

財經事務及庫務局局長

香港雪廠街
中區政府合署



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25 October 2006

The Honourable Audrey EU Yuet-mee, SC, JP
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Audrey,

Panel on Environmental Affairs

Follow-up to meeting on 23 October 2006

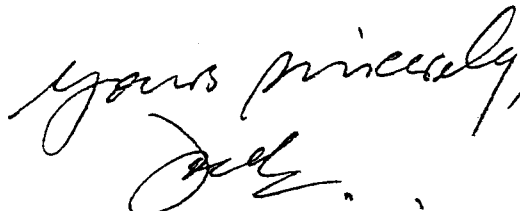
Thank you for your letter of 24 October 2006.

I would like to inform the Panel on Environmental Affairs that the 36 units of vehicle model Volkswagen Phaeton 3.2L (*not* the 4.2L and 6.0L models referred to in some media reports) recently purchased by the Government, **fully comply with the emission and fuel efficiency standards** proposed by the Environmental Protection Department (EPD) for the First Registration Tax concession proposed in the Chief Executive's Policy Address this year.

As part of the Administration's annual replacement programme for the government fleet (with provision of funding under Head 59 Government Logistics Department Subhead 691 General Purpose Vehicles (Block Vote), which is approved by the Finance Committee (FC) each year in the context of the annual Estimates exercise), the relevant tendering exercise for the purchase of some units of Large

Saloon Car(Grade A) actually commenced this April, well *before* EPD finalized its recommendations on the environmental standards for the proposed First Registration Tax concession for private cars. At the time we conducted this tendering exercise, we made reference to the prevailing (and in fact also the current) environmental standard, i.e. Euro IV emission standard, and the Volkswagen Phaeton 3.2L meets that standard. Moreover, the test data supplied to the Government earlier on by Volkswagen was gathered in a test dated back to 2003. Based on the test data submitted by the vehicle supplier on 24 October 2006 which reflected the enhanced emission performance of the latest model of Volkswagen Phaeton 3.2L, EPD has now confirmed that Volkswagen Phaeton 3.2L complies fully with all the proposed emission and fuel efficiency standards.

As the Administration fully briefed the Panel at the meeting on 20 October, the relevant environmental standards are still subject to consultation with the trade and the LegCo. When the relevant environmental standards have been finalised after consultation, the Government would follow and give priority to vehicles meeting these finalized standards when procuring replacement vehicles in the government fleet, taking into account any operational and resources considerations.



(Frederick S. Ma)

Secretary for Financial Services and the Treasury

c.c. Clerk to Panel (Attn.: Miss Becky YU)
SETW
DEP
DGL