

Follow-up Actions Arising from the Discussion at the Meeting on 14 May 2009

- (1) To provide the parameters and details of the feasibility study on setting up of low emission zones. To also advise the possible corridors for these zones. In addition to franchised buses, all vehicles with higher exhaust emissions should be restricted from entering the zones. Apart from the types of vehicles, restriction should also be imposed on the number of passengers on board of vehicles entering the zones.**

- (2) To advise the outcome of consultation with franchised bus companies on the proposed setting up of low emission zones. To facilitate compliance with the new Air Quality Objectives (AQOs) and the setting up of low emission zones by franchised buses, consideration should be given to subsidizing or extending the \$3.2 billion scheme grant to cover franchised bus companies to encourage early replacement of their bus fleets.**

Please see Annex 1 for a paper to address the above two issues - Low Emission Zone and Early Replacement of Old Franchised Buses

- (3) To advise the plan on rationalization of bus routes, the number of bus routes which have been cancelled, amalgamated and truncated, as well as the number of buses which have been scrapped as a result.**

Please see Annex 2 for details.

- (4) To advise the latest progress of negotiation with the power companies regarding the increased use of liquefied natural gas (LNG) for power generation, taking into account the agreement between Hong Kong and Guangdong on LNG supply.**

In the context of the AQO Review, we have been examining in conjunction with the power companies the technical feasibility, consequential emission reduction and implications of increasing the use of natural gas for local electricity generation to 50%. In 2008, natural gas accounted for about 32% of the local electricity generation. The signing of the Memorandum of Understanding between the Hong Kong SAR Government and National Energy Administration on 28 August 2008 will help make

available the natural gas for increasing the use of the natural gas for local power generation. Details of the findings will be provided in the Consultant's AQO Review Report.

- (5) To consult the Subcommittee before release of the public consultation on the pace, priority and price for implementing the proposed Phase I control measures under the review of AQOs.**

At the meeting of the Subcommittee on 19 March 2009, we already explained that the public consultation would set out details of the findings of the AQO Review for the community to understand the relevant issues in updating the AQOs and formulating the long-term air quality management strategy for attaining the proposed new AQOs. Apart from presenting these findings, we would also seek views from the public on three crucial issues, namely, the proposed measures to be adopted, the pace for taking them forward and the price that the community was willing to pay in return for better air quality. The views of the community would help us decide on how best the AQOs are to be updated.

For Information
18 June 2009

**LEGISLATIVE COUNCIL
PANEL ON ENVIRONMENTAL AFFAIRS
SUBCOMMITTEE ON IMPROVING AIR QUALITY**

**Study on Low Emission Zones
and Early Replacement of Old Franchised Buses**

Purpose

This paper informs Members of the progress of the feasibility study on setting up pilot low emission zones (LEZs) and our response to Members' proposal of extending the \$3.2 billion grant scheme to encourage early replacement of old franchised buses.

Feasibility Study on Setting Up Pilot Low Emission Zones

2. In some overseas countries, LEZs have been set up in areas with heavy traffic to restrict entry to cleaner vehicles so as to improve roadside air quality. To evaluate the effectiveness of low emission zones in improving roadside air quality and the implications of such zones in Hong Kong, we are looking into the feasibility of setting up LEZs targeting franchised buses.

3. The reason for choosing franchised buses for setting the pilot LEZs is that franchised buses can contribute up to about 40% of the respirable suspended particulate and nitrogen oxides in busy traffic corridors. Deploying cleaner buses to run along these corridors could bring about substantial improvement to the roadside air quality within the zones. We can also use this pilot scheme, which targets at franchised buses, to further assess the potential implications for the commuters, the affected businesses in the zones and other transport operators.

Possible Locations of the LEZs

4. To maximize the environmental benefits and to facilitate maintaining of the improvement in roadside air quality, we consider the following three busy corridors where franchised buses make up a substantial amount of the traffic are possible pilot LEZs:

- (a) Causeway Bay;
- (b) Central; and
- (c) Mongkok.

Exact locations and boundaries of the pilot LEZs are subject to detailed examination with the Transport Department and the franchised bus companies. To assess the practicability from perspectives of bus deployment and other operational consideration, consultation with other stakeholders will also be required.

Emission Standards

5. About 80% of the franchised buses serving the three busy corridors identified above have already met Euro II or above emission standards. To further improve roadside air quality there, we consider that the minimum emission standard for the franchised buses passing through the pilot LEZs should be more stringent than Euro II such as Euro III or Euro IV standards.

Control Options

6. We are examining different options for imposing the minimum emission standards for franchised buses entering the pilot LEZs. The emission standards could be applied to all the passing franchised buses or certain percentage of them. It could also be applicable during certain time of the day such as busy traffic hours or throughout the entire day. Obviously, a pilot LEZ imposing the minimum emission standard for all franchised buses and applicable for the whole day will yield the maximum benefits to roadside air quality.

7. As to Members' suggestion of imposing a restriction on the minimum number of passengers on board of vehicles entering the LEZs, it would likely have many practical and enforcement difficulties as franchised bus operators are required to provide scheduled services to commuters. In any event, they could not know beforehand the number of passengers that would be on-board the concerned buses before they enter the pilot LEZs.

Progress of the Study

8. The practicability of launching the pilot LEZs hinges crucially on the availability of sufficient buses compliant with the proposed minimum emission standards. In this connection, we need to take account of the replacement plans of the franchised bus operators in coming years in firming up details of the pilot LEZs. We are in discussion with the franchised bus operators to understand the implications of various pilot LEZ scenarios with a view to assessing the feasibility. We expect that the study will be completed by early 2010.

Extending the \$3.2 Billion Grant Scheme to Franchised Buses

9. The one-off grant has been designed to cover all old diesel commercial vehicles except franchised buses. The franchised bus companies have already committed to using buses below 18 years old for their franchised bus services. This has taken account of the maintenance, operational and financial capability of the bus operators and their obligations to provide a proper and efficient service to the public. Accelerating the pace of the bus replacement programme may have an impact on bus fare and the operation of bus companies. In addition, there is uncertainty if bus suppliers may be able to meet the surge in demand for new buses within a short timeframe. We will continue to monitor closely the replacement programme of franchised buses.

**Environment Protection Department
June 2009**

Bus Service Rationalisation Plan

Purpose

This paper informs Members of the bus service rationalisation plan.

Background

2. With limited road space but large number of vehicles and pedestrians in Hong Kong, the public is very concerned about road traffic conditions and the impact of heavy traffic on the environment. To enable sustainable development of Hong Kong, the Government's prevailing transport strategy is to rationalise bus services with a view to meeting passengers' demand, enhancing the efficiency of the bus network as well as minimising traffic congestion and roadside air pollution. The Transport Department (TD) implements annually the bus service rationalisation plan in various districts taking into account the situation on the ground, including passengers' demand. Before introducing major bus rationalisation items, TD will normally consult the District Councils concerned and take into consideration their views before deciding whether such rationalisation items should be implemented as proposed or amendments should be made.

Bus Service Rationalisation Plan

3. TD has been working with the District Councils (DCs) and the franchised bus companies to pursue route cancellations, amalgamations, truncations and frequency reductions so as to reduce the number of bus trips and bus stopping activities particularly on busy corridors. In implementing bus service rationalisation, TD will arrange for alternative transport services in order that the affected passengers can continue to use public transport services to reach their destinations. On the other hand, if there are other

bus routes requiring service improvement, the bus companies will redeploy surplus buses saved from bus rationalisation to serve these routes.

4. Over the past five years (from 2004 to 2008), a number of new railways came into operation to provide the public with more choices of transport services. In response to changes in the demand of bus passengers, TD cancelled 44 bus routes, truncated 17 routes, reduced the frequency of 54 routes in the bus service rationalisation plans, which were implemented over the past five years. Over the same period, TD also introduced 20 new routes and increased the frequency of 66 routes. The number of franchised buses in service decreased from 6,179 in end 2003 to 5,794 in end 2008.

5. TD will seek to balance the public demand for bus services and the need to improve road traffic and the environment, and pursue further bus service rationalisation in consultation with the DCs where practicable.

Transport Department

June 2009