to also ask CS to confirm that the Government as a whole, including the relevant Policy Bureaux, such as the Economic Services Bureau and Commerce and Industry Bureau, and the Steering Committee on Logistics Development headed by the Financial Secretary had thoroughly considered and reached consensus on the Transport Bureau's current proposal on Route 10. Members raised no objection to Miss Emily LAU's proposal.

Cargo flow from the Mainland

37. Notwithstanding the conduct of sensitivity test, Ir Dr Raymond HO was concerned about the reliability of traffic forecasts, particularly the cargo forecasts in the Mainland and the resulting trips generated and distributed to Hong Kong, given the expansion of port facilities in the Mainland.

38. S for T said that the recent forecasts were based on the most up-to-date realistic planning parameters which had already taken into account the latest set of land use and economic planning data including updated projections and distributions of population, employment and cross-boundary traffic. It was normal for traffic studies to cover more than one scenario, i.e. high, medium and low growth scenarios. Notwithstanding the fact that traffic projections were not an exact science and were affected by various external factors, the Administration had to start the detailed design of the Northern Section of Route 10 in order to maintain the flexibility of completing the Route 10 Northern Section between 2007/08 and 2010/11.

39. S for T further said that both the authorities in the Mainland and Hong Kong had conducted separate studies to ascertain the future cross-boundary traffic demand.

The findings had been verified by both sides. For cross-boundary traffic, the forecasts adopted in the latest review were similar to those adopted in the CTS-3 Medium scenario.

Planning of the easterly link road from DBL to Yuen Long Highway

40. Mr Albert CHAN questioned whether there had been any precedent of a funding request for a road project without any prior consultation with the local community. He asked the Administration to clarify whether the inclusion of an additional easterly link road from DBL to Yuen Long Highway in the detailed design of SWC/DBL was made as a result of political negotiation. He opined that if the Administration's intent was to divert cross-boundary traffic to Route 3 via the new easterly link road, it should review the need and alignment for SWC/DBL. There might be a need to relocate the landing point for the new land boundary crossing to areas adjoining Lok Ma Chau/Huanggang to ensure cost-effectiveness.

41. On the proposed easterly link road from DBL to the Yuen Long Highway, S for T clarified that such a link was proposed in view of the suggestions for a more direct link between DBL and the existing road network to the east. The three possible alignments as set out in the paper were put forward by the Route 3 Company, Sir Gordon WU and the Yuen Long District Council. There was no question of a secret deal between the Administration and any parties.

42. Mr LAU Kong-wah also remarked that the proposed easterly link road from DBL to the Yuen Long Highway was included in a paper for discussion at the meeting on 17 January 2002. In considering whether Route 10/SWC/DBL should be supported, he would consider whether they could bring benefits to the community at large rather than interest to individual companies or parties.

43. Mr Albert CHAN maintained the view that the Administration had deviated from the standing practice. It had not provided any substantive information on the proposed road link before seeking funding approval for the detailed design of a road project after its feasibility and preliminary alignment had been established.

44. Sir Gordon WU remarked that he had previously cast doubt on the sudden upsurge of the forecast cross-boundary traffic prepared by the Administration. He also held different views from the Administration on the timing of saturation of Route 3. Regarding the proposed easterly link road from DBL to the Yuen Long Highway, he was surprised to learn that the Administration had changed its mind within a month from rejecting his proposal when it was first presented to the Panel in December 2001 to accepting it and seeking funding approval for further examination. Given that Route 10 was intended to serve the logistics sector, he requested the Administration to consider withholding the plan, pending deliberation by the LOGSCOUNCIL. Further, there was also a need to assess the financial viability of the project.

45. S for T replied that in planning transport infrastructure, it was more important

to consider the annual average weekday peak hour traffic flow than the daily flow forecast now used by the Route 3 Company. As regards cost, it was important to consider economic benefits to the community and not only cost recovery. If a tunnel built by the Government was operated in accordance with commercial principles, the toll levels would be pitched at high levels which might not be in the best interest of the community.

46. Sir Gordon WU responded that provision of infrastructure should aim at meeting the needs of end-users. Route 10, as presently designed, could not cater for the need of residents in Tuen Mun. He also reiterated that there was a need to listen to the views of the LOGSCOUNCIL, which was set up to support the "Logistics Hong Kong" initiatives. The Transport Bureau should honour the views of the LOGSCOUNCIL.

Funding proposals to the Public Works Subcommittee

47. Mr Albert CHAN and Mr SIN Chung kai considered that there was a need to ascertain the views of the LOGSCOUNCIL before the proposals were put to the Public Works Subcommittee (PWSC) for consideration. Mr CHENG Kar-foo remarked that apart from the logistics industry, there was also a need to consider the views of local District Councils as road infrastructure also served the need of people movements. He said that it was a matter for the Administration to decide whether the financial proposals should be put forward to the PWSC for consideration having regard to members' views. If the proposal was endorsed by the PWSC, the Administration could also arrange a paper setting out the views of the LOGSCOUNCIL before the item was put to the Finance Committee for approval.

48. Mr LAU Ping-cheung also considered a need to ascertain the views of the LOGSCOUNCIL before a decision was made. Given the uncertainty and in order not to delay the project, he asked the Administration to consider using a Build-and-Design approach to take forward the Route 10 project.

49. In view of the divergent views over the need and timing for Route 10, Miss Emily LAU opined that the Administration should defer the submission of the item, pending further deliberation by the Panel and the community. After all, the Administration was of the view that the existing road network would be able to cater for the projected traffic flow until 2010/11, and hence, there was no urgency to speed up the delivery of the project. Miss Emily LAU considered that it would be desirable to take into account the views of the LOGSCOUNCIL and other changing planning parameters and uncertainties such as the economic condition, the location of the container port, the effects of the West Rail, the slow growth in the vehicle fleet, etc before a decision was made on the way forward.

50. S for T reiterated that the Transport Bureau would present a paper to the P-logistics Project Group of the LOGSCOUNCIL on 24 January 2002. The Administration could report the views of the LOGSCOUNCIL at the forthcoming

PWSC meeting. In view of the congestion at the three existing vehicular boundary crossings, there was a pressing need to provide new infrastructure to cater for the demand. The Administration therefore planned to seek the funding approval from the PWSC for the detailed design of Route 10 Northern section on 30 January 2002, together with the deferred item for the detailed design of SWC/DBL. Further deferral would have major impact on the implementation programme.

51. Mr CHOI Wah-tong of Tuen Mun Rural Committee (TMRC) said that TMRC was of the view that in providing infrastructure, there was a need to ensure cost-effectiveness. Whilst there was a need to speed up the delivery of a new cross-boundary link, the Administration should consider whether Route 3 and Tuen Mun Road would have sufficient capacity to cater for the forecast demand generated before committing additional expenditure on local infrastructure.

52. Miss Emily LAU proposed to include an item "Measures to promote utilization of Route 3" in the list of outstanding items for discussion by the Panel.

II Any other business

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

Legislative Council Secretariat
23 May 2002