

政府總部
運輸及房屋局
運輸科
香港添馬添美道 2 號
政府總部東翼



**Transport and
Housing Bureau**
Government Secretariat

Transport Branch
East Wing, Central Government Offices,
2 Tim Mei Avenue,
Tamar, Hong Kong

本局檔號 Our Ref.: THB(T)CR 2/2172/08
來函檔號 Your Ref.: CB4/PAC/R63

電話 Tel : (852) 3509 8241
傳真 Fax : (852) 2524 9397

24 December 2014

Mr Anthony CHU
Clerk to the Public Accounts Committee
Legislative Council Complex,
1 Legislative Council Road, Central
Hong Kong

Dear Mr CHU,

**Chapter 4 of the Director of Audit's Report No. 63 on the
Administration of the air traffic control and related services**

Thank you for your letter dated 16 December 2014. Regarding the issues mentioned in your letter, I am authorised to reply as follows.

With the robust development and growth of the Hong Kong International Airport and the regional aviation industry, the Transport and Housing Bureau ("THB") supported the Civil Aviation Department ("CAD") from the aviation policy perspective to replace its Air Traffic Control ("ATC") system with a view to enhancing the handling capacity of CAD in providing ATC and other aviation-related services, thereby coping with future growth in air traffic, and ensuring aviation safety and efficiency.

The Secretary for Transport and Housing ("the Secretary") and the Permanent Secretary for Transport and Housing (Transport) ("the Permanent Secretary") have regular meetings with the Director-General of Civil Aviation ("the Director") respectively at bi-monthly intervals to receive reports from the Director on the major work of CAD. The meetings are also attended by key

Directorate officers of CAD. At the meetings, CAD will submit written reports on the latest progress of the various tasks before the meetings to facilitate the discussions. During the discussions, the Secretary and the Permanent Secretary will give comments, but verbatim minutes of the meetings are not prepared. Nonetheless, follow-up actions after the meetings are taken forward in accordance with the established work procedures.

Since funding approval for the replacement of the ATC system was obtained from the Finance Committee of the Legislative Council in May 2007, the Director has been regularly updating THB at the above meetings on the progress of work related to the replacement of the ATC system. Since the second half of 2012 when THB was informed by CAD that the commissioning date for the new ATC system would be postponed due to the slower progress of work related to the replacement of the Air Traffic Management System (“the ATMS”), the Bureau advised the Director and his colleagues to double the efforts and work more closely with the contractor of the ATMS to settle the outstanding issues of the new system as soon as possible to minimise the delay, while ensuring that the smooth operation, safety and stability of the new system would not be compromised. In order to expedite the implementation of the replacement project, CAD has adopted the following improvement measures:-

- (a) establishing a steering committee chaired by the Deputy Director-General of Civil Aviation on the new ATC Centre and system project in April 2013 to enhance monitoring of the progress of the replacement of the ATMS, and give timely instructions on key issues;
- (b) visiting the contractor’s plant in Boston of the United States between October and November 2013 by CAD staff responsible for the project to discuss and examine the items being enhanced as well as the outstanding issues and operational details of the ATMS;
- (c) conducting meetings between the Director / Deputy Director-General of Civil Aviation / Assistant Director-General of Civil Aviation and the contractor’s senior management in Hong Kong in November 2013 and May, August and October 2014. At the meetings, CAD requested the contractor to take all possible measures to minimise the delay of the project, including the deployment of additional resources and personnel with relevant experience, settling outstanding issues of the ATMS as early as possible, and submitting a practicable implementation plan for the project;

- (d) conducting weekly teleconferences between the subject Assistant Director-General of Civil Aviation and Chief Electronics Engineer and the contractor's senior management since early 2014, with a view to reviewing the project progress, adjusting work priorities and human resources, etc, to tackle the major issues in a timely manner, and enhance communication and collaboration between the two sides; and
- (e) as per CAD's request, the contractor's project management and professional personnel came to Hong Kong on several occasions since early 2014 to discuss with CAD staff the outstanding issues of the ATMS. The expert project team of the contractor stayed in Hong Kong for four weeks between April and May 2014 to expedite the completion of the site acceptance test.

Regarding the contract variations for the new system, CAD has followed the Stores and Procurement Regulations stipulated by the Government in setting out the details and expenditure involved for the enhancement items, and were submitted to the Government Logistics Department for vetting and approval. THB was not involved in the process.

Yours sincerely,



(Desmond WU)

for Secretary for Transport and Housing

c.c. Director-General of Civil Aviation
Secretary for Financial Services and the Treasury
Director of Audit