

Letterhead of The Chartered Institute of Logistics & Transport

January 16, 2001

Ms. Miriam Lau
Panel Chair
Legislative Council Panel on Transport
HKSAR Government

Dear Ms. Lau,

**Response to LegCo Panel on Transport's Call
for a Special Meeting on January 17, 2002 on Route 10**

This paper serves as a supplementary submission to the first response dated December 15, 2001 of our Institute's Transport Policy Committee to the LegCo Panel on Transport's December 17 meeting on the Shenzhen Western Corridor, Deep Bay Link and Route 10.

As stated in our first submission, we support the three projects conditional on the passage of high net benefit figures. In particular, we had requested that the Transport Bureau provide us with benefit and cost figures for Route 10. We now understand from the Bureau's paper "For Discussion on 11 January 2002" to the Legislative Council Panel on Transport - CB(1)729/01-02(01) - that "Route 10 will bring some 20% [economic internal rate of] return on investment per year in terms of economic benefits to the community in the form of savings in travelling time and expenses." (para. 5) We further understand from the Transport and Highways Departments that the estimated net benefit figures for Route 10 is \$120 billion over a 20 year planning horizon on the assumption that the (current) toll levels are the same for both Route 10 and Route 3 (CPS Section), an approach we consider reasonable. We therefore find that the Route 10 project sounds economically attractive.

We are made aware of the traffic figures forecasted by the Administration with and without Route 10 up to 2016 in the presentation "Route 10 - North Lantau to Yuen Long Highway" to the LegCo Panel on Transport Meeting of January 11th. We concur with the focus on peak-hour volume-capacity ratios as a guiding principle on new road construction. (The magnitude of the average daily traffic volume is already accounted for in the net economic benefit figures mentioned above.) Hence it follows that there is an imminent need to proceed with the construction of Route 10, especially for both the Southern Section and Tsing Lung Bridge. Our view is based on Route 10's effectiveness in relieving foreseeable congestion on Tuen Mun Road, Lantau Link and access to urban area and container ports. Tsing Lung Bridge will also provide a second link to Lantau Island for road system resilience in case of road closure or blockage.

With many different views on the urgency of the Northern Section of Route 10, the relatively lower peak-hour volume-capacity ratios forecasted for the northern portion of Tuen Mun Road (vis-a-vis its southern portion) offers a small window of opportunity for further discussion on the suitable timing of constructing the Northern Section of Route 10. Having said that, our Committee fully supports the Chief Executive's call to pull our economy out of recession as presented in the Policy Address of October 10, 2001 via infrastructure projects - provided they are economically beneficial. Besides, the softness of the economy at this time will mean a lower investment cost for the project.

With regard to the Tuen Mun Eastern Bypass - Chek Lap Kok Link, we believe that it should be included in Hong Kong's long term strategic road development plan. However, this link does not appear to serve as an effective alternative for Route 10 in the medium term because of: i) the divergent views on costs, ii) the lack of environmental impact assessment, and iii) the fact that the location of the future container port has yet to be determined.

Sincerely,

Timothy Hau, Ph.D.
Chair, Transport Policy Committee
The Chartered Institute of Logistics and Transport in Hong Kong