# 政府總部 運輸及房屋局

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# Transport and Housing Bureau

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來函檔號 Your Ref.

Secretary General, Legislative Council Secretariat Legislative Council Complex 1 Legislative Council Road Central, Hong Kong (Attn.: Ms Sophie LAU)

31 May 2019

Dear Ms LAU,

# Legislative Council Panel on Transport Subcommittee on Matters Relating to Railways Response to the List of Follow-up Actions

With respect to item 4 of the list of follow-up actions (Legislative Council Paper No. CB(4)687/18-19(02)) for the Subcommittee on Matters Relating to Railways of the Panel on Transport of the Legislative Council, after consulting the Mass Transit Railway Corporation Limited (MTRCL), the Government replies as follows.

# (a) Real-name ticketing arrangement and "List of Dishonest Persons"

As cross-boundary railway service, the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) connects to the Mainland high-speed rail network and is jointly operated by the Mainland and the Hong Kong railway operator (i.e. the MTRCL). The ticketing system of the MTRCL needs to link up with that of the Mainland for the purpose of real-name authentication. When passengers purchase tickets, the MTRCL's Personal Information Collection Statement will be displayed to enable passengers to have a clear understanding of the purposes of collecting the personal information, including the transfer of personal data of passengers outside Hong Kong to the Mainland operators of the XRL for verifying the identities and eligibilities of passengers. The MTRCL has sought the advice of the Office of the Privacy Commissioner for Personal Data on the implementation of the real-name ticketing arrangement and "List of Dishonest Persons" of the XRL.

# (b) Short-haul and long-haul passengers

According to the figures provided by the MTRCL, since the commissioning of the XRL and up to 30 April 2019, the ratio of the number of tickets sold for all short-haul destinations to that sold for all long-haul destinations stood approximately at 80% to 20%.

# (c) Revenue from transport operation

Overall, since the commencement of operation of the XRL and up to 31 December 2018, revenue generated from its transport operation for the MTRCL amounted to around HK\$600 million.

# (d) Financial situation of the construction works

The total approved project estimate for the public works projects (items 6053TR and 6057TR) under the Hong Kong Section of the XRL project is \$86.42 billion. According to the supplementary agreement entered into between the Government and the MTRCL in November 2015, the Government entrusted the MTRCL with construction of the Hong Kong Section of the XRL at an Entrustment Cost of \$84.42 billion and a "cap" has been put at this level. If the cumulative expenditure of the project exceeds this level, the cost overrun will be borne and financed by the MTRCL.

Based on the MTRCL's information, as at end-March 2019, the "awarded contract sum" and the "sum of cumulative expenditure" for the contracts in respect of the Hong Kong Section of the XRL project are around \$45.79 billion and \$72.81 billion respectively. The difference between the figures is mainly because of the increase in cost due to price escalations, unfavourable ground conditions, changes in design to suit actual site conditions and various unforeseen circumstances, etc. The MTRCL has indicated that the sum of cumulative expenditure for the awarded contracts is the result of an overall review having regard to the latest situation of various works contracts. Hence, a breakdown of the amount by individual factors is not possible.

Regarding Table 2 of Annex 1 to the paper (LC Paper No. CB(4)268/18-19(04)) provided by the Government in respect of the works progress and financial situation of the construction of the Hong Kong Section of the XRL (for the period ending 30 September 2018), "claims resolved" refer to claims in which the MTRCL, as the project manager, has reviewed the claims of contractors pursuant to the terms of the works contracts, and the both sides have agreed to the review results. As for "claims unresolved", the contractors may be required to provide further justifications to support their claims, or the both sides have not yet reached any consensus on the review results. In such cases, the MTRCL may

conduct interim assessments based on available information and make interim awards to the contractors. Before both parties to a contract agree to the review result of a claim, any amount claimed will only be regarded as an estimate on the part of the contractor alone and should not be taken as the final awarded amount.

According to the terms of works contracts entered into between the MTRCL and its contractors, the contractors are generally required to issue a notice of claim to the MTRCL within 28 days upon the occurrence of an event giving rise to a claim or of an event expected to give rise to a claim. The MTRCL is still consolidating and finalising the accounts of the works contracts for the Hong Kong Section of the XRL project. Thus, the number of claims may be subject to change.

Yours sincerely,

(Chris NG) for Secretary for Transport and Housing