

# 立法會

## *Legislative Council*

LC Paper No. CB(1)2389/06-07  
(These minutes have been seen  
by the Administration)

Ref: CB1/BC/3/05

### **Bills Committee on Rail Merger Bill**

#### **Minutes of thirty-third meeting on Thursday, 17 May 2007, at 8:30 am in Conference Room A of the Legislative Council Building**

- Members present** :
- Hon Miriam LAU Kin-ye, GBS, JP (Chairman)
  - Hon TAM Yiu-chung, GBS, JP (Deputy Chairman)
  - Hon Albert HO Chun-yan
  - Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
  - Hon LEE Cheuk-yan
  - Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
  - Hon CHAN Kam-lam, SBS, JP
  - Hon LEUNG Yiu-chung
  - Hon LAU Kong-wah, JP
  - Hon Emily LAU Wai-hing, JP
  - Hon Andrew CHENG Kar-foo
  - Hon Abraham SHEK Lai-him, JP
  - Hon LI Fung-ying, BBS, JP
  - Hon Tommy CHEUNG Yu-yan, JP
  - Hon Albert CHAN Wai-yip
  - Hon WONG Kwok-hing, MH
  - Hon LEE Wing-tat
  - Hon Jeffrey LAM Kin-fung, SBS, JP
  - Dr Hon Fernando CHEUNG Chiu-hung
  - Hon CHEUNG Hok-ming, SBS, JP
  - Hon Ronny TONG Ka-wah, SC
  - Hon CHIM Pui-chung
  - Prof Hon Patrick LAU Sau-shing, SBS, JP
  - Hon KWONG Chi-kin
  - Hon TAM Heung-man
- Members absent** :
- Dr Hon LUI Ming-wah, SBS, JP
  - Hon SIN Chung-kai, JP
  - Hon LI Kwok-ying, MH, JP
  - Hon LEUNG Kwok-hung

- Public Officers attending** :
- Dr Sarah LIAO  
Secretary for the Environment, Transport and Works
  - Mr Joshua LAW  
Permanent Secretary for the Environment, Transport and Works
  - Mr Patrick HO  
Deputy Secretary for the Environment, Transport and Works
  - Miss Ida LEE  
Principal Assistant Secretary for the Environment, Transport and Works
  - Mr Henry CHAN  
Principal Assistant Secretary for the Environment, Transport and Works
  - Mr Andrew TSANG  
Assistant Secretary for Financial Services and the Treasury
  - Mr Michael LAM Siu-chung  
Senior Assistant Law Draftsman  
Department of Justice
  - Miss Clara LEUNG  
Government Counsel  
Department of Justice
- Attendance by invitation** :
- MTR Corporation
  - Mr Leonard TURK  
Legal Director & Secretary
  - Mr Wilfred LAU  
Head of Operations
  - Mr Eddie SO  
Senior Transport Planning Manger
  - Ms Maggie SO  
External Affairs & Government Relations Manager

Kowloon-Canton Railway Corporation

Mr Michael KWAN  
Train Operations Manager

Ms Ida LEUNG  
Senior Public Affairs Manager

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

**Staff in attendance** : Ms Connie FUNG  
Assistant Legal Adviser 3

Ms Sarah YUEN  
Senior Council Secretary (1)6

Miss LAM Yuen-kwan  
Clerical Assistant (1)1

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- I Meeting with the Administration/the two railway corporations**  
(LC Paper No. CB(1)1628/06-07(01) - The Administration's response to issues raised at previous meetings (Fifth batch))

The Bills Committee deliberated (index of proceedings attached at **Annex**).

The latest developments

2. The Secretary for the Environment, Transport and Works (SETW) made a speech on the progress made in following up members' requests raised at previous meetings of the Bills Committee. In so doing, she highlighted the following major developments –

- (a) MTR Corporation Limited (MTRCL) offered to extend the effective period of its commitment not to increase fares from April 2008 to June 2009 on the basis that the rail merger would be implemented (the Extension);
- (b) The degree of flexibility granted to the post-merger corporation (MergeCo) to adjust individual fares by not more than  $\pm 10$  percentage points would be revised to  $\pm 5$  percentage points from the overall fare adjustment rate (the Revision); and

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- (c) Government would continue to pursue the Shatin to Central Link (SCL), which would include a rail link across the harbour. The Administration would finalize the SCL scheme including implementation timetable in six months' time after completion of the legislative process for the rail merger.

3. Commenting on the above reported developments in general, Mr Ronny TONG, Mr Albert HO, Ms Emily LAU, Dr Fernando CHEUNG and Mr Albert CHAN expressed concern about the different manner in which the Administration lobbied different political parties on the rail merger, and that the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) was given preferential treatment, as a result of which DAB had been able to disclose to the press earlier the latest developments. In response, SETW clarified that it had all along been her plan to report on the developments herself at this meeting and she maintained regular dialogue with different political parties. It would be a matter for the parties concerned to explain the basis of their statements made to the press.

4. As to individual developments reported above, Mr Andrew CHENG, Mr LEE Cheuk-yan and Miss TAM Heung-man were not entirely happy with the Extension having regard that railway fares should have long been reduced during the past deflationary period. Mr CHENG, Mr WONG Kwok-hing and Mr LEUNG Yiu-chung also took the view that the Revision was not enough, and that MergeCo should monitor the situation to ensure that long-haul passengers in Tin Shui Wai, Tuen Mun, Yuen Long and Tung Chung would not be adversely affected as a result of applying the flexibility to adjust individual fares within the permitted range.

Members' stances regarding the rail merger

5. Miss TAM Heung-man said that the Civic Party remained concerned about the pricing and valuation of the property package, the provision of concessionary fares to people with disabilities (PwDs), improvements to station facilities for PwDs, provision of public toilets at railway stations, setting up of fare stabilization fund, etc.

6. Mrs Selina CHOW stated that the Liberal Party was glad to note the Administration's positive response to some of the requests of members, which would enable the rail merger to proceed further to benefit the public. She however pointed out that residents of North-west New Territories did not support the rail merger because they would not be able to benefit from any fare reduction. She also highlighted the transport problems they faced, and called upon the Administration and MergeCo to review the role of Light Rail (LR) in the overall public transport services market, and make necessary improvements so as to cater for the transport needs of residents in the area at affordable prices.

7. Mr Andrew CHENG pointed out that to secure support of the Democratic Party for the rail merger, the Administration had to undertake to positively follow up the issues of fare stabilization fund, the provision of public toilets, the need to reduce LR fares, radio reception on board MTR trains, concessionary fares for PwDs and monthly ticket schemes, etc.

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8. Individual members also stressed the need for the provision of public toilets, fare reduction for LR and Lo Wu services, fare concessions for PwDs, setting up of a fare stabilization fund, and an undertaking to retain all existing fare concessionary schemes including monthly tickets.

The way forward

9. In consideration of the latest progress of the Bills Committee's work, with the exception of Mr Albert CHAN, members present at the meeting agreed that the Bills Committee should report to the House Committee at its meeting on 25 May 2007, recommending the resumption of the Second Reading debate on the Bill on 6 June 2007. Members also agreed that the meetings originally scheduled for Saturday, 19 May 2007, from 9:00 am to 1:00 pm, and from 2:00 pm to 6:00 pm should be cancelled, and that the meetings on Monday, 21 May 2007, from 8:30 am to 10:30 am, and from 5:30 pm to 7:30 pm should be for individual members to brief the Bills Committee on any Committee Stage amendments (CSAs) to the Bill to be moved by them.

10. In this regard, Mr Albert CHAN indicated intention to move CSAs to section 54 of the Mass Transit Railway Ordinance (Cap. 556) to remove the exemption currently given to MTRCL from the application of certain laws, in particular the Public Health and Municipal Services Ordinance (Cap. 132) and the Buildings Ordinance (Cap. 123).

**II Any other business**

11. There being no other business, the meeting ended at 10:35 am.

Council Business Division 1  
Legislative Council Secretariat  
2 October 2007

**Proceedings of the thirty-third meeting of  
the Bills Committee on Rail Merger Bill  
on Thursday, 17 May 2007, at 8:30 am  
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
<b>Agenda Item I – Meeting with the Administration/the two railway corporations</b>			
000000 – 000220	Chairman	- Opening remarks	
000221 – 000606	Administration	- Speech by the Secretary for the Environment, Transport and Works	
000607 – 000825	Administration	- Briefing by the Administration on its response to issues raised at previous meetings (Fifth batch)) (LC Paper No. CB(1)1628/06-07(01))	
000826 – 001739	Mr Andrew CHENG Administration	- Discussion on i) the revision of the degree of flexibility granted to the post-merger corporation (MergeCo) to adjust individual fares by not more than $\pm 10$ percentage points to $\pm 5$ percentage points from the overall fare adjustment rate (the Revision) ii) extension of the end date of the effective period of MTR Corporation Limited (MTRCL)'s commitment not to increase fares from April 2008 to June 2009 (the Extension) iii) the need for setting up a fare stabilization fund	
001740 – 001955	Mr WONG Kwok-hing Administration	- Discussion on the Revision, and the need to introduce suitable improvement measures to enhance the Light Rail (LR) services and to include the LR services in the fare reduction package to meet the transport needs of residents in North-west New Territories (NT)	
001956 – 002506	Mr Ronny TONG Administration	- Discussion on how different political parties were lobbied on the rail merger (the lobbying process)  - Discussion on the efforts made by the Administration to ensure the provision of concessionary fares to people with disabilities (PwDs)	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
002507 – 003035	Mr LEE Wing-tat Administration	<ul style="list-style-type: none"> <li>- Enquiry and explanation of how the effective period of MTRCL's commitment not to increase fares would be counted</li> <li>- Discussion on the need for setting up a fare stabilization fund</li> </ul>	
003036 – 003724	Chairman Mr LEE Cheuk-yan Administration	<ul style="list-style-type: none"> <li>- Discussion on               <ul style="list-style-type: none"> <li>i) the fare reduction package, in particular the exclusion of LR services from it, and the Extension</li> <li>ii) the existing and future fare adjustment mechanism</li> <li>iii) the possible gradual cancellation of promotional and concessionary fares for passengers after the rail merger</li> </ul> </li> </ul>	
003725 – 004336	Miss TAM Heung-man Administration	<ul style="list-style-type: none"> <li>- Statement of the Civic Party's stance regarding the rail merger and the Administration's response thereto</li> </ul>	
004337 – 004851	Mr LAU Kong-wah Administration	<ul style="list-style-type: none"> <li>- Discussion on the Extension, the Revision and the Shatin to Central Link (SCL)</li> </ul>	
004852 – 005416	Mrs Selina CHOW Administration	<ul style="list-style-type: none"> <li>- Statement of the Liberal Party's stance regarding the rail merger</li> <li>- Discussion on the need to review the role of LR in the overall public transport services market, and make necessary improvements so as to cater for the transport needs of residents in North-west NT at affordable prices</li> </ul>	
005417 – 005923	Chairman Mr Albert HO	<ul style="list-style-type: none"> <li>- Comments on the lobbying process, the Extension, the Revision, the benefits of the rail merger, and the exclusion of LR services from the fare reduction package</li> </ul>	
005924 – 010452	Mr LEUNG Yiu-chung Administration	<ul style="list-style-type: none"> <li>- Discussion on the fare adjustment mechanism and provision of concessionary fares to PwDs</li> </ul>	
010453 – 011011	Chairman Ms LI Fung-ying Administration	<ul style="list-style-type: none"> <li>- Discussion on the exclusion of the Lo Wu and LR services from the fare reduction package, and how the various concerns raised by members of the Bills Committee (BC) would be followed up after the rail merger</li> </ul>	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
011012 - 011535	Ms Emily LAU Administration	- Discussion on the lobbying process, how to meet the transport needs of residents in North-west NT, and how the various concerns raised by BC members, in particular the provision of concessionary fares to PwDs and the provision of public toilets at railway stations, would be followed up after the rail merger	
011536 - 012104	Chairman Dr Fernando CHEUNG	- Discussion on the lobbying process, the provision of concessionary fares to PwDs, the pricing and valuation of the property package, and fare concessions for residents of remote districts	
012105 - 012557	Mr CHEUNG Hok-ming Administration	- Discussion on the continuation of existing fare concessionary schemes, and improvements to LR services in terms of fare level and facilities	
012558 - 013139	Chairman Mr Albert CHAN Mr WONG Kwok-hing Administration	- Discussion on the lobbying process, and the need to meet the transport needs of residents in North-west NT  - Mr Albert CHAN's query of the benefits of the rail merger, indication of opposition to it and intention to move Committee Stage amendments to section 54 of the Mass Transit Railway Ordinance (Cap. 556) to remove the exemption currently given to MTRCL from the application of certain laws (the Exemption)	
013140 - 013444	Mr Jeffrey LAM Administration	- Discussion on the exclusion of the Lo Wu and Lok Ma Chau Spur Line services from the fare reduction package	
013445 - 013714	Chairman Prof Patrick LAU Administration	- Discussion on the Exemption	
013715 - 014105	Mr Andrew CHENG Administration	- Statement of the Democratic Party's stance regarding the rail merger and the Administration's response thereto	
014106 - 014436	Chairman Mr WONG Kwok-hing Mr Albert CHAN Administration	- Discussion on the lobbying process, the need to reduce the fares and continue the existing fare concessionary schemes for LR, and provision of concessionary fares to PwDs	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
014437 – 014739	Chairman Mr Ronny TONG Administration	- Discussion on the provision of concessionary fares to PwDs	
014740 – 015206	Chairman Mr LEE Wing-tat Administration	- Discussion on the exclusion of LR services from the fare reduction package and on the SCL	
015207 – 015653	Miss TAM Heung-man Administration	- Discussion on the pricing and valuation of the property package, and the relocation of the SCL depot to Diamond Hill	
015654 – 015836	Chairman Mr LEE Cheuk-yan Administration	- Discussion on the exclusion of LR services from the fare reduction package, and the continuation of the existing fare concessionary schemes for LR	
015837 – 020042	Mrs Selina CHOW Administration	- Discussion on the need to review the role of LR in the overall public transport services market, and make necessary improvements so as to cater for the transport needs of residents in North-west NT at affordable prices, in particular continuation of the existing fare concessionary schemes for LR	
<b>Agenda Item II – Any other business</b>			
020043 – 020454	Chairman Mr Ronny TONG Mr LAU Kong-wah Mr Albert CHAN	- Meeting arrangements  - The way forward	