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27 April 2011

Clerk to Panel on Transport,
Legislative Council,
Legislative Council Building,
8 Jackson Road,
Central,
Hong Kong.

Dear Sir/Madam,

**Panel on Transport
Meeting on 26 November 2010
Follow-up Item**

At the Panel on Transport Meeting on 26 November 2010, Members discussed the item on “Fare Increase Applications from The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LW”)”, and requested the Administration to provide supplementary information. Our response is as follows -

The Chief Executive-in-Council considered the fare increase applications from KMB and LW on 19 April 2011, and approved an overall average fare increase of 3.6% and 3.2% for KMB and LW respectively. The new fares will take effect on 15 May 2011.

The Chief Executive-in-Council, in their deliberations, have fully considered and balanced all relevant factors in the fare adjustment arrangement for franchised buses, which include:

- (a) changes in operating costs and revenue of the bus companies since the last fare adjustment in June 2008;
- (b) forecasts of future costs, revenue and return of the bus companies;
- (c) the need to provide the bus companies with a reasonable rate of return;
- (d) public acceptability and affordability;

- (e) the quality and quantity of service provided by the bus companies; and
- (f) a formula (supportable fare adjustment rate = $0.5 \times \text{Change in Wage Index} + 0.5 \times \text{Change in Composite Consumer Price Index} - 0.5 \times \text{Productivity Gain}$).

The Government understands that, under an inflationary environment, the general public is very concerned about the impact of bus fare increases on their livelihoods. The Government has therefore handled the fare increase applications with caution. The approved fare increases have struck a balance between minimising the impact of bus fare increase on passengers and at the same time enabling the franchised bus operators to continue to provide quality public bus services.

Compared with the proposed fare increase rates applied by KMB and LW, the approved rates of fare increase are lower by over 50%; the approved fare increase rates are also lower than the inflation (+5.72%) since the last bus fare increase in June 2008. As regards the bus fare adjustment formula outcome, which is +3.92%, it reflects changes in the macro-economic conditions and past operating costs of the bus companies, and does not operate as an automatic determinant of bus fare adjustment outcome.

Please refer to the Legislative Council Brief at [Annex](#) for the justifications for approving the fare increases for KMB and LW. The Legislative Council Brief also sets out the above-mentioned factors for consideration under the bus fare adjustment arrangement.

Yours faithfully,



(Miss Constance Choy)
for Secretary for Transport and Housing

c.c. Commissioner for Transport (Attn.: Miss LUI Ying)

File Ref.: THB(T) L 2/4/120

LEGISLATIVE COUNCIL BRIEF

Public Bus Services Ordinance
(Chapter 230)

FARE INCREASE APPLICATIONS FROM THE KOWLOON MOTOR BUS COMPANY (1933) LIMITED AND LONG WIN BUS COMPANY LIMITED

INTRODUCTION

At the meeting of the Executive Council on 19 April 2011, the Council ADVISED and the Chief Executive ORDERED that, under section 13(1) of the Public Bus Services Ordinance (Chapter 230) (“PBSO”), the fare scales for the routes of The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LW”), at Annexes A and B respectively, should be approved to take effect on **15 May 2011**.

A & B

JUSTIFICATIONS

2. KMB and LW submitted applications on 30 July 2010 for fare increases at the rate of 8.6% and 7.4% respectively, in view of rising operating costs, particularly the upsurge in oil prices. KMB and LW pointed out that they had tried their best to control costs, and the proposed fare increases are the last resorts to enable them to maintain quality franchised bus services. KMB and LW last increased their fares on 8 June 2008 by an overall average rate of 4.5%.

Bus Fare Adjustment Arrangement

3. Under section 13(1) of PBSO, fares of franchised bus services are to be charged according to a scale of fares determined by the Chief Executive-in-Council¹. The current Fare Adjustment Arrangement (“FAA”) for franchised buses was put in place in January 2006. The Chief Executive-in-Council approved on 10 January 2006 that, when assessing franchised bus

¹ The Chief Executive-in-Council retains the ultimate power in determining the scale of bus fares as provided in PBSO.

fare adjustment applications for the purpose of making recommendations to the Chief Executive-in-Council, the Administration should take into account a basket of factors, which include -

- (a) changes in operating costs and revenue since the last fare adjustment;
- (b) forecasts of future costs, revenue and return;
- (c) the need to provide the operator with a reasonable rate of return. In considering the reasonable rate of return to franchised bus operators, reference should be made to the Weighted Average Cost of Capital of the franchised bus industry, which is set at 9.7% rate of return on the company's average net fixed assets ("ANFA")² ;
- (d) public acceptability and affordability. Reference should be made to the magnitude of change in median monthly household income ("MMHI") and change in Composite Consumer Price Index ("CCPI");
- (e) the quality and quantity of service provided; and
- (f) a formula (supportable fare adjustment rate = 0.5 x Change in Wage Index + 0.5 x Change in CCPI – 0.5 x Productivity Gain) which should not operate as an automatic determinant of fare adjustment outcome.

4. The Administration completed a review of FAA for franchised buses in 2009. The Chief Executive-in-Council approved on 8 December 2009 that the current FAA should continue to be adopted pending a review in three years' time. For the formula in 3(f) above, while its components and their weightings for calculating the supportable fare adjustment rate should be maintained, the value of productivity gain in the formula should be set at zero until the next review.

² ANFA is the average value of fixed assets at original cost of acquisition less the cumulative depreciation, except for land for which no depreciation is charged.

Assessment of Fare Increase Applications

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

Changes in Operating Costs and Revenue since the Last Fare Adjustment

5. From 2008 to 2010, KMB's average daily patronage decreased from 2.695 million in 2008 to 2.644 million in 2009 and further down to 2.606 million in 2010, mainly due to the competition of new railways. Comparing 2010 with 2008, KMB's total patronage dropped by 3.3%. Despite the fare increase effective from June 2008, KMB's total revenue has decreased from 2008 to 2010. KMB's total operating costs have also decreased from 2008 to 2010 because of the drop in fuel price, which was partly offset by the increases in staff costs, tunnel toll and other operating costs. Besides, KMB has implemented cost saving measures such as bus rationalisation and improvement of fleet utilisation to enhance network efficiency.

Forecasts of Future Costs, Revenue and Return at Existing Fares

6. At existing fares, KMB projects that its patronage and fare revenue will be increased by about 0.2% and about 0.7% respectively in 2011 (when compared with 2010), and further increased by about 0.04% and about 0.9% respectively in 2012 (when compared with 2011). According to information from KMB, these modest increases are due to the interplay of the following two factors -

- (a) Population growth: The anticipated population growth in Kowloon and the New Territories would contribute to increase in patronage and revenue; and
- (b) Increase in rest times and meal breaks for bus captains: In response to the public concern on bus safety and bus captains' rest times, the Transport Department issued the "Revised Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks" ("the Guidelines") (see Annex C). In order to implement the Guidelines to increase the rest times and meal breaks for bus captains, KMB envisages that there will be a manpower gap, and hence reduction in frequency of some routes, leading to a drop in patronage. Against this background, KMB has had plans to recruit 516 bus captains by phases to fill the manpower gap and the costs for this additional manpower requirement have been factored into the

present fare increase application.

Our assessment is that KMB's patronage and fare revenue will be increased by about 0.5% and about 1.0% respectively in 2011 (when compared with 2010), and further increased by about 0.4% and about 1.4% respectively in 2012 (when compared with 2011).

7. KMB estimates that its total operating costs will be increased by 4.9% in 2011 and further increased by 3.3% in 2012, based on its forecast increase in fuel price, staff pay rise, increase in tunnel toll and price inflation for other operating costs. Having regard to the information on KMB's expenses in 2010, we have adjusted downward KMB's forecasts of operating costs for 2011 and 2012 by 1.8% and 1.6% respectively.

8. KMB forecasts that its ANFA will be increased by 5.1% in 2011 and by another 7.6% in 2012, owing to the planned addition of fixed assets. Having regard to the relevant information, we have adjusted downward KMB's forecasts of ANFA for 2011 and 2012 by 1.5% and 2.3% respectively. At existing fares, KMB may have rather low or even negative return in 2011 and 2012.

Change in Median Monthly Household Income

9. MMHI has increased by 1.1% from \$18,000 for the second quarter of 2008 to \$18,200 for the fourth quarter of 2010³. The change in CCPI for the period from June 2008 to February 2011 is +5.72%. This factor also applies to LW's fare increase application. Change in MMHI is one of the reference indicators for assessing public affordability. Another reference indicator is the change in CCPI.

Quality and Quantity of Service

10. In monitoring the quality and quantity of bus services, we take into account objective indicators such as the findings of passenger satisfaction surveys and site surveys, complaint figures and accident rates. In general, KMB has provided satisfactory services to passengers. KMB's key service performance and achievements are as follows –

³ The Census and Statistics Department publishes MMHI on a quarterly basis. It published the figures for the fourth quarter of 2010 on 21 February 2011, and will release figures again around end May 2011.

- (a) Fleet Management - As at end June 2010, KMB operated 375 franchised bus routes with a fleet of 3,861 buses and employed about 12,000 staff. All KMB buses are equipped with Octopus auto-payment system and bus-stop announcement system. As at end June 2010, the average age of KMB's fleet was 10.8 years with 96% of the buses air-conditioned.

- (b) Environmental Protection - As at end June 2010, 95% of KMB's fleet used Euro emission standard engines, and the company is progressively scrapping the remaining 202 pre-Euro buses. To further improve the environmental performance of its fleet, KMB has completed retrofitting diesel particulate filters ("DPFs") on all its buses of Euro II and Euro III emission standards in December 2010. As required under the franchise, it will, as far as reasonably practicable, adopt the latest commercially available and proven technologies to reduce exhaust and noise emissions when acquiring new buses.

- (c) Bus Safety - KMB's accident rate was 3.14 accidents per million vehicle-km for the period between 2007 and 2009, compared with the average rate of 3.74 for the same 3-year period for all franchised bus operators. Before the Chief Executive-in-Council granted the existing franchise to KMB under PBSO in January 2006, the company had undertaken to install black boxes⁴ on its whole fleet. Up to end June 2010, 94.4% of KMB's buses were equipped with black boxes. The remaining 5.6% (217 buses) will be scrapped and replaced by new buses equipped with black boxes by 2012.

⁴ Electronic tachograph installed on vehicles is commonly known as "black box". It records the operational data of the vehicle, such as journey speed, journey time, distance travelled, bus tilting angle, acceleration and deceleration, door opening, etc. It can be used for monitoring the drivers' performance and investigation of accidents.

Supportable Fare Adjustment Formula Outcome

11. Based on CCPI for the period from June 2008 to February 2011 and the nominal wage index for the transportation section for the period from June 2008 to December 2010, the outcome⁵ of the formula is +3.92% as shown below –

$$0.5 \times 2.12\%⁶ + 0.5 \times 5.72\%⁷ - 0.5 \times 0\%⁸ = +3.92\%$$

This factor also applies to LW's fare increase application.

(B) Long Win Bus Company Limited

Changes in Operating Costs and Revenue since the Last Fare Adjustment

12. From 2008 to 2010, LW's average daily patronage decreased from 78,900 in 2008 to 77,200 in 2009 but bounced back to 78,000 in 2010. For 2009, the drop in patronage was mainly due to the financial tsunami in late 2008 and the outbreak of swine influenza in 2009. LW's total revenue increased marginally in 2010 over 2008, mainly attributable to the fare increase effective from June 2008, partly offset by declined patronage and other income. As regards total operating costs, there was a mild increase from 2008 to 2010. The net increase was mainly attributable to the growth in staff costs, rise in tunnel toll, increase in vehicle insurance expenses as well as higher depreciation expenses as a result of replacement/expansion of bus fleet, although there were savings from drop in fuel price.

Forecasts of Future Costs, Revenue and Return at Existing Fares

13. At existing fares, LW projects that its patronage and fare revenue will be increased by about 2.6% and about 1.8% respectively in 2011 (when compared with 2010) and about 2.8% and about 2.2% respectively in 2012 (when compared with 2011). The forecast increases are in line with the population growth and developments of LW's catchment areas in Tung

⁵ The Census and Statistics Department publishes CCPI on a monthly basis, and the nominal wage index for the transportation section on a quarterly basis.

⁶ Change in nominal wage index for the transportation section from June 2008 (i.e. 150.7) to December 2010 (i.e. 153.9).

⁷ Change in CCPI from June 2008 (i.e. 110.1) to February 2011 (i.e. 116.4).

⁸ As approved by the Chief Executive-in-Council on 8 December 2009, the value of productivity gain in the formula has been set at zero until the next review in 2012.

Chung New Town and the New Territories. We consider LW's forecast patronage and fare revenue acceptable.

14. LW estimates that its total operating costs will be increased by 5.0% in 2011 and further increased by 3.7% in 2012, based on its forecast increase in fuel price, staff pay rise, increase in tunnel toll and price inflation for other operating costs. Having regard to the information on LW's expenses in 2010, we have adjusted downward LW's forecasts of operating costs for 2011 and 2012 by 1.5% and 2.0% respectively.

15. LW forecasts an increase of its ANFA by 6.4% in 2011 and by another 11.6% in 2012. Having regard to LW's plan to purchase new buses to replace old buses as well as to expand and improve its services, we consider LW's forecast on ANFA acceptable. At existing fares, LW may have rather low return in 2011 and 2012.

Quality and Quantity of Service

16. In monitoring the quality and quantity of bus services, we take into account objective indicators such as the findings of passenger satisfaction surveys and site surveys, complaint figures and accident rates. In general, LW has provided satisfactory services to passengers. LW's key service performance and achievements are as follows –

- (a) Fleet Management - As at end June 2010, LW operated 19 franchised bus routes with a fleet of 166 buses and employed about 460 staff. The average age of LW's fleet was 9 years, with all buses air-conditioned and equipped with Octopus auto-payment system and bus-stop announcement system.
- (b) Environmental Protection - All LW's buses are using Euro-II or above emission standard engines. To further improve the environmental performance of its fleet, LW has completed retrofitting DPFs on all its buses of Euro II and III emission standards in March 2011. As required under the franchise, it will, as far as reasonably practicable, adopt the latest commercially available and proven technologies to reduce exhaust and noise emissions when acquiring new buses.
- (c) Bus Safety - LW's accident rate was below 1.5 accidents per million vehicle-km for the period between 2007 and 2009. All LW's buses have been installed with black boxes.

APPROVED FARE INCREASE

17. FAA provides the parameters (see paragraph 3 above) within which to consider fare increase proposals from franchised bus operators. The determination of the right level of fare increases under an inflationary environment needs careful handling.

KMB

18. The Administration considered the fare increase at a rate of 8.6% proposed by KMB clearly off the mark. As recommended by the Administration, **KMB's approved overall rate of fare increase is 3.6% on average**. We have taken into account a basket of factors, including KMB's operating situation, the change in CCPI since KMB's last fare increase in June 2008 to February 2011 (+5.72%), the year-on-year inflation rate in February 2011 (+3.7%), public acceptability and affordability, the formula outcome (+3.92%), and the additional staff costs to KMB, which correspond to about 1.09% in terms of rate of fare increase, for its hiring of extra bus captains in order to meet the requirements of the Guidelines. This rate at 3.6% represents about 42% of what KMB has proposed at 8.6%. We consider that the approved fare increase has struck a balance between minimising the impact of bus fare increases on passengers and at the same time enabling the franchised bus operator to continue to provide public bus services at their current standard.

19. For cross-harbour routes which KMB jointly operated with other partner bus companies (i.e. Citybus Limited and New World First Bus Services Limited), which do not have any plan for fare increase so far, there will be zero fare increase. This will avoid confusing the public with different fares for different buses plying the same route.

A 20. The existing and the new fare scales of KMB are at Annex A. The average fares of KMB at existing fare levels and after the approved fare increase are \$6.06 and \$6.28 respectively. It is estimated that the approved fare increases will result in⁹ –

⁹ The figures do not add up to 100% due to rounding.

- (a) 7.8% of KMB's passengers not being affected at all;
- (b) 40.8% paying 10 or 20 cents more per trip;
- (c) 42.9% paying 30 or 40 cents more per trip;
- (d) 6.8% paying 50 cents more per trip;
- (e) 1.7% paying 60 cents more per trip; and
- (f) 0.02% paying 80 cents to \$2.0 more per trip. All routes in this group are "Recreation and Special Services" or "Racecourse Services".

D A list of new fares for individual routes is at Annex D.

LW

21. We considered the fare increase at a rate of 7.4% proposed by LW clearly excessive. As recommended by the Administration, **LW's approved overall rate of fare increase is 3.2% on average**. We have taken into account a basket of factors, including LW's operating situation, the change in CCPI since the last fare increase (+5.72%), the year-on-year inflation rate as at February 2011 (+3.7%), public acceptability and affordability, and the formula outcome (+3.92%). This rate at 3.2% represents about 43% of what LW has proposed at 7.4%. We consider that the approved fare increase has struck a balance between minimising the impact of bus fare increase on passengers and at the same time enabling the franchised bus operator to continue to provide public bus services at their current standard.

22. Considering that LW's partner bus company (i.e. Citybus (Franchise 2)) does not have any plan for fare increase so far on jointly operated North Lantau Shuttle and Disneyland bus routes, the fares of these bus routes will be maintained, thereby synchronising the fares of the routes to avoid causing confusion to the public. A new route group "Overnight North Lantau Shuttle Service" will be also be added to the existing fare scale of LW to properly accommodate its new route introduced in October 2009 to serve Yat Tung Estate in Tung Chung.

B 23. The existing and the new fare scales of LW are at Annex B. The average fares of LW at existing fare levels and after the approved fare increase are \$11.36 and \$11.72 respectively. It is estimated that the approved fare increases will result in¹⁰ -

¹⁰ The figures do not add up to 100% due to rounding.

- (a) 19.4% of LW's passengers not being affected at all;
- (b) 66.1% paying 30 cents more per trip;
- (c) 8.4% paying 70 cents to \$1.3 more per trip; and
- (d) 6.2% paying \$1.6 to \$1.7 more per trip. All routes in this group are "Recreation and Special Services" or "Airbus Services".

D A list of new fares for individual routes is at Annex D.

IMPLICATIONS OF THE APPROVED FARE SCALES

24. The approved fare scales are in conformity with the Basic Law, including the provisions concerning human right, and have no productivity, financial, civil service implications and environmental implications. The approved fare increases would lead to a rise of 0.03 of a percentage point in CCPI in 2011 and another 0.02 of a percentage point in 2012.

TRANSPORT ADVISORY COMMITTEE AND PUBLIC CONSULTATION

25. We consulted the Legislative Council ("LegCo") Panel on Transport on the fare increase applications by KMB and LW on 26 November 2010. LegCo Panel on Transport was of the view that the respective rates of fare increase proposed by KMB and LW were too high. The Transport Advisory Committee ("TAC") was consulted on the fare increase applications from KMB and LW on 3 January 2011. TAC, while acknowledging that there was a case for fare increases for the two franchised bus operators in order to maintain their financial viability and service sustainability, was divided on the level of fare increases to be approved. More members were inclined to recommend a rate of 2.5% for KMB and 3.0% for LW having regard to public affordability and to alleviate inflation, while other members supported increases at the rate of 4.5% and 3.8% respectively in order to provide a fair balance of the range of factors that should be considered, viz. the interests of the commuting public for economical and efficient bus services, and the franchised bus operators for a reasonable rate of return on their investment so as to sustain the incentive for them to further improve the standard of public transport services, in addition to public affordability and acceptability. All these different rates above invariably fall short of those proposed by KMB and LW. TAC's letter to the Secretary for Transport and Housing is at Annex E.

E

PUBLICITY

26. A press release will be issued on 19 April 2011. A spokesman will be available for answering media enquiries.

ENQUIRIES

27. Any enquiries concerning the brief can be directed to the following officer -

Miss Lui Ying
Assistant Commissioner for Transport
Telephone No.: 2829 5210

Transport and Housing Bureau
April 2011

The Kowloon Motor Bus Company (1933) Limited
Existing and Approved Fare Scales

Route Group		Journey Distance Not Exceeding (km)	Existing Fare Scale* (\$)	New Fare Scale* (\$)
I.	KOWLOON			
	(a) Urban	3	2.5	2.6
		5	2.8	2.9
		9	3.2	3.3
		12	3.7	3.9
		15	4.4	4.6
	(b) Urban Express	15	5.0	5.0
	(c) Special Services	9	5.0	5.0
		12	7.0	7.0
		15	8.2	8.2
II.	NEW TERRITORIES			
	(a) Urban	3	2.5	2.5
		5	2.8	2.9
		9	3.2	3.3
		12	3.7	3.9
		15	4.4	4.6
		18	5.0	5.2
		23	5.6	5.8
		27	6.3	6.6
		31	7.1	7.4
		35	7.7	8.0
		39	8.6	8.6
		43	9.4	9.4
		47	10.6	10.6
		65	11.6	11.6
	(b) Rural	3	2.6	2.7
		5	2.8	2.9
		9	3.3	3.3
		12	3.8	3.8
		15	4.4	4.4
		18	4.9	4.9
		23	5.6	5.8
	(c) Recreation	3	3.8	3.8
		5	5.0	5.0
		10	7.6	7.6
		15	9.2	9.2
		20	10.0	10.0
		25	11.7	11.7
		35	12.5	12.5

* denotes the maximum fare chargeable

Route Group		Journey Distance Not Exceeding (km)	Existing Fare Scale* (\$)	New Fare Scale* (\$)
	(d) Racecourse	5	10.0	10.0
		15	16.3	16.3
		25	26.3	26.3
		35	35.4	35.4
		50	43.2	43.2
	(e) Express	12	4.0	4.0
		15	4.9	4.9
		18	5.6	5.8
		23	6.3	6.3
		27	7.0	7.0
		31	7.6	7.6
		35	8.6	8.6
		39	9.4	9.4
		43	10.5	10.5
		47	11.6	11.6
	(f) Special Services	65	12.5	12.5
		12	6.8	6.8
		15	8.2	8.2
		18	9.1	9.1
		23	10.8	10.8
		31	12.0	12.0
39	12.5	12.5		
47	13.8	13.8		
III.	CROSS HARBOUR			
	(a) Urban	24	7.6	7.6
	(b) Suburban	24	8.5	8.5
	(c) Express	24	8.5	8.5
	(d) Recreation and All Night Services	24	12.8	12.8
	(e) New Territories	20	11.0	11.0
		27	12.3	12.3
		34	13.5	13.5
		41	15.9	15.9
		48	17.8	17.8
		65	20.1	20.1
85	23.4	23.4		
(f) Racecourse	30	36.7	36.7	

* denotes the maximum fare chargeable

Route Group	Journey Distance Not Exceeding (km)	Existing Fare Scale* (\$)	New Fare Scale* (\$)
IV.	AIR-CONDITIONED SERVICES		
(a) Urban Kowloon and New Territories	3	3.7	3.7
	5	5.2	5.2
	9	7.3	7.3
	12	8.4	8.4
	15	9.4	9.4
	18	10.5	10.5
	25	11.6	12.0
	35	14.1	14.1
	47	17.2	17.2
	65	18.8	18.8
(b) Cross Harbour	18	13.4	13.4
	25	16.0	16.6
	35	19.1	19.1
	47	21.6	22.0
	65	22.3	22.9
	85	26.7	26.7
(c) Recreation and Special Services			
(i) Urban Kowloon and New Territories	3	4.4	4.4
	5	6.3	6.3
	9	8.6	8.9
	12	9.9	9.9
	15	12.3	12.3
	18	14.0	14.0
	25	16.2	16.2
	35	20.8	20.8
	47	23.2	23.2
	65	26.0	26.0
(ii) Cross Harbour	30	33.6	33.6
	35	35.3	35.3
	47	39.9	39.9
	65	41.2	41.2
(d) Racecourse			
(i) Urban Kowloon and New Territories	5	11.0	11.0
	15	17.2	17.2
	25	28.2	28.2
	35	37.6	37.6
	50	54.5	54.5
(ii) Cross Harbour	30	36.7	36.7
	35	38.5	38.5
V.	BOUNDARY SERVICES		
(a) Urban Kowloon and New Territories	30	80.0	80.0
	50	100.0	100.0
	70	140.0	140.0
(b) Cross Harbour	100	180.0	180.0

* denotes the maximum fare chargeable

Long Win Bus Company Limited
Existing and Approved Fare Scales

Route Group		Journey Distance Not Exceeding (km)	Existing Fare Scale* (\$)	New Fare Scale* (\$)
I.	Airbus Services	30	15.0	15.0
		40	17.8	18.9
		53	26.1	27.7
		66	29.2	30.9
II.	North Lantau External Services	25	9.0	9.0
		40	12.0	12.0
		60	14.0	14.3
		80	17.0	17.0
III.	North Lantau Shuttle Services	3	2.6	2.6
		5	3.1	3.1
		9	3.6	3.6
		12	4.1	4.1
		15	4.6	4.6
		18	5.1	5.1

* denotes the maximum fare chargeable

Route Group		Journey Distance Not Exceeding (km)	Existing Fare Scale* (\$)	New Fare Scale* (\$)		
IV.	Overnight Services					
	(a)	Airbus Services	30	28.0	28.0	
			40	33.0	33.0	
			53	40.0	40.0	
			66	45.0	45.0	
	(b)	North Lantau External Services	25	18.0	18.0	
			40	21.0	21.0	
			60	41.0	41.0	
			80	51.0	51.0	
	(c)	North Lantau Shuttle Services ¹	3	-	3.9	
			5	-	4.6	
			9	-	5.4	
			12	-	6.1	
			15	-	6.9	
			18	-	7.6	
	V.	Recreation and Special Services		3	3.0	3.0
				5	5.0	5.0
				9	7.0	7.0
				12	9.0	9.0
		15	12.0	12.0		
		18	15.0	15.0		
		25	20.0	20.0		
		35	25.0	25.0		
		47	30.0	30.0		
		60	35.0	35.0		
		80	40.0	40.0		

* denotes the maximum fare chargeable

¹ There is no fare scale for Overnight North Lantau Shuttle Services Route Group in LW's existing fare scale. When the overnight service route N64(Airport (Ground Transportation Centre) to Tung Chung (Yat Tung Estate Public Transport Terminus) (via Tung Chung Station Bus Terminus) was introduced by LW in October 2009, approval was given for the company to charge the fare of this route according to the section fare of similar journey of its existing Overnight North Lantau External bus route N31(Tsuen Wan (Discovery Park) – Airport (Ground Transportation Centre)).

**Guidelines on Bus Captain
Working Hours, Rest Times and Meal Breaks
issued by the Transport Department**

(Revised in October 2010)

- Guideline A - Bus captains should have a **rest time**¹ of at least 30 minutes after 6 hours of duty and within that 6-hour duty, they should have **rest times** totalling 20 minutes of which no less than 12 minutes should be within the first 4 hours of duty. **The time bus captains spend at a terminal point preparing for the next departure and monitoring boarding of passengers should not be regarded as rest time.**
- Guideline B - Maximum duty (including all **rest times**) in a **working** day should not exceed 14 hours.
- Guideline C - Driving duty (i.e. maximum duty less all **rest times** each of 30 minutes or more) in a **working** day should not exceed 11 hours.
- Guideline D - The break between successive working days should not be less than **10** hours.
- Guideline E - **Bus captains working for a duty of not less than 8 hours in a working day should have a meal break. Bus companies should complete the improvement of meal breaks to no less than 45 minutes by the third quarter of 2011, and further improvement to no less than one hour in one year thereafter.**

*Note: Improvements introduced in the revised Guidelines issued in October 2010 are marked in **bold**.*

¹ Meal break is also regarded as rest time.

Background

To ensure that bus captains have sufficient rest time, the Transport Department (“TD”) issued guidelines to the franchised bus companies for application in arranging the duties of their bus captains.

In response to the public concern on bus safety, TD had conducted a review of the guidelines in conjunction with the franchised bus companies and the bus captain unions in early 2010. Taking into accounts views from bus captains and bus companies, TD issued the above revised Guidelines to all franchised bus companies in October 2010. The implementation of the improvements of Guideline E to extend bus captains’ meal break time will have impact on KMB and LW, as they have to recruit and train additional bus captains to fill the manpower gap arising from the increase in rest times and meal breaks.

KMB and LW will have to recruit 516 and 7 additional bus captains respectively by phases to ensure full compliance of Guideline E by the third quarter of 2012. In this connection, KMB assumed that there might be reduction in frequency for some routes due to adoption of the revised Guidelines. KMB has had plans to recruit 516 bus captains by phases to fill the manpower gap. In our assessment, there should not be any drop in patronage as envisaged by KMB. On the other hand, the small number of additional bus captains required by LW does not have any significant impact to its cost and operation.

The Kowloon Motor Bus Company (1933) Limited
New Fares for Individual Routes

Route Group	Route No.	Existing Fare	New Fare	Absolute Increase
Non Air-conditioned Routes				
Kowloon Urban	1A	\$4.4	\$4.6	\$0.2
Kowloon Urban	2E	\$3.2	\$3.3	\$0.1
Kowloon Urban	3C	\$3.7	\$3.9	\$0.2
Kowloon Urban	3D	\$3.2	\$3.3	\$0.1
Kowloon Urban	5	\$3.7	\$3.9	\$0.2
Kowloon Urban	5A	\$2.8	\$2.9	\$0.1
Kowloon Urban	6	\$3.2	\$3.3	\$0.1
Kowloon Urban	6A	\$3.2	\$3.3	\$0.1
Kowloon Urban	7M	\$2.5	\$2.6	\$0.1
Kowloon Urban	11	\$3.2	\$3.3	\$0.1
Kowloon Urban	11B	\$3.2	\$3.3	\$0.1
Kowloon Urban	11C	\$3.7	\$3.9	\$0.2
Kowloon Urban	11D	\$3.2	\$3.3	\$0.1
Kowloon Urban	11K	\$3.2	\$3.3	\$0.1
Kowloon Urban	12A	\$3.2	\$3.3	\$0.1
Kowloon Urban	13D	\$4.4	\$4.6	\$0.2
Kowloon Urban	14	\$4.4	\$4.6	\$0.2
Kowloon Urban	14B	\$3.2	\$3.3	\$0.1
Kowloon Urban	16	\$4.4	\$4.6	\$0.2
Kowloon Urban	16M	\$2.8	\$2.9	\$0.1
Kowloon Urban	23	\$2.8	\$2.9	\$0.1
Kowloon Urban	24	\$3.2	\$3.3	\$0.1
New Territories Urban	31B	\$3.7	\$3.9	\$0.2
New Territories Urban	32	\$4.4	\$4.6	\$0.2
New Territories Urban	32B	\$2.8	\$2.9	\$0.1
New Territories Urban	32M	\$3.2	\$3.3	\$0.1
New Territories Urban	33A	\$4.4	\$4.6	\$0.2
New Territories Urban	35A	\$5.0	\$5.2	\$0.2
New Territories Urban	36	\$2.8	\$2.9	\$0.1
New Territories Urban	36A	\$3.7	\$3.9	\$0.2
New Territories Urban	36B	\$4.4	\$4.6	\$0.2
New Territories Urban	37	\$3.7	\$3.9	\$0.2

Route Group	Route No.	Existing		Absolute
		Fare	New Fare	Increase
New Territories Urban	38	\$5.6	\$5.8	\$0.2
New Territories Urban	38A	\$3.2	\$3.3	\$0.1
New Territories Urban	39A	\$2.8	\$2.9	\$0.1
New Territories Urban	40	\$5.6	\$5.8	\$0.2
New Territories Urban	41A	\$5.0	\$5.2	\$0.2
New Territories Urban	42	\$5.2	\$5.4	\$0.2
New Territories Urban	42C	\$6.3	\$6.6	\$0.3
New Territories Urban	43B	\$3.2	\$3.3	\$0.1
New Territories Urban	43C	\$4.4	\$4.6	\$0.2
New Territories Urban	43M	\$2.8	\$2.9	\$0.1
New Territories Urban	66	\$7.7	\$8.0	\$0.3
New Territories Urban	72	\$6.3	\$6.6	\$0.3
New Territories Urban	72A	\$5.6	\$5.8	\$0.2
New Territories Urban	73A	\$7.1	\$7.4	\$0.3
New Territories Urban	74A	\$7.1	\$7.4	\$0.3
New Territories Urban	80	\$4.7	\$4.9	\$0.2
New Territories Urban	80K	\$3.2	\$3.3	\$0.1
New Territories Urban	81C	\$5.6	\$5.8	\$0.2
New Territories Urban	81M	\$3.2	\$3.3	\$0.1
New Territories Urban	85K	\$3.2	\$3.3	\$0.1
New Territories Urban	86	\$5.6	\$5.8	\$0.2
New Territories Urban	86C	\$5.6	\$5.8	\$0.2
New Territories Urban	86K	\$3.7	\$3.9	\$0.2
New Territories Urban	88M	\$3.2	\$3.3	\$0.1
New Territories Urban	93A	\$3.2	\$3.3	\$0.1
New Territories Urban	93K	\$5.6	\$5.8	\$0.2
New Territories Urban	95M	\$3.2	\$3.3	\$0.1
New Territories Urban	98A	\$3.7	\$3.9	\$0.2
New Territories Rural	71A	\$2.6	\$2.7	\$0.1
New Territories Rural	71S	\$2.8	\$2.9	\$0.1
New Territories Rural	73	\$5.6	\$5.8	\$0.2
New Territories Express	30X	\$5.6	\$5.8	\$0.2

Route Group	Route No.	Existing Fare	New Fare	Absolute Increase
Air-conditioned Routes				
Urban Kowloon and New Territories	1	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	1A	\$6.2	\$6.5	\$0.3
Urban Kowloon and New Territories	2	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	2A	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	2B	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	2C	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	2D	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	2E	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	2F	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	3B	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	3C	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	3D	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	3M	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	5	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	5A	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	5C	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	5D	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	6	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	6A	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	6C	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	6D	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	6F	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	7	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	7B	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	7M	\$3.3	\$3.5	\$0.2
Urban Kowloon and New Territories	8	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	8A	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	9	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	10	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	11	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	11B	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	11C	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	11D	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	11K	\$4.4	\$4.6	\$0.2

Route Group	Route No.	Existing		Absolute
		Fare	New Fare	Increase
Urban Kowloon and New Territories	11X	\$6.5	\$6.8	\$0.3
Urban Kowloon and New Territories	12	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	12A	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	13D	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	13M	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	13X	\$6.5	\$6.8	\$0.3
Urban Kowloon and New Territories	14	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	14B	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	14C	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	15	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	15A	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	16	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	16M	\$3.9	\$4.1	\$0.2
Urban Kowloon and New Territories	17	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	18	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	21	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	23	\$3.9	\$4.1	\$0.2
Urban Kowloon and New Territories	23M	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	24	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	26	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	26M	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	27	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	28	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	28A	\$3.3	\$3.5	\$0.2
Urban Kowloon and New Territories	29M	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	30	\$5.5	\$5.7	\$0.2
Urban Kowloon and New Territories	30X	\$7.8	\$8.1	\$0.3
Urban Kowloon and New Territories	31	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	31B	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	31M	\$3.4	\$3.6	\$0.2
Urban Kowloon and New Territories	32	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	32M	\$4.1	\$4.3	\$0.2
Urban Kowloon and New Territories	33A	\$5.5	\$5.7	\$0.2
Urban Kowloon and New Territories	34	\$4.3	\$4.5	\$0.2
Urban Kowloon and New Territories	34M	\$3.3	\$3.5	\$0.2
Urban Kowloon and New Territories	35A	\$6.7	\$7.0	\$0.3

Route Group	Route No.	Existing		Absolute
		Fare	New Fare	Increase
Urban Kowloon and New Territories	36	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	36A	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	36B	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	36M	\$3.4	\$3.6	\$0.2
Urban Kowloon and New Territories	37	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	37M	\$3.3	\$3.5	\$0.2
Urban Kowloon and New Territories	38	\$7.6	\$7.9	\$0.3
Urban Kowloon and New Territories	38A	\$4.1	\$4.3	\$0.2
Urban Kowloon and New Territories	39A	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	39M	\$3.2	\$3.3	\$0.1
Urban Kowloon and New Territories	40	\$7.7	\$8.0	\$0.3
Urban Kowloon and New Territories	40X	\$7.9	\$8.2	\$0.3
Urban Kowloon and New Territories	41	\$7.3	\$7.6	\$0.3
Urban Kowloon and New Territories	41A	\$6.8	\$7.1	\$0.3
Urban Kowloon and New Territories	41M	\$4.1	\$4.3	\$0.2
Urban Kowloon and New Territories	42	\$7.0	\$7.3	\$0.3
Urban Kowloon and New Territories	42A	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	42C	\$8.4	\$8.7	\$0.3
Urban Kowloon and New Territories	42M	\$4.1	\$4.3	\$0.2
Urban Kowloon and New Territories	43	\$4.1	\$4.3	\$0.2
Urban Kowloon and New Territories	43A	\$4.1	\$4.3	\$0.2
Urban Kowloon and New Territories	43B	\$4.1	\$4.3	\$0.2
Urban Kowloon and New Territories	43C	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	43M	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	43X	\$7.9	\$8.2	\$0.3
Urban Kowloon and New Territories	44	\$5.5	\$5.7	\$0.2
Urban Kowloon and New Territories	44M	\$4.1	\$4.3	\$0.2
Urban Kowloon and New Territories	45	\$5.9	\$6.2	\$0.3
Urban Kowloon and New Territories	46	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	46X	\$7.0	\$7.3	\$0.3
Urban Kowloon and New Territories	47X	\$7.0	\$7.3	\$0.3
Urban Kowloon and New Territories	48X	\$7.0	\$7.3	\$0.3
Urban Kowloon and New Territories	49X	\$7.9	\$8.2	\$0.3
Urban Kowloon and New Territories	51	\$7.8	\$8.1	\$0.3
Urban Kowloon and New Territories	52X	\$11.3	\$11.7	\$0.4
Urban Kowloon and New Territories	53	\$9.3	\$9.7	\$0.4

Route Group	Route No.	Existing		Absolute
		Fare	New Fare	Increase
Urban Kowloon and New Territories	54	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	57M	\$8.2	\$8.5	\$0.3
Urban Kowloon and New Territories	58M	\$8.2	\$8.5	\$0.3
Urban Kowloon and New Territories	58X	\$11.3	\$11.7	\$0.4
Urban Kowloon and New Territories	59A	\$10.0	\$10.4	\$0.4
Urban Kowloon and New Territories	59M	\$7.3	\$7.6	\$0.3
Urban Kowloon and New Territories	59X	\$11.3	\$11.7	\$0.4
Urban Kowloon and New Territories	60M	\$7.3	\$7.6	\$0.3
Urban Kowloon and New Territories	60X	\$11.3	\$11.7	\$0.4
Urban Kowloon and New Territories	61M	\$7.9	\$8.2	\$0.3
Urban Kowloon and New Territories	61X	\$12.3	\$12.7	\$0.4
Urban Kowloon and New Territories	62X	\$14.7	\$15.2	\$0.5
Urban Kowloon and New Territories	63X	\$12.5	\$13.0	\$0.5
Urban Kowloon and New Territories	64K	\$7.3	\$7.6	\$0.3
Urban Kowloon and New Territories	65K	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	66	\$10.7	\$11.1	\$0.4
Urban Kowloon and New Territories	66M	\$7.3	\$7.6	\$0.3
Urban Kowloon and New Territories	66X	\$11.3	\$11.7	\$0.4
Urban Kowloon and New Territories	67M	\$8.2	\$8.5	\$0.3
Urban Kowloon and New Territories	67X	\$11.3	\$11.7	\$0.4
Urban Kowloon and New Territories	68A	\$9.7	\$10.1	\$0.4
Urban Kowloon and New Territories	68M	\$8.8	\$9.1	\$0.3
Urban Kowloon and New Territories	68X	\$12.5	\$13.0	\$0.5
Urban Kowloon and New Territories	69M	\$9.6	\$10.0	\$0.4
Urban Kowloon and New Territories	69X	\$13.3	\$13.8	\$0.5
Urban Kowloon and New Territories	70K	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	70X	\$13.7	\$14.2	\$0.5
Urban Kowloon and New Territories	71A	\$3.4	\$3.6	\$0.2
Urban Kowloon and New Territories	71B	\$1.7	\$1.8	\$0.1
Urban Kowloon and New Territories	71K	\$4.1	\$4.3	\$0.2
Urban Kowloon and New Territories	71S	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	72	\$8.4	\$8.7	\$0.3
Urban Kowloon and New Territories	72A	\$7.3	\$7.6	\$0.3
Urban Kowloon and New Territories	72X	\$8.8	\$9.1	\$0.3
Urban Kowloon and New Territories	73A	\$9.2	\$9.5	\$0.3
Urban Kowloon and New Territories	73K	\$3.7	\$3.9	\$0.2

Route Group	Route No.	Existing		Absolute
		Fare	New Fare	Increase
Urban Kowloon and New Territories	73X	\$8.8	\$9.1	\$0.3
Urban Kowloon and New Territories	74A	\$9.2	\$9.5	\$0.3
Urban Kowloon and New Territories	74K	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	74X	\$8.8	\$9.1	\$0.3
Urban Kowloon and New Territories	75K	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	75X	\$8.8	\$9.1	\$0.3
Urban Kowloon and New Territories	76K	\$7.3	\$7.6	\$0.3
Urban Kowloon and New Territories	77K	\$7.3	\$7.6	\$0.3
Urban Kowloon and New Territories	78K	\$6.5	\$6.8	\$0.3
Urban Kowloon and New Territories	79K	\$5.1	\$5.3	\$0.2
Urban Kowloon and New Territories	80	\$6.4	\$6.7	\$0.3
Urban Kowloon and New Territories	80K	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	80M	\$4.8	\$5.0	\$0.2
Urban Kowloon and New Territories	80X	\$6.1	\$6.4	\$0.3
Urban Kowloon and New Territories	81	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	81C	\$7.8	\$8.1	\$0.3
Urban Kowloon and New Territories	81K	\$3.9	\$4.1	\$0.2
Urban Kowloon and New Territories	81M	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	82K	\$4.8	\$5.0	\$0.2
Urban Kowloon and New Territories	82M	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	82X	\$4.8	\$5.0	\$0.2
Urban Kowloon and New Territories	83K	\$3.9	\$4.1	\$0.2
Urban Kowloon and New Territories	83X	\$6.1	\$6.4	\$0.3
Urban Kowloon and New Territories	84M	\$5.6	\$5.8	\$0.2
Urban Kowloon and New Territories	85	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	85A	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	85B	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	85C	\$7.5	\$7.8	\$0.3
Urban Kowloon and New Territories	85K	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	85M	\$6.8	\$7.1	\$0.3
Urban Kowloon and New Territories	86	\$7.8	\$8.1	\$0.3
Urban Kowloon and New Territories	86A	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	86B	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	86C	\$7.8	\$8.1	\$0.3
Urban Kowloon and New Territories	86K	\$5.2	\$5.4	\$0.2
Urban Kowloon and New Territories	87A	\$5.8	\$6.1	\$0.3

Route Group	Route No.	Existing		Absolute
		Fare	New Fare	Increase
Urban Kowloon and New Territories	87B	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	87D	\$8.2	\$8.5	\$0.3
Urban Kowloon and New Territories	87K	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	88K	\$4.1	\$4.3	\$0.2
Urban Kowloon and New Territories	88M	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	89	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	89B	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	89C	\$7.5	\$7.8	\$0.3
Urban Kowloon and New Territories	89D	\$7.8	\$8.1	\$0.3
Urban Kowloon and New Territories	89X	\$6.5	\$6.8	\$0.3
Urban Kowloon and New Territories	91	\$6.4	\$6.7	\$0.3
Urban Kowloon and New Territories	91M	\$5.2	\$5.4	\$0.2
Urban Kowloon and New Territories	92	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	93A	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	93K	\$7.8	\$8.1	\$0.3
Urban Kowloon and New Territories	93M	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	94	\$5.8	\$6.1	\$0.3
Urban Kowloon and New Territories	95	\$6.4	\$6.7	\$0.3
Urban Kowloon and New Territories	95M	\$4.2	\$4.4	\$0.2
Urban Kowloon and New Territories	98A	\$5.2	\$5.4	\$0.2
Urban Kowloon and New Territories	98C	\$9.2	\$9.5	\$0.3
Urban Kowloon and New Territories	98D	\$8.6	\$8.9	\$0.3
Urban Kowloon and New Territories	99	\$4.8	\$5.0	\$0.2
Urban Kowloon and New Territories	203	\$7.0	\$7.3	\$0.3
Urban Kowloon and New Territories	203E	\$5.0	\$5.2	\$0.2
Urban Kowloon and New Territories	208	\$7.0	\$7.3	\$0.3
Urban Kowloon and New Territories	211	\$3.3	\$3.5	\$0.2
Urban Kowloon and New Territories	212	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	215X	\$6.5	\$6.8	\$0.3
Urban Kowloon and New Territories	216M	\$2.9	\$3.0	\$0.1
Urban Kowloon and New Territories	219X	\$6.5	\$6.8	\$0.3
Urban Kowloon and New Territories	224M	\$2.8	\$2.9	\$0.1
Urban Kowloon and New Territories	224X	\$6.5	\$6.8	\$0.3
Urban Kowloon and New Territories	230X	\$8.4	\$8.7	\$0.3
Urban Kowloon and New Territories	234A	\$5.2	\$5.4	\$0.2
Urban Kowloon and New Territories	234B	\$4.4	\$4.6	\$0.2

Route Group	Route No.	Existing		Absolute
		Fare	New Fare	Increase
Urban Kowloon and New Territories	234S	\$5.2	\$5.4	\$0.2
Urban Kowloon and New Territories	234X	\$7.8	\$8.1	\$0.3
Urban Kowloon and New Territories	235	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	235M	\$3.4	\$3.6	\$0.2
Urban Kowloon and New Territories	237A	\$7.0	\$7.3	\$0.3
Urban Kowloon and New Territories	238M	\$3.2	\$3.3	\$0.1
Urban Kowloon and New Territories	238X	\$7.0	\$7.3	\$0.3
Urban Kowloon and New Territories	242X	\$7.8	\$8.1	\$0.3
Urban Kowloon and New Territories	243M	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	248M	\$3.4	\$3.6	\$0.2
Urban Kowloon and New Territories	248P	\$6.8	\$7.1	\$0.3
Urban Kowloon and New Territories	249M	\$3.4	\$3.6	\$0.2
Urban Kowloon and New Territories	251M	\$8.8	\$9.1	\$0.3
Urban Kowloon and New Territories	252B	\$11.5	\$11.9	\$0.4
Urban Kowloon and New Territories	258D	\$14.7	\$15.2	\$0.5
Urban Kowloon and New Territories	259B	\$12.6	\$13.1	\$0.5
Urban Kowloon and New Territories	259C	\$12.1	\$12.5	\$0.4
Urban Kowloon and New Territories	259D	\$14.7	\$15.2	\$0.5
Urban Kowloon and New Territories	259E	\$7.8	\$8.1	\$0.3
Urban Kowloon and New Territories	260B	\$12.1	\$12.5	\$0.4
Urban Kowloon and New Territories	260C	\$8.4	\$8.7	\$0.3
Urban Kowloon and New Territories	260X	\$13.3	\$13.8	\$0.5
Urban Kowloon and New Territories	261	\$12.0	\$12.4	\$0.4
Urban Kowloon and New Territories	261B	\$12.1	\$12.5	\$0.4
Urban Kowloon and New Territories	263	\$13.0	\$13.5	\$0.5
Urban Kowloon and New Territories	263M	\$9.6	\$10.0	\$0.4
Urban Kowloon and New Territories	264M	\$9.6	\$10.0	\$0.4
Urban Kowloon and New Territories	265B	\$13.3	\$13.8	\$0.5
Urban Kowloon and New Territories	265M	\$9.6	\$10.0	\$0.4
Urban Kowloon and New Territories	267S	\$12.1	\$12.5	\$0.4
Urban Kowloon and New Territories	268B	\$16.5	\$17.0	\$0.5
Urban Kowloon and New Territories	268C	\$16.5	\$17.0	\$0.5
Urban Kowloon and New Territories	269B	\$16.5	\$17.0	\$0.5
Urban Kowloon and New Territories	269C	\$16.5	\$17.0	\$0.5
Urban Kowloon and New Territories	269D	\$14.5	\$15.0	\$0.5
Urban Kowloon and New Territories	269M	\$9.6	\$10.0	\$0.4

Route Group	Route No.	Existing		Absolute
		Fare	New Fare	Increase
Urban Kowloon and New Territories	270	\$3.2	\$3.3	\$0.1
Urban Kowloon and New Territories	270A	\$13.0	\$13.5	\$0.5
Urban Kowloon and New Territories	271	\$9.6	\$10.0	\$0.4
Urban Kowloon and New Territories	272K	\$3.3	\$3.5	\$0.2
Urban Kowloon and New Territories	272P	\$9.6	\$10.0	\$0.4
Urban Kowloon and New Territories	272S	\$6.5	\$6.8	\$0.3
Urban Kowloon and New Territories	273	\$3.2	\$3.3	\$0.1
Urban Kowloon and New Territories	273A	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	273B	\$3.2	\$3.3	\$0.1
Urban Kowloon and New Territories	273P	\$8.8	\$9.1	\$0.3
Urban Kowloon and New Territories	274P	\$6.9	\$7.2	\$0.3
Urban Kowloon and New Territories	275	\$4.5	\$4.7	\$0.2
Urban Kowloon and New Territories	276	\$8.0	\$8.3	\$0.3
Urban Kowloon and New Territories	276A	\$8.0	\$8.3	\$0.3
Urban Kowloon and New Territories	277X	\$13.0	\$13.5	\$0.5
Urban Kowloon and New Territories	278K	\$3.2	\$3.3	\$0.1
Urban Kowloon and New Territories	278X	\$11.5	\$11.9	\$0.4
Urban Kowloon and New Territories	279X	\$13.2	\$13.7	\$0.5
Urban Kowloon and New Territories	280P	\$7.0	\$7.3	\$0.3
Urban Kowloon and New Territories	281A	\$6.8	\$7.1	\$0.3
Urban Kowloon and New Territories	282	\$3.3	\$3.5	\$0.2
Urban Kowloon and New Territories	283	\$3.7	\$3.9	\$0.2
Urban Kowloon and New Territories	284	\$3.3	\$3.5	\$0.2
Urban Kowloon and New Territories	286M	\$6.2	\$6.5	\$0.3
Urban Kowloon and New Territories	289K	\$4.0	\$4.2	\$0.2
Urban Kowloon and New Territories	292P	\$6.8	\$7.1	\$0.3
Urban Kowloon and New Territories	296A	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	296C	\$7.2	\$7.5	\$0.3
Urban Kowloon and New Territories	296D	\$8.2	\$8.5	\$0.3
Urban Kowloon and New Territories	296M	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	297	\$8.6	\$8.9	\$0.3
Urban Kowloon and New Territories	298E	\$4.4	\$4.6	\$0.2
Urban Kowloon and New Territories	299	\$9.0	\$9.3	\$0.3
Urban Kowloon and New Territories	B1	\$11.6	\$12.0	\$0.4
Urban Kowloon and New Territories	K12	\$3.4	\$3.6	\$0.2
Urban Kowloon and New Territories	K14	\$3.4	\$3.6	\$0.2

Route Group	Route No.	Existing		Absolute
		Fare	New Fare	Increase
Urban Kowloon and New Territories	K17	\$3.4	\$3.6	\$0.2
Urban Kowloon and New Territories	K18	\$3.4	\$3.6	\$0.2
Cross Harbour	101	\$9.8	\$9.8	\$0.0
Cross Harbour	102	\$9.8	\$9.8	\$0.0
Cross Harbour	103	\$9.8	\$9.8	\$0.0
Cross Harbour	104	\$9.8	\$9.8	\$0.0
Cross Harbour	106	\$9.8	\$9.8	\$0.0
Cross Harbour	107	\$11.1	\$11.1	\$0.0
Cross Harbour	108	\$9.3	\$9.7	\$0.4
Cross Harbour	109	\$9.3	\$9.3	\$0.0
Cross Harbour	110	\$9.3	\$9.3	\$0.0
Cross Harbour	111	\$9.3	\$9.3	\$0.0
Cross Harbour	112	\$9.3	\$9.3	\$0.0
Cross Harbour	113	\$9.8	\$9.8	\$0.0
Cross Harbour	115	\$9.3	\$9.3	\$0.0
Cross Harbour	116	\$9.8	\$9.8	\$0.0
Cross Harbour	117	\$9.3	\$9.3	\$0.0
Cross Harbour	118	\$9.8	\$9.8	\$0.0
Cross Harbour	170	\$16.0	\$16.0	\$0.0
Cross Harbour	171	\$11.1	\$11.1	\$0.0
Cross Harbour	182	\$16.0	\$16.0	\$0.0
Cross Harbour	301	\$8.4	\$8.4	\$0.0
Cross Harbour	302	\$10.5	\$10.5	\$0.0
Cross Harbour	305	\$16.0	\$16.0	\$0.0
Cross Harbour	307	\$21.2	\$21.2	\$0.0
Cross Harbour	336	\$16.0	\$16.6	\$0.6
Cross Harbour	373	\$22.3	\$22.9	\$0.6
Cross Harbour	601	\$9.8	\$9.8	\$0.0
Cross Harbour	603	\$10.5	\$11.0	\$0.5
Cross Harbour	606	\$9.8	\$9.8	\$0.0
Cross Harbour	619	\$9.8	\$9.8	\$0.0
Cross Harbour	621	\$10.5	\$10.5	\$0.0
Cross Harbour	641	\$10.5	\$10.5	\$0.0
Cross Harbour	671	\$11.1	\$11.1	\$0.0
Cross Harbour	680	\$19.0	\$19.0	\$0.0
Cross Harbour	681	\$19.0	\$19.0	\$0.0

Route Group	Route No.	Existing		Absolute
		Fare	New Fare	Increase
Cross Harbour	681P	\$19.0	\$19.0	\$0.0
Cross Harbour	690	\$13.4	\$13.4	\$0.0
Cross Harbour	692	\$13.4	\$13.4	\$0.0
Cross Harbour	904	\$9.8	\$9.8	\$0.0
Cross Harbour	905	\$9.8	\$9.8	\$0.0
Cross Harbour	914	\$9.3	\$9.3	\$0.0
Cross Harbour	934	\$16.0	\$16.6	\$0.6
Cross Harbour	935	\$16.0	\$16.6	\$0.6
Cross Harbour	948	\$16.0	\$16.0	\$0.0
Cross Harbour	960	\$18.8	\$19.4	\$0.6
Cross Harbour	961	\$18.8	\$19.4	\$0.6
Cross Harbour	968	\$21.4	\$22.0	\$0.6
Urban Kowloon and New Territories Recreation and Special Services	59S	\$16.4	\$17.3	\$0.9
Urban Kowloon and New Territories Recreation and Special Services	73S	\$8.2	\$8.5	\$0.3
Urban Kowloon and New Territories Recreation and Special Services	96R	\$16.4	\$17.3	\$0.9
Urban Kowloon and New Territories Recreation and Special Services	275R	\$9.1	\$9.6	\$0.5
Urban Kowloon and New Territories Recreation and Special Services	N76	\$8.6	\$8.9	\$0.3
Urban Kowloon and New Territories Recreation and Special Services	N216	\$11.8	\$12.2	\$0.4
Urban Kowloon and New Territories Recreation and Special Services	N237	\$7.9	\$8.2	\$0.3
Urban Kowloon and New Territories Recreation and Special Services	N241	\$14.0	\$14.5	\$0.5
Urban Kowloon and New Territories Recreation and Special Services	N260	\$9.6	\$10.0	\$0.4
Urban Kowloon and New Territories Recreation and Special Services	N269	\$11.1	\$11.5	\$0.4
Urban Kowloon and New Territories Recreation and Special Services	N270	\$10.5	\$10.9	\$0.4
Urban Kowloon and New Territories Recreation and Special Services	N271	\$17.1	\$17.7	\$0.6

Route Group	Route No.	Existing Fare	New Fare	Absolute Increase
Urban Kowloon and New Territories Recreation and Special Services	N281	\$15.1	\$15.6	\$0.5
Urban Kowloon and New Territories Recreation and Special Services	N293	\$14.7	\$15.2	\$0.5
Cross Harbour Recreation & Special Services	101R	\$13.4	\$13.4	\$0.0
Cross Harbour Recreation & Special Services	102R	\$13.4	\$13.4	\$0.0
Cross Harbour Recreation & Special Services	N118	\$13.4	\$13.4	\$0.0
Cross Harbour Recreation & Special Services	N121	\$13.4	\$13.4	\$0.0
Cross Harbour Recreation & Special Services	N122	\$13.4	\$13.4	\$0.0
Cross Harbour Recreation & Special Services	N170	\$24.0	\$24.0	\$0.0
Cross Harbour Recreation & Special Services	N171	\$16.5	\$16.5	\$0.0
Cross Harbour Recreation & Special Services	N182	\$24.0	\$24.0	\$0.0
Cross Harbour Recreation & Special Services	N368	\$32.2	\$32.8	\$0.6
Cross Harbour Recreation & Special Services	N619	\$13.4	\$13.4	\$0.0
Cross Harbour Recreation & Special Services	N680	\$25.6	\$25.6	\$0.0
Cross Harbour Recreation & Special Services	N691	\$21.2	\$21.2	\$0.0
Urban Kowloon and New Territories Racecourse	848	\$24.9	\$26.2	\$1.3
Urban Kowloon and New Territories Racecourse	868	\$33.2	\$34.9	\$1.7
Urban Kowloon and New Territories Racecourse	869	\$40.0	\$42.0	\$2.0
Urban Kowloon and New Territories Racecourse	872	\$15.4	\$16.2	\$0.8

Route Group	Route No.	Existing Fare	New Fare	Absolute Increase
Urban Kowloon and New Territories Racecourse	885	\$15.4	\$16.2	\$0.8
Urban Kowloon and New Territories Racecourse	886	\$24.9	\$26.2	\$1.3
Urban Kowloon and New Territories Racecourse	887	\$15.4	\$16.2	\$0.8
Urban Kowloon and New Territories Racecourse	888	\$9.5	\$10.0	\$0.5
Urban Kowloon and New Territories Racecourse	889	\$24.9	\$26.2	\$1.3
Urban Kowloon and New Territories Racecourse	891	\$15.4	\$16.2	\$0.8
Urban Kowloon and New Territories Racecourse	893	\$33.7	\$35.4	\$1.7
Cross Harbour Racecourse	802	\$35.6	\$35.6	\$0.0
Cross Harbour Racecourse	811	\$35.6	\$35.6	\$0.0

Long Win Bus Company Limited
New Fares for Individual Routes

Route Group	Route No.	Existing Fare	New Fare	Absolute Increase
<u>Air-conditioned Routes</u>				
<u>Airbus Services</u>				
Airbus Services	A31	\$17.8	\$18.9	\$1.1
Airbus Services	A33	\$26.1	\$27.7	\$1.6
Airbus Services	A41	\$21.0	\$22.3	\$1.3
Airbus Services	A43	\$29.2	\$30.9	\$1.7
<u>North Lantau External Services</u>				
North Lantau External Services	E31	\$10.5	\$10.8	\$0.3
North Lantau External Services	E32	\$10.5	\$10.8	\$0.3
North Lantau External Services	E33	\$13.6	\$13.9	\$0.3
North Lantau External Services	E34	\$13.6	\$13.9	\$0.3
North Lantau External Services	E41	\$13.6	\$13.9	\$0.3
North Lantau External Services	E42	\$13.6	\$13.9	\$0.3
<u>North Lantau Shuttle Services</u>				
North Lantau Shuttle Services	S1	\$3.5	\$3.5	\$0.0
North Lantau Shuttle Services	S64	\$3.6	\$3.6	\$0.0
<u>Overnight Services</u>				
North Lantau External Services	N30	\$27.1	\$28.0	\$0.9
North Lantau External Services	N31	\$20.9	\$21.6	\$0.7
North Lantau External Services	N42	\$26.1	\$27.0	\$0.9
North Lantau Shuttle Services	N64	\$5.2	\$5.2	\$0.0
<u>Recreation and Special Services</u>				
Recreational and Special Services	R8	\$7.0	\$7.0	\$0.0
Recreational and Special Services	R33	\$21.0	\$22.3	\$1.3
Recreational and Special Services	R42	\$21.0	\$22.3	\$1.3

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11 January 2011

The Honourable Eva Cheng, JP
Secretary for Transport and Housing
16/F, Murray Building
Garden Road
Central
Hong Kong

Dear Ms Cheng,

**Fare Increase Applications from
The Kowloon Motor Bus Company (1933) Limited and
Long Win Bus Company Limited**

The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LW”) submitted applications on 30 July 2010 for fare increases at the rate of 8.6% and 7.4% respectively. These two applications were considered by the Transport Advisory Committee (“TAC”) at its meeting held on 3 January 2011. This letter sets out TAC’s advice on these applications.

Basis of TAC’s consideration

2. TAC’s consideration of these applications was based on the Fare Adjustment Arrangement (“FAA”) for franchised buses approved by the Chief Executive-in-Council in January 2006. The FAA laid down the following basket of factors that should be taken into account when assessing fare adjustment applications:

- (a) changes in operating costs and revenue since the last fare adjustment;
- (b) forecasts of future costs, revenue and return;
- (c) the need to provide the operator with a reasonable rate of return with reference to the Weighted Average Cost of Capital of the franchised bus industry, which is currently set at 9.7% of the return on the company's average net fixed assets ("ANFA");
- (d) public acceptability and affordability with reference to the magnitude of change in median monthly household income ("MMHI") and change in Composite Consumer Price Index ("CCPI");
- (e) the quality and quantity of service provided; and
- (f) a formula (supportable fare adjustment rate = $0.5 \times \text{Change in Wage Index} + 0.5 \times \text{Change in CCPI} - 0.5 \times \text{Productivity Gain}$) which should not operate as an automatic determinant of fare adjustment outcome.

Changes in operating costs and revenue since the last fare increases

3. KMB and LW last increased their fares in June 2008 by an overall average rate of 4.5%. Members noted that although KMB's total operating costs were lower in 2010 compared with 2008, its total revenue during the same period also decreased because of reduced patronage, which was attributed mainly to competition from new railways. On the other hand, LW's total revenue and total operating costs in 2010 increased slightly compared with 2008.

Forecasts of future costs and revenue

4. Due to the upward inflation trend, Members of TAC accepted that the operating costs of the franchised bus operators are likely to rise significantly in the next two years while the growth in revenue at existing fare levels is likely to be limited. Amongst the various components of future costs, the volatility of fuel costs remains a concern. The fuel price level assumptions adopted in the fare increases applications have since then been subject to an upward trend. In addition, KMB and LW will respectively have to recruit and train 516 and 7 additional bus captains by phases to fill the service gaps arising from the increase in rest times and meal breaks for bus captains, so as to comply with the “Revised Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks” issued by the Transport Department in October 2010.

Rate of return on ANFA

5. Members noted that although KMB and LW had achieved a higher than 9.7% rate of return on ANFA in 2009, the respective rates of return for both companies in 2010 were below the 9.7% level by some margin. In the coming two years, at the existing fare levels and on the assumption of a stable fuel price scenario, KMB is likely to have a meagre and possibly negative rate of return, whereas LW’s operation may only be marginally profitable.

Public acceptability and affordability

6. Other dimensions aside, transportation costs is a livelihood issue. As such, it is an issue which understandably attracts more concern from the lower income group than the relatively more affluent sector of the community. In the context of bus services, the majority of patrons are likely to be members of the lower income group. Any significant increase in bus fares will have a financial impact on the livelihood of the majority of bus services patrons and also a ripple effect on general inflation. Members also noted that based on the latest indices published by the Census and Statistics Department, the change in MMHI for the period from the second quarter of 2008 to the third quarter of 2010 was +0.6%,

while the change in CCPI for the period from June 2008 to November 2010 was +3.36%. Taking these factors into account, Members endeavoured to arrive at a fair and reasonable rate of increase which the public will find both acceptable and affordable, although Members fully appreciate that public acceptability and affordability is only one of the various factors laid down in the FAA.

Service quality

7. Members noted that KMB and LW have been providing proper, efficient and quality services to the travelling public. They have launched various service improvement initiatives in respect of fleet management, environmental protection and bus safety, in accordance with their existing franchises and the commitments that they had made before the grant of their existing franchises.

Formula outcome

8. On the basis of a 1.79% change in nominal wage index from June 2008 to September 2010 and a 3.36% change in CCPI from June 2008 to November 2010, the outcome of the formula as set out in paragraph 2(f) above is 2.58%.

TAC's views

9. Having taken the above matters into consideration, TAC has come to the view that there is a case for fare increase for the two franchised bus operators in order to maintain their financial viability and service sustainability. Members also noted the relevant reference indicators as follows: changes in CCPI compared with a year ago (2.9%), changes in CCPI since the last fare increase (3.36%), the formula outcome (2.58%), the reference rate of return on ANFA (9.7%) and the fare increase levels being requested (8.6% for KMB and 7.4% for LW). Members were aware that in the context of the approved FAA, fare adjustment does not automatically follow changes in CCPI or formula outcome.

10. On further discussion, the majority of Members were inclined to recommend the rate of 2.5% for KMB and 3.0% for LW having regard to public acceptability and affordability (particularly the lower income group), the need to alleviate the impact of overall inflation, and a more optimistic assessment of the financial situation and investment return of the franchised bus operators. On the other hand, other Members supported a higher level of fare increases for KMB and LW at the rates of 4.5% and 3.8% respectively. In their view, these levels would reflect a better balance of the interests of the commuting public for economical and efficient bus services and the franchised bus operators for a reasonable rate of return on their investment so as to sustain the incentive for them to invest in the provision of public transport services of a high standard.

TAC's other observations

11. During the course of discussion, TAC recognized that any consideration of fare increases for franchised bus services would be a complex matter that would inevitably involve broader and more fundamental issues. Such issues include, amongst others: (a) the structure of the public transport system and the impact of the development of a more extensive railway network on the patronage and competitiveness of franchised bus services; (b) how to strike a right balance between franchised bus operators as commercial entities and societal expectations for economical, efficient and widely covered public transport services, particularly for lower income groups; (c) the regulatory and political constraints for competition in the transport market, freedom in route rationalization being a case in point; and (d) the fair and reasonable allocation of responsibility between franchised bus operators, commuters and the government in implementing environmental measures and in mitigating cost of living in a high inflation environment. Members fully acknowledged that these issues are difficult and controversial, but took the view that they are important issues which merit careful consideration by the government as well as further public discussion so that an enhanced regime can be established for assessing future applications for fare increase.

12. I would be grateful if you would convey TAC's advice and views to the Chief Executive-in-Council for consideration. I confirm that TAC's advice and views as contained in this letter may be released for public information after the Chief Executive-in-Council's decision is announced.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Rinsky Yuen, S.C.', with a stylized flourish at the end.

(Rinsky Yuen, S.C.)
Chairman
Transport Advisory Committee