

立法會
Legislative Council

LC Paper No. CB(1)192/08-09
(These minutes have been seen
by the Administration)

Ref : CB1/SS/2/08/1

**Subcommittee on Tate's Cairn Tunnel Ordinance
(Replacement of Schedule) Notice 2008**

**Minutes of first meeting held on
Tuesday, 21 October 2008, at 2:30 pm
in Conference Room B of the Legislative Council Building**

- Members present** : Hon WONG Kwok-hing, MH (Chairman)
Hon Miriam LAU Kin-ye, GBS, JP
Hon Andrew CHENG Kar-foo
Hon Albert CHAN Wai-yip
Hon Ronny TONG Ka-wah, SC
- Member absent** : Hon CHEUNG Hok-ming, SBS, JP
- Public officers attending** : **Agenda item II**

Mr Alan CHU
Deputy Secretary for Transport and Housing
(Transport) 3

Miss Rosanna LAW
Principal Assistant Secretary for Transport and
Housing (Transport) 2

Mr K B TO
Assistant Commissioner/Planning
Transport Department
- Clerk in attendance** : Ms Anita SIT
Chief Council Secretary (1)4

Staff in attendance : Miss Winnie LO
Assistant Legal Adviser 7

Ms Guy YIP
Senior Council Secretary (1)5

Ms Christina SHIU
Legislative Assistant (1)7

I Election of Chairman

Mr WONG Kwok-hing was elected Chairman of the Subcommittee.

II Meeting with the Administration

(L.N. 220 of 2008	-- The Tate's Cairn Tunnel Ordinance (Replacement of Schedule) Notice 2008
File Ref: THB(T)CR 1/4651/94	-- Legislative Council Brief
LC Paper No. LS2/08-09	-- Legal Service Division Report
LC Paper No.	-- Background brief on Tate's
CB(1)74/08-09(01)	Cairn Tunnel Ordinance (Replacement of Schedule) Notice 2008 prepared by the Legislative Council Secretariat)

2. The Subcommittee deliberated (Index of proceedings attached at **Appendix**).

3. The Subcommittee noted that there was little room for Members to amend the Tate's Cairn Tunnel Ordinance (Replacement of Schedule) Notice 2008 other than making minor technical amendments, and that the Legislative Council could not repeal the Notice. The Subcommittee discussed the magnitude and impacts of the toll increase reflected by the Notice and sought information from the Administration on the measures being undertaken to alleviate the pressure for future toll increases. The Subcommittee completed its deliberations on the Notice, and members agreed that the Chairman should give a verbal report to the House Committee at its meeting on 24 October 2008, to be followed by a written report.

III Any other business

4. There being no other business, the meeting ended at 3:05 pm.

Council Business Division 1
Legislative Council Secretariat
11 November 2008

**Proceedings of the first meeting of the
Subcommittee on Tate's Cairn Tunnel Ordinance
(Replacement of Schedule) Notice 2008
on Tuesday, 21 October 2008, at 2:30 pm
in Conference Room B of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000430 – 000604	Members	Election of Chairman	
000605 – 000809	Chairman Mr Albert CHAN Administration	Briefing by the Administration	
000810 – 001129	Chairman Mr Albert CHAN Administration	<p>Mr CHAN's concern about the magnitude of the toll increase, in particular the toll increase for buses, and the financial impact on the commuting public</p> <p>The Administration's response that -</p> <ul style="list-style-type: none"> (a) it had spared no efforts in performing the "gate keeper" role on this occasion; and (b) the proposed tunnel toll increase would bring about minimal lifting effect on the operating cost of bus companies as well as the Consumer Price Index 	
001130 – 001814	Chairman Mr Andrew CHENG Administration	<p>Mr CHENG's view that given the existing franchise arrangement and toll adjustment mechanism for the Tate's Cairn Tunnel (TCT), there was little the Administration and the Legislative Council (LegCo) could do to prevent substantial toll increases at present and in future. The Administration should negotiate with the tunnel company for franchise extension or the buying back option.</p> <p>Mr CHENG's enquiry about the Administration's plan to commission a consultancy study on the toll levels and traffic distribution of the three harbour</p>	

Time marker	Speaker	Subject(s)	Action required
		crossings and the Administration's reply	
001815 – 002403	Chairman Ms Miriam LAU Administration	<p>Ms LAU's concern that the consultancy study might delay the work to solve the problem of uneven traffic distribution among the three harbour crossings; her view that the study would be worthwhile only if it could iron out practical solutions and provide solid bases for the Administration to proceed with negotiations with tunnel companies</p> <p>The Administration's advice that the consultancy study aimed at identifying a solution that was feasible in transport, financial and legal terms, and developing strategies for possible negotiations with tunnel companies in the future. The consultant would be required to put up concrete recommendations in respect of the optimal traffic/toll scenarios and financial, organisational and legal aspects in respect of the harbour crossings. In parallel, the Administration would continue its discussion with Tate's Cairn Tunnel Company (TCTC) on the franchise extension option</p>	
002404 – 002725	Chairman Administration	<p>Chairman's concern that the magnitude of the toll increase on this occasion was too high, and his enquiry on whether there would be another four toll increases in the future in order to allow TCTC to attain an internal rate of return (IRR) of 8.33%</p> <p>The Administration's clarification that there was no agreement between the Government and TCTC on a targeted or expected IRR, nor any toll increase plan of the company</p>	

Time marker	Speaker	Subject(s)	Action required
		On the scope of the consultancy study, the Administration's advice that the study would cover possible solutions, including the buying-back and franchise extension options	
002726 – 003139	Chairman Mr Andrew CHENG Ms Miriam LAU Administration	Mr Andrew CHENG's view that the commissioning of a consultancy study should be withheld pending further discussion by the Panel on Transport at its meeting to be held on 24 October 2008 Ms Miriam LAU's view that the Administration should set out a concrete timetable for tackling the problems of uneven traffic distribution among the three harbour crossings and the differences in tunnel toll The Chairman's view that the consultancy study should be commissioned with a view to ironing out practical solutions	
003140 – 003150	Chairman	Date of reporting to the House Committee	