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Panel on Transport

**Minutes of special meeting held on
Tuesday, 9 November 2010, at 8:30 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Andrew CHENG Kar-foo (Chairman)
Hon CHEUNG Hok-ming, GBS, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, SBS, JP
Hon WONG Kwok-hing, MH
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon KAM Nai-wai, MH
Hon CHAN Hak-kan
Hon WONG Sing-chi
Hon IP Wai-ming, MH
Hon Tanya CHAN
Hon Albert CHAN Wai-yip
- Member attending** : Hon IP Kwok-him, GBS,JP
- Members absent** : Hon LAU Kong-wah, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon LEE Wing-tat
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Hon LEUNG Kwok-hung

**Public officers
attending**

: Agenda item I

Ms Eva CHENG
Secretary for Transport and Housing

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

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

Miss Erica NG
Principal Assistant Secretary for Transport and
Housing (Transport)²

Mr Frank TSANG
Assistant Secretary for Transport and Housing
(Transport) 2A

Mr David TO
Assistant Commissioner / Planning
Transport Department

Mr Raymond CHUNG
Senior Engineer 1
Transport Department

Wilbur Smith Associates

Ms Sue CHAN
Director – East Asia and China Division

Mr Michael C. CLARK
Principal Consultant

Mr Billy WONG
Senior Transport Engineer

Mr Derek LEUNG
Associate, China Offices Manager

Mr Bernard POON
Managing Director, Transaction Advisory Services
(E&Y)

Ms Yan TAM
Associate Director, Transaction Advisory Services
(E&Y)

Clerk in attendance : Ms Joanne MAK
Chief Council Secretary (1)2

Staff in attendance : Ms Sarah YUEN
Senior Council Secretary (1)6

Miss Pauline NG
Legislative Assistant (1)5

Action

- I Consultancy Study on Rationalizing the Utilization of Road Harbour Crossings**
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| (LC Paper No. CB(1)298/10-11(01) | No. - Administration's paper on consultancy study on rationalizing the utilization of road harbour crossings |
| LC Paper No. CB(1)304/10-11 | - Paper on measures to rationalize utilization of Build-Operate-Transfer tunnels prepared by the Legislative Council Secretariat (Updated background brief) |
| LC Paper No. CB(1)414/10-11 | Powerpoint presentation materials provided by the Administration) |

The Secretary for Transport and Housing (STH) briefed members on the background of the consultancy study (the Study) on rationalizing the utilization of road harbour crossings (RHCs), and on the public consultation exercise on the report of the Study (the Report). With the

aid of power-point, the Principal Consultant (PC) of Wilbur Smith Associates (WSA), which conducted the Study, briefed members on the Study's findings and recommendations. Members noted that the Report had set out various combinations of toll adjustments proposed by the consultants, including adjusting the tolls of the Cross-Harbour Tunnel (CHT) only, adjusting the tolls of CHT and the Eastern Harbour Crossing (EHC), and adjusting the tolls of all three RHCs, namely, CHT, EHC and the Western Harbour Crossing (WHC).

Admin

2. Miss Tanya CHAN enquired whether the full version of the Report was available on the Internet. STH said that a full version of the Report would be uploaded to the website of the Transport and Housing Bureau, which would contain sufficient information to facilitate the public's consideration and debate. At Miss CHAN's request, STH also agreed to deposit a copy of the full Report with the Secretariat for members' perusal as necessary.

(Post meeting note: A copy of the Report was provided by the Administration to the Secretariat after the meeting.)

3. Mr Ronny TONG sought clarifications on why the following two toll scenarios were referred to as "0.5s" structure in the Report -

- (a) Toll scenario B2 in sheet 16 of the power-point presentation materials, where the tolls of all three RHCs would be changed; and
- (b) Toll scenario C2 in sheet 17 of the power-point presentation materials, where only tolls of CHT and EHC would be changed.

4. PC responded that the above toll scenarios belonged to "0.5s" type because the toll structure of CHT and/or EHC would be adjusted to halfway between their existing toll structures. At present, EHC's toll structure basically followed the resource management based principle, according to which the toll on a vehicle class should depend on the amount of resources consumed (e.g. tunnel space and tunnel maintenance cost). This generally meant that larger vehicles that consumed a larger amount of tunnel resources were subject to higher tolls compared to smaller vehicles that consumed fewer such resources. Such a principle was also observed by CHT when it was first opened to traffic, but not currently subsequent to toll adjustments over the years, so that tolls of different vehicle classes were no longer proportional to the resources they

consumed.

General views and comments

Relevant considerations

5. Mr Ronny TONG urged the Government to give due regard to the views of the public and Members when deciding on the way forward on the basis of the Study's findings. He further opined that convenience to the public instead of financial implications should be the major considerations when deciding on the short-term options to pursue, especially as according to sheet 31 of the power-point presentation materials, most toll scenarios would result in financial gain for the Government. STH indicated agreement with his views, and clarified that it was not the Government's intention to gain revenue through implementing any of the toll scenarios. The figures on financial implications were merely the consultants' estimates based on the estimated traffic flow as a result of implementing the nine toll scenarios and were included in the Report for reference only.

6. Mr Jeffrey LAM opined that congestion at RHCs had been caused by the need for many people to go to Kowloon East from the western part of Hong Kong or to West Kowloon from the eastern part of Hong Kong. As such, the completion of the Central-Wanchai Bypass (CWB) and the Central Kowloon Route (CKR) might greatly help facilitate the traffic flow of the three RHCs. In reply to him on whether consideration had been given to this, PC elaborated that in conducting the Study, the traffic flows between different zones across Hong Kong using sophisticated transport models were examined. STH agreed that CWB and CKR were important but pointed out that even when they were completed, it was still necessary to consider how to improve the distribution of traffic among the three RHCs to ensure smooth cross-harbour traffic, which would in turn ensure smooth through traffic unrelated to cross-harbour movements.

7. Pointing out that the EHC franchisee had already indicated intention to increase EHC tolls, Ms Miriam LAU asked whether the above likely development had been taken into account when WSA worked out the toll scenarios put forward in the Report. STH responded that the toll scenarios put forward by the consultants were based on the existing EHC tolls and the Government would process the toll increase application by the EHC franchisee separately according to established

practice. The EHC franchisee would be open-minded to consider any option that would have a positive impact on its traffic flow.

8. Ms LI Fung-ying opined that the Administration might need to decide on the way forward on its own because the views that would be solicited through the public consultation exercise on the Report would be diverse considering the different interests of the stakeholders. In reply to her on the factors that would be taken into consideration in making the decision, and whether the Administration had any preliminary stance, STH assured members that all views received, particularly those related to the implications of the proposed toll scenarios, would be considered carefully to take into account the interests of different parties. In so doing, the Administration would also take into consideration the enhanced capacity of the connecting road networks of the RHCs after the opening of CKR in 2016 and CWB in 2017. The Administration would also report to and discuss with the Panel on the views received during the public consultation period with a view to forging a consensus on the issue.

Effects of the recommendations as a whole

9. The Deputy Chairman expressed concern that although the Study had been conducted to address concerns about congestion at CHT and repeated toll increase by EHC and WHC, proposals put forward in the Report might only be able to address the former but not the latter, which would affect the general public's livelihood. STH responded that toll increase at WHC and EHC was governed by the respective procedure and mechanism enshrined in the relevant legislation. She added that even if WHC was bought back giving Government control over its tolls, its tolls might not necessarily be adjusted downwards, lest it would attract additional cross-harbour traffic causing immediate congestion at WHC, and even all RHCs. The Administration, however, had no preference on which proposal to pursue at present and was also well aware of the public's concern about upward toll adjustments.

10. Noting that WSA did not consider it desirable to reduce WHC tolls significantly to divert traffic to it, and that the toll adjustment was only \$5 in most toll scenarios put forward in the Report, Mr IP Wai-ming opined that the adjustment might not be sufficiently significant to change driving habits. He enquired whether WSA had conducted any questionnaire survey to ascertain the factors that would affect decisions on which RHC to use. STH responded that the decision would depend on many factors, including the origin and destination of the trip

concerned. She further pointed out that a more significant toll adjustment, say by \$10, might be more effective in re-distributing the traffic among the RHCs but might not be acceptable to the public or the transport trade. PC added that a large-scale survey on factors that affected route choice was conducted by the Transport Department every ten years, and many contributing factors including the purpose of travel, the traffic conditions at the time, etc had been identified. He further pointed out that an upward toll adjustment of \$5 at a RHC coupled with a corresponding downward toll adjustment of \$5 at another RHC would result in a net adjustment of \$10. Such toll difference should be sufficient to give a noticeable impact on the user's choice of the RHCs.

11. In recognition that the Government might consider offering rebate to tunnel users or concessions to franchisees, Mr IP Wai-ming considered it necessary to ascertain the cost-effectiveness of the measures before actually taking forward any toll scenarios. In reply to him on whether a trial scheme would be conducted for this purpose, STH responded that if considered appropriate, the Administration would consider conducting a trial run on certain toll scenarios proposed by the consultants but the trial period would need to be reasonably long to show if the toll adjustments would have any effect on tunnel users' travel behaviour, and PC was of the view that the trial period should be at least six months. Legislative amendments, in addition to administrative measures, would be required to adjust the tolls at EHC and WHC even for trial purposes.

12. Noting that the EHC franchisee was planning to increase EHC tolls, Mr IP Wai-ming enquired about the likely implications of this plan on the effect of the recommendations, and about EHC's stance regarding the toll scenarios put forward in the Report, in particular those that involved EHC toll reduction. STH responded that as the toll increase application by EHC would be handled in accordance with established procedures and had to be justified, the Administration would not presume that the application would be successful at this stage.

13. Pointing out that RHCs were important links between Hong Kong Island and Kowloon, Mr IP Kwok-him questioned whether the proposal to restrict the use of a RHC would have the effect of encouraging people to use mass public transport services. He also opined that the capacity of the three RHCs was in fact sufficient, and problems had arisen only because of uneven traffic distribution. STH responded that the Government recognized that some drivers would continue to opt to use the RHCs despite toll adjustments for commercial or other reasons, but the policy was to encourage members of the public to travel by public

transport as far as possible.

Comments on individual recommendations of the Report

Adjusting the tolls of the Cross-Harbour Tunnel and the Eastern Harbour Crossing

14. Mr WONG Kwok-hing opined that the toll scenario of increasing the CHT toll and requesting the EHC franchisee to provide a corresponding reduction in EHC toll (the CHT/EHC proposal) was undesirable because it would mean penalizing users of CHT. The increase in fuel cost arising from the need to travel longer distance to benefit from the reduced EHC toll would also affect the operating cost of commercial vehicles and hence the prices of goods and services. STH responded that the choice of route and RHC by a driver would depend on the points of origin and destination as well as the tolls. For example, for a driver travelling from say, Wong Tai Sin to North Point, the total distance by travelling through EHC or CHT would be similar and if the toll difference between the two RHCs was narrowed, the driver might be more likely to choose EHC due to savings in travel time and other costs. She further explained that WSA had recommended reducing EHC tolls (with corresponding increase to CHT tolls) because EHC and its connecting roads had spare capacity to take up some extra traffic from CHT. The Administration would maintain an open mind on all proposals which would improve the distribution of traffic among the RHCs and would carefully examine all views received during the public consultation period before deciding on the way forward. The Administration also noted that some of the toll adjustment combinations raised by the consultants would have an impact on the operating cost of commercial vehicles, and would consult the professional drivers and trade organizations concerned on the findings and recommendations of the Report.

15. Declaring that he was a frequent user of the three RHC, the Deputy Chairman opined that the CHT/EHC proposal, though preferred by the Administration, might not be effective because there was congestion in the connecting road(s) of each of the RHCs as follows –

- (a) Princess Margaret Road where CHT was concerned;
- (b) The egress point of Island Eastern Corridor in Wanchai where EHC was concerned ; and

(c) The vicinity of Shun Tak Centre where WHC was concerned.

The Deputy Chairman was of the view that the CHT/EHC proposal would only aggravate the congestion at the spot at (b) above, so that drivers might, instead of switching to EHC, continue to use CHT.

16. PC responded that in conducting the Study, WSA had, by way of traffic surveys and transport modeling, examined in detail the travelling time between different traffic zones all over Hong Kong, point-to-point cross-harbour journey time using different RHCs, and the degree of congestion at junctions which might be overloaded under different toll scenarios. He then explained that increase of CHT tolls would divert traffic from CHT to EHC to release space for vehicles originally using WHC to use CHT, so that the traffic distribution among the three RHCs as well as their connecting roads would become more desirable.

17. In reply to Mr Jeffrey LAM on the estimates on the traffic flow that would be diverted from WHC to CHT after CHT's traffic flow was diverted to EHC, PC pointed out that this would hinge on the toll scenario to pursue although it was estimated that 4 000 to 6 000 vehicles would be diverted from CHT daily, that EHC would take up some 7 000 additional vehicles daily, and that the number of vehicles using WHC would also decrease slightly.

18. Miss Tanya CHAN referred to sheet 19 of the power-point presentation materials, which showed the estimated peak period traffic flow and the average daily traffic flow reduction at 680 and 4 300 respectively under toll scenario C1, under which tolls at CHT would be adjusted upwards by \$5 for private cars (and proportional increases for other types of vehicles introduced), and the tolls at EHC would also be adjusted downward by \$5 for private cars (and proportional decreases for other types of vehicles introduced). Concerned about the traffic conditions in the Eastern District, she asked whether the vehicles concerned would all be expected to switch to EHC and if so, whether EHC could absorb them without any problem, considering that the Island Eastern Corridor was at present already congested during peak hours.

19. PC responded that 4 300 was the daily figure. The hourly figure was just a few hundred. As such, EHC and its connecting roads should not be overloaded by the traffic diverted from CHT under toll scenario C1. He further assured members that additional performance indicators had been used to validate that all toll scenarios recommended in the Report would bring traffic benefits without creating problems or worsen

traffic conditions elsewhere, including travel time through CHT, cross-harbour point-to-point journey time, average travel speed in selected districts, assessment of impact on critical junctions and major strategic connecting roads etc.

20. Mr Jeffrey LAM enquired about measures which the Administration would take if the EHC franchisee refused to adjust EHC tolls downwards as suggested under the CHT/EHC proposal. STH responded that she understood that EHC would be open-minded to discuss with the Administration options that would have a positive impact on its traffic flow.

21. Pointing out that there was congestion at CHT in the past when CHT tolls were lower than EHC tolls, Mr IP Kwok-him said that he did not consider the CHT/EHC proposal effective. Moreover, drivers mainly relied on CHT and WHC but not EHC to reach major areas of Kowloon and the New Territories. He further cautioned that any move to increase CHT tolls might lead to increase in public transport fares and hence would meet with strong opposition unless fully justified. His views were shared by the Chairman. The Administration noted their concerns.

22. Mr Albert CHAN considered it undesirable to increase the toll burden of CHT users by increasing CHT tolls under the CHT/EHC proposal, especially as not all CHT users could switch to EHC. He therefore proposed that people should be encouraged to use EHC by reducing EHC tolls only and not increasing CHT tolls at the same time. STH responded that the consultants had proposed short-, intermediate- and long-term measures to address the undesirable traffic distribution among the RHCs. When the relevant connecting road networks were improved in 2016 and 2017, more effective long-term options, such as buy-back, could be considered. Meanwhile, if only EHC tolls were reduced, it might attract additional drivers to use the RHCs, resulting in an increase in total cross-harbour traffic, causing severe congested traffic conditions at WHC and other RHCs. Mr CHAN maintained that CHT users should not be unreasonably and unfairly penalized. STH responded that there was a need to look at other factors affecting drivers' driving behaviour apart from tolls. For example, CHT users would be presented with an alternative choice of RHC and benefit from savings in travel time due to smoother tunnel traffic at CHT.

The adoption of a resource management based principle

23. Mr Ronny TONG opined that instead of requiring commercial vehicles to bear higher costs for crossing the harbour as proposed in the Report, it might be fairer and more effective to increase the tolls for private cars and decrease the tolls for other vehicle types. This was because while toll increase for private cars/taxis was acceptable for the purpose of encouraging use of public transport, toll increase for commercial vehicles might give rise to operational difficulties. In response to his request for a comparison of the traffic flows of the above two types of vehicles to facilitate assessment of his proposal above, STH explained that the proposal might be difficult to pursue because, from the resource management point of view, the toll on a vehicle class should depend on the amount of resources consumed (e.g. tunnel space and tunnel maintenance cost) (the resource management based principle). Moreover, drivers of taxis and private cars might have views on Mr TONG's proposal. PC added that many people travelling on taxis and private cars were in fact businessmen in the course of work. Toll increase targeted at them might also be faced with strong objections.

24. Ms Miriam LAU considered it undesirable that all proposals put forward in the Report involved toll increase for heavy vehicles. She urged the Administration to properly consult the logistics trade, and pointed out that even if the toll for heavy vehicles at EHC was reduced, out of fuel cost consideration heavy vehicles might still not be willing to travel longer distance to use EHC. She further opined that when deciding on the way forward, the Administration should take into account the above consideration, the logistics trade's practice of determining the route according to clients' instructions, and the need to minimize inflation and enable the local logistics industry to compete with its overseas counterparts by minimizing operating costs.

25. STH responded that according to the resource management based principle, the toll for heavy vehicles should be higher. The Administration was however wary of the implications of this principle on the operating costs of the relevant trades. Care would therefore be exercised in considering any proposals that involved changing the toll structures and proper consultation would be conducted. She further explained that the considerations highlighted by Ms Miriam LAU above had already been taken into account in the traffic surveys and transport modelling conducted by WSA. However, the aim to achieve a better traffic distribution among the three RHCs was also a major consideration when deciding on the way forward.

The rebate option

26. Agreeing that it was common practice world-wide for a government to provide monetary compensation to cover the loss of public transport operators to keep the public's travelling expenses low, Mr Ronny TONG referred to the Report's recommended option of providing concession to franchisees or rebate to tunnel users to implement toll scenarios in Group B and Group C, and enquired how rebate would be made. PC responded that instead of actually paying tunnel users by way of coupons under the rebate option, the Government could reimburse the EHC/WHC franchisee the rebate on the basis of actual traffic flow.

27. Noting that rebate might be provided to tunnel users to implement the toll scenarios in Group B and Group C, Miss Tanya CHAN asked whether the rebate would be provided to all EHC/WHC users, or that it would be made available to specific vehicle types only to divert these vehicles to other RHC(s). STH responded that it might be more effective if rebate were provided to all vehicle types, but the Government would consider views and suggestions received.

28. The Chairman stressed the need for the Administration to negotiate with both the WHC and the EHC franchisee on the proposed rebate to tunnel users option. In his view, if the rebate option was only pursued with EHC, the likely result might be that EHC was the only party to benefit because CHT's congestion would unlikely improve considering the difficulty in diverting its traffic eastwards given the congestion in the eastern part of both Kowloon and Hong Kong during peak hours. The Chairman also pointed out that there might be difficulty in seeking funding support for the rebate option in the absence of specific figures in this regard. He therefore considered the recommendations in the Report difficult to implement and hence ineffective. He was also dubious as to whether the recommended options could really bring about an annual economic benefit ranging from \$0.4 billion to \$0.6 billion in terms of savings in travel time and vehicle operating costs.

29. STH responded that pending completion of CWB, serious congestion at WHC connecting roads and in Central might result if more traffic was diverted to WHC. Moreover, the capacity of WHC's connecting roads to Jordan/Tsim Sha Tsui was also under constraint before relevant improvement works completed in 2015. She further pointed out that the consultants considered both the rebate and concession options viable and the rebate option would be preferable to the concession to franchisees option. This was because the franchisees would be paid the rebate calculated on the basis of actual traffic flow on reimbursement basis, while the concession option would involve

negotiation and agreement with the franchisees on the expected loss of profit which was difficult to achieve. Moreover, since the amount of rebate was calculated on the basis of actual traffic flow, the amount could be worked out more easily. The Administration would consider all options put forward in the Report in the light of public views, and would discuss the way forward with the Panel in due course.

30. The Chairman, however, maintained that with the commissioning of Route 8, vehicles using WHC to go to New Territories East and West had increased significantly. As such, the rebate option should also apply to WHC.

Members' alternative proposals

The buy-back option

31. While agreeing with the Administration that the short-term goal should be to solve the problem of uneven traffic distribution among the three RHCs, Mr Ronny TONG opined that in the long run, the Administration should buy back EHC and WHC. In response to him and Mr WONG Kwok-hing on whether the Administration would consider buying back WHC, STH said that the Administration was willing to consider the option in the longer term if the price was reasonable, but the option might not work before the opening of CWB, when WHC and its connecting roads would not be able to absorb additional traffic diverted from CHT without causing unacceptable traffic problems. She further explained that the Government would be in a stronger position to negotiate with the WHC franchisee on the option after expiry of the EHC franchise in August 2016.

32. Mr WONG Sing-chi referred to sheet 9 of the power-point presentation materials and, noting from it that WHC was only congested during the morning peak hours, queried the Administration's claim in paragraph 9 above that it might not help to buy back WHC. He urged the Administration to start examining how WHC could be bought back, so that when CWB was completed in 2017 and the ownership of EHC was transferred to the Government upon the expiry of its franchise in 2016, there would be better control over the appropriate toll levels for the three RHCs to achieve a more even traffic distribution among them. Meanwhile, considering that WHC still had spare capacity during non-peak hours, Government subsidy should be provided to WHC instead of EHC to facilitate downward adjustment of WHC tolls to attract more vehicles to use it.

33. STH agreed that the scope for adjusting the tolls of the three RHCs to achieve a better traffic distribution among them was larger in 2016 and 2017 as a result of the above highlighted developments. She however stressed the need to exercise care in lowering RHC tolls, lest more people would be encouraged to drive instead of using mass public transport services. PC added that since early 2009 when WSA commenced the Study, WHC had become congested throughout the day. Moreover, the queue at CHT would not be reduced without significant toll increase. He further explained that if the toll scenarios in Group B and Group C were pursued, the traffic level of each of the RHCs would become tolerable in 2011.

34. Miss Tanya CHAN referred to sheet 31 of the power-point presentation materials, and enquired whether the revenue arising from the toll scenarios in Group B and Group C could be injected into a fund for buying back WHC. STH responded that where public financing was concerned, the Government would endeavour to identify an option with the least impact on revenue and public expenditure. Moreover, it might take a long time to save sufficient money to buy back WHC.

35. Mr Jeffrey LAM opined that to identify long-term solutions to the problem of uneven traffic distribution among the three RHCs, the Administration should negotiate with WHC on all possible solutions, including the buy-back option. STH responded that since the EHC and WHC franchisees were both stakeholders, the Administration would brief them on the consultants' proposals on the likely solutions to the congestion problem at RHCs, and would be open-minded to short-, intermediate- and long-term solutions which would achieve a better distribution of traffic among the RHCs. However, the Administration would also need to consider the value of buying back WHC when the capacity of the tunnel and its connecting roads were severely constrained before CWB was completed in 2017. Negotiations with the franchisees on the buy-back option would, however, be difficult and complicated considering the difficulty in agreeing on forecasts such as traffic flows and expected revenues in the future.

36. The Chairman said that to allow sufficient time for discussion, he would extend the meeting by 15 minutes.

Maximizing the capacity of WHC

37. Ms Miriam LAU expressed concern that as shown in sheet 9 of the power-point presentation materials, WHC's capacity was small, so that at

present there would be congestion when its traffic throughput reached 52K, and that even when the extension of Road P2 and construction of CWB were completed, WHC would still be congested when its traffic throughput reached 55K and 90K respectively. Noting that the reason behind WHC's limited capacity was not design problem but constraints of its connecting roads, and that WHC's design capacity was in fact 120K to 130K, she further expressed concern about its financial viability and the design capacity wasted, and criticized the Administration for failing to ensure early completion of CWB. She urged the Administration to solve the weaving problem on Connaught Road West Flyover to increase WHC's capacity in the meantime, so as to relieve congestion at EHC and CHT.

38. STH responded that it was also the Administration's priority to complete CWB as early as practicable. However, its completion had been delayed till 2017 by issues not within the Administration's control, such as disputes and proceedings surrounding the reclamation of land to accommodate it. The Assistant Commissioner for Transport/Planning added that from the planning perspective, there was difficulty in matching exactly CWB's design capacity with that of WHC. This was because, where roads were concerned, the provision of traffic lanes had to be in an absolute number and hence care had to be exercised in deciding the number of traffic lanes to be provided to cater for the long-term demand. As a result, it was normal for different sections of a route to have different capacities and that there could be a critical section in a route affecting the ability of the other road sections to take up more traffic despite the fact that the capacity at the other road sections could be higher. He further explained that pending completion of CWB, short-term improvement measures had been taken to improve the congestion at WHC's connecting road network. For example, extension of the merging distance for near-side lane traffic by shortening the solid white line between the near-side lane and the middle-lane at Connaught Road West Flyover east bound near Shun Tak Centre (from 280m to 160m) in order to minimize the possibility of traffic tailing back to WHC entrance. The effect of these measures was however limited and the ultimate solution still hinged on opening of CWB. The Administration was therefore making every effort to expedite CWB.

39. Mr IP Kwok-him pointed out that congestion at CHT's and WHC's connecting road networks had been caused by congestion in Central. As such, the plan to solve the problem of uneven traffic distribution among the three RHCs by adjusting EHC tolls was in his view ineffective, and more active efforts should instead be made to facilitate the traffic flow of

WHC pending the completion of CWB. For example, by imposing different tolls for vehicles using WHC from different directions. PC responded that the above differential toll proposal was only effective if there were sufficient capacity of the connecting roads of WHC on both the Hong Kong side and on the Kowloon side. However, there were similar capacity constraints at the junction of Jordan Road and Lin Cheung Road in Jordan on the Kowloon side of WHC.

Other alternative proposals made by members

40. Mr WONG Kwok-hing expressed regrets that the Report had not incorporated the taxi trade's suggestion of requiring WHC to provide toll concession of \$30 for empty taxis, which in his view could attract more taxis to use WHC and hence reduce CHT traffic. In response to his request to consider the above suggestion, STH explained that the Administration had always encouraged RHC operators to introduce promotional discounts or concessions to vehicles. However, it should be noted that WHC was constrained by bottlenecks not only in Central and Wanchai but also in areas in Kowloon such as Jordan and Tsim Sha Tsui, and the situation would not improve until completion in 2015 of the planned Lin Cheung Road-Austin Road Tunnel.

41. Mr WONG Kwok-hing enquired whether, pending completion of the likely protracted negotiation on the buy-back option, construction of the fourth RHC or a cross-harbour bridge would be examined. STH responded that care had to be exercised in examining whether to construct a fourth RHC considering the need to provide connecting road networks with sufficient capacity; the difficulty in justifying harbour reclamation to provide land for its ingress/egress; the fact that the Shatin to Central Link (SCL), also a cross-harbour link, was already being taken forward; and Government's policy to encourage the use of mass transport services rather than driving, etc. The option of constructing a cross-harbour bridge entailed even more considerations in addition to those mentioned above, including the environmental and visual impacts of constructing a bridge sufficiently high to prevent obstruction of harbour traffic. There was therefore great difficulty in pursuing the above two options.

42. Mr WONG Sing-chi opined that toll adjustment could serve little purpose in relieving congestion at the three RHCs because all of them were congested during morning peak hours unless their connecting road networks could be improved. As such, apart from buying back WHC, Members belonging to the Democratic Party also considered it necessary to map out measures to reduce the number of vehicles using the three

RHCs during peak hours. For example, by providing some 5 000 park and ride spaces at the 30 major malls and public rental housing estates all over Hong Kong which he had identified, so as to encourage more people to use mass public transport services. Highlighting the high patronage of MTR urban lines, he further proposed that the Administration should start with the Tung Chung Line (TCL) and probably SCL later.

43. STH responded that the consultants had also examined several short-term measures, such as the option of peak hour surcharge at CHT. However, this option might not be desirable because it might give rise to problems described in sheet 22 of the power-point presentation materials. As to the provision of park-and-ride facilities, they were in fact already available in some districts, such as certain stations along TCL, including Hong Kong and Kowloon Stations. It was however doubtful whether these facilities could encourage drivers to change their travel behaviour and use public transport services instead of driving. The premise was not to encourage driving and the Administration would consider whether the existing park-and-ride facilities could be improved in due course.

44. Miss Tanya CHAN enquired whether, as in the case in London, the Administration could provide facilities near the entrances/exits of RHCs to allow loading/unloading of goods to/from light goods vehicles from/to large trucks, so as to minimize the number of vehicles required to carry goods across the harbour as well as the operating cost without affecting the job opportunities of the drivers/workers concerned. STH responded that there might be difficulty in identifying land at the busy areas near the RHC entrances/exits for the above purpose. Moreover, according to her understanding of the logistics industry, while tunnel tolls would constitute a component of the trade's operating cost, the loading/unloading of goods at RHC entrances/exits would amount to double handling of goods and would incur additional cost of hiring labour and light goods vehicles.

45. Ms Miriam LAU asked whether WSA had examined the toll scenario of CHT charging higher tolls and both EHC and WHC charging lower tolls. Ms LI Fung-ying also enquired whether the tolls of WHC could be adjusted downwards to solve the problem of uneven traffic distribution. PC responded that WHC might not be able to absorb the traffic so diverted to it. Moreover, by increasing CHT tolls and reducing EHC tolls only, a reasonable traffic distribution among the three RHCs could already be achieved.

46. Mr Albert CHAN considered the recommendations in the Report

haphazard and purely remedial in nature and hence ineffective. He opined that in the long run, a Tunnels and Bridges Authority should be established to own and operate the three RHCs and even Route 3 (Tai Lam Tunnel) to effectively adjust their traffic flow. In so doing, the Government would have to demonstrate determination and be very tactful considering the difficulties involved in reaching consensus with the franchisees concerned on contentious issues including asset valuation of the tunnels, traffic and revenue forecasts and expected returns. STH responded that the consultants had considered the proposal which effectively involved forming a common-ownership of the three RHCs. It would involve buying back not only EHC but also WHC at reasonable prices. The difficulty and complexity of the negotiations involved would be tremendous. Moreover, it would also involve major changes to the organizational or management structures of the RHCs, which would also involve legislative amendments. Considering the complexity of the above proposal, the consultants did not recommend it as an implementation option, and even if it were to be pursued, it should only be considered in the very long term.

47. The Chairman referred to Mr WONG Kwok-hing's proposal to invite the transport trade's views on the Report, and directed that a special meeting be scheduled for the purpose. STH responded that the Administration would also consult the relevant trades.

(Post-meeting note: The special meeting was subsequently scheduled for Tuesday, 11 January 2011, at 8:30 am)

II Any other business

48. There being no other business, the meeting ended at 10:50 am.