

立法會

Legislative Council

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by the Administration)

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Panel on Transport

Subcommittee on Matters Relating to Railways

Minutes of meeting on Friday, 4 December 2015, at 10:45 am in Conference Room 2 of the Legislative Council Complex

- Members present :**
- Hon CHAN Han-pan, JP (Chairman)
 - Hon LEE Cheuk-yan
 - Hon James TO Kun-sun
 - Hon CHAN Kam-lam, SBS, JP
 - Hon Mrs Regina IP LAU Suk-ye, GBS, JP
 - Hon LEUNG Kwok-hung
 - Hon WONG Yuk-man
 - Hon Claudia MO
 - Hon Michael TIEN Puk-sun, BBS, JP
 - Hon Frankie YICK Chi-ming, JP
 - Hon WU Chi-wai, MH
 - Hon YIU Si-wing, BBS
 - Hon Gary FAN Kwok-wai
 - Hon Charles Peter MOK, JP
 - Dr Hon KWOK Ka-ki
 - Dr Hon Elizabeth QUAT, JP
 - Ir Dr Hon LO Wai-kwok, SBS, MH, JP
 - Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Members attending :**
- Hon Albert CHAN Wai-yip
 - Hon Dennis KWOK

Members absent : Hon WONG Kwok-hing, BBS, MH
(Deputy Chairman)
Hon TANG Ka-piu, JP
Hon Tony TSE Wai-chuen, BBS

Public Officers attending : **Agenda item III**

Professor Anthony CHEUNG, GBS, JP
Secretary for Transport and Housing
Transport and Housing Bureau

Mr Joseph LAI, JP
Permanent Secretary for Transport and
Housing (Transport)
Transport and Housing Bureau

Ms Rebecca PUN Ting-ting, JP
Deputy Secretary for Transport and
Housing (Transport)¹
Transport and Housing Bureau

Miss Winnie WONG Ming-wai
Principal Assistant Secretary for Transport and
Housing (Transport)³
Transport and Housing Bureau

Mr Peter LAU Ka-keung, JP
Director of Highways
Highways Department

Mr Henry CHAN Chi-yan, JP
Principal Government Engineer/Railway
Development
Highways Department

Mr TAM Hon-choi
Government Engineer / Railway
Development 2
Highways Department

Attendance by invitation : Agenda item III

Dr Raymond CH'IEN
Chairman
MTR Corporation Limited

Mr Lincoln LEONG
Chief Executive Officer
MTR Corporation Limited

Dr Philco WONG
Projects Director
MTR Corporation Limited

Ms Linda SO
Corporate Affairs Director
MTR Corporation Limited

Mr Simon TANG
General Manager – XRL
MTR Corporation Limited

Mr LEUNG Chi-lap
General Manager – XRL E&M
MTR Corporation Limited

Ms Maggie SO
Deputy General Manager - Projects and
Property Communications
MTR Corporation Limited

Clerk in attendance : Mr Anthony CHU
Chief Council Secretary (4)1

Staff in attendance : Ms Angela CHU
Senior Council Secretary (4)1

Ms Margie LI
Senior Legislative Assistant (4)3

Ms Prima LAI
Legislative Assistant (4)1

Mr Griffin FUNG
Legislative Assistant (4)8

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**I. Information papers issued since the last regular meeting on
3 July 2015**

- (LC Paper No. CB(4)1365/14-15(01) - Administration's further response to the joint letter from Hon WONG Kwok-hing, Hon TANG Ka-piu and Hon KWOK Wai-keung on the co-ordination of public transport services upon commissioning of the MTR West Island Line
- LC Paper No. CB(4)1020/14-15(01) - Administration's response to the letter from Dr Hon KWOK Ka-ki on water seepage in MTR HKU Station of the West Island Line
- LC Paper No. CB(4)1442/14-15(01) - Complaint against the customer service of the MTR Corporation Limited
- LC Paper No. CB(4)1449/14-15(01) - Administration's response to the complaint against the customer service of the MTR Corporation Limited
- LC Paper No. CB(4)24/15-16(01) - Letter dated 2 October 2015 from Dr Hon KWOK Ka-ki regarding restrictions imposed by the MTR Corporation Limited

on the size of objects which can be carried into the railway network

- LC Paper No. CB(4)74/15-16(01) - Administration's response to the letter from Dr Hon KWOK Ka-ki regarding restrictions imposed by the MTR Corporation Limited on the size of objects which can be carried into the railway network
- LC Paper No. CB(4)98/15-16(01) - Letter dated 20 October 2015 from Hon Claudia MO proposing a review of the Mass Transit Railway By-laws at future meetings
- LC Paper No. CB(4)185/15-16(01) - Letter dated 4 November 2015 from Hon Michael TIEN Puk-sun regarding discovery of breakage at a rail section near Lai King Station of the Tsuen Wan Line
- LC Paper No. CB(4)204/15-16(01) - Administration's response to the letter from Hon Michael TIEN Puk-sun regarding discovery of breakage at a rail section near Lai King Station of the Tsuen Wan Line)

Members noted the above papers which had been issued since the last regular meeting on 3 July 2015.

II. Items for discussion at the next regular meeting on 22 February 2016

- (LC Paper No. CB(4)286/15-16(01) - List of outstanding items

LC Paper No. CB(4)286/15-16(02) for discussion
- List of follow-up actions)

Proposed items for discussion

2. Dr KWOK Ka-ki urged for an early discussion of "Restrictions on the size of personal objects that can be carried into the MTR network" which was included in the "List of outstanding items for discussion" of the Subcommittee. Referring to the Administration's response regarding the discovery of a breakage at a rail section near Lai King Station of the Tsuen Wan Line (LC Paper No. CB(4)204/15-16(01)), Mr Michael TIEN said that the Administration had not addressed the safety issues relating to the breakage of the railway track. He urged that the item be included on the "List of outstanding items for discussion" and the Administration/MTR Corporation Limited ("MTRCL") should be requested to brief the Subcommittee on the subject as soon as practicable. The Chairman took note of members' suggestions and undertook to relay members' views to the Administration for early discussions of the two items.

(Post-meeting note: Administration's further response regarding the discovery of a breakage at a rail section near Lai King Station of the Tsuen Wan Line was issued to members on 4 February 2016 vide LC Paper No. CB(4)571/15-16(01). In view of the supplementary information, Mr Michael TIEN agreed that the Subcommittee need not discuss the issue.)

Suspension of the Subcommittee's work

3. The Chairman drew members' attention that pursuant to the decision of the House Committee on 9 October 2015, the Subcommittee would be placed on a waiting list for re-activation of work after 31 December 2015. It was anticipated that a vacant slot would be available in early February 2016 for the Subcommittee to resume its work. He said that as the items "Progress update of the construction of the Shatin to Central Link" and "Progress update of the construction of the West Island Line, South Island Line (East) and Kwun Tong Line Extension" originally scheduled for discussion at the current meeting had been deferred, a special meeting would be scheduled within December 2015 to discuss the deferred items.

(Post-meeting note: The special meeting to discuss the item "Progress update of the construction of the Shatin to Central Link" was held on 14 December 2015.)

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III. Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link

- (LC Paper No. CB(4)280/15-16(01) - Administration's paper on the progress and financial situation of the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (for the period ending 30 September 2015)
- LC Paper No. CB(4)280/15-16(02) - Administration's paper on the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link
- LC Paper No. CB(4)280/15-16(03) - MTR Corporation Limited's paper on the proposed arrangements for taking forward the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link
- LC Paper No. CB(4)286/15-16(03) - Paper on the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link prepared by the Legislative Council Secretariat (updated background brief)

Other relevant paper

- LC Paper No. CB(4)1412/14-15(02) - Administration's paper on the progress and financial situation of the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (for the period ending 30 June 2015))

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4. The Subcommittee deliberated (index of proceedings attached at **Annex**).

Declaration of interests

5. The Chairman, Mr CHAN Kam-lam and Ir Dr LO Wai-kwok declared that they were shareholders of MTRCL.

Inviting Secretary for Justice to attend the Subcommittee meeting

6. Dr KWOK Ka-ki said that in view of the wide public concern over the co-location of customs, immigration and quarantine ("CIQ") facilities ("co-location arrangement") at West Kowloon Terminus ("WKT") of the Hong Kong section ("HKS") of Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL"), he suggested inviting the Secretary for Justice ("SJ") to attend the special meeting to be scheduled within December 2015 to respond to members' enquiries in this regard.

(Post-meeting note: SJ subsequently attended the special meeting held on 14 December 2015.)

Introduction by the Administration/MTRCL

7. Secretary for Transport and Housing ("STH"), Dr Raymond CH'EN, Chairman of MTRCL ("Chairman/MTRCL") and Mr Lincoln LEONG, Chief Executive Officer of MTRCL ("CEO/MTRCL") gave introductory remarks on the progress of HKS of XRL and the agreement reached between the Government and MTRCL regarding the funding of cost increase of the HKS of XRL project on 30 November 2015 ("XRL Agreement"). The key elements of the XRL Agreement were as follows:

- (a) the Administration shall bear and finance the XRL project cost overrun up to HK\$19.42 billion, with any further cost overrun to be borne and financed by MTRCL;
- (b) MTRCL shall pay a Special Dividend at HK\$4.4 per share to its shareholders (including Government as the majority shareholder);
- (c) the Administration reserved its right to take MTRCL to arbitration on the Corporation's liability and, as part of the arbitration, to challenge the cap on MTRCL's liability stipulated in the Entrustment Agreement signed between the Government and MTRCL in January 2010; and

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- (d) if the arbitrator determines that (i) MTRCL's liability cap is valid, and (ii) but for the liability cap, the Corporation's liability for the current cost overrun would exceed the liability cap, MTRCL will have to seek independent shareholders' approval at an extraordinary general meeting in order to pay its excess liability (i.e. liability beyond the cap).

Discussion

Project delay and cost overrun

8. Dr KWOK Ka-ki, Mr LEE Cheuk-yan and Ms Claudia MO expressed grave concern about the serious delay and cost overrun of HKS of XRL. They said that the Administration was deceiving the public into funding this expensive "white elephant" project, and yet the benefits that could be brought about by the project to Hong Kong remained uncertain. Mr LEUNG Kwok-hung and Mr Albert CHAN said that the construction of HKS of XRL was a total waste of public money and questioned about the financial viability of the project after its commissioning.

9. Mr Albert CHAN, Dr KWOK Ka-ki, Mr LEE Cheuk-yan and Mr WONG Yuk-man said that both the Administration and MTRCL should be accountable for the project delay and cost overrun. They urged STH to apologize to the public for the project delay and cost overrun.

10. Mr YIU Si-Wing requested the Administration to conduct afresh a study on the projected economic benefits that could be brought about by the construction of HKS of XRL to Hong Kong, such as the growth of employment opportunities and economic activities, so as to solicit public support of additional funding for the project.

11. STH replied that he understood that the public had great expectation on the project being able to complete on time and within the approved budget. The Administration deeply regretted about the severe delay and cost overrun of the project. The Administration would ascertain the liabilities of the parties concerned and would reserve all the rights to pursue the warranties and obligations from MTRCL. Despite project delay and cost overrun, he stressed that the XRL project was a major transport infrastructure which would bring significant social and economic benefits to Hong Kong. Apart from direct economic benefits of cost savings due to time savings of passengers, there were other indirect economic and social benefits which were substantial, but difficult to be easily and instantly quantified.

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12. In reply to Mr Albert CHAN's enquiry on how to monitor the use of the additional funding of \$19.6 billion, if so approved by the Legislative Council ("LegCo"), Chairman/MTRCL said that MTRCL had implemented measures to stringently control project expenditure for the XRL project.

13. Ir Dr LO Wai-ki expressed support for the Administration's proposal to defer the works for five of the 15 tracks in order to reduce the revised Cost to Complete for the XRL project.

Co-location arrangement at WKT of HKS of XRL

14. Dr KWOK Ka-ki, Mr WU Chi-wai and Mr LEE Cheuk-yan expressed grave concern about how the co-location arrangement at WKT of HKS of XRL could be implemented. Even though the Administration was studying the co-location arrangement and discussing the relevant issues with the Mainland authorities for six years since 2009, no concrete plan on the relevant arrangements had been put forward.

15. Mr WU Chi-wai, Mr LEUNG Kwok-hung and Mr Dennis KWOK expressed worry that in an attempt to implement the co-location arrangement, both the Hong Kong and Mainland authorities might propose to the Standing Committee of the National People's Congress that relevant national laws relating to CIQ etc. be listed in Annex III of the Basic Law ("BL") so that these national laws could be applied to Hong Kong. They opined that allowing the Mainland law enforcement agencies to enforce these national laws at WKT of HKS contravened BL and would undermine the rule of law in Hong Kong. They urged the Administration to make a pledge that the co-location arrangement would not contravene BL and violate the principle of "one country, two systems".

16. STH replied that despite the design of co-location arrangement involved complex legal and practical operational issues, the implementation of co-location arrangement was not unprecedented. The Administration would make reference to co-location arrangements in other countries, such as those between United States and Canada and between the United Kingdom and France. In addition, the Administration was exploring with the Mainland authorities on the possible options in implementing the co-location arrangement. He stressed that in deciding the way forward, authorities of both sides would ensure that the co-location arrangement would be in full compliance with BL and the "one country, two systems" principle. He added that SJ would attend the LegCo meeting on 9 December 2015 to answer to a LegCo question raised by a Member on the legal aspects of the co-location arrangement in details.

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17. Ms Claudia MO and Dr KWOK Ka-ki expressed concern that even though no definite plan had been drawn up on the co-location arrangement, the Administration was jumping the gun in providing a huge place at WKT of HKS earmarked for implementing the co-location arrangement. Mr LEE Cheuk-yan and Mr WU Chi-Wai opined that the co-location arrangement should be properly put in place before the Administration sought additional funding approval from the Finance Committee ("FC") of LegCo. Mr LEE and Mr WU were of the view that it would be better to suspend the whole project than to pursue an option of co-location arrangement that would contravene BL and the "one country, two systems" principle.

18. STH responded that the concept of co-location arrangement had already been incorporated in the design of HKS of XRL when it was proposed in 2009 and the provision of space for such purpose was clearly mentioned in the Administration's paper submitted to the Public Works Subcommittee on 2 December 2009 (PWSC(2009-10)68). Under this arrangement, travellers from Hong Kong to the Mainland and vice versa could complete the CIQ clearance procedures of Hong Kong and the Mainland in one go. If the co-location arrangements were not implemented, passengers could only complete the CIQ clearance in a Mainland city with CIQ facilities to continue their journey to their destination. There was no question of jumping the gun in providing space for accommodating the co-location arrangement in WKT of HKS.

19. As regards the question of suspension of the project, STH said that as 75% of the project had already been completed, it was critical to secure the additional funding expeditiously so as to ensure the timely commissioning of HKS of XRL by the third quarter of 2018. The Administration would concurrently seek additional funding approval from FC of LegCo and discuss the co-location arrangement with the Mainland authorities. Suspension or termination of the project was not an option to consider, as this would involve huge additional direct costs associated with the suspension and termination arising from XRL contracts, not to mention the foregone opportunity costs and economic benefits associated with the XRL project.

20. Ir Dr LO Wai-kwok and Mr YIU Si-wing considered that suspending or terminating the XRL project due to insufficient funding was not a feasible option as this would have an adverse impact on the development of the Hong Kong economy. Ir Dr LO enquired about the total costs incurred if XRL project was to be suspended or even terminated. Director of Highways replied that according to MTRCL's assessment, the additional cost incurred from suspension and termination of contracts could be in the region of \$4.8 billion. The estimate only assumed a 12-month expenditure for

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maintenance of the unfinished works. The contractors might take a different view as to their entitlements for the costs of works completed up to the date of suspension and accrued claim entitlements, which would lead to complex, time-consuming and expensive disputes, the outcome of which would be very difficult to predict. Also, the estimate had not taken into account the cost for the Administration to continue protecting the unfinished works and maintaining the equipment procured thereafter until there was a way forward for the XRL project.

21. Referring to the patronage forecast of XRL conducted by the Administration in 2009 (LC Paper No. CB(1)503/09-10(02)), Mr Michael TIEN said that it had been estimated that more than 63% of the passengers would travel short-haul by XRL from Hong Kong to Shenzhen or vice versa. In view of the complicated legal issues involved in implementing the co-location arrangement, he enquired whether the Administration had any alternative plan, say, adopting a separate-location model of CIQ facilities in Hong Kong and Shenzhen. Mr James TO enquired about the feasibility of allowing law enforcement agencies in Hong Kong to enforce the relevant national laws relating to CIQ at WKT of HKS. Ms Claudia MO also enquired whether it was feasible for conducting immigration clearance for travellers in the XRL compartments, instead of adopting the co-location arrangement at WKT of HKS.

22. STH replied that the Administration was at present conducting a study on the feasible options in taking forward the co-location arrangement, including suggestions made by LegCo Members and the public. The operational feasibility and legal issues involved in each option would be carefully examined. To unleash the full potentials and benefits brought about by XRL, it was important that the co-location arrangement could be implemented at WKT of HKS. The Administration would explore ways to deal with the legal and operational issues arising from the co-location arrangement, and would provide further information to the public and LegCo in due course.

The XRL Agreement

23. Dr KWOK Ka-ki, Mr LEE Cheuk-yan, Mr Albert CHAN, Mr LEUNG Kwok-hung and Mr Christopher CHUNG expressed concern about the XRL Agreement. They said that the Administration and MTRCL were playing financial tactics to deceive the public into supporting additional funding to cover the cost overrun of HKS of XRL project, as the paying of Special Dividends to the Administration through the raising of debts by MTRCL to cover the project cost overrun would have the effect of passing the

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debt liabilities to MTRCL shareholders. The public would be affected as MTRCL might increase fares to maintain its profit level.

24. CEO/MTRCL explained that the Administration and MTRCL reached an agreement on the cost increase of XRL project on 30 November 2015. MTRCL would pay a Special Dividend of \$4.4 per share to all shareholders, including the Government, under which the latter would receive a sum of approximately \$19.51 billion of dividends. He added that it was not uncommon in the commercial sector for listed companies to raise debts for financing the paying of dividends to shareholders, and such move would also enhance MTRCL's capital efficiency. Chairman/MTRCL added that an Independent Financial Adviser would prepare report with recommendations on the XRL Agreement for the independent shareholders' consideration. A general meeting would be held for the independent shareholders to approve the XRL Agreement.

25. In reply to Mr LEE Cheuk-yan's enquiry on whether the raising of debts for the payment of dividends to shareholders would affect future earnings of MTRCL and thus fare concessions and promotions to be offered for the public, Chairman/MTRCL replied that a fare adjustment mechanism was in place to review the MTR fares each year. As regards fare concessions and promotions, MTRCL would consider various factors in offering fare concession programmes and promotions and these measures would need the approval of the Board of Directors of MTRCL.

26. Mr WU Chi-wai asked whether the Administration would waive the dividends payment from MTRCL. STH replied that the Government as a shareholder of MTRCL would receive dividends from MTRCL as other ordinary shareholders. The dividend policy of MTRCL, as a public listed company accountable to its shareholders, would not be affected by any decision of the Administration.

27. Noting that the total expenditure for the project was \$55.9 billion as at end September 2015 with around \$9.1 billion of entrustment fee remaining, the Chairman enquired when the entrustment fee would be used up, and about details of the alternative arrangements if shareholders of MTRCL did not support the XRL Agreement. STH replied that based on the cash flow of the project, it was anticipated that the entrustment fee would be depleted by mid-2016. The Government planned to submit the proposal of additional funding to FC of LegCo for approval by February 2016 in order to bridge the funding gap before depletion of the entrustment fee. In the event that independent shareholders of MTRCL did not support the funding proposal, the XRL Agreement could not take effect. The Government would still need to

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seek LegCo's approval for additional funding so as to continue financing the project.

28. Mr Christopher CHUNG enquired why the Administration chose to pursue MTRCL's liabilities through arbitration instead of other means. In reply, STH said that the Entrustment Agreement signed between the Government and MTRCL provided that the settlement of disputes between the two parties would be pursued through arbitration. Settling disputes by arbitration was also less time-consuming and less costly as compared to other means of settlement.

29. Referring to Annex II of LC Paper No. CB(4)280/15-16(03) regarding the XRL Agreement, Mr Dennis KWOK sought information about the exemptions of the agreement under which MTRCL would have no obligations to finance the further cost overrun of the project exceeding \$84.42 billion. He expressed worry that the provisions of the agreement were drafted in such a way that it might open up loopholes for MTRCL to evade its responsibility in respect of further cost overrun, and suggested the Government to sign a deed of indemnity with MTRCL to cover further liabilities arising from any third parties claims.

30. The Chairman sought clarification regarding the provision in section B(i) of the agreement, i.e. MTRCL "shall have no obligation to bear and finance such portion of further cost overrun that results from any change in any ordinance or subsidiary legislation enacted or made after the execution of the XRL Agreement which affects directly the Express Rail Link Project and/or the Entrustment Activities". He enquired whether amendments to existing legislation to facilitate the implementation of co-location arrangement, if so required, constituted a change in any ordinance or subsidiary legislation enacted or made after the execution of the XRL Agreement.

31. CEO/MTRCL explained that the Agreement provided certain exemptions under which MTRCL should have no obligation to finance the further cost overrun exceeding \$84.42 billion, but the occurrence of such exemptions would be rare. Examples of such exemptions included the occurrence of *force majeure* events, changes in legislation that affected the overall construction cost and suspension to underlying contracts of the project. There was another provision in the XRL Agreement that if the Administration was required to pay or paid an amount of the entrustment cost that formed part of the further cost overrun, MTRCL would indemnify the Administration of such amount paid by the Administration as soon as reasonably practicable. As regards provision in section B(i) of the Agreement, Chairman/MTRCL said that the provision referred to situations where there were legislation changes

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affecting the whole construction industry and construction cost. STH added that both the Administration and MTRCL had reviewed and agreed on the terms of the Agreement, which had been scrutinized by lawyers of both sides. Mr Dennis KWOK's suggestion would have to be further examined by the Administration.

32. In reply to Mr Dennis KWOK's further enquiry, CEO/MTRCL said that it was not necessary to seek shareholders' approval for MTRCL to indemnify the Administration on payment arising from claims from third parties that formed part of the further cost overrun as it was already included under the XRL Agreement.

Progress of the XRL project and labour shortage problem

33. Mr CHAN Kam-lam enquired about the latest progress of the XRL project and how the Administration/MTRCL would monitor the progress of the project so as to ensure that the commissioning date of third quarter of 2018 could be met. Mr Christopher CHUNG asked whether all unforeseeable factors affecting the progress of the project had been resolved.

34. Dr Philco WONG, Projects Director of MTRCL ("Projects Director/MTRCL") replied that the overall progress of the XRL project was 75% completed, with 99% tunnel excavation works and over 63% of works for the WKT being completed. With the completion of most of the tunnel excavation works, most of the unforeseeable factors arising from unfavourable ground conditions had been addressed. As regards monitoring the progress of the project, Chairman/MTRCL said that pursuant to the recommendation from the Independent Board Committee, MTRCL had set up Capital Works Committee to supervise and monitor the progress of the project to ensure that the target commission date of third quarter of 2018 could be met.

35. Noting that the problem of labour shortage had been affecting the progress of the XRL project, Dr Elizabeth QUAT enquired whether the problem could be resolved. Mr WONG Yuk-man expressed the view that the Administration/MTRCL should have envisaged the problem of labour shortage and formulated measures to alleviate the problem in advance.

36. Projects Director/MTRCL replied that at present, there was a shortfall of about 400 workers. MTRCL would increase the number of workers under the Supplementary Labour Scheme ("SLS") and "first-hire-then-train" project. About 100 workers had been approved under SLS to alleviate the labour shortage problem.

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Follow-up actions

37. The Administration was requested to:
- (a) conduct an updated assessment on the projected economic benefits brought about by the construction of HKS of XRL to Hong Kong, such as the growth of employment opportunities and economic activities, after the commissioning of the rail link;
 - (b) evaluate the adverse impact on the projected economic benefits anticipated in (a) above under the following scenarios: (i) if the project was to be delayed to the third quarter of 2018; and (ii) if the project was to be suspended or even terminated due to the lack of funding; and
 - (c) set out the consequences and estimate the additional costs, with a breakdown, to be incurred if all XRL contracts were to be terminated due to the suspension of the construction of HKS of XRL.

(Post-meeting note: the supplementary information provided by the Administration was issued to members vide LC Paper No. CB(4)333/15-16(02) on 11 December 2015.)

IV. Any other business

38. There being no other business, the meeting ended at 1:27 pm.

Panel on Transport

Subcommittee on Matters Relating to Railways

**Proceedings of the meeting
on Friday, 4 December 2015, at 10:45 am
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<i>Agenda Item I – Information papers issued since the last regular meeting on 3 July 2015</i>			
000451 – 000505	Chairman	Members noted the information papers issued since the last regular meeting.	
<i>Agenda Item II – Items for discussion at the next regular meeting on 22 February 2016</i>			
000506 – 001052	Chairman Dr KWOK Ka-ki Mr Michael TIEN	Early discussion of proposed items. Attendance of the Secretary for Justice to answer members' enquiry on the co-location of customs, immigration and quarantine facilities ("co-location arrangement") at West Kowloon Terminus ("WKT") of the Hong Kong section ("HKS") of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL").	
<i>Agenda Item III – Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link</i>			
001053 – 002433	Chairman Administration	Opening remarks by Secretary for Transport and Housing ("STH") [LC Paper No. CB(4)312/15-16(01)].	
002434 – 003307	Chairman MTRCL	Opening remarks by the Chairman and the Chief Executive Officer of the MTR Corporation Limited ("MTRCL") [LC Paper Nos. CB(4)312/15-16(02) and (03)]. Briefing on the latest progress of HKS of XRL with the aid of a powerpoint presentation [LC Paper No. CB(4)311/15-16(01)]	
003308 - 003350	Chairman Mr CHAN Kam-lam	Declaration of interests	
003351 – 003950	Chairman Dr KWOK Ka-ki Administration	Dr KWOK's views on project delay, cost overrun and co-location arrangement and the Administration's responses.	
003951 – 004454	Chairman LEE Cheuk-yan Administration	Mr LEE's views on project delay, cost overrun and co-location arrangement and the Administration's responses.	

Time marker	Speaker	Subject(s)	Action required
004455 – 004959	Chairman Mr Michael TIEN	Mr TIEN's views on the co-location arrangement.	
005000 – 005503	Chairman Mr WU Chi-wai Administration	Mr WU's views on the co-location arrangement and the Administration's response.	
005504 – 010013	Chairman Mr CHAN Kam-lam MTRCL	Mr CHAN's enquiry on the progress of the XRL project and MTRCL's response.	
010014 – 010517	Chairman Ms Claudia MO MTRCL Administration	Ms MO's views on the co-location arrangement and MTRCL and the Administration's response.	
010518 – 011134	Chairman Mr Dennis KWOK Administration MTRCL	Mr KWOK's views on the co-location arrangement and XRL agreement signed between the Administration and MTRCL on 30 November 2015 ("XRL Agreement"), and the Administration and MTRCL's responses.	
011135 – 011645	Chairman Mr Christopher CHUNG Administration MTRCL	Mr CHUNG's enquiries on the progress of XRL project and XRL Agreement, and the Administration and MTRCL's responses.	
011646 – 012130	Chairman Mr YIU Si-wing Administration	Mr YIU's view on project delay and cost overrun and the Administration's response.	The Administration to follow up as per paragraph 37 of the minutes.
012131 – 012636	Chairman Mr LEUNG Kwok-hung	Mr LEUNG's views on project delay, cost overrun, XRL Agreement and co-location arrangement.	
012637 – 013141	Chairman Mr Albert CHAN MTRCL	Mr CHAN's views on project delay, cost overrun and XRL Agreement, and MTRCL's responses.	
013142 – 013654	Chairman MTRCL Administration	The Chairman's enquiry on the XRL Agreement and MTRCL and the Administration's responses.	

Time marker	Speaker	Subject(s)	Action required
013655 – 014210	Chairman Ir Dr LO Wai-kwok Administration	Ir Dr LO's enquiry on the cost of project suspension and the Administration's response.	The Administration to follow up as per paragraph 37 of the minutes.
014211 – 014739	Chairman Dr KWOK Ka-ki Administration	Dr KWOK's view on the provision of designated space for co-location arrangement at WKT of HKS and requested STH to apologize for project delay and cost overrun and the Administration's response.	
014740 – 015337	Chairman Mr LEE Cheuk-yan Administration MTRCL	Mr LEE's views on co-location arrangement, the XRL Agreement and enquiry about the fare concession programmes offered by MTRCL, and the Administration and MTRCL's response.	
015338 – 015617	Chairman Mr James TO Administration	Mr TO's enquiry on co-location arrangement and the Administration's response.	
015618 – 020126	Chairman Mr Michael TIEN Administration	Mr TIEN's views on co-location arrangement and the Administration's response.	
020127 – 020639	Chairman Mr WU Chi-wai Administration	Mr WU's views on co-location arrangement and XRL agreement and the Administration's response.	
020640 – 021151	Chairman Mr WONG Yuk-man	Mr WONG's views on project delay and cost overrun.	
021152 – 021657	Chairman Dr Elizabeth QUAT MTRCL	Dr QUAT's enquiry on manpower shortage problem and MTRCL's response.	
021658 – 022203	Chairman Ms Claudia MO Administration	Ms MO's views on co-location arrangement and the Administration's response.	
022204 – 022707	Chairman Mr Dennis KWOK MTRCL Administration	Mr KWOK's views on the XRL agreement and MTRCL and the Administration's responses.	
022708 – 023213	Chairman Ir Dr LO Wai-kwok Administration	Ir Dr LO's enquiry on the cost of suspension of XRL project and the Administration's response.	The Administration to follow up as

Time marker	Speaker	Subject(s)	Action required
			per paragraph 37 of the minutes.
023214 – 023729	Chairman Mr WONG Yuk-man Administration MTRCL	Mr WONG's enquiry on manpower shortage problem and the Administration and MTRCL's response.	
023730 – 024136	Chairman Administration	The Chairman's enquiry on XRL agreement and the Administration's response.	
<i>Agenda Item IV – Any other business</i>			
024137 – 024248	Chairman	Concluding remarks	

Council Business Division 4
Legislative Council Secretariat
 19 February 2016