File Ref. : THB(T) CR 1/981/00

LEGISLATIVE COUNCIL BRIEF

Tsing Sha Control Area Ordinance (Chapter 594)

TSING SHA CONTROL AREA (TOLLS, FEES AND CHARGES) REGULATION

INTRODUCTION

At the meeting of the Executive Council on 11 December 2007, the Council ADVISED and the Chief Executive ORDERED that the Tsing Sha Control Area (Tolls, Fees and Charges) Regulation (the Regulation), at **Annex A**, should be introduced into the Legislative Council (LegCo).

JUSTIFICATIONS

Background

2. Route 8 is a strategic road linking Sha Tin and North Lantau. The section linking Tsing Yi and North Lantau came into operation in 1997. The remaining section of Route 8 between Tsing Yi and Sha Tin is under construction. This section is about 15 km in length, and comprises three road tunnels (Sha Tin Heights Tunnel, Eagle's Nest Tunnel and Nam Wan Tunnel), a cable-stayed bridge across the Rambler Channel (Stonecutters Bridge), four viaducts (Lai Chi Kok Viaduct, Ngong Shuen Chau Viaduct, Nam Wan East Viaduct and Nam Wan West Viaduct), as well as several interchanges and slip roads. The alignment of Route 8 between Tsing Yi and Sha Tin is at **Annex B**.

3. The section between Sha Tin and Cheung Sha Wan is scheduled to open in March 2008, followed by the Nam Wan Tunnel and viaducts at Tsing Yi in late 2008 and the Stonecutters Bridge in mid-2009.

4. For effective and efficient traffic control and incident management, the section of Route 8 between Tsing Yi and Sha Tin will form one single

control area – Tsing Sha Control Area (TSCA). The management, operation and maintenance of the TSCA will be outsourced to an operator through open tender. This is similar to the arrangement for the Tsing Ma Control Area (TMCA). The ownership of the TSCA will remain with the Government as in the case of the TMCA.

5. On 20 March 2007, the Executive Council advised and the Chief Executive ordered that the TSCA Bill should be introduced into the LegCo. The TSCA Bill was passed by the LegCo on 27 June 2007 and the Tsing Sha Control Area Ordinance (the Ordinance) was published in the Gazette on 6 July 2007. The Ordinance stipulates that the Chief Executive in Council may, by regulation, prescribe and provide for the payment of tolls for the use of the TSCA as well as other fees and charges. These will be covered in the Regulation. The Regulation is subject to negative vetting by the LegCo.

Proposed Toll Regime

6. Our plan is that the section of the TSCA between Cheung Sha Wan and Tsing Yi will not be tolled as vehicles can leave the TSCA through the slip roads at West Kowloon, and its major alternative routes are toll free. However, the section between Sha Tin and Cheung Sha Wan will be tolled. This is in line with the current practice at other major alternative routes, i.e. Lion Rock Tunnel (LRT), Tate's Cairn Tunnel (TCT) and Shing Mun Tunnels (SMT). Similar to other Government toll tunnels, a two-way toll collection arrangement will be adopted at the tolled section of the TSCA. Taxi passengers using the tolled section of the TSCA will need to pay an additional fare at a value equal to the proposed toll level for taxis. This is also consistent with existing practice.

7. Our proposal is to set a toll of \$12 for private cars/taxis with corresponding levels for other types of vehicles. The proposed tolls for major vehicle classes are set out below : -

Vehicle Class	Proposed Toll
Private Car and Taxi	\$12
Motorcycle	\$10
Light Bus	\$18
Single-decked Bus	\$24
Double-decked Bus	\$30
Light Goods Vehicle	\$12
Medium Goods Vehicle	\$18
Heavy Goods Vehicle	\$24

Key Factors

8. We have taken into consideration a number of key factors in drawing up the proposed toll levels for the TSCA. Details are set out in the following paragraphs.

(a) The User-pays Principle

9. It is the Government's established policy that charges of Government utilities should in general be set at a level sufficient to recover the full cost for the provision of services, including the cost of the capital employed. At present, the Government's cost of capital for tolled roads including TSCA is 8.4%, which is expressed as a return on Average Net Fixed Assets (ANFA), the latter being adopted as the capital incurred by Government. As only the section between Sha Tin and Cheung Sha Wan is proposed to be tolled, we have adopted the capital cost of this section, estimated at \$5.8 billion, rather than the estimated project cost of \$17.9 billion of the entire TSCA, in determining the capital base. On this basis, we estimate that under the proposed toll regime with assumed toll revisions in line with inflation every five years, the average return on ANFA will be -1.5% in the first 10 years after its commissioning, reaching -0.2% for the first 20 years, and will meet the target in 56 years' time. The payback period is estimated to be 34 years.

(b) Strategic Location and Tolls of Alternative Routes

10. In determining the proposed toll levels, we have taken into account the convenience that the TSCA will bring to motorists in view of its strategic location in respect of the container terminals and the Hong Kong International Airport. For example, we estimate that motorists travelling from Sha Tin to Tsim Sha Tsui via the TSCA will save some 15 minutes as compared with the LRT. There will also be fuel cost savings of some \$6 for the same trip. Apart from toll levels, motorists will also take into account time and fuel cost savings when deciding on their preferred routes.

11. We have also made reference to the tolls of alternative routes. We propose to adopt the differential toll regime of the TCT, instead of the flat toll regime adopted by the LRT and SMT. The differential regime will reflect the degree of road space taken up, plus wear and tear caused, by different types of vehicles.

(c) Public Acceptability and Affordability

12. The toll levels of the TSCA are generally on a par with TCT and therefore should be affordable and acceptable to the public.

(d) Estimated Traffic Flow

13. Under the proposed toll regime, we estimate that the daily traffic flow at the section between Sha Tin and Cheung Sha Wan of the TSCA will be around 21,000 vehicles upon its commissioning in 2007-08, and will gradually increase to around 40,000 vehicles in 2016-17. The estimated traffic flow is considered acceptable. There will also be diversion effect to ease the traffic of the alternative routes, including the LRT, TCT, SMT and Tai Po Road. The volume/capacity ratio of these alternative routes under the current situation and upon commissioning of TSCA are set out below : -

	Current	Upon TSCA Commissioning
LRT	1.3	1.1
ТСТ	1.2	1.0
SMT	1.0	0.8
Tai Po Road	0.9	0.8

Proposed Fees and Charges

14. Similar to the arrangements for the TMCA and other Government tunnels, fees and charges will be imposed in respect of the TSCA. Following Government's established principle of setting fees and charges on a full cost recovery basis, the proposed levels of fees and charges for the TSCA, which are generally comparable to the existing levels of fees and charges for the TMCA, are set out below : -

	Proposed Level
Surcharge for failure to pay a toll or any part of a toll	\$155
Fee for escort of any vehicle (for each 30 minutes or part thereof)	\$290
Administration fee for change given in respect of a toll paid in excess	\$80
Fee for issue of permit	\$115

Fee for removal of a motorcycle, motor tricycle, private car, electrically powered passenger vehicle, taxi, public light bus, private light bus	\$280
Fee for removal of a light goods vehicle, special purpose vehicle of a permitted gross vehicle weight not exceeding 5.5 tonnes, public single-decked bus, private single-decked bus	\$600
Fee for removal of a medium or heavy goods vehicle, special purpose vehicle of a permitted gross vehicle weight exceeding 5.5 tonnes, public double-decked bus, private double-decked bus	\$660
Charge for impounding a vehicle	\$150
Charge for storage of a vehicle after the second day (per day)	\$95

THE REGULATION

15. The main provisions of the Regulation prescribe and provide for the following –

- (*a*) the tolls for the use of the toll area in the TSCA;
- (b) the surcharge for the failure to pay a toll or any part of a toll;
- (c) the fee for escorting a vehicle in the TSCA;
- (*d*) the administration fee for change given in respect of a toll paid in excess;
- (e) the fee for issuing a permit under section 20(2) of the Tsing Sha Control Area (General) Regulation; and
- (f) the charges for the removal, impounding and storage of vehicles under section 22 or 23 of the Ordinance.

LEGISLATIVE TIMETABLE

16.	The legislative timetable f	for the Regulation will be –

Publication in the Gazette 21 December 2007

Tabling at the LegCo9 January 2008

COMMENCEMENT

17. The Regulation shall come into operation on a date to be appointed by the Secretary for Transport and Housing by notice published in the Gazette.

IMPLICATIONS OF THE PROPOSAL

18. The Regulation has no productivity, economic, environmental or sustainability implications.

Basic Law Implications

19. The Regulation is in conformity with the Basic Law, including the provisions concerning human rights.

Binding Effect of the Legislation

20. The Regulation does not affect the binding effect of the Ordinance.

Financial and Civil Service Implications

21. The total annual recurrent cost for the management, operation and maintenance of the entire TSCA is estimated to be \$257 million, of which around \$132 million is for the proposed tolled section. Recurrent funding has been earmarked by the Centre for this purpose. Additional manpower requirements for monitoring the operation of the TSCA will be met from within the existing resources of the departments concerned.

22. Upon commissioning of the tolled section, the estimated revenue from toll and other fees and charges will be around \$121 million and \$1.4 million respectively in 2008/09.

PUBLIC CONSULTATION

23. The Transport Advisory Committee generally agreed to the principles and considerations adopted by the Administration in setting the proposed tolls, fees and charges at its meeting on 6 July 2007.

24. We briefed the LegCo Panel on Transport on the proposed tolls, fees and charges on 9 July 2007. Members did not raise objection to our proposal.

PUBLICITY

25. We will issue a press release on 19 December 2007. A spokesman will be available to answer media enquiries.

ENQURIES

26. Any enquiries concerning this brief can be directed to Miss Rosanna Law, Principal Assistant Secretary for Transport and Housing, at 2189 2182.

Transport and Housing Bureau 19 December 2007

Annex A

TSING SHA CONTROL AREA (TOLLS, FEES AND CHARGES) REGULATION

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TSING SHA CONTROL AREA (TOLLS, FEES AND CHARGES) REGULATION

(Made by the Chief Executive in Council under section 26(1) of the Tsing Sha Control Area Ordinance (16 of 2007))

1. Commencement

This Regulation shall come into operation on a day to be appointed by the Secretary for Transport and Housing by notice published in the Gazette.

2. Interpretation

In this Regulation, unless the context otherwise requires -

"articulated vehicle" (掛接車輛) has the meaning assigned to it by regulation 2 of the Road Traffic (Construction and Maintenance of Vehicles)

Regulations (Cap. 374 sub. leg. A);

- "autotoll booth" (自動收費亭) has the meaning assigned to it by section 2(1) of the General Regulation;
- "disabled person" (傷殘人士) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "electronic toll pass" (電子繳費通行裝置) has the meaning assigned to it by section 2(1) of the General Regulation;
- "General Regulation" (《一般規例》) means the Tsing Sha Control Area (General) Regulation (L.N. 222 of 2007);
- "Government vehicle" (政府車輛) has the meaning assigned to it by regulation 2 of the Road Traffic (Driving Licences) Regulations (Cap. 374 sub. leg. B);
- "heavy goods vehicle" (重型貨車) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "light goods vehicle" (輕型貨車) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);

- "medium goods vehicle" (中型貨車) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "motor cycle" (電單車) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "motor tricycle" (機動三輪車) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "permitted gross vehicle weight" (許可車輛總重) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "private bus" (私家巴士) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "private car" (私家車) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "private light bus" (私家小巴) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "public bus" (公共巴士) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "public light bus" (公共小巴) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "special purpose vehicle" (特別用途車輛) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "taxi" (的士) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374);
- "toll ticket" (使用費代用券) has the meaning assigned to it by section 2(1) of the General Regulation;
- "trailer" (拖車) has the meaning assigned to it by section 2 of the Road Traffic Ordinance (Cap. 374).

3. Tolls

(1) The toll payable for the use of the toll area by a vehicle of a description specified in column 2 of Schedule 1 is the toll specified in column 3 of that Schedule in relation to that description of vehicle, and the liability to pay the toll arises once the vehicle has entered the toll area.

(2) Subject to subsection (4), unless the Commissioner determines otherwise in the event of an emergency or special circumstances, the toll payable in respect of a vehicle shall be paid in full before the vehicle is driven out of the toll area –

- (*a*) to the toll collector on duty at a toll booth that is not an autotoll booth
 - (i) in cash;
 - (ii) by tendering one or more toll tickets of the appropriate values; or
 - (iii) partly in cash and partly by tendering one or more toll tickets of the appropriate values; or
- (b) by driving the vehicle past an autotoll booth and debiting the account of an electronic toll pass maintained in respect of the vehicle.

(3) If subsection (2) is contravened in respect of a vehicle, the driver of the vehicle commits an offence and is liable on conviction to a fine at level 2 and to imprisonment for 6 months.

- (4) No toll shall be payable in respect of
 - (*a*) a Government vehicle;
 - (b) a vehicle used by an operator in the course of his duty; or
 - (c) a vehicle used by a disabled person which has been approved by the Commissioner to use the toll area without the payment of a toll.

4. Surcharge

(1) In the event of a failure to pay a toll or any part of a toll in respect of a vehicle in accordance with section 3, the driver of the vehicle is liable to pay, in addition to the amount of the toll that has not been paid, to the Commissioner or an operator the surcharge specified in column 3 of Schedule 2.

(2) The imposition of a surcharge under subsection (1) is without prejudice to any proceedings that may be instituted in respect of an offence under section 3(3).

(3) If the driver of a vehicle fails, on demand in writing made to him by the Commissioner or an operator, to pay a surcharge payable under subsection (1) within 21 days of the service of the demand of him, he commits an offence and is liable on conviction to a fine at level 2 and to imprisonment for 6 months.

(4) A demand made under subsection (3) shall be served by sending it to the driver at his last known address by registered post or recorded delivery.

5. Escort fee

If the Commissioner or an operator requires a vehicle to be escorted under section 22(1) of the General Regulation when passing through the Control Area, the owner and the driver of the vehicle are jointly and severally liable to pay to the Commissioner or an operator a fee calculated at the rate specified in column 3 of Schedule 3.

6. Change and administration fee for change

- (1) If
 - (a) a person pays a toll by tendering a toll ticket and the value of the toll ticket exceeds the toll; or
 - (*b*) a person pays a toll by tendering more than one toll ticket and the total value of the toll tickets exceeds the toll,

he is not entitled to be given any change.

(2) If a person pays in excess of the toll at a toll booth displaying the prescribed traffic sign shown as Figure No. 16 in the Schedule to the General Regulation, he is not entitled to be given any change.

- (3) Subject to subsections (1) and (2), if a person proves that
 - (*a*) he paid in excess of the toll at a toll booth that is not an autotoll booth; and
 - (*b*) he did not receive the change before driving the vehicle away from the toll booth,

the change shall be given only on the payment to the Commissioner or an operator of the administration fee specified in column 3 of Schedule 4.

(4) An administration fee payable under subsection (3) may be collected by deduction from the change.

7. Permit fee, etc.

(1) In this section and Schedule 5, "permit" (許可證) means a permit issued under section 20(2) of the General Regulation.

(2) The applicant for a permit shall, on the issue of the permit, pay to the Commissioner or an operator the fee specified in column 3 of Schedule 5.

(3) The Commissioner may determine the fee for processing an application for a permit.

(4) If a fee is determined under subsection (3), the processing of an application for a permit shall be subject to the payment of the fee.

8. Charges for removal, impounding and storage of vehicles

(1) If a vehicle of a description specified in column 2 of item 1 of Schedule 6 is removed under section 22 or 23 of the Ordinance, its owner shall pay to the Commissioner or an operator the charge specified in column 3 of that item in relation to that description of vehicle.

(2) If a vehicle of a description specified in column 2 of item 1 of Schedule 6 is impounded under section 22 or 23 of the Ordinance, its owner

shall pay to the Commissioner or an operator the charge specified in column 3 of item 2 of that Schedule.

(3) If a vehicle of a description specified in column 2 of item 1 of Schedule 6 is stored under section 22 or 23 of the Ordinance for more than 2 days, its owner shall pay to the Commissioner or an operator a charge calculated at the rate specified in column 3 of item 3 of that Schedule.

SCHEDULE 1

[s. 3]

TOLLS

Category		Description of vehicles	Toll or description of tolls payable
1.	<i>(a)</i>	Motor cycle	\$10
	(<i>b</i>)	Motor tricycle	\$10
2.	(<i>a</i>)	Private car	\$12
	(<i>b</i>)	Electrically powered passenger vehicle	\$12
	(c)	Taxi	\$12
3.	(<i>a</i>)	Public light bus	\$18
	(<i>b</i>)	Private light bus	\$18
4.	(<i>a</i>)	Light goods vehicle	\$12
	(b)	Special purpose vehicle of a permitted gross vehicle weight not exceeding 5.5 t	\$12
5.	(<i>a</i>)	Medium goods vehicle	\$18

	(b)	Special purpose vehicle (other than articulated vehicle) of a permitted gross vehicle weight exceeding 5.5 t but not exceeding 24 t	\$18
6.	(<i>a</i>)	Heavy goods vehicle	\$24
	(b)	Special purpose vehicle (other than articulated vehicle) of a permitted gross vehicle weight exceeding 24 t	\$24
7.	(<i>a</i>)	Public bus (single-decked)	\$24
	(<i>b</i>)	Private bus (single-decked)	\$24
8.	(<i>a</i>)	Public bus (double-decked)	\$30
	(<i>b</i>)	Private bus (double-decked)	\$30
9.	Articu	lated vehicle	\$24
10.	Vehic	le towing another vehicle	The sum of the tolls applicable to the 2 vehicles involved
11.		le (other than articulated vehicle) g a trailer	The toll applicable to the vehicle plus \$12 for the trailer
		SCHEDULE 2	[s. 4]
		SURCHARGE	
Item		Particulars	Surcharge

Particulars	Surcharge
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1.	Surcharge for failure to pay a toll or any part of a toll	y \$155
	SCHEDULE 3	[s. 5]
	ESCORT FEE	
Item	Particulars	Fee
1.	Escort of any vehicle	\$290 for each 30 minutes or part thereof
	Schedule 4	[s. 6]
	ADMINISTRATION FEE FO	R CHANGE
Item	Particulars	Administration fee
1.	Change given in respect of a toll paid in excess	n \$80
	Schedule 5	[s. 7]
	Permit Fee	
Item	Particulars	Fee
1.	Issue of permit	\$115
	Schedule 6	[s. 8]
	CHARGES FOR REMOVAL, IMPOUND VEHICLES	ING AND STORAGE OF
Item	Particulars	Charge

1. Charge for removal of –

(<i>a</i>)	(i)	a motor cycle;	\$280
	(ii)	a motor tricycle;	\$280
	(iii)	a private car;	\$280
	(iv)	an electrically powered passenger vehicle;	\$280
	(v)	a taxi;	\$280
	(vi)	a public light bus; or	\$280
	(vii)	a private light bus	\$280
(<i>b</i>)	(i)	a light goods vehicle;	\$600
	(ii)	a special purpose vehicle of a permitted gross vehicle weight not exceeding 5.5 t;	\$600
	(iii)	a public bus (single- decked); or	\$600
	(iv)	a private bus (single- decked)	\$600
(<i>c</i>)	(i)	a medium goods vehicle;	\$660
	(ii)	a heavy goods vehicle;	\$660
	(iii)	a special purpose vehicle of a permitted gross vehicle weight exceeding 5.5 t;	\$660
	(iv)	a public bus (double- decked); or	\$660
	(v)	a private bus (double- decked)	\$660

2. Charge for impounding a vehicle \$150

3. Charge for storage of a vehicle after the second \$95 per day day

Clerk to the Executive Council

COUNCIL CHAMBER

2007

Explanatory Note

The object of this Regulation is to prescribe and provide for the payment of tolls, surcharge, fees and charges relating to the Tsing Sha Control Area ("Control Area") including the following –

- (*a*) the tolls for the use of the toll area in the Control Area ("toll") (section 3);
- (*b*) the surcharge for the failure to pay a toll or any part of a toll (section 4);
- (c) the fee for escorting a vehicle in the Control Area (section 5);
- (*d*) the administration fee for change given in respect of a toll paid in excess (section 6);
- (e) the fee for issuing a permit under section 20(2) of the Tsing Sha Control Area (General) Regulation (L.N. 222 of 2007) (section 7);

(f) the charges for the removal, impounding and storage of vehicles under section 22 or 23 of the Tsing Sha Control Area Ordinance (16 of 2007) (section 8).

2. The Regulation also provides for entitlement to changes given for overpayment of tolls (section 6).

