

立法會
Legislative Council

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Panel on Transport

**Minutes of special meeting held on
Tuesday, 11 January 2011, at 8:30 am
in the Chamber of the Legislative Council Building**

- Members present** : Hon Andrew CHENG Kar-foo (Chairman)
Hon CHEUNG Hok-ming, GBS, JP (Deputy Chairman)
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, 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 IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Tanya CHAN
Hon Albert CHAN Wai-yip
- Members absent** : Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LI Fung-ying, SBS, JP
Hon WONG Sing-chi
Hon LEUNG Kwok-hung

**Public officers
attending** : **Agenda item I**

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 Anthony LOO
Assistant Commissioner / Planning
Transport Department

Ms YING Fun-fong
Chief Engineer / Transport Planning
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

Attendance by invitation : Agenda item I

Taxi & P.L.B. Concern Group

Mr LAI Ming-hung
Chairman

Ap Lei Chau Livelihood Concern Group

Mr AU Nok-hin
Convenor

鳳凰山學會

Mr LO Kin-hei
Research Officer

Southern District Councillor

Mr CHAI Man-hon
Southern District Councillor

Civic Party

Mr Sunny CHAN
District Developer

Van's Calling Center Association

Mr POON Chi-ho
Vice Chairman

Tai Wo Motors Ltd.

Mr Aaron NG Hoi-shan
Vice-Chairman

Hong Kong Container Tractor Owner Association

Mr LAM Hoi-tat
Executive Vice-Chairman

Li See Hire Car Service Ltd.

Mr LI Kwai-fong
General Manager

Individual

Mr Martin OEI
Political Commentator

Hong Kong Container Drayage Services Association Ltd.

Mr Clarence WONG
Chairman

Kowloon Truck Merchants Association Ltd.

Mr LEUNG Kun-kuen
Chairman

Taxi Drivers & Operators Association

Mr LIU Yu-cheung
Executive Committee Member

Public Omnibus Operators Association

Mr Peter MOK
Committee Member

China Hong Kong and Macau Boundary Crossing Bus Association Ltd.

Mr Alan CHAN
Vice-Chairman

United Friendship Taxi Owners & Drivers Association Ltd.

Mr LEUNG Chak-sang
Chairman

Hong Kong Kowloon Taxi & Lorry Owners
Association Ltd

Mr WONG Po-keung
Chairman

Association for the Rights of Liberty Taxi Drivers

Mr WONG Wang-lok
Chairman

Eastern District Council

Mr CHIU Chi-keung
Vice-Chairman, Traffic and Transport Committee,
Eastern District Council

Wai Yik HK, Kln & NT Taxi Owners Association Ltd.

Mr LI Kwok-ying
Vice-Chairman

Yuen Long District Tourists and Passengers Omnibus
Operators Association

Mr Leo YIP
Chairman

Citybus Ltd & New World First Bus Services Ltd.

Mr Newton NG
Senior Operations Support Manager

Kowloon District Tourists and Passengers Omnibus
Operators Association Ltd

Mr Louis KUNG
Committee Member

Hong Kong District Tourists and Passengers Omnibus Operators Association Ltd.

Mr Johnny LEE
Committee Member

Tsuen Wan District Tourists and Passengers Omnibus Operators Association Ltd.

Mr TANG Chi-keung
Chairman

Happy Taxi Operator's Association

Mr WONG Cheung-ming

"Diving" (Cross-Harbour) Concerning Group
(潛水苦主關注組)

Mr Jacky LIM

Our Bus Terminal

Mr Leslie CHAN
Chairman

The Cross Harbour Tunnel and MTR Humanoid Tuna in Can Group

Mr Pius YUM Kwok-tung
Spokesman

The Kowloon Motor Bus Company (1933) Limited

Mr Kenrick FOK
Operations Director

Charter 10

Mr CHIN Wai-lok
Member

Democratic Alliance for the Betterment and Progress of
Hong Kong

Mr CHAN Hok-fung
Deputy Spokesperson of Transport Affairs

Hong Kong Automobile Association

Mr Wilson MOK
Chief Executive

Individual

Dr HUNG Wing-tat, PhD, Associate Professor,
Department of Civil and Structural Engineering,
The Hong Kong Polytechnic University

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

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

Mr Franco KWONG
Council Secretary (1)1

Ms Michelle LI
Legislative Assistant (1)5

Action

**I Consultancy Study on Rationalizing the Utilization of Road
Harbour Crossings**

- (LC Paper No. CB(1)298/10-11(01) - Administration's paper on
consultancy study on
rationalizing the utilization of
road harbour crossings
- LC Paper No. CB(1)304/10-11 - Background brief on
measures to rationalize
utilization of
Build-Operate-Transfer

LC Paper No. CB(1)942/10-11 tunnels prepared by the
Legislative Council
Secretariat
- Draft minutes of meeting on 9
November 2010)

Presentation of views by deputations attending session I of the meeting

Taxi & P.L.B. Concern Group
(LC Paper No. CB(1)535/10-11(01))

Mr LAI Ming-hung briefed members on the Concern Group's submission. In gist, the Concern Group opined that the best way to improve the distribution of traffic among the three road harbour crossings (RHCs) was to adjust the tolls for private cars and taxis at the Cross-Harbour Tunnel (CHT) upwards to divert them to the Western Harbour Crossing (WHC). If implemented, this proposal would be able to reduce the daily number of vehicles using CHT by some 20 000 when compared with 2009. The income of CHT and its owner Government, and that of WHC would also increase by some \$360 million and \$228 million respectively. He urged the Administration and members to consider the above proposal, so as to avoid requiring commercial vehicles to pay higher tolls for crossing the harbour as proposed in the report (the Report) of the consultancy study on rationalizing the utilization of road harbour crossings (the Study), which would increase the operating costs of commercial vehicles which, unlike private cars, did not have much choice in determining their routes.

Ap Lei Chau Livelihood Concern Group

2. Mr AU Nok-hin briefed members on the Concern Group's views. In gist, the Concern Group criticized the Report for having been prepared on the premise that buying back the Eastern Harbour Crossing (EHC) and WHC was infeasible, and for placing too much emphasis on the financial implications of the options considered, and the financial viability of the tunnel operators instead of long-term social benefits. He further pointed out that the cumulative toll increase of WHC had already reached such a high level that WHC's incomes therefrom already exceeded the estimated funding required to buy it back, thereby making the option more difficult to pursue. Notwithstanding, to ensure tunnel tolls would not be increased significantly to the detriment of commercial vehicles, the Government should buy back WHC and EHC to ensure smooth cross-harbour traffic.

鳳凰山學會

3. Mr LO Kin-hei pointed out that although the long-existing problem of uneven traffic distribution among the three RHCs (the uneven distribution problem) had for many years caused congestion in both Hong Kong and Kowloon, the Government was half-hearted in identifying solutions to the problem. For example, it had not made sufficient efforts to expedite the construction of the Shatin to Central Link (SCL), which should greatly help improve cross-harbour traffic. It had also failed to seize the opportunity of CITIC Pacific (CITIC)'s financial troubles in 2008 to buy back CITIC's 35% stake in WHC and 70% stake in EHC, so as to flexibly adjust the tolls of the three RHCs. Similarly, the Government had also refused to consider any option on maximizing the use of WHC to relieve congestion at CHT. In his view, the Government should as soon as practicable buy back WHC and EHC. Consideration should also be given to reviving different routes of ferry service to help improve cross-harbour traffic, instead of moving the Central Star Ferry Pier away from MTR stations and bus stops to discourage people to use ferry service. Such planning mistakes would only force more people to use bus service and further aggravate the congestion problem.

Mr. Henry CHAI, Southern District Councillor

4. Mr Henry CHAI made the following points –
- (a) If the Study placed too much emphasis on financial implications, there would be difficulty in identifying a proper solution to the problem of uneven traffic distribution among the three RHCs. It was questionable whether the Government was trying to make more profits by overloading the Government-owned CHT, thereby forcing more people to use the service of MTR Corporation Limited (MTRCL), of which the Government was the majority shareholder;
 - (b) As the congestion problem at CHT would lead to congestion in other areas of Hong Kong and Kowloon, the construction of new roads to relieve congestion would be rendered useless unless the uneven distribution problem could be mitigated. In this regard, since some scholars had already pointed out that some 50% vehicles used CHT because of the uneven tolls and not its location, a macro approach should be adopted in adjusting the tolls of all road tunnels and toll roads to optimize their use, so that vehicles going from Yuen Long or the Hong Kong International Airport to Hong Kong would use Route 3 or Route 8 and then WHC to cross

the harbour, and vehicles from Kwun Tong or Tseung Kwan O would use Route 2 and then EHC to cross the harbour. In parallel, the Government should also buy back EHC and WHC, so as to suitably adjust the tolls of the three RHCs to make them more reasonable. If not, the conduct of studies to solve the uneven distribution problem might only result in waste of time; and

- (c) The Report could not tackle the uneven distribution problem by only recommending the proposal of increasing the CHT toll and requesting the EHC franchisee to provide a corresponding reduction in EHC toll (the CHT/EHC proposal). Instead, other viable options such as reviving ferry services, the park-and-ride option, improvement of the present bus interchange arrangements, etc. should be examined, unless the Administration had no intention to genuinely tackle the congestion problem at CHT.

Van's Calling Center Association

5. Mr POON Chi-ho pointed out that congestion at CHT had long existed without improvement, and the Government was unwilling to genuinely tackle it. As a result, professional drivers could do nothing but to prepare for toll increase.

Tai Wo Motors Ltd.

6. Mr Aaron NG pointed out that unlike other commercial vehicles, the routes and hence the RHCs used by a taxi were determined by the passenger(s). As such, when there were passengers taxis would normally use the nearest RHC at the time in question, and empty taxis would tend to use the RHC which charged lower tolls. This was why CHT was used most as shown by the relevant statistics. He therefore urged the Administration to consider his proposal that WHC be required to provide toll concession for empty taxis to attract more taxis to use it instead of CHT.

Hong Kong Container Tractor Owner Association

7. Mr LAM Hoi-tat stated the container tractor trade's opposition to the CHT/EHC proposal. In his view, the uneven distribution problem affected people's well-being. As such, financial implications and commercial considerations should not be the major factors considered when deciding on the solutions to the problem but innovative ideas should be explored to identify solutions. He also pointed out that clients always requested container tractors to use CHT because the toll cost for a round trip via CHT would be only \$100, while if EHC and WHC were used, the cost would be \$250 and \$340

respectively. He therefore counter-proposed that a short-term trial scheme on toll concessions to minimize the toll difference among the three RHCs be conducted for three to six months (the trial proposal). He further explained that container tractors required longer time to restart their engines after having to stop because of congestion. As their destinations mainly centred around the Western District, Chai Wan and Aberdeen on the Hong Kong side, he considered it worthwhile to work out incentives to encourage container tractors to go to the above areas via different RHCs to help relieve congestion, and urged the Administration to take the above factor as well as other relevant factors into consideration when identifying options instead of only referring to the Report which in his view was disappointing.

Li See Hire Car Service Ltd.

8. Mr LI Kwai-fong urged the Government to buy back WHC and EHC, so as to align the tolls of the three RHCs to enable drivers to decide on which RHC to use according to their destinations, thereby relieving congestion at CHT and its connecting roads.

Mr Martin OEI
(LC Paper No. CB(1)978/10-11(01))

9. Mr Martin OEI briefed members on his submission. In gist, he called for the construction of the fourth RHC next to CHT by using the SCL tunnel because firstly, all three RHCs were nearing saturation, especially as cross-harbour traffic might further increase with increase in the number of vehicles coming from the Mainland and further development of the logistics industry. Secondly, WHC would not consider calls for toll reduction if the Government did not construct the fourth RHC. Thirdly, road design in Hong Kong was problematic because it had failed to cater to west-east traffic, so that vehicles had difficulty in going from West Kowloon to East Kowloon and vice versa. Meanwhile, efforts should be made to minimize the use of CHT by cross harbour buses through improving ferry service, and through encouraging people to interchange at Austin Station to cross-harbour tunnel buses using WHC.

Hong Kong Container Drayage Services Association Ltd.

10. Mr Clarence WONG expressed disappointment at the Report and stated objection to its recommendations on grounds that they would adversely affect the logistics trade and Hong Kong's economy. In his view, as in the case of Singapore, restrictions should be imposed on private cars' use of RHCs to reduce the overall cross-harbour traffic.

Kowloon Truck Merchants Association Ltd.

11. Mr LEUNG Kun-kuen considered the Report disappointing, and inaccurate by claiming that some 50% of heavy vehicles used CHT. The figure was questionable because trucks mainly had to carry goods to/from the Western District and Chai Wan on the Hong Kong side, and in fact mostly ran on roads in the New Territories (NT) East, NT West and Kwai Chung. He also explained that trucks used CHT mainly because of its lower tolls and as instructed by the clients. If other RHCs were used, not only would the drivers have to make up for the toll difference but air pollution would also deteriorate due to the detours so necessitated. As such, efforts should be made to align RHC tolls to enable drivers to determine on which RHC to use according to the origin and destination of the trip concerned.

Taxi Drivers & Operators Association
(LC Paper No. CB(1)978/10-11(03))

12. Mr LIU Yu-cheung briefed members on the Association's submission. In gist, the Association did not support buy-back of WHC and EHC before completion of the Central-Wanchai Bypass (CWB), extension of the EHC/WHC franchise in exchange for lower tolls, or implementation of peak hour surcharge at CHT. Instead, better traffic distribution among the three RHCs should be achieved by minimizing the difference between the tolls they charged taxis, and through requesting CHT to adjust its toll for taxis upwards to \$20 while issuing \$5 vouchers for dissemination to taxis at WHC for use at all three RHCs. Details on how these \$5 vouchers for taxis would be issued and used were provided in a table in the Association's submission.

Public Omnibus Operators Association
(LC Paper No. CB(1)1046/10-11(02) tabled at the meeting)

13. Mr Peter MOK briefed members on the Association's submission tabled at the meeting. In gist, the Association opined that as mass carriers, public omnibuses should enjoy priority and toll concessions when using RHCs. As such, in optimizing use of the RHCs, the Administration and the RHC operators concerned should impose higher tolls for or use restrictions on those less cost-effective transport modes. Based on the above consideration, the Association further proposed that to improve traffic distribution among the three RHCs, CHT's tolls should remain unchanged while tolls for buses charged by EHC and WHC should be adjusted downwards.

China Hong Kong and Macau Boundary Crossing Bus Association Ltd.
(LC Paper No. CB(1)1046/10-11(01) tabled at the meeting)

14. Mr Alan CHAN briefed members on the Association's submission tabled at the meeting and highlighted the following salient points -

- (a) The Association was opposed to the increase of tolls for commercial vehicles according to 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), which in turn would mean 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. Instead, the principle of encouraging mass carriers to use and discouraging private cars from using RHCs should be adopted;
- (b) It should be noted that while the number of commercial vehicles using RHCs would not reduce despite toll increase, the increase in operating costs so resulting would implicate on the wages of professional drivers and the prices of goods and services, and in turn the livelihood of the grassroots; and
- (c) The crux of the problems relating to the use of RHCs was the uneven distribution of residential and commercial districts. While most commercial districts were situated on the Hong Kong Island, particularly in Central, most people lived in Kowloon and NT. As such, there was always one-way congestion at the RHCs during peak hours and their use could not be optimized. Decentralization of commercial districts was therefore important to relieving congestion at RHCs. In particular, the political centre should be moved away from the commercial districts. It was a pity that the Study had failed to take the above points into consideration.

United Friendship Taxi Owners & Drivers Association Ltd.
(LC Paper No. CB(1)997/10-11(01))

15. Mr LEUNG Chak-sang opined that to improve the distribution of traffic among the three RHCs, the toll for taxis charged by CHT should be increased to \$15, and that the tolls for empty taxis passing through any of the three RHCs should be standardized at \$15.

Hong Kong Kowloon Taxi & Lorry Owners Association Ltd
(LC Paper No. CB(1)997/10-11(01))

16. Mr WONG Po-keung pointed out that the Association's views were the same as those of United Friendship Taxi Owners & Drivers Association Ltd. and The Kowloon Taxi Owners Association Ltd. as set out in their joint submission and presented by Mr LEUNG Chak-sang above. He further opined that the tolls for lorries charged by EHC and WHC should be reduced.

Association for the Rights of Liberty Taxi Drivers
(LC Paper No. CB(1)978/10-11(04))

17. Mr WONG Wang-lok briefed members on the Association's submission. In gist, the Association considered the recommendations in the Report ineffective in rationalizing use of the three RHCs, and instead made the following proposals -

- (a) That the tolls for commercial vehicles charged by the three RHCs be standardized;
- (b) That private cars be charged higher tolls during peak hours; and
- (c) That WHC should provide toll concessions for empty taxis, and that the tolls charged by the three RHCs for empty taxis should be standardized at \$15.

Eastern District Council (EDC)

18. Mr CHIU Chi-keung briefed members on EDC's views. He pointed out that the Report was difficult to understand and had failed to put forward long-term solutions to the uneven distribution problem because the Study could not identify the crux of the problem, which in his view was that congestion at RHCs had in fact been caused by congestion at the relevant connecting road networks. For example, congestion at CHT had been caused by congestion along Gascoigne Road in Kowloon, while the traffic flow from WHC was affected by congestion in Central. He agreed with certain deputations' views that tolls for commercial vehicles should not be increased notwithstanding implementation of the CHT/EHC proposal. Instead, private cars should be targeted at in recognition of the greater flexibility they enjoyed in switching routes in response to traffic conditions.

Civic Party

19. Mr Sunny CHAN pointed out that in recognition of the adverse impacts of the uneven distribution problem on time resources and air quality, the Civic Party had been urging the Administration to actively tackle the problem. However, the Administration had been procrastinating and had failed to seize the opportunity of CITIC's financial troubles in 2008 to buy back its stakes in WHC and EHC. Noting that CHT was seriously overloaded, the Civic Party would like to make the following proposals –

- (a) Although WHC's Hong Kong-bound traffic was congested during the morning peak hours, its use should still be encouraged during non-peak hours to divert traffic from CHT;
- (b) Priority should be accorded to commercial vehicles, in particular light goods vehicles and heavy goods vehicles when the rebate to tunnel users option (the rebate option) was implemented. This was because the operating costs of the above two categories of vehicles were readily reflected in the prices of services and goods. Moreover, the provision of rebate to private cars might encourage them to use RHCs;
- (c) The Civic Party supported the progressive adjustment of CHT's tolls in accordance with the resource management based principle. However, in recognition of the impact of increases in transport fares on the livelihood of the grassroots, if the tolls of CHT were to be increased, the fares of cross-harbour tunnel buses should be frozen; and
- (d) The Government should buy back WHC and EHC in due course.

The Administration's initial response to the concerns of deputations attending session I of the meeting

20. Members thanked the deputations for their views. At the Chairman's invitation, the Under Secretary for Transport and Housing (USTH) made the following points in response to the views of the deputations attending session I of the meeting –

- (a) The Administration would maintain an open mind on all proposals which would improve the distribution of traffic among the RHCs. The Administration would also carefully examine all views

received during the public consultation period before deciding on the way forward;

- (b) While not the only option, toll adjustment would be an effective measure to improve the traffic distribution among the three RHCs in the short- or medium-term. Moreover, toll adjustments as recommended by the consultants would involve adjusting downwards EHC tolls instead of only adjusting upwards the CHT tolls. Under the rebate option proposed by the consultants, toll rebate at EHC would be directly provided to tunnel users;
- (c) In putting forward the proposals in the Report, RHC operators' financial interest was not a consideration but the major considerations would include: (i) whether the proposals would improve the distribution of traffic among the three RHCs; (ii) how to strike a balance between the interests of different parties, in particular those of the public and of the tunnel users; and (iii) how to ensure the cost-effectiveness of public money in this regard;
- (d) The Study had not precluded long-term solutions such as the buy-back option, although it had pointed out that the measure should be taken after completion of CWB in 2017, or transfer of the ownership of EHC to the Government upon the expiry of its franchise in 2016; and
- (e) The Administration was mindful of the impacts of toll adjustments on the transport trade, and would take this into consideration when deciding on the way forward.

Discussion

Factors to consider when deciding on the options to pursue

21. Mr Ronny TONG opined that well-being of the general public instead of cost-effectiveness should be the major consideration when deciding on the options to pursue. As such, regard should be given to the following three principles –

- (a) That use of public transport services should be encouraged. Tunnel tolls for private cars should therefore not be adjusted downwards;

- (b) To mitigate the impact of inflation and increases in transport fares on the grassroots, it might be time for the Government to consider subsidizing public transport services; and
- (c) Considering the risks associated with the entrustment of private companies with the operation of public facilities, the Government should refrain from outsourcing operation of public facilities in future. In this regard, buy-back of WHC and EHC in due course was a must but in recognition that public funds would be involved, a good timing should be identified to ensure the price was reasonable.

22. At Mr Ronny TONG's invitation, the following deputations commented on the above three principles as set out below –

- (a) Mr CHAI Man-hon pointed out that contrary to the deputations which had put forward various proposals on how to encourage use of public transport services, the Report had not touched upon this principle. He urged the Administration to conduct studies on such proposals as revival of ferry service, improvement of interchange arrangements, etc.;
- (b) Commenting on the buy-back option, Mr Martin OEI urged the Administration to construct the fourth RHC by highlighting the success of the Shenzhen Municipal Government in buying back the Ng Tung Shan Tunnel, also a Build-Operate-Transfer (BOT) tunnel, at a reasonable price, namely, by exerting pressure on the tunnel operator through the construction of a new tunnel parallel to the Ng Tung Shan Tunnel. He further opined that as in London and New York, ferry services should be revived to address the congestion problem at RHCs in recognition of the seriousness of the problem and the large passenger seating capacity of ferries;
- (c) Mr LO Kin-hei proposed that to relieve congestion, bus-bus-interchange (BBI) schemes should be improved with enhanced publicity and wider coverage. Government officials sitting on the boards of public transport companies like MTRCL should also play a more active role to ensure the public could enjoy good public transport services at reasonable price, probably with Government subsidy, instead of allowing these companies to attach too much importance to commercial principles;

- (d) Mr LAI Ming-hung reiterated the need to align CHT's tolls for private cars with those charged by WHC. In his view, this measure would have the effect of diverting some 20 000 private cars from CHT to WHC or EHC daily. He also opined that the tolls for commercial vehicles should remain unchanged, so as to keep the fares of public transport services low to encourage use;
- (e) Mr AU Nok-hin said that by recommending the adoption of the resource management based principle, the Report had failed to encourage the use of public transport services. In his view, public transport operators and the logistics trade should be given priority in using the three RHCs. At present, however, the high tolls charged by WHC had significantly increased the operating costs of the logistics trade, and had discouraged the trade and public transport operators to use WHC; and
- (f) Giving views on the use of public transport services, Mr CHIU Chi-keung opined that bus companies were not making optimal use of RHCs. In his view, the Administration should urge them to introduce more BBI schemes, particularly at CHT, to maximize use of the RHCs and minimize congestion at CHT. He also pointed out that the inadequacy of transport support measures to mitigate congestion on Gascoigne Road in Kowloon, and congestion in Wanchai and Central in Hong Kong was the cause of congestion at the three RHCs. The Study, however, had failed to recommend any measures in this regard. Pending completion of CWB, measures should be introduced to address the above congestion problems.

23. Mrs Regina IP opined that benefits to the economy as a whole instead of financial implications on the Government should be the major consideration when deciding on the options to pursue to rationalize traffic distribution among the three RHCs. USTH responded that the Administration's major consideration in this regard was also the overall benefits to the society as a whole and, according to the Report, the recommended options could bring about an annual economic benefit ranging from \$0.4 billion to \$0.6 billion. In recognition of such economic benefits, the Administration maintained an open mind on all proposals, including those which might involve public expenditure, such as the rebate option.

24. Mrs Regina IP enquired how the above economic benefits could be achieved. The Principal Consultant (PC) of Wilbur Smith Associates (WSA)

explained that the estimated economic benefits would be achieved annually from 2011 to 2021 mainly in terms of savings in travel time and in vehicle operating costs, such as fuel cost, maintenance costs, and depreciation of vehicle as a result of alleviation of traffic congestion.

Comments on the Report and alternative proposals

25. Ms Miriam LAU pointed out that uneven traffic distribution among the three RHCs was a long-existing problem which she had been closely following up and calling for solutions since 1998. She however considered that many recommendations of the Report, such as the rebate option, were infeasible and would only complicate matters. She also did not accept the Report's finding that pending completion of CWB in 2017, WHC had limited capacity to accommodate traffic diverted from CHT. The Administration noted her comments.

26. In response to Mrs Regina IP on details on the Study, in particular the relevant expenditure, USTH advised that some \$7 million had been spent on conducting the Study.

27. Mr Ronny TONG requested the Administration to seriously consider his proposal that the tolls for private cars at EHC and CHT should be aligned, while EHC's and WHC's tolls for commercial vehicles should remain unchanged. The Administration noted his views.

28. Ms Miriam LAU urged the Administration to reconsider proposals put forward at this meeting by deputations, such as the trial proposal in paragraph 7 above, which as she understood had been put forward for years but had all along been considered infeasible by the Administration. She, however, did not consider it advisable to spend a substantial sum to buy back EHC at this stage, pointing out that diversion of traffic to EHC would only aggravate congestion along Gloucester Road. Emphasizing that WHC was congested during peak hours only, she also urged the Administration to help minimize transport fare increase by urging WHC to provide toll concessions for various means of public transport, such as franchised buses and public light buses (PLBs), during non-peak hours. She further pointed out that CHT was increasingly used by commercial vehicles including goods vehicles and taxis for its low tolls. To help divert traffic from CHT, WHC should also provide toll concessions for empty taxis and goods vehicles during non-peak hours.

29. USTH thanked Ms Miriam LAU for her views, and undertook to seriously examine all views presented by members and the trade at this meeting. He, however, highlighted the need to negotiate with the WHC franchisee

measures that involved adjustments to WHC tolls, and said that it might be difficult to request WHC to implement the above proposed measures. Noting the response, Ms LAU urged the Administration to draw WHC's attention to the fact that WHC would benefit from increase in patronage if toll concessions were offered to commercial vehicles to encourage them to use WHC.

30. Mrs Regina IP asked the Administration to comment on the feasibility of constructing the fourth RHC, and on the proposal to construct a cross harbour tunnel for pedestrians with pedestrian conveyors at the narrowest point between Hong Kong Island and Kowloon. USTH responded that WSA had also studied the option of constructing the fourth RHC but found it difficult to take forward. PC explained that while the north shore of Hong Kong Island could not accommodate the additional traffic diverted to it if the fourth RHC was connected thereto, connection of the fourth RHC to the southern part of Hong Kong, such as Aberdeen, was equally undesirable because substantial cost and long lead time of at least 15 years would be required.

31. Mrs Regina IP requested the Administration to comment on the commercial viability of reviving ferry service to help improve cross-harbour traffic. PC responded that patronage of ferry service had shrunk since the introduction of MTR service which was preferred by many people for its convenience and efficiency.

Presentation of views by deputations attending session II of the meeting

Wai Yik HK, Kln & NT Taxi Owners Association Ltd.

32. Mr LI Kwok-ying pointed out that Hong Kong Government had no say in the operation of WHC and EHC, and urged the Administration to draw lessons from this and exercise greater care when entering into BOT contracts in future. In his view, if the operators of the two RHCs could fulfil their corporate social responsibilities, congestion at CHT would not be so serious. He also indicated opposition to buying back WHC or EHC, and urged the Administration to pressurize WHC to offer rebates to its users on their return journeys, and to provide toll concessions to empty taxis. He believed that the above arrangements could help minimize the need for taxis in the Western District or Central to detour to CHT to use it for its cheaper tolls, and in turn help alleviate congestion in Wanchai.

Yuen Long District Tourists and Passengers Omnibus Operators Association

33. Mr Leo YIP considered it unreasonable to differentiate between drivers who should be allowed or encouraged to use a certain RHC and those who

should not, and to increase tolls at the expense of the grassroots to alleviate traffic congestion. In his view, toll concessions should be provided to all means of public transport considering the large numbers of passengers they carried. He also considered the conduct of consultancy studies useless, and said that the Government should instead improve planning. For example, by decentralizing commercial activities to different parts of Hong Kong, such as the Eastern District and the Western District, instead of concentrating such activities in Central as was the present arrangement.

Citybus Ltd (Citybus) & New World First Bus Services Ltd. (NWFBS)

34. Mr Newton NG briefed members on the views of Citybus and NWFBS as follows –

- (a) The two bus companies in principle supported the rationalization of the utilization of RHCs by toll adjustment but were doubtful whether the move could effectively alleviate congestion, and concerned about toll adjustment's implications on their operation;
- (b) Citybus and NWFBS did not support the CHT/EHC proposal because bus routes were fixed and any change to the routes and their frequency had to be approved by the Transport Department. Moreover, the proposal would cause Citybus and NWFBS's toll expenditure to increase by over \$50 million a year and, unless mitigated by Government subsidy, the bus companies might need to increase fares at the expense of the general public;
- (c) RHC tolls should be set according to the socio-economic benefits and efficiency of vehicles. As such, the tolls of private cars should be higher than those for means of public transport such as buses, so as to encourage more people to use public transport instead of driving themselves; and
- (d) Citybus and NWFBS welcomed the conduct of trials on the rebate option and/or the concession to franchisees option. However, the trials should not increase overall use of the RHCs. In addition, the rebates should be provided to buses, PLBs, taxis and goods vehicles only.

Kowloon District Tourists and Passengers Omnibus Operators Association Ltd

35. Mr Louis KUNG highlighted the concerns of the tourists and passengers omnibus trade about the implications of toll adjustment, in particular the

CHT/EHC proposal, on their operation, and pointed out that the trade was already facing many operational difficulties, that tourists and passengers omnibuses had greater socio-economic benefits and higher efficiency than private cars, and that the trade had always actively responded to Government's green policy initiatives. He cautioned that any move to increase CHT's tolls for tourists and passengers omnibuses would significantly increase their operating costs and discourage the general public from using this means of mass public transport. The Government should instead handle the uneven distribution problem by discouraging vehicles which did not have a justified need to use the RHCs from using them, and by tackling the problem from a wider perspective, taking into account the capacity of not only CHT but also EHC and WHC, and the relevant road networks.

Hong Kong District Tourists and Passengers Omnibus Operators Association Ltd.

36. Mr Johnny LEE pointed out that given the toll disparity between CHT and the other two RHCs, tourists and passengers omnibuses would use CHT when not carrying passengers. It would therefore greatly help if pending the formulation of long-term solutions to the uneven distribution problem, WHC could provide toll concessions to commercial vehicles for journeys to Kowloon, having regard that traffic in that direction at WHC was smooth. He also urged EHC to provide similar toll concessions for commercial vehicles.

Tsuen Wan District Tourists and Passengers Omnibus Operators Association Ltd.

37. Mr TANG Chi-keung made the following points –

- (a) The uneven distribution problem should be tackled at root instead of through toll adjustment. This was because commercial vehicles did not have the same flexibility in making route choices as private cars, and at present WHC was already constrained by the bottleneck in Wanchai, and could not accommodate more vehicles diverted to it by toll adjustment. Moreover, increase of CHT's tolls would only lead to increase in public transport fares to the detriment of the commuting public;
- (b) In consideration of Hong Kong's limited road space, the long-term solution to the uneven distribution problem should lie in containing growth in the number of vehicles as in Singapore and Beijing. On a short-term basis, the tolls for all commercial vehicles at EHC and WHC should be aligned to those charged by

CHT, so that these vehicles could flexibly adjust their routes according to the traffic conditions; and

- (c) Means of mass public transport such as buses and PLBs should be given priority in using the RHCs. For example, by providing bus-only lanes, which would also help discourage people from driving themselves.

Happy Taxi Operator's Association

38. Mr WONG Cheung-ming explained that the routes taken by taxis were determined by the passengers except for empty taxis, which would then choose the RHC to use according to the toll level. As such, the CHT/EHC proposal would not be as effective in diverting traffic from CHT as the proposal to offer toll concessions to empty taxis using WHC during day time. He proposed that to enable taxi drivers to determine which RHC to use according to road conditions, the tolls for empty taxis at all three RHCs should be aligned to \$15.

"Diving" (Cross-Harbour) Concerning Group (潛水苦主關注組)
(LC Paper No. CB(1)1046/10-11(03) tabled at the meeting)

39. Mr Jacky LIM considered the Report disappointing for the following reasons –

- (a) Vehicles would need to make a 13-kilometre detour to use EHC instead of CHT, thereby incurring some \$20 additional fuel cost. As such, the reduction of EHC tolls under the CHT/EHC proposal put forward in the Report could hardly encourage vehicles to use EHC;
- (b) It was undesirable that the Report had not recommended the enhancement of the use of WHC to solve the uneven distribution problem, especially as the low utilization of WHC had already given rise to congestion along Chatham Road; and
- (c) It was regrettable that because of the Government's undesirable public transport policy, the general public were forced to cross the harbour by either MTR or cross-harbour tunnel buses, both of which were seriously crowded during peak hours. It was unreasonable that the Report had not explored the revival of ferry service to offer the commuting public the choice of crossing the harbour by ferry, which could carry as many passengers as those by five cross-harbour tunnel buses.

Our Bus Terminal

40. Mr Leslie CHAN considered it unreasonable that the Study had barely touched upon the option of ferry service before determining that it was inefficient, and had examined vehicular ferry service only. This was because ferry service could in fact greatly help reduce road traffic and hence congestion, having regard that one ferry could carry as many passengers as four to six cross-harbour tunnel buses, and the ferry services between Wanchai/Central and Tsim Sha Tsui could carry up to 16 000 passengers an hour. However, with the removal of ferry piers away to inconvenient locations, ferry operation had been made difficult, thereby resulting in the cessation of the “Hung Hom-Central” and “Hung Hom-Wanchai ” ferry services in April 2011. The planned/likely removal of the bus terminus from the Tsim Sha Tsui Pier/North Point Pier would further affect the sustainability of ferry service, and would force more passengers to use MTR service and cross-harbour tunnel buses to aggravate their already over-crowded conditions. SCL could not help improve the above situation because its construction would take time, not to mention that traffic diversion to make way for its construction might even aggravate congestion in the areas concerned.

The Cross Harbour Tunnel and MTR Humanoid Tuna in Can Group

41. Mr Pius YUM called upon the Government to help revive ferry service by providing incentives in recognition of ferries' large carrying capacity, and the current congested conditions on MTR and cross-harbour tunnel buses. In his view, the Study should seriously explore the option of ferry service, which had been playing an important role in Hong Kong in the past though their financial viability had been adversely affected by Government's transport policy tilted in favour of road transport. He further opined that the Study should pay attention to the traffic congestion that might be caused by the construction of SCL, and urged the Government to advance works on the section of SCL from Hung Hom to Admiralty because, if this section would, as presently planned, be completed only two years after the completion of the section of SCL from Shatin to Hung Hom, more passengers would be directed to Hung Hom to use CHT to cross the harbour during the above two-year time gap.

The Kowloon Motor Bus Company (1933) Limited (KMB)

42. Mr Kenrick FOK pointed out that bus routes were fixed as approved by the Government and could not be flexibly changed in response to toll adjustments. As such, the toll adjustment options put forward in the Report would only affect the operational costs of bus companies, causing KMB's toll cost to increase by over \$40 million a year, thereby increasing bus companies'

pressure to increase fares to the detriment of bus passengers. In KMB's view, to solve the uneven distribution problem, the Administration should encourage more people to use public transport services, and should help bus operators by giving them priority in using the roads, and by exempting buses from toll adjustments.

Charter 10

43. Mr CHIN Wai-lok considered it undesirable that the Administration had ignored calls to buy back EHC and WHC despite the general public's sufferings from traffic congestion. In his view, the "user-pays" principle should not apply where daily necessities such as public transport services were concerned, and tolls for means of public transport such as buses should not be increased lest this would result in increase in bus fares. Likewise, public utilities and services should not be privatized for fear of affecting the general public's livelihood. He criticized the Administration for being oblivious to the grassroots' plight in meeting increases in expenses on public services and, highlighting the substantial fiscal surplus, urged the Government to buy back EHC and WHC immediately to reduce the grassroots' travelling expenses.

Democratic Alliance for the Betterment and Progress of Hong Kong (DAB)

44. Mr CHAN Hok-fung briefed members on DAB's views. In gist, DAB opined that CHT was heavily used because of its strategic location. As such, the situation would not change much even if CHT's tolls were increased. Moreover, vehicles detouring to use EHC in response to decrease in EHC's tolls would only aggravate congestion in Causeway Bay. The CHT/EHC proposal was therefore not preferred. Instead, in recognition of WHC's satisfactory connecting road network on the Kowloon side, the tolls of WHC for journeys to Kowloon should be decreased while those of CHT increased to encourage vehicles to fully utilize WHC in going to Kowloon. In the longer term, EHC and WHC should be bought back with funding secured through bonds issued by a Tunnels and Bridges Authority, so that through decreasing the tolls of EHC and WHC and increasing CHT's tolls, the three RHCs' traffic flows could be effectively rationalized.

Hong Kong Automobile Association (HKAA)

45. Mr Wilson MOK expressed regrets that because Government had failed to perform its monitoring role satisfactorily, the franchisees of EHC and WHC would not stop increasing their tolls although they were already making large profits. He then elaborated that while in principle supportive of the CHT/EHC proposal and the rebate option, HKAA considered these proposals short-term

measures only, and opined that the Administration should buy back EHC and WHC in the long run, so that CHT's tolls for private cars could be increased to \$35 while those for EHC and WHC decreased to \$25 and \$20 respectively to divert traffic to the latter two RHCs to optimize the traffic distribution among the three RHCs, thereby relieving congestion. Highlighting the substantial fiscal surplus and the loss which traffic congestion could incur to Hong Kong's economy and competitiveness, he urged the Government to pursue the buy-back option as soon as practicable.

*Dr HUNG Wing-tat, Associate Professor, Department of Civil and Structural Engineering, The Hong Kong Polytechnic University
(LC Paper No. CB(1)1024/10-11(01))*

46. Dr HUNG Wing-tat briefed members on his submission, in particular the observations summarized in sheet 1 thereof, and highlighted the following salient points –

- (a) In taking measures to divert traffic from CHT, care should be exercised not to increase the overall traffic flow and the general public's travelling expenses;
- (b) He agreed with the Report's recommendation to adjust CHT's tolls to divert traffic from it to EHC, considering the greater capacity of the latter's connecting road networks;
- (c) Tolls for means of public transport, such as buses and PLBs, should be maintained because their number would not be affected by toll levels. Where appropriate, tolls for them should even be waived to relieve the burden of travelling expenses on the general public; and
- (d) The buy-back option might only benefit the operators of EHC and WHC, and might not necessarily lead to significant reduction of the tolls concerned, or solution of the congestion problem at CHT.

47. The Chairman and members thanked the deputations for attending the meeting to express their views. Members noted that certain organizations, which did not send any representative to the meeting, had also provided the following submissions for members' reference –

- (a) Submission from Democratic Party (LC Paper No. CB(1)474/10-11(01));

- (b) Submission from Concrete Industry Workers Union (LC Paper No. CB(1)978/10-11(05));
- (c) Submission from Chit Fai Motors Co. Ltd. (LC Paper No. CB(1)978/10-11(06));
- (d) Submission from Mr David LAI, Wan Chai District Councillor (LC Paper No. CB(1)978/10-11(07));
- (e) Submission from FGG (LC Paper No. CB(1)978/10-11(08)); and
- (f) Submission from The Lion Rock Institute (LC Paper No. CB(1)978/10-11(02)).

The Administration's initial response to the concerns of deputations attending session II of the meeting

48. At the Chairman's invitation, USTH made the following points in response to the views of the deputations attending session II of the meeting –

- (a) The Administration was currently conducting a three-month consultation exercise on the Report, during which relevant stakeholders including the District Councils and the transport trade would be consulted. The Administration would maintain an open mind on all proposals which would improve the distribution of traffic among the RHCs and, in the light of their implications on different road users, carefully examine all views received during the public consultation period before deciding on the way forward;
- (b) Although toll adjustment was not the only way to improve the traffic distribution among the three RHCs, it was an effective measure;
- (c) It was Government's policy to encourage the public to travel by public transport as far as possible, and railways remained the backbone of Hong Kong's passenger transport system with the benefits of reducing traffic congestion and vehicle emissions; and
- (d) The consultants had already thoroughly examined the proposals to align the tolls of the three RHCs and to reduce WHC's tolls, and whether WHC had capacity to accommodate greater traffic flow. The findings were set out in the Report.

Discussion

Comments on the CHT/EHC proposal

49. Ms Miriam LAU cautioned that the implementation of the CHT/EHC proposal to divert traffic from CHT to EHC might aggravate congestion along the two lanes of Gloucester Road respectively leading to Happy Valley and Causeway Bay, which were already more congested than the lane leading to CHT. Moreover, the proposal might not be attractive considering the increase in fuel cost arising from the need to travel longer distance to benefit from the reduced EHC toll, which could be significant considering the escalating fuel price.

50. PC responded that WSA had already examined the impact of the CHT/EHC proposal on Gloucester Road, and found that the traffic impact would be tolerable. Moreover, some drivers might at present be driving longer distance to use CHT for its lower tolls, and there were also marginal users who were halfway between EHC and CHT but had been using CHT because of its lower tolls. For example, vehicles going from Causeway Bay to Wong Tai Sin or Kai Tak. As such, if EHC's tolls were reduced, these vehicles would be able to freely choose between CHT and EHC after balancing fuel costs, toll costs and travelling time. PC further pointed out that the CHT/EHC proposal only aimed at diverting some 4 000 to 5 000 vehicles from CHT to EHC a day. Such a target should not be too difficult to achieve.

Call to maximize use of the Western Harbour Crossing

51. Ms Miriam LAU pointed out that the consultants seemed to have deferred the consideration of long-term solutions to the uneven distribution problem, such as buying back WHC, until 2016 and 2017, when the relevant connecting road networks were improved, so that at present only proposals involving CHT and EHC were recommended. Pointing out that the Hong Kong side of WHC was in fact not congested during non-peak hours, she enquired whether the WHC operator could be urged to help divert traffic to WHC during that time of the day. PC responded that the WHC access roads had already become congested, and did not have spare capacity to accommodate additional traffic until completion of CWB. As such, in the meantime focus should be placed on balancing the use between CHT and EHC as the latter still had some spare capacity.

52. Ms Miriam LAU insisted that, according to her own experience, WHC was not congested throughout the day. Moreover, Lung Wo Road, the new waterfront road linking Central with Wanchai, could help relieve congestion on

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the Hong Kong side of WHC. As there was spare capacity during non-peak hours for WHC to offer empty taxis and other means of public transport tolls reduced to the same level as those of CHT to encourage these vehicles to use WHC, she urged the Administration to consider her proposals above, and requested a breakdown of the vehicular flows at WHC at different times of the day. PC responded that instead of experiencing congestion for only two hours during peak hours in the vicinity of Shun Tak Centre, and in the direction of Mong Kok and Tsim Sha Tsui as was the case a few years before, congestion related to WHC had already spread to Yau Ma Tei and extended to a greater part of the day. He further highlighted the difficulty in charging different tolls during different times of the day, pointing out that the traffic flow at the entrance of the RHC concerned might be adversely affected if vehicles deliberately slowed down or sped up to take advantage of the concessionary toll period.

Call to revive ferry service

53. Ms Miriam LAU shared the views of certain deputations on the need to revive ferry service, which in her view had been declining over the years because of the removal of ferry piers to inconvenient locations. In response to her on measures to encourage the use of ferry service in crossing the harbour, such as by providing travellers to ferry piers, PC said that the public generally considered it more comfortable and efficient to travel by MTR and cross-harbour tunnel buses. As such, patronage of ferry service had been declining since the commissioning of CHT and MTR service. USTH echoed his points, and supplemented that the operation of ferry service had also been affected by ongoing infrastructural works along the waterfront, which had necessitated the relocation of piers. With the completion of the above works however, the piers would become more accessible. In addition, the Administration had also been mapping out measures to improve the operating environment of ferry operators in consultation with them, including the generation of non-fare box revenue to cross-subsidize ferry operation, and other incentives to encourage the use of ferry service. However, due to the need to interchange to other means of transport when using ferry service, many people still preferred MTR service. USTH further explained that to complement the Government's policy to promote railways as the backbone of public transportation, inevitably more government resources were directed to supporting the development of rail service.

54. Ms Miriam LAU did not consider the Administration's assistance to ferry service sufficient, and called for greater support considering the significantly lower fares for ferry service. In her view, to help the grassroots save travelling cost, the Administration should make efforts to facilitate access to ferry piers because at present their very inconvenient locations were discouraging people from using ferry service.

Other views and concerns

55. Mr Albert CHAN opined that the franchises granted to EHC and WHC had given rise not only to the uneven distribution problem but also repeated toll increases to the detriment of professional drivers whose business and livelihood were thus affected. However, because of loopholes in the relevant legislation, Government was powerless in restricting the franchisees from increasing tolls. He had therefore long been urging the Government to buy back EHC and WHC. At his invitation, the following representatives of deputations/individuals supplemented views as follows –

- (a) Mr Pius YUM opined that the Administration should make efforts to facilitate access to Tsim Sha Tsui Pier and Hung Hom Pier to enable more people to use ferry service, instead of moving the bus terminus at the former elsewhere to inconvenience ferry passengers. In support of his request, he highlighted the serious congestion at CHT, and the difficulties in boarding MTR trains during peak hours;
- (b) Mr Jacky LIM urged USTH to ride on MTR during peak hours to experience for himself the over-crowded conditions on MTR trains. He pointed out that ferry service could greatly relieve the above situation because the number of passengers whom one ferry could carry was half that of an MTR train. However, instead of ensuring proper interchange arrangements to facilitate use of ferry service, the Government had been discouraging its use and reducing its financial viability by moving ferry piers away to inconvenient locations, or relocating bus termini away from ferry piers. He further pointed out that rail service had its limitations, and cautioned against heavy reliance on it;
- (c) Mr TANG Chi-keung opined that the Administration should contain the growth in the number of vehicles, in particular private cars, in consideration of Hong Kong's limited road space. He also opined that toll increase would not help rationalize the utilization of RHCs because they had limited capacity, so that toll increase would only increase the travelling expenses of the general public. In addition, public interests should not be compromised when pursuing the policy of making railway the backbone of Hong Kong's passenger transport system. As such, he was opposed to increasing the tolls for any means of public transport, and proposed that tolls for all means of public transport at the three

RHCs should be aligned to enable the operators concerned to choose the most efficient route;

- (d) Mr LI Kwok-ying considered it impractical to ask a vehicle heading to Tsim Sha Tsui from Central to use EHC in recognition of the additional miles and time required to make the detour. Moreover, passengers would be unwilling to make the detour considering the congestion along the way from EHC's Kowloon exit to Tsim Sha Tsui. The journeys from WHC to Kowloon and further to Sha Tin were however efficient and smooth at all times. WSA should therefore examine measures to encourage vehicles to use WHC for the above journeys;
- (e) Mr Leo YIP emphasized that toll increase would only lead to inflation. Moreover, rents of residents' buses could not be increased freely to reflect toll increase but approval was required. As such, although toll and fuel costs had increased by over 50% over the past six to seven years, bus rents could hardly be increased. The trade concerned was therefore facing great operational difficulties, and Government should help contain increases in fuel and toll costs instead of proposing to increase tolls;
- (f) Mr Leslie CHAN pointed out that although the ferry trip from Central to Tsim Sha Tsui only took seven minutes, considerably longer time was required to access the Central Pier to take the trip since the Pier's relocation. If the bus terminus at Tsim Sha Tsui was moved to a remote location in Mody Road as planned, the operation of the above ferry route would be rendered even more difficult; and
- (g) Mr Louis KUNG explained that since the routes of residents' buses were fixed, they could not be changed flexibly to mitigate the impacts of toll increase on their operating cost. If passengers switched to use MTR service because of increases in tolls and hence rentals for residents' buses, the trade concerned would suffer from loss of business. There was hence a need for the Administration to give due regard to the interests and financial viability of the trade.

56. In response, USTH elaborated that the Administration recognized that apart from rail service, other modes of public transport such as buses, PLBs, and non-franchised buses also played an important role in providing public transport

services. The Administration was also aware of the need to contain the number of vehicles in recognition of Hong Kong's limited road space and the need to improve air quality. He said that he frequently used public transport services and was aware of the deputations' concerns highlighted above, and assured members that with the completion of the works along the waterfront of Hong Kong, ferry piers would become more accessible.

57. In response to the Chairman on the way forward, USTH advised that since the Administration would need time to consolidate and analyze the views received through the consultation exercise upon its completion on 9 February 2011, and might need to discuss with the operators of EHC and WHC the feasibility of some of the options identified where appropriate, the Administration would endeavour to report to the Panel on the findings of the consultation exercise as soon as possible. In this regard, Ms Miriam LAU urged the Administration to note that the deputations which attended this meeting were mostly not in favour of the rebate option and the CHT/EHC proposal. She also urged the Administration to seriously examine the proposals put forward by the deputations, and to ensure that the options identified would be effective and not disruptive.

II Any other business

58. There being no other business, the meeting ended at 11:30 am.

Council Business Division 1
Legislative Council Secretariat
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