

Bills Committee on Rail Merger Bill**Administration's Response to the Follow-up to Bills Committee Meetings on Clause-by-Clause Examination of the Bill**

Issue	Response
Group C – Transfer certain obligations of KCRC to MergeCo and amendments the function of KCRC	
(i) Clause 22	
(1) The Administration to consider amending the Chinese term “將它對它” in paragraph (b) of clause 22 to improve the Chinese text of amendment to the long title of the Kowloon-Canton Railway Corporation Ordinance (KCRCO).	<ul style="list-style-type: none"> We have informed members at the meeting on 15 May 2007 that we will propose a committee stage amendment (CSA) to the Rail Merger Bill (the Bill) to replace “將它對它的” by “將該公司對它的” to improve the Chinese text of the Bill.
(ii) Clause 25	
(2) The Administration to consider whether the word “construction” in the proposed section 4(9) is clear enough to reflect its policy intention.	<ul style="list-style-type: none"> We have informed members at the meeting on 15 May 2007 that after internal review, we are satisfied that there is no need to amend the proposed section 4(9).
(iii) Clause 28	
(3) The Administration to consider suspending the existing section 38 of the KCRCO during the Concession Period because the Kowloon-Canton Railway Corporation (KCRC) will	<ul style="list-style-type: none"> We agree that this section should be suspended during the Concession Period. We will move a CSA to the Bill.

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cease to operate the railways during that period.	
Group D – Vesting	
(iv) Clause 19	
(4) The Administration to consider amending the term “desirable” in section 52L(1).	<ul style="list-style-type: none"> We have informed members at the meeting on 15 May 2007 that we will propose a CSA to replace “desirable” by “reasonable” in the English text and replace “合宜” by “合理” in the Chinese text of the Bill.
Others	
(5) The Administration to advise whether there are any provisions in the Bill other than the proposed section 12A which would require MergeCo to perform a statutory duty as far as is “reasonably practicable”.	<ul style="list-style-type: none"> The Bill does not contain any other similar provision.
(6) The Administration to explain the meaning of “substantial breakdown of the service”.	<ul style="list-style-type: none"> This reference is contained in an existing provision in the Mass Transit Railway Ordinance (MTRO). Since section 16 of the Mass Transit Railway Ordinance sets out the conditions which could lead to a serious consequence of franchise revocation, it is appropriate to qualify that the service breakdown must be “substantial” before triggering the procedures for franchise revocation. Whether or not service breakdown is “substantial” is to be decided according to the fact of each case.

