For Information on 14 January 2003

Legislative Council Panel on Transport Briefing on Transport-Related Initiatives in Policy Address 2003

INTRODUCTION

At Members' request, this paper outlines the transport-related initiatives proposed in the Policy Address 2003.

NEW INITIATIVES

A bridge linking Hong Kong (Lantau Island), Macau and Zhuhai

- 2. A bridge linking Hong Kong to Macau and the western part of the Pearl River Delta will be of strategic importance to the development of the whole region. It will strengthen the economic ties and synergy within the region and facilitate the best utilization of the resources in the Pearl River West hinterland.
- 3. In the Third Mainland/HKSAR Conference on the Coordination of Major Infrastructure Projects, the HKSAR and the Mainland authority reached a consensus to jointly study the transport linkage between Hong Kong and Pearl River west, including traffic forecasts, alignments and economic benefits. The joint study commenced in early January and is expected to complete within six months.

A new bridge to connect Lok Ma Chau and Huanggang

4. Lok Ma Chau/Huanggang is the major crossing for cross-boundary freight traffic. Due to the rapid growth in cross-boundary vehicle traffic, the handling capacity of the existing Lok Ma Chau/Huanggang Bridge will reach its maximum capacity in the coming one to two years. We have already reached consensus with the Guangdong and Shenzhen authorities to build a new bridge for cross-boundary vehicles. The agreed initial concept is to construct a new cross boundary bridge to the east of the existing one in order to eliminate the bottleneck, segregate freight and passenger vehicles as well as to increase the capacity.

A new express railway linking Hong Kong, Shenzhen and Guangzhou

- 5. In the 2001 Policy Address, the Chief Executive made public the Government's wish to have an express rail link between Hong Kong, Shenzhen, and Guangzhou to reduce the commuting time between Hong Kong and Guangzhou to within one hour. The link will also become a convenient corridor between the transport hubs of the two areas, connecting Hong Kong with the national express railway and the Pearl River Delta rapid transit system which is under planning.
- 6. We set up a Joint Expert Group with the Mainland authorities in early 2002 to study the function, alignment, technology, demand and economic benefits of the Hong Kong-Shenzhen-Guangzhou Express Rail Link. We wish to complete the preliminary joint study within a few months.

Merging of the MTRCL and the KCRC

7. The Government announced its plan in end June 2002 to commence the MTRCL/KCRC merger study. The Financial Services and Treasury Bureau and our bureau have been conducting this study cautiously in the past few months. The Government will consider in detail the impact of the merger on the public, the future development of the railway, the management and staff of the two corporations, minor shareholders of MTRCL and other stakeholders, and Government policy. We strive to complete the study and announce the decision early this year.

Review the operating environment of public transport and develop a more rational process for fare adjustment

- 8. The Government commenced a study on the procedure for adjusting public transport fares several months ago. It explores the need for and the way to establish a public transport fares adjustment mechanism which is consistent with the Government's principle of no intervention into the commercial operation of public transport providers, and which can minimise dispute when adjusting fares in future. The mechanism should take into consideration the relevant factors including affordability of the public, the economic condition, the operating situation of the transport operators. It should allow transport fares to go up or down in light of the relevant factors.
- 9. The study is near completion. We will discuss with the Legislative Council Transport Panel after the findings have been compiled.

ONGOING INITIATIVES

Railway development and Shenzhen Western Corridor

10. The Kowloon Southern Link (KSL), Shatin to Central Link (SCL), and Island Line Extensions (ILE) are all priority projects in the Railway Devleopment Strategy 2000 (RDS-2). RDS-2 indicates their completion window to be 2008-2013.

Kowloon Southern Link (KSL)

11. We invited KCRC to proceed with the detailed planning and design of the KSL on 24 September 2002. We wish to gazette the railway scheme in the third quarter of 2003 and expect this project to be completed in end 2008/ early 2009.

Shatin to Central Link (SCL)

12. After a comprehensive assessment of the proposals on the SCL submitted by the two railway corporations in mid 2001, we awarded the project to KCRC on 25 June 2002. KCRC is currently reviewing the alignment and location of stations of the SCL in light of the public's suggestion and other changes. We plan to confirm the railway scheme in early 2003 to facilitate detailed planning and design. The tentative completion date for the SCL is end 2008/ early 2009.

Island Line Extensions (ILE) and South Island Line (SIL)

13. We are assessing the project proposal and the revised financial proposal submitted by MTRCL for the ILE. We are also conducting a review on Route 7 vis-avis the SIL. The study now reaches the final stage and we will make the announcement once the result is ready.

Shenzhen Western Corridor (SWC)/ Deep Bay Link (DBL)

14. SWC has significant economic implications for both Shenzhen and Hong Kong. Both governments have promised to strive to complete the SWC by end 2005. We will seek funding approval from the Public Works Subcommittee of Legislative Council to upgrade the SWC and DBL to category A and commence construction in the middle of this year and will strive to complete the project by 2005.

Environmental measures relating to franchised bus operation

- 15. The Government has been encouraging bus companies to deploy more environmentally friendly vehicles. Most buses are now equipped with environmentally friendly engines which are up to the Euro emission standard. All pre-Euro buses are retrofitted with diesel catalysts. Moreover, we have discussed with franchised bus companies to deploy buses which are more environmental friendly to serve the busy corridors. From January 2002 onwards, franchised bus companies have deployed Euro-II or above buses to run on the busy Jardine Street in Causeway Bay.
- 16. We will continue to implement measures to make our buses more environmentally friendly:
 - We have inserted a new provision into the new franchise granted to Citybus Ltd (Northern Lantau and Airport routes), Long Win Company Limited and New World First Bus Ltd late last year, which requires the companies to adopt the latest commercially available and proven environmental protection technology in setting specifications for acquiring

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new buses. It is our plan to insert similar provisions to new

franchises to be granted in future.

• We will discuss with franchised bus operators to deploy

more environmentally friendly buses to run on other busy

corridors, such as Hennessy Road, Queensway, Des Voeux

Road Central, and Nathan Road, as far as practicable.

• When selecting operators for new bus routes in future, we

will give more consideration to whether the companies have

actively adopted environmental protection measures such as

using latest environment protection technology and actively

adopting appropriate measures to reduce the amount of bus

emission.

MEMBERS' ADVICE

17. Members are requested to note the content of this paper.

Environment, Transport and Works Bureau

13 January 2003