

立法會
Legislative Council

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Panel on Transport
Special meeting on 16 February 2012

Background brief on
ad hoc quota trial scheme for cross-boundary private cars

Purpose

This paper provides background information on the ad hoc quota trial scheme for cross-boundary private cars (the Scheme), and summarizes the major concerns expressed by the Panel on Transport (the Panel) about the Scheme in its past discussions.

Background

2. With the commissioning of new land boundary control points, the Administration considers that there is room to proactively consider the relaxation of the control on cross-boundary vehicles. As advised by the Administration in December 2008, the Administration had engaged a traffic consultant to explore and review possible options for regulating cross-boundary vehicles after the commissioning of the Hong Kong-Zhuhai-Macao (HZMB), and to recommend the preferred arrangement for these vehicles (the Study). While the main focus of the Study was on private cars, it also covered the regulatory arrangements for other types of cross-boundary vehicles, i.e. coaches, hire-cars and goods vehicles/container trucks.

3. On the basis of the findings of the Study, the Administration came up with a proposal to relax the regulatory arrangements for cross-boundary private cars. The proposal was set out in the Administration's paper [LC Paper No. CB(1)614/08-09(03)] which was submitted to the Panel for discussion at its meeting on 23 January 2009. A copy of the paper is attached at **Appendix I** for members' easy reference.

4. In October 2011, the Administration announced that Guangdong and Hong Kong had decided to launch Phase I of the Scheme for cross-boundary private cars in March 2012. Qualified owners of Hong Kong private cars with five seats or less may apply for ad hoc quotas under the Scheme to drive their private cars into Guangdong Province via Shenzhen Bay Port. The Scheme, if proven successful, can be implemented at HZMB, thereby increasing the utilization of the Bridge and further facilitating cross-boundary travel.

Panel's discussions on the proposal to relax the regulatory arrangements for cross-boundary private cars

5. During discussion of the Administration's funding application for funding support for the preliminary design and site investigation for the HZMB Main Bridge at its meeting on 19 December 2008, the Panel briefly discussed the Administration's plan to introduce ad hoc quotas for cross-boundary private cars. At its meeting on 23 January 2009, the Panel was further consulted on the Administration's proposal to relax the regulatory arrangements for cross-boundary private cars. Issues relating to the proposed relaxation of the regulatory arrangements for cross-boundary private cars were also discussed at the Panel meeting on 24 April 2009 during discussion on HZMB-related funding applications and at the policy briefing given by the Secretary for Transport and Housing on 18 October 2011.

6. Panel members in general considered that while the proposed relaxation of regulatory arrangements could facilitate cross-border traffic to support more frequent and closer economic exchanges between Hong Kong and the Mainland, they expressed various concerns about the plan. Panel members urged the Administration to come up with adequate support measures to ensure smooth implementation of Phase 1 of the Scheme, and to carefully consider the implementation experience and evaluate the impact on Hong Kong before deciding on the next step. The major concerns and suggestions raised by Panel

members are summarized below –

(a) Concerns about law enforcement difficulty

- there might be difficulties in taking enforcement actions against visiting Mainland drivers or private cars in the event of contravention of Hong Kong's traffic laws and regulations or failure to meet Hong Kong's vehicle emission standards;
- there were concerns about how summonses could be served on the drivers concerned and what action could be taken if they did not appear in court;

(b) Concerns about road safety

- differences between left-hand steering wheel cars and right-hand steering wheel cars might give rise to road safety issues;
- as two-way traffic on the same lane was common for roads in the rural areas on the Mainland, road safety risks might be posed by visiting Mainland drivers who were accustomed to such road usage practices. Consideration should be given to only allowing private cars registered in Mainland cities to apply for the ad hoc quotas at the early stage;

(c) Vehicle inspections

- visiting Mainland private cars applying for ad hoc quotas should be required to go through car inspections to ensure compliance with Hong Kong's emission and vehicle standards beforehand. In this connection, some members suggested that a system for mutual recognition of the results of vehicle inspection either carried out in Hong Kong or on the Mainland should be considered;

(d) Traffic impact

- some members considered that visiting Mainland drivers should not be allowed to drive directly to central business districts, in consideration of the traffic and environmental impacts that would otherwise arise in those districts, e.g.

Central. These members reminded the Administration of the congestion problem with the Cross Harbour Tunnel had yet to be solved and any arrangements that might aggravate the congestion problem should be avoided. These members suggested that implementation of mandatory Park-and-Ride scheme for visiting Mainland drivers at the initial stage of the Scheme should be considered to minimize impacts on Hong Kong's road system and environment;

- the traffic congestion problem in the Northern District might be aggravated by the relaxation of regulatory arrangements for cross-boundary private cars;
 - the increase in cross-boundary traffic might cause Tuen Mun Road or Route 3 to reach saturation even before 2016 as originally forecast;
- (e) qualified owners of Hong Kong private cars with seven or eight seats should also be allowed to apply for the ad hoc quotas under the Phase I of the trial scheme; and
- (f) there was a need to rectify the inadequacy of signage on Hong Kong roads and widen the application of the global positioning system technology in Hong Kong to facilitate visiting Mainland drivers who were not familiar with the roads in Hong Kong.

Relevant questions raised at Council meetings

7. At the Council meetings on 17 December 2008, 13 May 2009 and 19 May 2010, Hon CHEUNG Hok-ming and Hon LAU Kong-wah raised questions on the Scheme. The relevant questions and the Administration's replies are at **Appendix II**.

Recent developments

8. The Administration has proposed to brief the Panel on the Scheme at the special meeting of the Panel on 16 February 2012.

Relevant papers

9. A list of relevant papers is in **Appendix III**.

Council Business Division 1
Legislative Council Secretariat
15 February 2012

For discussion on
23 January 2009

Legislative Council Panel on Transport

Regulatory Arrangements for Cross-boundary Vehicles

Purpose

This paper informs Members of the Administration's proposal to relax the regulatory arrangements for cross-boundary private cars.

Background

2. With the commissioning of new land boundary control points, we consider that there is room to proactively consider the relaxation of the control on cross-boundary vehicles. As mentioned in our previous Panel paper relating to the Hong Kong – Zhuhai – Macao Bridge (HZMB), we have engaged a traffic consultant to explore and review possible options for regulating cross-boundary vehicles after the commissioning of the HZMB, and to recommend the preferred arrangement for these vehicles (hereinafter referred as “the Study”). While the main focus of the Study is on private cars, it also covers the regulatory arrangements for other types of cross-boundary vehicles, i.e. coaches, hire-cars and goods vehicles/container trucks.

Gists of Major Recommendations of the Study

3. The major recommendations of the Study are summarised below -
- (a) The existing regulatory arrangements for cross-boundary coaches/hire cars/goods vehicles be maintained without major modifications. Details are set out at **Annex A**;
 - (b) For private cars, there is room to relax the existing quota system through managed control, i.e. to introduce ad hoc quotas at the Shenzhen Bay Port (SBP) and the HZMB to broaden the availability and flexibility of travel for private cars. A trial scheme should be rolled out at the SBP as soon as practicable. Further details are set out in paragraphs 4 to 7; and
 - (c) The advantages of Park-and-Ride (PnR) are to reduce the impact of increasing private cars from the Mainland and Macao on our road system and the environment. The provision of voluntary Park-and-Ride (PnR) facilities at convenient locations such as MTR stations (e.g. Tung Chung, Sunny Bay, Lam Tei and Kam Sheung Road Stations) and the airport should be considered. Mandatory PnR is not recommended as it will :
 - (i) discourage the use of the HZMB and offset the attractiveness of ad hoc quotas to private cars from the Mainland and Macao;
 - (ii) increase journey time due to public transport waiting time and transfer;

- (iii) reduce accessibility to areas without convenient rail links; and
- (iv) require a large piece of land at the HZMB Boundary Crossing Facilities and incur major expenditure for PnR purposes.

Consideration for Ad Hoc Quotas

4. Before putting up the proposed option comprising ad hoc quotas, the following factors have been considered -

- (a) The proposed option should preferably be built on the existing quota system;
- (b) The proposed option should be capable of implementation on an incremental basis having regard to demand and provide effective control on the volume of private cars entering into Hong Kong from the Mainland and Macao;
- (c) The proposed system would apply to the three jurisdictions (Hong Kong, the Mainland and Macao) though each place may maintain a different pool of ad hoc quotas to ensure acceptability to the three governments;
- (d) The increase in traffic volume should be practicable after taking into account the handling capacity of our road network; and

- (e) The need to consider the environmental, safety and security issues arising from the increased number of private cars from the Mainland and Macao.

5. Having considered the factors in paragraph 4 above, we aim to promote cross-boundary traffic under a controlled environment (i.e. managed relaxation) by introducing ad hoc quotas to facilitate the general public to travel across the boundary using private cars. Through control on the level of ad hoc quotas, increases in the resulting traffic will be gradual and incremental. The existing quota system for private car will be retained so as to maintain the continuity of the existing system and not to deprive existing quota holders of the certainty (unrestricted travel) they need to meet business or operational need.

6. Having regard to the prevailing design capacities of the existing control points, boundary crossing links, approach roads and circulation within Hong Kong networks, ad hoc quotas should only be introduced at the SBP and the HZMB.

7. Parallel to relaxing the regulatory regime for cross-boundary private cars are concerns on environmental, traffic safety and security aspects in anticipation of an increasing number of Mainland and Macao private cars entering Hong Kong. We will require visiting vehicles to meet preset/prevaling emission and vehicle standards of Hong Kong, and a pre-qualification system will be considered to facilitate enforcement of such requirements.

Implementation of Ad Hoc Quota System

8. A basic implementation framework currently contemplated for ad hoc quota is at **Annex B**. While the concept is feasible, the sorting out of implementation details involves complexities. For example, given the temporary nature of the ad hoc quota, it is not practical to require visiting Mainland/Macao vehicles with a short duration of stay to carry Hong Kong registration marks. Without a Hong Kong registration mark, however, it will require Transport Department and law enforcement agencies to capture/trace the registration marks of visiting vehicles bearing Chinese characters. Legislative amendments and enhancement of relevant computer systems will be required to address this issue.

Trial Scheme

9. We had reached preliminary agreement with the relevant Guangdong authorities to pursue the proposal further in two phases, starting with the issue of ad hoc quotas to Hong Kong private cars first, to be followed by Guangdong private cars at a later stage upon satisfactory implementation of the proposal for Hong Kong private cars.

10. At the expert group meeting with the Guangdong authorities held in mid-December 2008, both sides agreed to implement a Trial Scheme at the SBP as soon as possible, subject to the sorting out of implementation details. Experts from both sides will continue to map out an overall implementation

plan, e.g. the number of one-off ad hoc quotas, issuing criteria, application procedures, recognition of vehicle registration and licensing documents, requirements on environmental protection, motor vehicle insurance and traffic enforcement, etc. Our preliminary target is to announce the arrangements for the first phase (i.e. issuing one-off ad hoc quotas to Hong Kong private cars) within this year, while the actual implementation date will be worked out subject to the progress of discussions of the expert group.

11. The Trial Scheme, if implemented successfully, will increase utilisation of the SBP, and pave way for full-scale implementation at the HZMB.

Advice Sought

12. Members are invited to note the contents of this paper.

Transport and Housing Bureau

January 2009

**Major Recommendations for Regulatory Arrangements for
Cross-boundary Coaches/Hire Cars/Goods Vehicles**

- (a) Cross-boundary coaches :
- (i) To maintain the existing regulatory regime on cross-boundary coach services which are operated under a quota system jointly administered by the Hong Kong and Guangdong authorities;
 - (ii) To provide Shuttle Bus Services on the HZMB for Hong Kong/Macao and Hong Kong/Zhuhai; and
 - (iii) To continue to allow different types of cross-boundary coach services to operate on the HZMB.
- (b) Cross-boundary hire cars :
- (i) To maintain the existing regulatory regime for hire cars, i.e. to maintain quota control but not to restrict the issue of hire car permits for the HZMB subject to the gazetted limit of 1,500; and
 - (ii) Following from (b)(i) above, it is advisable not to interfere with market supply for hire car services via the newer higher capacity road crossings, including the HZMB.
- (c) Cross-boundary goods vehicles :

The existing regime for cross-boundary goods vehicles is already relaxed without any quota control¹. However, it is desirable to improve productivity of these vehicles. Measures for consideration may include :

- (i) eliminating or relaxing the restriction on the number of drivers who can be registered to drive a particular cross-boundary goods vehicle; or
- (ii) introducing a “Registered Fleet Scheme” whereby transport operators submit details of their fleets and drivers to the authorities on both sides of the boundary, and update the information periodically; or
- (iii) simply increasing the number of drivers per goods vehicle to reduce the complexity of matching of resources on the part of the operators.

¹ These vehicles are, however, required to obtain the relevant permits (for example, Closed Road Permit) from the Hong Kong and Mainland authorities for making cross-boundary trips.

Annex B

**Ad Hoc Quota System for Cross-Boundary Private Cars
Basic Implementation Framework**

1. Given the nature of ad-hoc quotas, the application process should be as simple as possible.
2. Ad hoc quota would be applicable to private cars only, not other vehicle types.
3. Only registered vehicle owners could apply for ad hoc quota.
4. Each quota will allow the vehicle owner to have one round-trip within the quota validity period, which will be a short period, for example, a few days.
5. The same vehicle will only be granted a limited number of ad hoc quotas within specified period of time, to allow more vehicles to benefit from the scheme and to avoid the system being abused.
6. The visiting vehicle must have valid third party insurance covering their whole period of stay in Hong Kong.
7. As the vehicles with ad hoc quota will only stay in the visiting place for a short period at any one visit, and for only a limited number of visits per year, any registration and licensing requirement should be waived as far as possible, subject to necessary legislative amendments.

Press Releases

LCQ6: Ad hoc quotas for cross-boundary private cars

Following is a question by the Hon Cheung Hok-ming and a reply by the Secretary for Transport and Housing, Ms Eva Cheng, at the Legislative Council meeting today (December 17):

Question:

It is learnt that the daily two-way vehicular flow of Shenzhen Bay Port ("SBP") has been lower than expected since its commissioning in July last year. Regarding the issue of increasing the vehicular flow of SBP, will the Government inform this Council:

(a) as the Government has advised that it will set up an expert group with the Guangdong Provincial Government ("GPG") at the end of this year to study the issue of increasing the permanent quotas for "Hong Kong private cars to enter and leave the Mainland" and implementing a temporary quota system, and using northbound vehicles of SBP as a pilot scheme, of the anticipated time required for the relevant study, and when it will announce the details and implement the scheme;

(b) whether it will study with GPG the issuance of designated number of temporary quotas, e.g. 500 quotas per day, to mainland residents for them to drive their private cars via SBP to Hong Kong for consumption, so as to increase the vehicular flow of SBP and boost the economy of Hong Kong; if it will not, of the reasons for that; and

(c) as the Government advised in its report to the Council in May this year that it was studying the relaxation of the restrictions on the use of cross-boundary vehicular permits to allow vehicles with Lok Ma Chau, Sha Tau Kok or Man Kam To cross-boundary vehicular permits to use SBP, of the latest progress of the study?

Reply:

President,

With the commissioning of new land boundary control points, we consider that there is room to proactively consider the relaxation of the control on cross-boundary private cars. In particular, we plan to allow private car owners, who cannot meet the eligibility criteria for regular quotas, to apply for one-off ad hoc quotas to provide them with another choice on the means to cross the boundary, as well as to facilitate the economic, social and cultural flows between Guangdong and Hong Kong. We believe that the level of ad hoc quotas should be set having regard to the capacity of the road networks of both sides, as well as environmental, road safety and security considerations, etc. In this regard, we have already had preliminary exchange of views with the relevant authorities of the Guangdong province. Both sides have agreed to set up an expert group to examine the feasibility of the proposal with the view to formulating an overall implementation plan. Both sides have also initially agreed to implement the proposed scheme in two phases, starting with the issue of ad hoc quotas to Hong Kong private cars first,

to be followed by Guangdong private cars at a later stage upon satisfactory implementation of the proposal for Hong Kong private cars.

Our reply to the specific questions are as follows -

(a) We consider that a trial scheme on one-off ad hoc quotas may be implemented at the Shenzhen Bay Port (SBP) first, and will convene the first expert group meeting with the relevant Guangdong authorities within this month. Experts from both sides will need to consolidate the concept and consider an overall implementation plan, e.g. the number of one-off ad hoc quotas, issuing criteria, application procedures, mutual recognition of vehicle licences, requirements on environmental protection, motor vehicle insurance and traffic enforcement, etc. Our preliminary target is to announce the arrangements for the first phase (i.e. issuing one-off ad hoc quotas to Hong Kong private cars) within one year, while the actual implementation date will be worked out subject to the progress of discussions of the expert group.

We are of the view that ad hoc quotas should not replace the existing basic quotas for cross-boundary private cars as the latter provide investors in the Mainland with a regular and reliable means to cross the boundary. We will continue to review the number of basic quotas with the relevant Guangdong authorities from time to time having regard to the traffic conditions at the control points.

(b) The proposed one-off ad hoc quota scheme will provide specified quota limits to allow Mainland residents to drive their private cars to Hong Kong. The number of ad hoc quotas may increase incrementally over the years in a gradual and controlled manner, or be adjusted flexibly having regard to seasonal demand. We will take into account the operational experience of implementing ad hoc quotas for Hong Kong private cars when drawing up the implementation details for ad hoc quotas for Mainland private cars.

(c) At present, the average daily vehicular traffic flow at SBP has already exceeded 6,500 trips per day, though it is still on the low side. All goods vehicles of cross-boundary freight companies can freely use SBP without going through any formalities. To encourage private car owners to use SBP, the Hong Kong and Guangdong governments have agreed to allow cross-boundary private cars with Man Kam To, Sha Tau Kok and Lok Ma Chau (LMC) quotas to continue to choose SBP for commuting purpose until end September 2009. In addition, both governments have also agreed to allow holders of SBP private car quotas to use LMC during the hours when SBP is not in operation (i.e. from midnight to 6.30am) with effect from May 26, 2008, so as to facilitate them to cross the boundary during the small hours. Both governments will continue to keep the traffic flow at SBP under close monitoring and review the arrangement in due course.

Ends/Wednesday, December 17, 2008
Issued at HKT 14:39

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Press Releases

LCQ19: Cross-boundary vehicles

Following is a question by the Hon Lau Kong-wah and a written reply by the Secretary for Transport and Housing, Ms Eva Cheng, at the Legislative Council meeting today (May 13):

Question:

Will the Government inform this Council:

(a) of the number of Closed Road Permits issued to cross-boundary vehicles by the authorities in the past three years, together with a breakdown by the crossing which the vehicles were permitted to use;

(b) of the respective volume/capacity ratios of various crossings during peak hours, off-peak hours and public holidays in the past three years;

(c) whether it has studied if cross-boundary vehicles are currently too concentrated on using particular crossings to cross the boundary, and if such concentration has caused frequent traffic congestions on the roads in the vicinity of such crossings; if it has, of the outcome; and whether the authorities have adopted new measures to encourage cross-boundary vehicles to switch to use crossings where traffic is smoother for crossing the boundary; and

(d) as the authorities are considering the introduction of an ad hoc quota system for cross-boundary private cars, which will be launched at the Shenzhen Bay Port first, of the implementation timetable and whether they will implement the system within this year?

Reply:

President,

(1) The number of Closed Road Permits issued to cross-boundary vehicles by the Transport Department in the past three years is listed in Annex I.

(2) The average daily traffic flow, daily handling capacities and highest daily traffic volume at different crossings recorded in the past three years are set out in Annex II.

We have not kept separate statistics on the respective volume/capacity ratios of various crossings during peak hours, off-peak hours and public holidays.

(3) At present, the Lok Ma Chau (LMC) crossing accounts for over half of the cross-boundary vehicular traffic. The number of vehicles using Shenzhen Bay Port (SBP) has been increasing since its commissioning as from July 1, 2007. The volume of cross-boundary traffic at other land boundary crossings (i.e. LMC, Man Kam To (MKT) and Sha Tau Kok (STK)) as a ratio to the overall cross-boundary traffic has been decreasing, reflecting the diversion effect of SBP. The traffic on the roads in the vicinity of the various crossings has been generally smooth. We will

continue to monitor the utilisation of various crossings. In order to encourage the utilisation of SBP, together with the Guangdong authorities, we have implemented a number of measures, including-

- (a) allowing all goods vehicles of cross-boundary freight companies to freely use SBP;
- (b) allowing private car quota-holders of LMC, MKT and STK crossings to continue to choose SBP for commuting purpose until end September 2009; and
- (c) allowing private car quota-holders for SBP to use LMC during the hours when SBP is not in operation (i.e. from midnight to 6.30am) with effect from May 26, 2008, in order to facilitate them to cross the boundary during the small hours.
- (4) As regards the introduction of an ad hoc quota system for cross-boundary private cars, the expert group set up by the Hong Kong and Guangdong authorities has already started to sort out implementation details and relevant technical issues with a view to rolling out a trial scheme at SBP as soon as possible. Our tentative target is to announce the arrangements for the first phase (i.e. issuing one-off ad hoc quotas to Hong Kong private cars) within this year, while the actual implementation date will be subject to the progress of discussions with the Guangdong side.

Ends/Wednesday, May 13, 2009
Issued at HKT 12:42

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The number of Closed Road Permits issued to cross-boundary vehicles
by the Transport Department in the past three years

Crossing	2006	2007	2008
Lok Ma Chau	16,296	16,062	16,301
Man Kam To	2,118	1,950	1,949
Sha Tau Kok	3,857	3,519	3,002
Shenzhen Bay Port*	Not applicable	3,389	8,927
Multi-crossing ¹	16,062	15,753	15,443
Total	38,333	40,673	45,622

* The Shenzhen Bay Port was commissioned on July 1, 2007.

Footnote 1: To further facilitate the cross-boundary transportation of goods, goods vehicles allowed to use more than one land boundary crossing point only needed to apply for one Closed Road Permit since March 2005.

The average daily traffic flow, daily handling capacities and highest daily traffic volume at different crossings recorded in the past three years

Crossing	Average daily traffic volume of cross-boundary vehicles			Estimated daily handling capacity	Highest daily traffic volume in the past three years
	2006	2007	2008		
Lok Ma Chau	31,101	30,989	27,883	32,000	41,275
Man Kam To	7,511	6,901	5,823	10,000	9,956
Sha Tau Kok	2,473	2,297	2,402	2,500	3,482
Shenzhen Bay Port*	Not applicable	3,103	5,899	29,800	8,838

* The daily handling capacity of the Shenzhen Bay Port will be around 60,000 if all supporting facilities are fully operated.

Press Releases

LCQ4: Hong Kong-Zhuhai-Macao Bridge

Following is a question by the Hon Lau Kong-wah and a reply by the Acting Secretary for Transport and Housing, Mr Yau Shing-mu, at the Legislative Council meeting today (May 19):

Question:

The Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities ("HKBCF") will be located at the waters off the north-east of the Airport Island on Lantau, and reclamation works will commence in the third quarter of this year. It was proposed as early as in 2006 that motels, large exhibition venues, large entertainment and shopping facilities, etc. should be developed around HKBCF area to foster a bridgehead economy, increase the traffic flow of the bridge and give an impetus to the economic development of Lantau. The authorities indicated that they would consider the proposal. In this connection, will the Government inform this Council:

(a) whether it has specific plans to develop in the areas surrounding HKBCF transportation connections and the aforesaid facilities that cater for the needs of vehicles and visitors from the Mainland, so as to foster a bridgehead economy;

(b) given that I have learnt that at present, certain sites on the Airport Island are still available for new uses and that the construction works of HKBCF are still at the preparatory stage, whether the Government will consider collaborating with the Hong Kong Airport Authority in devising a detailed plan on how to use the sites concerned to develop a bridgehead economy; if it will, of the details; if not, the reasons for that; and

(c) of the latest progress of the trial scheme on one-off ad hoc quotas for cross-boundary private cars planned to be implemented by the Governments of Hong Kong, the Mainland and Macao, the overall planning and method for allocating quotas; whether the scheme will be implemented in phases according to types of vehicles and vehicle ownership by Government, enterprise and individual?

Reply:

President,

(a) When we considered the landing points and the location of the Hong Kong-Zhuhai-Macao Bridge (HZMB) Hong Kong Boundary Crossing Facilities (HKBCF), economic benefits were one of the important considerations. The HKBCF, to be built by reclamation, will be located at the northeast of the Hong Kong International Airport. The HKBCF occupies a favourable geographical location and is in the vicinity of the Hong Kong International Airport. It will accommodate road sections for traffic to and from the North West New Territories and North Lantau. Therefore, apart from providing immigration, customs and public transport interchanging facilities, the HKBCF will become a strategic multi-modal transportation hub on the west of Hong Kong. Its traffic and economic benefits will radiate to nearby areas and will significantly boost the economic development capability of these

areas.

Nevertheless, since the HKBCF involves reclamation works, having regard to environmental protection and financial considerations, we should minimise the size of the reclamation (currently estimated to be about 130 hectares), and the main purpose of the land reclaimed should be to accommodate the boundary crossing and traffic and transportation facilities of the HZMB. Furthermore, as the HKBCF is located in the vicinity of the Hong Kong International Airport, its buildings need to comply with the Airport Height Restrictions (between 25 to 50 metres Principle Datum), and structures which are too bulky should be avoided as they might bring visual impact. Based on the above considerations, we do not recommend large-scale commercial developments on the HKBCF. However, we agree that where feasible, we should make good use of the space available to develop facilities related to commercial activities so as to promote the economic activities on the HKBCF and at the same time bring convenience to the travellers. On this, we will explore at the detailed design stage of the HKBCF whether it can accommodate commercial activities of appropriate scale to serve travellers and meet their needs.

To give full play to the benefit of the HZMB and HKBCF in facilitating the bridgehead economy in the nearby areas, we need to provide convenient transport services between the HKBCF and the Hong Kong International Airport, Tung Chung, other parts of the Lantau Island and Tuen Mun. These services will encourage travellers coming to Hong Kong through the HZMB to make use of the commercial facilities in these locations (for example, the Asia World-Expo, hotels in the vicinity, shopping malls in Tung Chung and tourist attractions on the Lantau Island) which will provide business opportunities to these areas. Therefore, when we plan the arrangements for the related connecting transport services, we will take this into account so that the HZMB can effectively promote the economic development of the nearby areas.

As regards the development of the areas in the vicinity of the HKBCF, the Civil Engineering and Development Department and the Planning Department will, upon finalisation of the detailed planning for the HKLR and HKBCF as well as the completion of the Hong Kong International Airport Master Plan 2030 Study, and subject to the detailed planning and study findings, determine if the planning and engineering feasibility study for the remaining development of Tung Chung could commence as soon as possible. The Administration will take into account peripheral developments during the planning and engineering feasibility study, including the HZMB and the development of the Hong Kong International Airport, in formulating development proposals. The Administration will assess the impacts of the development proposals with regard to various aspects, including the environment and traffic. Public consultation will also be conducted.

(b) The Government has granted land at the Hong Kong International Airport to the Airport Authority Hong Kong (the Airport Authority) under the relevant land grant. In accordance with the Airport Authority Ordinance (Cap. 483), the Airport Authority has to operate and develop the Hong Kong International Airport in accordance with the objective of maintaining Hong Kong's status as a centre of international and regional aviation, and conduct its business according to prudent commercial principles and having regard to safety, security, economy and

operational efficiency.

There will be about 7 hectares of land at the Northern Commercial District on the airport island available for development. The Airport Authority is planning to appoint a consultancy firm in the second half of this year to examine how to develop the land in question. In formulating a strategy for developing the land, the consultancy firm has to consider such factors as meeting the airport operational requirements, the planning of land near the airport, and making use of the economic synergies arising from enhanced connectivity between the airport and the Pearl River Delta region as a result of large-scale cross-boundary infrastructures (particularly the Hong Kong-Zhuhai-Macao Bridge). The consultancy study is expected to take six to nine months. We believe this development strategy will help develop a "bridgehead economy".

(c) With the commissioning of new land boundary control points, the Guangdong and Hong Kong Governments consider that there is room to relax the control on cross-boundary private cars on an incremental basis so as to satisfy wider cross-boundary transportation needs and accelerate the pace of integration between Hong Kong and Mainland China. Building on the existing regular quota system for cross-boundary private cars, the two sides are discussing relaxation of the regulatory arrangements for cross-boundary private cars by introducing ad hoc quotas for private car owners who are not eligible for regular quotas, thereby enabling more people to travel across the boundary using their private cars. This proposal has now been incorporated into the Framework Agreement on Hong Kong/Guangdong Co-operation.

The relevant authorities of the Hong Kong and Guangdong Governments have reached preliminary agreement to implement an ad hoc quota trial scheme (the trial scheme) for cross-boundary private cars at the Shenzhen Bay Port. The trial scheme will be implemented in two phases, starting with the issue of ad hoc quotas to Hong Kong private cars first, to be followed by Guangdong private cars at a later stage upon satisfactory implementation of the scheme for Hong Kong private cars. The implementation details, including the number of quotas to be introduced, issuing criteria, application procedures and necessary clearance formalities etc. are being sorted out. The exact implementation date of the trial scheme is subject to the progress of discussion with the Guangdong side on the implementation details.

Other cross-boundary vehicles, including goods vehicles, coaches and hire cars, are of commercial nature. They have business needs to cross the boundary on a regular basis. The temporary nature of ad hoc quotas would not be able to cater for the business and commuting needs of these vehicles. Therefore, it would not be appropriate to include them into the trial scheme.

Separately, the relevant authorities of the Guangdong, Hong Kong and Macao Governments have already started to explore the regulatory arrangements for vehicles using the HZMB. Since the issue involves three jurisdictions with different laws, traffic regulatory regimes, modes of operation and road systems, the three governments would need to examine carefully the relevant regulatory matters in order to knock out a feasible arrangement which will facilitate vehicular flows among the three places. The trial scheme, if implemented successfully at the

Shenzhen Bay Port, will have exemplary effect for extending the scheme to the HZMB in future.

Ends/Wednesday, May 19, 2010
Issued at HKT 16:06

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Ad hoc quota trial scheme for cross-boundary private cars

List of relevant papers

Date of meeting	Meeting	Minutes/Paper	LC Paper No.
19.12.2008	Panel on Transport (TP)	Administration's paper on Hong Kong-Zhuhai-Macao (HZMB) Main Bridge	LC Paper No. CB(1)406/08-09(03)
23.01.2009	TP	Administration's paper on regulatory arrangements for cross-boundary vehicles	LC Paper No. CB(1)614/08-09(03)
		Minutes of the meeting	LC Paper No. CB(1)1362/08-09
24.04.2009	TP	Administration's paper on HZMB: Main Bridge and Hong Kong Boundary Crossing Facilities (HKBCF)	LC Paper No. CB(1)1337/08-09(03)
		Minutes of the meeting	LC Paper No. CB(1)2541/08-09
18.10.2011	TP	Administration's paper on transport-related policy initiatives of the Transport and Housing Bureau under the 2011-2012 Policy Address and Policy Agenda	LC Paper No. CB(1)54/11-12(01)
		Minutes of the meeting	LC Paper No. CB(1)706/11-12