

立法會

調查赤鱘角新香港國際機場自1998年7月6日 開始運作時所出現的問題的原委及有關事宜 專責委員會

第5次公開研訊的逐字紀錄本

日期： 1998年9月29日(星期二)
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地點： 立法會會議廳

出席委員

周梁淑怡議員(主席)
何鍾泰議員(副主席)
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陸恭蕙議員

證人

香港空運貨站有限公司常務董事
翟達安先生

陪同證人出席研訊的其他人士

的近律師樓
鄭若驊大律師

立法會調查赤鱘角新香港國際機場自1998年7月6日
開始運作時所出現的問題的原委及有關事宜
專責委員會
Legislative Council Select Committee to inquire into the circumstances
leading to the problems surrounding the commencement of the operation of
the new Hong Kong International Airport at Chek Lap Kok
since 6 July 1998 and related issues

主席：

多謝各位出席今天舉行的專責委員會第5次公開研訊。

在未正式開始研訊之前，我想提醒各位委員，在整個研訊過程中，必須有足夠的法定人數，即連主席在內共有5名委員。

我想藉這次機會再次提醒公眾人士及傳媒，如果在研訊進行程序以外披露研訊上提供的證據，將不受《立法局(權力及特權)條例》所保障，因此傳媒應就他們的法律責任徵詢法律意見。

在未傳召證人香港空運貨站有限公司(下稱“空運貨站公司”)常務董事翟達安先生之前，我想徵詢委員的意見，翟達安先生已通知專責委員會秘書，他將帶同以下人士出席研訊，她就是的近律師樓的鄭若驊大律師。如果委員沒有異議，我建議容許鄭若驊大律師在研訊進行期間陪同翟達安先生，但她不能在席上發言。

如果委員對研訊程序沒有其他意見，我宣布研訊開始，並傳召證人空運貨站公司常務董事翟達安先生。

(翟達安先生進入會議廳，
並由鄭若驊大律師陪同)

主席：

翟達安先生，多謝你出席今天的研訊。本專責委員會今天傳召你到本委員會席前，作證及出示與專責委員會研訊範圍有關的文據、簿冊、紀錄和文件。首先，本委員會決定所有證人均須宣誓作供。我將以專責委員會主席的身份負責為證人監誓。

你可以選擇以手按聖經，以宗教式宣誓，或以非宗教式宣誓，請依照放在你面前的誓辭宣誓。

Mr Anthony CHARTER, Managing Director, Hong Kong Air Cargo Terminals Limited (Managing Director, HACTL):

Do I need to stand?

I swear by Almighty God that the evidence I shall give shall be the truth, the whole truth and nothing but the truth.

主席：

多謝你，翟達安先生。

專責委員會現在會處理1998年9月11日的傳票命令證人出示的文據、紀錄及文件。

專責委員會知悉證人已經提供傳票附表所載列的下列文據、紀錄及文件：

- (1) 空運貨站公司就新機場調查委員會提出的問題於1998年8月20日提供的答覆；及
- (2) 翟達安先生於1998年9月4日向新機場調查委員會提供的證人陳述書。

翟達安先生，你現在是否根據1998年9月11日的傳票，正式向專責委員會出示上述所有文據、紀錄及文件作為證據？

Managing Director, HACTL:

Yes.

主席：

我現在宣佈上述所有的文據、紀錄及文件獲接納為向專責委員會出示的證據。

我想提醒各位委員，所有向專責委員會提供的文件均須保密。不過，如果證人就披露其證據和文件作出任何申述，則視乎專責委員會在回應其申述時所作的決定，有關證據及文件在獲接納為向專責委員會出示的證據後，可於專責委員會的公開研訊上被引用。

Mr CHARTER, before we proceed to the rest of the hearing and start the questions, I would like to request you on behalf of the Select Committee to produce the following documents:

- (1) HACTL Project Manager's progress reports;
- (2) Minutes of HACTL Board Meetings related to the Select Committee's scope of inquiry;

- (3) HACTL's Super Terminal One trial/tests reports; and
- (4) Minutes of Super Terminal One's Steering Committee meetings.

Would you be able to supply these documents to us today or not?

Managing Director, HACTL:

I am not sure that we could do it today but certainly I would imagine within 24 hours.

Chairman:

Thank you. Would you require the Committee to send you the summons in this regard?

Managing Director, HACTL:

No, that wouldn't be necessary. We have provided these documents to the Commission.

主席：

Thank you。

翟達安先生，我現在向你提出第一條問題。你可否描述空運貨站公司在1998年7月6日運作出現故障的情況？

Managing Director, HACTL:

I have, Madam Chairman, produced a chart which I think I have passed forward, to try and explain the inter-relationships of the various difficulties we faced on the 6th of July, and perhaps I could briefly talk through this and answer any questions that Members may have? But basically ...

主席：

請等一下。翟達安先生，你現在是否將你剛才所說的圖表作為今次證據的一部分？

Managing Director, HACTL:

To assist my explanation.

主席：

現在專責委員會接受放在各位桌面上的3份文件作為證據。翟達安先生。請你繼續。

Managing Director, HACTL:

The first chart, which is this one, indicates the inter-relationship of the various problems that occurred on July the 6th leading to our inability to process cargo effectively through Super Terminal One, apart from the perishable cargo handling centre.

We were faced with an overnight move from Kai Tak. I am talking about Balloon H, first of all, as one issue. And during that overnight period we had something like a thousand containers to move into the Container Storage System. And the task of getting them into the Container Storage System fell behind. We couldn't get them in fast enough. So, in order to release the trucks to go back to Kai Tak, because we only had a limited number of trucks operating, a lot of these containers were then stacked in the truck driveway and we fed them into the system over the next 24 to 48 hours. So, here is a source of activity that we hadn't originally anticipated continuing into the first day of operation.

As cargo started to arrive on the airside we started to try and feed this cargo into the system and the confusion on the airside made it difficult to locate aircraft containers. And again, with the problems of the mechanical faults that were occurring in the system at a higher level than we expected, we started to have difficulties in entering the in-bound loads into the container storage system.

The end result on both the landside, as I call it, the truck side, and the airside was that our staff reverted to manual operations to by-pass the automatic modes in order to try and get the containers more quickly in. The dolly problem, the fact that we couldn't get stuff in from the air-side meant that dollies were being occupied for a longer period than we had planned, which then started to affect out-bound loads to both passenger and freighter aircraft. So, it was important to try and clear these containers into our storage system on both sides of the system as fast as we could.

Once we got into manual mode we started to have difficulties with the inventory. The records on where these containers were in the system started to become inaccurate. Once that started to happen, and when the staff were looking for a particular container, they started interrogating the system over and over again and trying to produce lists out of the computer system. Now, I am sure many of you know that when you produce lists out of a computer system it is a pretty heavy workload on the computer system. So, with everybody interrogating the system in this manner we started to see the build-up of activity in the computer system.

Again, the computer system started to get overloaded because of the high level of faults that we were recording in the system. What happens in our automatic system is that when the system identifies a component as having a failure it will try and investigate another route for a container to move out. So, as these fault reports built up, the workload on the computer systems continued to build up to the point where we were getting a slow response from the computers. Because of that slow response the staff again started to try and by-pass the automatic systems and go to manual, which led to further inaccuracies in the system. So that we got to a point where there was a gradual downwards spiral to the point where we got totally log-jammed, and the only alternative at that stage was to clear the container storage system.

So, what I am trying to show in this chart is that there were various factors here. Some had a greater significance than others, but all had some impact on our operation.

主席：

各位同事，你們想在這階段稍停，還是想立即開始發問？若你們想立即開始發問，請舉手示意。吳靄儀議員。

Hon Margaret NG:

Madam Chairman, I am just trying to ask whether members would want Mr CHARTER to go through this chart with us, you know, taking us through the chart. He has just given us a description. I wonder if he could relate his description to the various parts of the chart. Thank you, Madam Chairman.

主席：

翟達安先生。

Legal Adviser:

Madam Chairman, could we mark these exhibits with some identification? May I suggest the chart Mr CHARTER has been referring to be marked as E2A? E2, as members know, will be the statement of Mr CHARTER. And then the second one entitled "Daily Total" be marked as E2B and the third with E2C, if I may. I am sorry for the interruption.

主席：

翟達安先生。

Managing Director, HACTL:

I think I have been describing the system slow-down, and that is highlighted with heavy black lines, and that was our principal problem area.

Perhaps I could go to the top of the page and go across from right to left. Item D, "New C & E Procedures". We had, of course, a new computer system introduced by Customs for operations at ST1, at CLK generally, and this was something that was new. It worked, I believe, perfectly alright from Day One, but because some staff, airline staff, C & E staff, weren't perhaps totally familiar with the new procedures, it affected the clearance on, I think, up to about 25 flights. Not a huge issue but an issue.

The FDDS failure was very important to us. Our Resource Management System in Super Terminal One is dependant on accurate scheduling data. If aircraft are operating out of schedule, then we need to know about it because the resource planning in Super Terminal One relates to manpower as well as what equipment we will apply to deal with a specific load on a specific flight. And not having that data obviously made it difficult for us to operate, although not impossible.

Balloon B, for the first time we had multiple ramp handling operators and two cargo terminal operators, and there were instances of cargo that was destined for our competitor, AAT, ending up in front of our building through perhaps the ramp operator staff not being totally familiar with which airlines that they handled, who was their cargo terminal operator.

There was a new security check mid-field at Chek Lap Kok which was a new arrangement that didn't exist at Kai Tak. There is a different level of security between the passenger apron and the cargo apron, and all the ramp equipment from the cargo area has to pass through this check-point where the drivers are searched. And this was causing an element of delay.

Going down to E, because of the problems that we were having, problems that were occurring on the passenger apron, problems with aircraft schedules and the number of dollies available for cargo loads appeared to be inadequate. What was happening, as I mentioned earlier, was that aircraft were off-schedule. A freighter, for example, requires 40 dollies to take the outward-bound load and 40 dollies to accept the in-bound load, and you plan that transfer activity at a certain stage before the scheduled flight of arrival. If that aircraft then does not arrive for another four hours, there is not much you can do with that cargo load. You don't normally bring it back into the building. You leave it on the dolly until the aircraft does arrive. So, the fact that aircraft were off-schedule had a snowball effect and resulted in apparent lack of dollies.

I've talked about Balloon H, container Kai Tak transfer, dust and water contamination. We found, as a result of analysis over the first three or four days, that a lot of our sensors had been affected by the dust and contamination caused in trying to clear up the site ready for operations. There was a huge effort in the last few days to clear the building debris, clear all the areas, get it swept clean. We had large numbers of cleaners, sweeping machines working as well as the contractor was working hard at this, but it all generated a lot of airborne dust and that affected our sensors. And that increased the level of mechanical faults.

We were also finding with the introduction of the live cargo load - this is not a simulated test load now, this is the full live cargo load - that the handling of loads, say pallet loads that have flown in here, the G-forces had tended to shift loads, more loads than we had expected, out of contour and we were getting our system more frequently interrupted than we had anticipated in the test situation. And of course because we were now dealing with the full load and we were getting faults across the whole system because of the full load, that put a tremendous strain on our engineering resources who have to rush to problem areas and reactivate machines. That started to become quite a major problem for us.

So, the full load, which we hadn't had the opportunity to handle in the same way we had done it in the test mode before, led to a greater level of equipment faults. And, as I explained, that led to the computer doing overtime, so to speak, and tending to slow down its response.

I have talked about the manual by-pass, I think, already, and the data inaccuracy already. The data inaccuracy led to a mismatch between our inventory control system and the LCS which again led to systems slow-down.

主席：

陳鑑林議員。

陳鑑林議員：

主席。我想問翟達安先生，他剛才說貨運站在開始運作後出現很多問題，他提及由於沒有充足時間進行操作試驗，或人手方面出現問題。他可否告訴我們事前是否已預計會有這情況？

Managing Director, HACTL:

I don't think that I said there was a lack of training. I said there was a lack of familiarisation. We had done extensive training with our staff. We had done a great deal of off-site training at Kai Tak, and in fact we were running a lot of similar systems at Super Terminal One. In fact we had been modifying our systems at Kai Tak to cater for operations at ST1. So, we had done a lot of that.

I would have to admit that the on-site training that took place was frequently interrupted in the last couple of months by the effort to commission the building. Let me give you an example. When Fire Service tests take place the power is switched off because the fire systems have to be demonstrated to work if there is a power failure, which is likely in a fire. And of course that directly conflicted with the need to operate computer systems and terminals, etc. So, that was a problem for us, I accept.

But we continued with our familiarisation training despite that. We were taking our staff out there to practise on the system.

陳鑑林議員：

事前是否已預計可能會出現這些困難？

主席：

翟達安先生。

Managing Director, HACTL:

Which difficulties? Difficulties with familiarisation?

陳鑑林議員：

整體來說，你今天提交的圖表告訴我們，其實不只某一方面出現問題，而是很多方面也出現問題。是否在事前已預計會有這情況？

Managing Director, HACTL:

Obviously we were aware, for example, of things like dust affecting sensors, although we didn't expect it to happen on that scale. That was unforeseen. I think the total breakdown and the impact of all these problems one upon another, we did not foresee that.

陳鑑林議員：

主席，從“HACTL”給我們的資料顯示，從5月起至6月底，我們可從他們的報告中得知，貨運站在6月底也只能提供60%至65%的“cargo capacity”，而且有很多工程仍未完成。翟達安先生可否告訴我，其實7月6日出現的那些問題，是否與整體工程時間緊迫和準備不足有很大的關係？

主席：

翟達安先生。

Managing Director, HACTL:

Let me say I believed we were ready to operate. Obviously that was a judgment that we made. On the other hand there was also no alternative as far as we felt to operating. And I believe that operations would be successful.

I would like to pick up on a point you made earlier about 65 percent. We actually felt we had 75 percent or more of the building available for operations, and that is one of my other charts that I would like to draw your attention to in a moment. And that 75 percent as far as we were concerned gave us about a 50 percent buffer on the load that we knew we would have to handle on Day One.

And we didn't expect everything to be smooth sailing. We knew we would suffer from mechanical faults and a number of these other problems. But, given the 50 percent buffer, we felt we would manage.

主席：

翟達安先生，剛才你說將會向委員展示另一幅圖表，這圖表是否就是第2幅圖表？或許請你向我們表明是哪一幅圖表？

Managing Director, HACTL:

E2C.

陳鑑林議員：

我簡單地向翟達安先生提問。既然他在6月底仍然充滿信心可以有75%的營運比率，即是說在事前完全沒有提及任何困難，或者未有向新機場工程統籌署或政府提出機場在7月6日開始啟用時可能會出現的任何問題？

主席：

翟達安先生。

Managing Director, HACTL:

I think it was clear to people that it would not be smooth sailing, that we would expect normal teething problems, but we would expect that with starting up a new system. And as I said earlier, we believed we would manage.

陳鑑林議員：

主席，翟達安先生，在7月6日發生的事實告訴我們，那不是一些小問題，亦不是一、兩天便可克服的困難，這些問題最終令你決定將整個貨運站關閉，然後再做一些其他的工作，需時差不多一個月才能恢復運作。因此，我們想知道，你在開始營業當天，究竟有沒有提出任何警報，表示在這樣緊迫的時間開始運作會出現問題？

主席：

翟達安先生。

Managing Director, HACTL:

Not until we started to have the problems.

主席：

劉慧卿議員。

Hon Emily LAU Wai-hing:

Thank you, Madam Chairman. Just then Mr CHARTER said that HACTL was ready to operate from Day One and there was no alternative to operating. I want to ask him why was that? Had someone told you that "That's it. We have got to do it. There is no alternative"? Something like Mrs THATCHER?

And I also want to ask Mr CHARTER whether you or your company had proposed a soft opening for the operation in order to test the compatibility, the effectiveness and the efficiency of the new system? And if that had been suggested, what happened to it? Thank you.

主席：

翟達安先生。

Managing Director, HACTL:

Thank you. Basically as far as I was concerned this project was always a very tight one and I have always been concerned that we would have some difficulties in achieving the April date, which was what we knew Government were aiming for, which was some months in advance of our contractual date, which is the 18th of August. Nevertheless the company undertook to do their best, with best endeavours, to achieve the April opening date.

Yes, in late '96, I think, in a conversation with Mr K S NG, who at that time had been seconded from the Civil Aviation Department to the Airport Authority to look at the whole question of airport operational readiness, how it was going to be done. We did have a conversation, a fairly casual conversation, about a soft opening. What I wanted to see was whether or not it was possible to, whether we could operate freighters into Chek Lap Kok between the hours of midnight and 6

a.m. when Kai Tak was closed so that we could get live load through Super Terminal One and we could test the whole cycle of procedures and the inter-relationships between all the various parties.

I never formally wrote to the AA or Government on this. I raised it again through the press in the middle of '97 because I was uneasy about the overnight move. But it wasn't taken up and it wasn't something that we persisted with. We knew we had to cope with a big bang, so to speak.

Hon Emily LAU Wai-hing:

What about the question of no alternative?

Managing Director, HACTL:

Well, it was very, very difficult to get the Government and the Airport Authority to consider moving the April date. By the middle of '97 I was pushing very hard the April date, that I was very uncomfortable with the fact that we would only have 50 percent of our building ready. I didn't believe that that would be sufficient to handle the tonnage. And we did a study, end of '96, which showed that we could just about cope but it would involve degraded service standards and taking far greater risks.

So, I was extremely relieved when the July the 6th date was announced because we had been saying that we felt June the 30th was probably a much safer date for us. And when the July the 6th date was announced I was extremely relieved. But I was pretty sure in my own mind that it was going to be impossible to get the date changed yet again. I don't think anybody ever said "do we need more time?" They said, "will you be ready? Will you be ready?" So, the impression we had was a further extension was out of the question.

Hon Emily LAU Wai-hing:

Madam Chairman, I want to ask Mr CHARTER whether he or his colleagues did lobbying to persuade the Administration to change the date from April to July, because I guess quite a lot of things happened and ultimately they decided to change, but did you make a lot of intervention or you tried to tell them that it was not good? And also on the question of not being able to change the date, nobody had actually said so? That is just your impression?

Managing Director, HACTL:

Yes.

Hon Emily LAU Wai-hing:

And you accepted that and that's why it never occurred to you to say, "hey, wait a minute, we are not yet ready. Let us not do it on the 6th of July"?

Managing Director, HACTL:

Yes, yes. Yes, to the last question.

Hon Emily LAU Wai-hing:

It is just your own impression?

Managing Director, HACTL:

My own impression, yes.

Hon Emily LAU Wai-hing:

You never bothered to say, "well, maybe we are not ready. Please can you move it back to August or to September"?

Managing Director, HACTL:

Well, I believed we would manage somehow. And in fact I had two conversations, one with, referring to your first question, Mrs Anson CHAN who came round ST1 in August '97 and I had the opportunity to show her round the site and discuss the issues with her, and explain then that I was concerned about the April opening and the fact that we might only have 50 percent of the building operational and that as far as I was concerned that would barely be enough and it was too much of a risk.

When Mrs Chan left the site, she still told me that she was aiming for April, but then I am sure she took what I said on board and might well have influenced her in deciding to go for the June date.

Generally our representations were made directly to the Airport Authority. We didn't have a direct official line of communication with Government.

Hon Emily LAU Wai-hing:

Madam Chairman, going back to the soft opening which Mr CHARTER said he did not push, but should there be some trials that should be conducted prior to the opening? Mr CHARTER, is it your understanding or your agreement with AA or with other organisations that those trials should take place, and did they take place?

Managing Director, HACTL:

In the franchise it calls for a full functional trial to take place, yes. Those trials did not take place. We were doing our own internal testing but an airport-wide functional trial involving the cargo terminal and processing cargo through the cargo terminal - my terminal anyway, I can't speak for my competitor - didn't take place.

Hon Emily LAU Wai-hing:

Did you raise any objection? Should they have taken place? Who is supposed to be held responsible?

Managing Director, HACTL:

Under the franchise it is the responsibility of the Airport Authority to conduct that trial. But it is a question of when that trial would have taken place, and what scale of trial it was going to be. They did conduct limited trials but like I have said, live load is quite difficult to simulate. You can do tests with simulated loads but for a live load trial you really need a fairly substantial amount of cargo and this is why if we had been able to, say, to get maybe a third of the freighters on a daily basis operating in there, bearing in mind that freighters account for 45 percent of total tonnage and they are only ten percent of aircraft movements, that would have given us a pretty significant live load to test all the systems with. And to test the interfaces on the landside, the truckers would have had to physically come and collect the cargo, Customs would have had to operate and so on.

Hon Emily LAU Wai-hing:

You said those trials should have taken place, could have taken place?

Managing Director, HACTL:

There probably in the circumstances wasn't the time to complete all those trials.

Hon Emily LAU Wai-hing:

And you didn't raise any objections?

Managing Director, HACTL:

No, we felt that we had done the tests within the building and provided, the air-side operation worked - we had established procedures with the airport ramp operators - that the operation should work.

Chairman:

Following that particular point, had there been any trials conducted regarding basic logistics? For example, you know, you mentioned dolly shortage. You mentioned the ramp staging and the time that was taken between, in transporting the cargo from the planes to the building. Were there any trials that were conducted to establish the logistics in terms of time taken, in terms of all the equipment that was necessary? Did it ever occur to you that that was also a necessary part of the trial, regardless of the fact that there was no live cargo load for you to adopt a full operational trial?

Managing Director, HACTL:

Well, I am not trying to duck this but the ramp operation is actually outside our control. We provide ramp dollies to service twelve percent of the freighter market, and the freighters are parked adjacent to Super Terminal One on the cargo apron. The mid-field check to which I referred is the passage of dollies back to the passenger apron, because 55 percent of the cargo goes on passenger aircraft. Now, I am sure the Airport Authority did conduct airport trials with a limited number of aircraft, and I am sure that would have been tested. But the volumes of dollies moving backwards and forwards simultaneously, I don't know. I think you will have to ask them.

主席 :

何承天議員。

Hon Edward HO Sing-tin:

Thank you, Chairman. I would like to refer to a set of documents that Mr Anthony CHARTER presented to the Commission of Inquiry on the New Airport. E2 is the reference. It is Mr CHARTER's statement to the Commission. And I would like to refer to the last page, page 57, and in particular to paragraphs 220, 221 and 222. Mr CHARTER, have you got that?

Managing Director, HACTL:

Not quite.

Hon Edward HO Sing-tin:

The last page, paragraphs 220, 221 and 222.

主席：

各位委員，找到沒有？

Hon Edward HO Sing-tin:

OK? In paragraph 220 it says that "the modular design of ST1 and back-up facilities in CHS would normally overcome any operational difficulties which were likely to be encountered." And then in paragraph 221 it says that, "I, [Mr CHARTER] was not alerted to any particularly serious problem by our consultants and our HACTL project managers that was likely to endanger the overall operation and I remained confident that with our experienced staff, we would be able to cope with the difficulties." And then paragraph 222: "On AOD, a series of unexpected events occurred ...".

Now, I would just like to ask these one by one. In paragraph 220, you said that the modular design would normally overcome any operational difficulties. The question is, has this proven to be wrong or is it something else?

Managing Director, HACTL:

Well, maybe I could briefly refer to the chart that is, E2C, to explain what I mean by modular arrangements. I think most of you have had the opportunity to have a look at Super Terminal One. In the Container Storage System there are a number of zones. In fact there is a single aisle in the west zone on which six stacker cranes operate. And they serve about 1,700 or so container storage positions. And there are in fact six zones on the west side and they are vertical zones. Now, if we have a stacker crane failure in one particular zone, because we have got other cranes on that aisle they can access the containers that are normally serviced by that single crane on that aisle. And the similar concept applies to the Box Storage System.

As I tried to explain when you had a look round we have two storage systems basically. We have the Container Storage System and the Box Storage System and our job function is to take the small boxes and put them in the big boxes, and *vice versa*. And in the Box Storage System we made some design changes to ensure that we did have two cranes on each aisle so that in the event of failure, the other crane would back the one that had broken down.

So, that's basically the modular design. With regard to the computer installations, etc, we have got two separate computers. We have put them at different ends of the building to protect our fail-safe capability in the event of fire, and so on. The whole building is designed with this sort of failsafe arrangement in mind.

Hon Edward HO Sing-tin:

Chairman, on that point, I would just like to clarify that the problems that occurred on the opening day wasn't anything to do with the failure of the modular design?

Managing Director, HACTL:

No, not at all. What was happening - I am sorry, I didn't pick that up - what was happening was that our rate of faults was higher than we expected so that we were getting similar failings on adjacent stacker cranes. So, where we had one that was meant to be backing up another one, they both had problems.

Hon Edward HO Sing-tin:

So, despite the modular design, in other words, because of the multitude of other problems that occurred ...

Managing Director, HACTL:

... we eventually came to a grinding halt, yes.

Hon Edward HO Sing-tin:

OK, and then paragraph 221 wherein you said that you were not alerted to any particular serious problem by your consultants or your project managers. Would you say that they could have sensed some of those problems and would have alerted you or not?

Managing Director, HACTL:

We were aware that we were having system faults but we expected system faults anyway to a degree on Day One opening. And that's why we had the 75 percent capacity, the 50 percent buffer, and we needed the 50 percent for operation. So, we expected a level of faults. So, in our testing and everything we felt the level of faults that we were experiencing was something that we could live with on Day One and still go operational.

Hon Edward HO Sing-tin:

Chairman, could Mr CHARTER explain a little bit about the structure within the organisation as to how they managed this particular project? I mean, the consultants, their responsibility and role, your own project managers, and what you yourself do in terms of overseeing the project?

Managing Director, HACTL:

Right, well, ultimately HACTL is the employer and has the responsibility for the project. We employed Ove Arup and Partners as the consultant for the building. And the main building contractor also had a responsibility for coordination under the contract of the various activities on the site.

Now, in addition to Ove Arup and Partners, the architects working as the sub-contractor to Arup, we had our own team for supervising the installation of the cargo handling systems and also for the development of the computer systems.

And my own role was, I participated very much in a hands-on way. I attended most of the site progress meetings that were held with the building contractors, and within our own organisation we had a ST1 steering group which consisted of all our department heads which met on a fortnightly basis to keep a constant review of project progress, and obviously a constant review of the risk of going operational.

Hon Edward HO Sing-tin:

Chairman, in other words I think Mr CHARTER is saying that since he was hands-on and attended all those meetings, his confidence was not totally relied on what his project managers told him, but that he actually has first-hand knowledge of what went on ...

Managing Director, HACTL:

Yes.

Hon Edward HO Sing-tin:

... and came to the conclusions?

Managing Director, HACTL:

Yes.

Hon Edward HO Sing-tin:

Now, could I ask the last question, which is in paragraph 222, that a series of unexpected events occurred. Can Mr CHARTER outline to us what were the series of unexpected events?

Managing Director, HACTL:

Well, I tried to do that in this inter-relationship chart. I don't think we fully ...

Hon Edward HO Sing-tin:

Excuse me, in the chart that you explained to us, some of those were not unexpected events that occurred on AOD, like for instance the new C & E procedures and the longer ramp trip and all that. So, could you tell us what were

the unexpected events that occurred on that particular day?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Well, I think first of all the impact of all the inter-relationships was a problem, whether some of them were foreseen, but the totality of the inter-relationship was a problem for us. Dust - we foresaw that to a degree there would be dust and we made efforts, as we had done with the commissioning of Terminal 2, to clear the system as best we could. We did not foresee the level of contamination. The Kai Tak container transfer - we didn't really foresee the implications of that continuing for a couple of days. The equipment failure rate was beyond our expectations, and of course that impacted the computer systems, and led to this downward spiral.

Hon Edward HO Sing-tin:

Can I just ask about the container transfer from Kai Tak? You mentioned, I think, in your earlier presentation that there were not enough trucks and so on. I mean, were there any calculations done beforehand for this major operation, such as how many trips would be required and all that?

Managing Director, HACTL:

Yes, that had been worked out quite carefully, very carefully in fact. There was a very detailed study on that done by HACTL. When I say "the problems of that continuing", I mean we were getting equipment faults on the landside and we weren't able to feed these containers in as fast as we wanted to into the Container Storage System. They started to build up and we had to dump them on the ground, basically, until we had time to feed them in later into the system so that we could release the trucks. Now, we didn't foresee that we wouldn't be able to take them straight into the system, and that whole transfer process would be complete by the time the morning came and we started live operations. So, that was something that was continuing to have to be fed in, when we had capacity, into the CHS system over the next couple of days.

Chairman:

I think what Mr Edward HO is trying to ask is in this diagram, which are those problems which could have been expected, and which are those which would fall into the category of "the unexpected events"? Because if you look at the various balloons you were talking about, "longer ramp trip", for example, is certainly not something unexpected. "Multiple ramp handling operators", certainly not unexpected. "A New C & E procedures", you know, all these were expected. So, can you actually identify for us which are the ones which you believe are totally unexpected and you were caught by surprise?

Managing Director, HACTL:

I don't think individually there was anything that we had not identified, you know, we were aware that there were multiple ramp handling operators and two cargo terminal operators and so on, and yes, new procedures had to be followed. The fact that those procedures were not followed had an impact on the operation which was unforeseen.

Like, for example, the dolly situation. I think the planning on that had been agreed among the parties but what had been agreed was a totality of something like 1,030 pallet dollies for the airport. Perhaps what was not foreseen was the impact of the facts that, for example, aircraft started to operate out of schedule, they had serious problems in the passenger terminal basement and couldn't unload baggage dollies and if some of those dollies are used for cargo then their problems are going to have an impact on us and *vice versa*. And that sort of thing was what was happening.

For example, with regard to dollies, we have subsequently been doing some more analysis of this. Part of our procedures call for dollies to be cleared. I think I may have mentioned this earlier, within 30 minutes. In the live load situation right up to now, we are finding that it is difficult for us to clear dollies before 45 minutes, which means that the planning assumption of 30 minutes is already out and it means that we need a third more dollies to cater for that particular problem area.

We have done some calculations now where we believe that if that standard is not being reached, of the 30 minute transfer, if 25 percent of freighters are operating out of schedule, then we might need anywhere up to 1,300 to 1,500 dollies. In fact dolly shortage, whether it is actual physical shortage or whether it is a question of the dollies not being at our door, can on occasions be a problem, particularly up to now. We have already ordered another 300 dollies in view of the apparent shortage that appeared to be on Day One.

And I would suggest that some serious thought needs to be done about planning for the second runway because with the second runway there is going to be an increase in the peak. We are suddenly going to get up to the 50 movements an hour instead of 33. So, all that affects ramp equipment and so on.

Hon Edward HO Sing-tin:

Madam Chairman, could I ask just one more question? Some of these problems were related, were supposed to be external to HACTL. In other words, they were other people's problems causing problems for HACTL, but the CHS equipment failure, that's your problem?

Managing Director, HACTL:

CHS equipment failure was the primary problem. I am not suggesting otherwise. These other difficulties made it more difficult for us to recover the situation.

Hon Edward HO Sing-tin:

Is that something that should have been anticipated? I think we were told that this equipment was essentially the one that you have been using in the past number of years, the same type of equipment, anyhow. What would you contribute to the problem on that particular day that it would fail?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

I think it was the scale of the equipment failure faults that we were receiving. I think there is one other thing that is new about Super Terminal One and that is the sensor arrangement in the building. We have a slightly different system to what we have at Kai Tak. It is a curtain of light as opposed to a beam, which means you need a great deal more, a greater number of sensors and that obviously means a greater task in cleaning them. It also means that the system is actually more sensitive to live load operations. Even now, about 25 percent of our faults relate to the sensitivity, not the sensitivity but the fact that we are operating with this light curtain. The reason we are operating with this light curtain is because we are operating in a more automated environment and it is for personnel safety that we need this sort of level of sensors.

主席：

李永達議員。

Hon LEE Wing-tat:

Madam Chairman, a follow-up on the questions raised by Mr Edward HO. Mr CHARTER, are you telling this Committee that the problems listed in this chart, that means A, B, C, D and E, are actually problems you have anticipated in the planning stage but they happened in a larger scale?

Managing Director, HACTL:

Yes.

Hon LEE Wing-tat:

And also the problems accumulated because of the kind of inter-relationship. So it made the things more complicated?

Managing Director, HACTL:

It made it more difficult for us to recover.

Hon LEE Wing-tat:

Mr CHARTER, you are a very experienced professional businessman and you have got experience in Kai Tak for more than ten years. In your own professional opinion, is it necessary for you to have a trial with this kind of new system?

Managing Director, HACTL:

We were conducting tests. If we had had the luxury of time, a live load test, if it could have been arranged, would have been helpful, yes.

Hon LEE Wing-tat:

When you answered the question raised by Miss Emily LAU that if you had

the time or you had a test that involved one-third of the total of the freighters and also a comparative loading test, then it is good to the operators?

Managing Director, HACTL:

Yes, I think that would have been very beneficial.

Hon LEE Wing-tat:

And there was one trial, I think, in May. On May 2 and June 14, there were two trials and one trial is made that involved one aeroplane and two pallets of cargo. Do you know this trial?

Managing Director, HACTL:

I am aware that that trial took place but it didn't involve us.

Hon LEE Wing-tat:

The trial was operated or conducted by the Airport Authority?

Managing Director, HACTL:

Yes, it must be.

Hon LEE Wing-tat:

When this trial was planned, did they ever fully consult HACTL on this trial?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

They may have asked us whether we wanted to participate.

Hon LEE Wing-tat:

Have they asked you?

Managing Director, HACTL:

I can't recall precisely but they may have asked us. But we weren't ready to participate at that time and two pallets would have, I mean we have a hundred and odd pallets we use for testing so it was immaterial to us. As far as we were concerned that wasn't a test of our system.

Hon LEE Wing-tat:

So actually the Airport Authority had notified HACTL of the trial on the 2 May, this very small scale of trial?

Managing Director, HACTL:

We were aware, I believe we were aware, yes, but it has to be borne in mind that we actually handle 5,000 containers in and out of our building every day at the moment, so two pallets wasn't worth participating in that.

Hon LEE Wing-tat:

So, my next question is, you know the trial and you know the scale of the trial is so small that actually cannot test the system for the operation procedure. Have you been very disappointed with the Airport Authority?

Managing Director, HACTL:

No, we were continuing with our own internal tests. We believed that was important to continue with those and the Airport Authority, the ramp operators, would sort out the interface. We had had discussions with the ramp operators with regard to the interface procedures. We believed they were all ready to be followed, and we felt that it was important that we continue with our own tests. The airport-wide test, I think, was more concentrated on the passenger terminal.

Hon LEE Wing-tat:

So, even you cannot participate in the May 2 trial, have you expressed your opinion to the Airport Authority that at a later date, maybe in June or late June, there should be a live load test or a live load trial, just like the scale that you have mentioned?

Managing Director, HACTL:

I don't think it was practical to do the live load test unless you were going to operate a significant number of aircraft into there for just, I wasn't talking about for one day, I was talking about a period of time so that you could continue to put a load on a 24-hour basis through the system. That is how we had tested and worked up terminals at Kai Tak, for example.

Hon LEE Wing-tat:

Mr CHARTER, even you cannot operate a live load test for these systems, do you agree that we can do something that can actually test the system and that test had some, what we call, convincing results so that the people with the result can say to the Airport Authority or the people involved that the system under test, the stress enough and it is OK. Do you agree with that?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

We continued testing internally our own ...

Hon LEE Wing-tat:

I am not talking about the internal. I am talking about the operation, operation-wise test.

Chairman:

The interface, basically, aren't you talking about? Interface, right, Mr LEE Wing-tat?

Hon LEE Wing-tat:

Not interface but the actual aeroplanes and loading, that kind of procedure-wise systems.

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Well, Airport Authority did a limited amount of testing of the aircraft interface by bringing a number of aircraft into Chek Lap Kok, but largely it was concentrating on the processes in the passenger terminal.

Hon LEE Wing-tat:

Mr CHARTER, you have missed my point. My point is you, as the Managing Director of HACTL, you understand fully that without some kinds of test or trial in some kind of "reality" form, then the system is questionable and you cannot find out the faults or the problem within the new operation procedures and areas. But you yourself have not insisted that the Airport Authority should have that kind of trial and test. Why?

Managing Director, HACTL:

Well, because once the idea of a soft opening was not a possibility, we had to do the best we could with an internal test, peaking tests, within our own system, and that is what we did.

Hon LEE Wing-tat:

But in your experience you are fully realised that internal test of system is not enough to give you a sufficient level of confidence that the airport can open OK.

Managing Director, HACTL:

It can be enough. It is better to have the live test if you can, but it is very difficult to do it unless you have got the live load. I will try and explain what I mean. I mean, at the moment we are operating the building, we are experiencing about 80,000 system movements, different parts of the system, every day. And we are now experiencing fault levels of around 200 a day of system components in one way or another. Some of these can be associated with the light sensors. Some of these are brakes failing on equipment, etc, mechanical faults and so on. Very difficult to conjure up that live test unless you can actually put live cargo through it. And if it was not possible to operate both airports in parallel then the live test was not possible, and we had to do our best with simulated circumstances.

Hon LEE Wing-tat:

Have you alerted the Airport Authority that without this live test, that the opening will be at risk because of this?

Managing Director, HACTL:

It is a question of degree, risk, and in our judgment, doing our own system tests, we believed that without the live load we would still be able to operate.

Chairman:

Deputy Chairman.

Dr Hon Raymond HO Chung-tai:

Thank you, Madam Chairman. I would like to clarify with Mr CHARTER the status of this document, E2-1, Project Progress Report No. 32. Is this report written by HACTL staff or written by your consultants?

Managing Director, HACTL:

Excuse me, I need to ...

Dr Hon Raymond HO Chung-tai:

The document as tabled.

Chairman:

Project Progress Report No. 32(AA) May 1998. This is Exhibit "ACC-22" to your witness statement.

Managing Director, HACTL:

This is written by HACTL.

Dr Hon Raymond HO Chung-tai:

By your own staff, not by your consultants?

Managing Director, HACTL:

No.

Dr Hon Raymond HO Chung-tai:

Now, in the normal engineering practice for a project of such a mammoth magnitude, one would employ an independent checking firm. Have you employed an independent checking engineer?

Managing Director, HACTL:

We employed a specialist project coordination manager deliberately for this project working on HACTL's staff, yes.

Dr Hon Raymond HO Chung-tai:

Is that one person or one company?

Managing Director, HACTL:

One person. We relied on Arup who are our building consultants to supervise the building.

Dr Hon Raymond HO Chung-tai:

But OAP is your main consultant. Apart from that you have, are you saying that you have not employed an independent checking engineer? We call it ICE.

Managing Director, HACTL:

No.

Dr Hon Raymond HO Chung-tai:

Thank you. Now, I would like to come to the other point. If you could please refer to your statement made to the Commission of Inquiry, paragraph 168. Let's take that one, for instance. Have you got that one, Mr CHARTER?

Managing Director, HACTL:

I am getting there.

Dr Hon Raymond HO Chung-tai:

Madam Chairman, I would like to ask Mr CHARTER about the faults related to the optical sensors and also what they call here electro-mechanical faults. Now, all along you knew that your main building contractor was behind programme ever since the second quarter of last year, as much as three months behind schedule. And although he was trying his best efforts to catch up, still he was behind programme. You were saying that you were hands-on all the time. You must have made visits on a daily basis. Didn't you notice that the very heavy construction work was still going on up to a very late stage? And you had been talking about dust all the time. Couldn't you notice that dust was flying all the time?

Managing Director, HACTL:

Yes.

Dr Hon Raymond HO Chung-tai:

And you knew that these optical sensors, although it is a different type you are trying out at this ST1, this is still a very sensitive type of equipment. Didn't you envisage that this sort of problem could arise?

Managing Director, HACTL:

Yes, we did, and that's why we made major efforts to clean the site up in addition to Gammon, Paul Y cleaning efforts. In fact, we positioned a large number of our cleaners on site, I think, from April.

Dr Hon Raymond HO Chung-tai:

It is not just the normal dust arising from building construction, but also from changing of concrete slab level, for instance, by requiring grinding down with machinery. Is that so?

Managing Director, HACTL:

There was some defect rectification but there was also a tremendous amount of general building contamination in the last few days which we were trying to clear up. We had all our sweeping machines going there and I think perhaps what we didn't foresee was the airborne contamination this caused which then started to settle on the system.

Dr Hon Raymond HO Chung-tai:

Wouldn't you say that this is, kind of, inexperience and misjudgment on your part?

Managing Director, HACTL:

With hindsight, yes, but we had commissioned Terminal 2 in the extension at Kai Tak quite successfully using this level of cleaning.

Dr Hon Raymond HO Chung-tai:

But wouldn't you agree that it was quite a different kind of situation altogether when you already had your first terminal at Kai Tak and then you started to build the second terminal at the same site? It is a different kind of situation altogether. You would have to build a much larger one on a new site alongside with other activities. Didn't you anticipate that you would have to plan this very carefully?

Managing Director, HACTL:

We did plan it, and we believe we had taken sufficient measures to overcome the problem.

Dr Hon Raymond HO Chung-tai:

But still you think that with hindsight, your planning was inadequate and lack of foresight?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

I think, I would say that the circumstances were worse than we anticipated, yes.

Dr Hon Raymond HO Chung-tai:

Sorry, Madam Chairman, could I have a clear answer? Would you say yes

or no to my question?

Managing Director, HACTL:

Could you repeat the question, please?

Dr Hon Raymond HO Chung-tai:

This was lack of hindsight and poor planning on your part because ...

Chairman:

... lack of foresight.

Dr Hon Raymond HO Chung-tai:

... lack of foresight and inadequate planning on your part, knowing that all these problems would arise in a different site when you are building a much larger building?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

I don't think it was a lack of planning.

Dr Hon Raymond HO Chung-tai:

Madam Chairman, I would also like to ask Mr CHARTER. You were behind schedule in getting the Occupation Permit, and in fact you were not able to get the full permit but only the Temporary Occupation Permit on the 3rd of July. Surely it was not possible to have any full-scale trials. Is that the case?

Managing Director, HACTL:

We could have tested ours, that is true. We could not have operated before the 3rd of July in a live situation because we didn't have the statutory approvals, yes.

Dr Hon Raymond HO Chung-tai:

Was that mainly because your building contractor was behind programme, not because other parties were not cooperating or not providing facilities?

Managing Director, HACTL:

Largely because the building was behind programme that we couldn't achieve TOP before 3rd of July.

Dr Hon Raymond HO Chung-tai:

Just now you were answering questions from members that you put all the fault to not being able to carry out a live load test. You had then encountered all these problems?

Managing Director, HACTL:

I am saying that, had we been able to carry out a live load test, it would have been beneficial. In the circumstances given, I think the two questions are slightly different, in the circumstances given the slippage in the building programme, certainly we wouldn't have been able to carry out the live load test, even had we planned it.

Dr Hon Raymond HO Chung-tai:

Well, life is not ideal. You are now saying that you were behind, much behind on your construction programme and hence it was not really possible to carry out this live load test?

Managing Director, HACTL:

We didn't have a live load test planned.

Dr Hon Raymond HO Chung-tai:

But even before that you did think that it would be necessary to have a live load test?

Managing Director, HACTL:

I think I have already explained it would have been beneficial had we been able to phase in some operation into ST1, but what I had in mind was that there would have been a soft opening for the airport, maybe for a month or two, and that whenever the airport opening date was, that would have been a soft opening. However, that didn't prove possible and I admit I didn't pursue that very hard. So, the live load was out of the question.

Dr Hon Raymond HO Chung-tai:

Why didn't you pursue the other? Did you just want to take a chance and hope for the best?

Managing Director, HACTL:

We were told that it wasn't going to be possible to operate two airports in parallel.

Dr Hon Raymond HO Chung-tai:

On the same issue, Madam Chairman, I would like to ask Mr CHARTER on this document E2A. In the case a line between FDDS to ST1, does it mean that the flight information has to be provided by somebody?

Managing Director, HACTL:

Yes.

Dr Hon Raymond HO Chung-tai:

Who is that somebody to be, Mr CHARTER?

Managing Director, HACTL:

Now we are getting into technicalities. I believe our link came from the Hong Kong Telephone Company but I believe it was the Airport Authority that provided the data to the Hong Kong Telephone Company to transmit to us.

Dr Hon Raymond HO Chung-tai:

Now, what sort of agreement would that be if the telephone company has to provide this information to HACTL? Would there be any agreement necessary

between HACTL and the telephone company ...

Managing Director, HACTL:

Yes.

Dr Hon Raymond HO Chung-tai:

... or just the agreement between the telephone company and AA?

Managing Director, HACTL:

No, no. There is an agreement between us and the telephone company.

Dr Hon Raymond HO Chung-tai:

Have you already signed that agreement?

Managing Director, HACTL:

I believe that was signed formally in July some time, after airport operation date.

Dr Hon Raymond HO Chung-tai:

After the airport opening. If there was no agreement in existence, how could you expect that the information would be fed to HACTL?

Managing Director, HACTL:

Well, I mean, there was a lot of day-to-day consultation. There was a lot of consultation on message formats, and it was fully understood that the system would be operational before airport operation date.

Dr Hon Raymond HO Chung-tai:

So, my last question, Madam Chairman. Are you still saying, Mr CHARTER, that even without this formal agreement between yourselves and the telephone company, you would just rely on the normal consultation process and you still think that live load test was possible, hoping that all this information as you required would be fed to HACTL?

Managing Director, HACTL:

Coming back to the FDDS, there was a letter of intent. There wasn't a formal contract signed. We operate often on a letter of intent.

Chairman:

Perhaps you can elaborate for members about the FDDS failure that is outlined here. Which in fact is the party responsible for the FDDS failure? Was it the telephone company or was it AA? Which was the source of the data?

Managing Director, HACTL:

I would not claim to be an expert in this field at all, and it is a fairly hot subject with the Commission at the moment and perhaps I could be excused answering that question because my knowledge doesn't run that far.

主席 :

吳靄儀議員。

Hon Margaret NG:

Thank you, Madam Chairman. Mr CHARTER, of course your position is quite different from the position of the Government witnesses that we have had so far. You, HACTL, is a private company. Is that right?

Managing Director, HACTL:

Yes.

Hon Margaret NG:

And so you have certain contractual obligations?

Managing Director, HACTL:

Yes.

Hon Margaret NG:

Now, what did you understand? I mean if you were not in a position to suggest, to tell the Government to put back the opening date or anything of the kind. You may suggest a situation but it is not your job to tell them when to open. Is that right?

Managing Director, HACTL:

Yes.

Hon Margaret NG:

Now, on the other hand you do have certain contractual obligations. Could you explain to this Committee what did you understand your contractual obligation to be with respect to the opening date? What were you supposed to deliver by that opening date? Now, to help us, could you first say, there was a time when you expected the opening date to be in April, right? What did you understand you had to do in order to meet your contractual obligations by April?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Basically to have 50 percent of the building ready. We said we would undertake to do that on a "best endeavours" basis, but our 36-month contract period, at the end of which liquidated damages would apply to us if we failed to meet that contract deadline, that was the 18th of August.

Hon Margaret NG:

Right, now, Madam Chairman. Mr CHARTER, could you explain what is meant by 50 percent capacity? What do you have to be able to do 50 percent? I mean, certainly you don't mean half of the building is built and the other half is not built, or only the building is built but the system doesn't run. So, perhaps you could explain, because obviously I am not an insider to this sort of thing.

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Basically the building has to be complete unless you can partition off a section of the building and leave it unoccupied. But from the point of view of a TOP or an OP, the building has to be safe for people to live in, operate in, and that means all the fire services systems, etc, that are required for statutory inspections are complete. We knew that we would have to get the building finished.

It is a question of the amount of equipment that could be commissioned within the period of time, and our plan, we undertook on "best endeavours" basis to get 50 percent of our material handling systems operational to handle up to 1.2 million tons. My concern there was that the 1.2 million tons was really not going to be sufficient on Day One.

Hon Margaret NG:

Yes. Madam Chairman. Is it right that 50 percent relates to the capacity, relates to your capacity of handling cargo. That is to say 100 percent presumably is 2.4 million tons?

Managing Director, HACTL:

Yes, yes.

Hon Margaret NG:

So, the idea is that you would have to be able to handle efficiently 1.2 million tons by April?

Managing Director, HACTL:

Yes.

Hon Margaret NG:

And conversely, when you later on agree that it would be 75 percent by opening date in July, you mean you would be able to process 75 percent of 2.4 million tons efficiently by that date?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

No. Our contractual obligation by the 18th of August is to be able to handle 5,000 tons a day. 75 percent of our design capacity represents 6,800 tons or thereabouts. So, the 5,000 tons was what we contracted to do but we would do it with 75 percent of the building to give us a margin for system problems that we could cope with.

Hon Margaret NG:

Madam Chairman, is it right that whatever the tonnage, you are supposed to be able to handle that efficiently to the required standard, but the standard remains unchanged?

Managing Director, HACTL:

Generally speaking, yes, but I would say everybody would expect some teething problems on start-up.

Hon Margaret NG:

Now, Madam Chairman, what did you expect? In order to meet this contractual obligation no doubt you would require certain things from the AA. What were the things which the AA has to do in order to allow you to perform?

Managing Director, HACTL:

Well, under the franchise, as I think I have mentioned already, there was to have been a fully-functioned test, and as we interpret that, that would be an airport-wide test including ourselves. But that test was never really defined. There is a clause in the contract that talks about it but not much progress was made to actually flesh out, if you like, what that test would entail.

Hon Margaret NG:

First, Mr CHARTER, is that franchise before this Committee, or the relevant clauses of the franchise before this Committee?

Managing Director, HACTL:

The franchise at the moment I don't think is in front of this Committee, is it?

Chairman:

It is not at this point in time. Could you supply it?

Hon Margaret NG:

Yes, I mean at least the relevant parts. Now, you say it wasn't clearly defined and in the event a fully-functioned test was never carried out. Was any kind of test carried out?

Managing Director, HACTL:

We carried out our own internal tests, and as I mentioned earlier there were airport tests that did involve aircraft, but limited aircraft.

Hon Margaret NG:

I understand the internal test you refer to, but under the franchise, Madam Chairman, I understand that it is a test involving the AA. That is, what they promised to you. Now, did any test of that description happen which may remotely, in some sense - you said it is not precisely defined - but was there any test at all offered by AA?

Managing Director, HACTL:

Not that I am aware of.

Hon Margaret NG:

So, did you do anything to follow up on this?

Managing Director, HACTL:

No.

Hon Margaret NG:

Now, did you then do an assessment as to the consequence of the absence of that test to your estimate of how you would be able to handle whatever tonnage

efficiently on the opening date?

Managing Director, HACTL:

We rather took the view that if we could operate our own internal system satisfactorily. That would give us sufficient confidence to be able to operate on Day One.

Hon Margaret NG:

May I ask you, Mr CHARTER, how far was your ability to handle whatever tonnage efficiently a self-contained matter? That is to say, within your own resources, things under your control. How far is that assured by what you can control, and how far is it inter-related to others, that is that you are dependant on the performance of others?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

I have to admit that the tests that we conducted were internal tests.

Hon Margaret NG:

No, Madam Chairman, I am trying to ask Mr CHARTER to help this Committee to understand how far it depends on what happens, what you do and how far you have to rely on other things? Say, for example, you have already told us of one matter that you rely on other people, that is the information through you believe ...

Chairman:

Data.

Hon Margaret NG:

... the data you believe through Hongkong Telecom.

Managing Director, HACTL:

Yes.

Hon Margaret NG:

Can you describe how far is it a matter for you and how is it inter-related to the achievement of other people?

Managing Director, HACTL:

Right. Well, obviously FDDS information we believe to be vitally important to us because, as I explained, it affects the planning of our resources within the building. And we made this very clear to the Airport Authority in our progress reports that it was a critical element of going operational. So, that's one, for example.

Hon Margaret NG:

Can you enumerate them?

Managing Director, HACTL:

That is probably the most critical one, I think.

Hon Margaret NG:

Madam Chairman, what I want to understand from Mr CHARTER is whether they did an assessment of how far they have to, so to speak, mind other people's business, and how far they just have to carry on with their own works or tests and things like that.

Managing Director, HACTL:

Right. Well, we had been in close liaison with Hongkong Telephone and our people in that area, I think, felt that they would get the data on Day One operations. And they had done message testing and so on and the format of the messages and so on seemed to be alright. So, the reports I was getting back in that area seemed to be that things would be OK.

Hon Margaret NG:

Madam Chairman, I don't just mean this sort of thing. Now, Mr CHARTER, in your answer to some of my colleagues you did refer to, for example, the dust question. And one thing you did say was that you had not

anticipated the dust from the airborne side, that is dust outside your own building. Now, had you studied beforehand? Obviously there will be construction work going on. Did you take that into consideration? Was there any kind of attempt to see how the external environment, how the rest of the works would impact upon your ability to meet your contractual obligations?

Managing Director, HACTL:

I mean, that was a factor in gauging the cleanliness, but when I was talking about airborne I didn't actually mean stuff coming in from outside the building. I meant dust swept up into the air by sweepers and cleaners trying to clear the situation.

Hon Margaret NG:

Madam Chairman, I am grateful for the clarification but Mr CHARTER, could you answer the question, please?

Managing Director, HACTL:

Sorry, could you repeat the question?

Hon Margaret NG:

Did you do that sort of assessment, how far you have to mind other people's business in order to ensure that you can deliver?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

We were obviously dealing with people like the ramp operators, the FDDS contractor and a host of others, Customs, and so on, and various parts of our organisation were ensuring as best they could that those topics were covered. But there wasn't, if you like, an integrated operational trial.

Hon Margaret NG:

Madam Chairman, I realise that I have been taking the floor for some time. May I just finish this part of the question? Mr CHARTER, I want to understand

the attitude, the position of HACTL. Were you considering that you will do everything which is your responsibility to do, and if other people fail to deliver with a result that you are affected, well, it isn't your responsibility? Or do you take the view that at the end of the day, if somehow air cargo handling fails, this would have a very serious impact on the reputation of Hong Kong International Airport, and therefore you will have to give your, do your best to ensure that you are able to deliver, even if it is not due to your fault?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Of course, of course.

Hon Margaret NG:

So, what did you do in order to ensure that?

Managing Director, HACTL:

We did what we could in liaising with the various parties concerned and tackling the dust issue as best we could. We did our best to try and be operational.

Hon Margaret NG:

Madam Chairman, perhaps I would ask Mr CHARTER to be a bit more concrete in describing what that best, how that best was achieved. Were there any mechanisms? Were there series of meetings or were they just *ad hoc*? What mechanisms have you set up to ensure that you have that liaison?

Managing Director, HACTL:

We didn't expect, apart from the FIDS issue, which we thought was a technical one and would be provided, we didn't expect that the interface with the ramp operators would be a serious difficulty. It had never been a serious difficulty at Kai Tak.

Hon Margaret NG:

Madam Chairman, I think perhaps Mr CHARTER is a bit tired, because I understand he has been giving evidence in the morning also. But my question really is, coming from your answer that you took the view that you have to ensure that you do alright on the day even if it is your fault or not, and you said that you have tried your best, my question is what did you do throughout the period of time? What does that best consist in? Did you try to have meetings? Did you have fixed meetings with other people? Did you set up benchmarks? Did you follow up on other people's progress? Did you set up any kind of mechanism whereby you can check the progress of other people, and if their lack of progress is going to impact on your own efficiency, that you would do something about it? Is there anything like that in place?

Managing Director, HACTL:

Well, let me think. Obviously we had regular meetings with the Airport Authority people and NAPCO, so they were keeping an eye on what we were doing. We had regular meetings at a lower level in the organisation with the ramp operators, and there are minutes of those meetings, too. And procedures were agreed for operations on Day One. With hindsight I think we would all admit that those, some of those procedures and provisions were flawed from Day One.

Hon Margaret NG:

Sorry, Madam Chairman, just on NAPCO.

Chairman:

Can you come back later because ...?

Hon Margaret NG:

Can I just finish this, please?

Chairman:

I mean you have really asked quite a long series of questions and there are quite a few members waiting. If that is another area that you want to go into...

Hon Margaret NG:

No, it is just one final question.

Chairman:

Yes, OK.

Hon Margaret NG:

Thank you, Madam Chairman. Now, with respect to NAPCO, we have had the Director of NAPCO and he said that he knew really very little about your progress. He rather gets the idea that he could only rely on the Airport Authority. Now, what did you do to make sure that NAPCO was fully aware of your progress?

Managing Director, HACTL:

No, my responsibility wasn't to NAPCO, and I don't want to mislead you here. Our responsibility was to the Airport Authority. The meetings to which I refer were meetings where Airport Authority representatives met with our project managers, and myself towards the end, largely concentrating on the completion of Government-entrusted works to us. For example, things like the Customs facilities and so on, Immigration offices and so on. There was obviously concern that our provision of these facilities was falling behind schedule. And so the NAPCO representative would come along to the regular Airport Authority meeting to review progress, but his principle interest I would say was the Government-entrusted works.

Hon Margaret NG:

Thank you.

Chairman:

Mr CHARTER, just to follow up on one very important point there regarding what you just told the Select Committee, and also from other sources we learnt that of course you placed quite an important emphasis on the fact that you were not allowed the so-called full functional trials, full functional tests, by the AA which was promised to you under the franchise agreement. I would just like to ask, given the state of the construction which was so much delayed in the latter part of the programme and given that you did not, in fact, ask the AA why there

was no full functional trial, could it be that it was because of the state of your construction that you were not in a position in fact to conduct a full functional trial?

Managing Director, HACTL:

Yes, yes.

Chairman:

And so in fact HACTL is partly responsible for the fact that there was no full functional trial conducted?

Managing Director, HACTL:

The fact that the building did not receive a statutory approval until the 3rd of July, which was the day we actually received cargo into the terminal, obviously made the timing of a functional trial quite difficult.

Chairman:

Would you say impossible?

Managing Director, HACTL:

It doesn't, it didn't have, yes, a live load trial. It would not have been possible because we would not have been permitted to allow trucks and things to enter the building until we had statutory approval. But a functional trial of the cargo, CSS system, for example, in relation to the air-side might have been possible, although there was still, I have to admit, a lot of building debris around the air-side right up until the last moment.

Chairman:

So, in other words at that time it was felt by yourselves and those in HACTL that it was probably not very practical and practicable to be looking for a full functional trial?

Managing Director, HACTL:

I think I have already said that, yes.

主席：

單仲偕議員。

Hon SIN Chung-kai:

I have a few questions. The Government decided the opening day to be 6th of July. This is set by the Government. My question is, is it possible for the Government to open the airport on the 6th of July but your operations remain largely, both in-bound and out-bound of your cargoes, in Kai Tak Airport?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

We took the decision that that was not a practical solution to the problem for a number of reasons, and maybe I could take a moment to explain.

We decided that trucking from Kai Tak was simply not possible for the full operation. Exports, for example, have to be passed out to the ramp operators two hours before flight departure in order to get on the right aircraft. Without a facility to process those exports at ST1, hold those containers, send them out in loading sequence, it would not have been possible to do an export operation out of Kai Tak. That would have involved trying to sequence loads onto trucks, the traffic problems of crossing Kowloon and the order in which the trucks would arrive, the holding requirements for those containers - and we are talking about a huge number of containers. I mentioned earlier probably at the moment we are handling up to 2,000 export containers a day. So the export operation out of a remote site made no sense to us.

There is also a legal problem in as much as under the airway bill carriage is between one airport and another and not between a site off-airport, and we would have had to get the agreement of our customers, the airlines, to allow us to perform that function off-airport.

There was the question of whether we could find the trucks, and we didn't believe that was possible. It was going to cost a huge amount of money and we didn't know who was going to pay for that. It would have diverted our

management resources when we were trying to concentrate our whole effort in getting ST1 up and running. So, we took the decision that the sensible way forward was to concentrate everything on ST1 and to go for 75 percent of the building and know that we would only need the 50 percent. That was our contingency plan basically.

Hon SIN Chung-kai:

So, in other words, you had never requested either the Government or the Airport Authority that your operations remained in Kai Tak? You had never asked for such an option?

Managing Director, HACTL:

It was something that we considered might be a necessity at the time we signed the franchise, and there is correspondence that relates to trucking at that stage. And there were various scenarios put forward whereby export bulk cargo would be handled out of Kai Tak possibly and all trucking done out of Kai Tak. But when we looked at that seriously we could see that it was very flawed and was not the way to move forward. So ...

Hon SIN Chung-kai:

So, after the Government announced the opening date to be 6th July and you knew that there were some slippages of the buildings and etc, you saw that you were out of time but you had not asked the Government, the Airport Authority, for your operations to remain in Kai Tak?

Managing Director, HACTL:

No.

Hon SIN Chung-kai:

No? Something about the test. Presumably I think your system had a series of internal tests. You mentioned it before, and please tell this Committee if all the possible or all the scheduled tests you know, your internal tests, have you completed all these internal tests or you didn't have sufficient time to complete all the internal tests?

Managing Director, HACTL:

Obviously we would like more time for testing given the situation, but the results that we were getting prior to airport operational date were sufficiently good for us to believe that the system would operate sufficiently well.

Hon SIN Chung-kai:

Mrs Anson CHAN came to this Committee and explained to this Committee that the availability of the TOP, the Temporary Occupation Permit, or the Occupation Permit does not affect your testing, internal testings. Do you agree with her?

Managing Director, HACTL:

Well, the two things are not necessarily related but they did have an effect because we were trying to get ready for the TOP as I mentioned earlier, about things like Fire Services inspections. Obviously that affected our testing to some degree, but she is right, the two are sort of separate issues to a degree.

Hon SIN Chung-kai:

So, you didn't alert the Government or Airport Authority that, without the permit, you have problems on testing?

Managing Director, HACTL:

Without the permit?

Hon SIN Chung-kai:

Have you ever alerted Airport Authority or the Government that without the TOP or the OP your testing would be affected?

Managing Director, HACTL:

I may be getting tired but I don't really understand the question.

Chairman:

You see, I think Mr SIN's question relates to the fact that because you have had a postponement of the acquisition of the OP and later on the TOP, this fact would have impacted on the time that you have had available for tests.

Managing Director, HACTL:

Yes, yes, basically if we had had the OP on May the 29th, which was what we had in our Supplemental Agreement, obviously we would have had a clear run for the last month for testing because the Fire Services tests and so on would not have been interrupting our testing in any way. Because that slipped there was still testing of the fire services and so on going on during the period when we were trying to commission the system.

Hon SIN Chung-kai:

My next question is, please refer to the documents on E5 and E6. On E5, the Secretary for Economic Services wrote a letter to Mr Peter JOHANSEN. And on E6 Mr Peter JOHANSEN mentioned that, in the middle of the letter, he spoke to you and met you on a daily basis and he replied this letter on 29th of June. And did you take that chance to speak to Mr JOHANSEN, your Chairman, to have an overall assessment of the latest situation, or did you take this chance to advise your Chairman that there are potential problems, or you are confident at that time that your operations will be smooth?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

I think the Board were under no illusion that we were very pressed for time, but they relied on my assurances that we believed we would be ready to go operational.

Chairman:

We will have a short break. We will resume in fifteen minutes. Will members please go to Conference Room C.

【 研訊於下午4時50分繼續 】

主席 :

我們繼續研訊。劉江華議員。

劉江華議員：

主席，我看完所有資料後，給我的感覺是空運貨站公司把責任向上推和向下卸。所謂向上推，是把責任推給政府及機管局，所謂向下卸，是卸給下屬，指下屬沒有將情況告知他，又卸給承辦商，指他們延遲完工。我希望逐點詢問翟達安先生的看法。關於政府的責任，空運貨站公司一再表示，並沒有人就7月6日這日期諮詢你們。這是不是你的意思？政府是不是沒有諮詢你？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Did somebody ask me specifically about July the 6th date, as to whether or not that was a good day to open the Airport? 'No'. I wasn't specifically consulted, but I think I have already made it clear that we indicated through the Airport Authority that June the 30th was a date which would give us a great deal more comfort. It was, of course, still short of our contractual date which is the 18th of August.

劉江華議員：

你有否提過98年6月這日期？

Managing Director, HACTL:

I think in discussion with the Airport Authority, and possibly even in correspondence, we had indicated that a couple of more months would - this is, of course, at the end of '97 - a couple of more months would make us much more confident. It would give us the chance to have 75 per cent operational, instead of the 50 per cent that was going to be operational in April. I think that was communicated in letters to the Airport Authority, and, no doubt, they would have passed that on to Government.

劉江華議員：

我想清楚你有否提過6月這日期？你沒有回答。

Managing Director, HACTL:

I think we said that we'd be much more comfortable with the end of June.

劉江華議員：

即是說你也有提及過，是嗎？

Managing Director, HACTL:

We did not raise that as such. In discussions it came up as a possibility.

劉江華議員：

我想請翟達安先生看看他的證供第129段。去年他提到“*I again called for a delay in the opening of the Airport because of the construction problems and suggested that the opening be put back two months to June 1998*”，你用“*suggested*”的字眼，即是說你曾提出建議。

Managing Director, HACTL:

Yes. I believe so.

劉江華議員：

你在7月24日給機管局主席黃保欣先生的信件中，措辭極力保護自己。在第B20號文件第2頁，關於“*insufficient time*”的那兩段的中間部分，你告知黃保欣主席：“*HACTL was not, in fact, consulted on the Airport opening date of 6 July 1998*”，這是否有點奇怪？你又提議過6月。

Chairman:

Mr CHARTER.

Managing Director, HACTL:

We suggested the date of June would give us a great deal more comfort, but, if somebody asked us specifically whether we were happy with July the 6th, nobody asked us about a specific date. We had all, we had intimated that June

the 30th would give us a lot more comfort, and, in fact, that we believed we would be ready by then.

劉江華議員：

主席，令我更奇怪的是，下一段的第一行說“*It has always been inexplicable to me as to why the date fixed for the Airport opening was prior to the Key Date*”。你的意思是這件事很令人費解，即為何要定在7月6日啟用新機場？為何要定在合約之前？給人的感覺是你完全不知道。有否曾就7月6日這個“*exact date*”諮詢你，這還是其次。但我想問，你是否知道必須在7月6日完成工作？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

I think this inexplicable reference is you have to remember when this letter is being written and the circumstances. I have always felt it extremely strange that we have had our contractual 36-month period truncated, and we are the only franchise that I know of on the Airport that had a contractual completion date beyond the 1st of April. That's what I meant by inexplicable. Going back all the way to '95, to me it's always been inexplicable why we've not been allowed our contractual period for completion. I would like to just add though that we accepted that we would have a go at the April date on a 'best endeavours' basis.

劉江華議員：

主席，我想問翟達安先生，是否明白定下這日期的意思，是他需要在這日期前把所有工作完成，令機場能準備就緒，開始運作？你是否明白？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Which date?

劉江華議員：

7月6日。

Managing Director, HACTL:

We knew that the Airport, when they announced it, was going to open on the 6th of July.

劉江華議員：

如果你再推搪說合約定明機場在8月18日才啟用，我覺得是毫無道理。你是否也有同感？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

We were doing it on a 'best endeavours' basis. It's all a question of risk and risk assessment.

劉江華議員：

主席，我還希望發問，你把責任推卸到政府進行檢查方面，你原本應該在5月29日取得正式入伙紙，但你當時並未能取得入伙紙。究竟這是你的責任還是政府的責任？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

No, of course, it is not the responsibility of the Government. The building was not in a state to obtain the OP by that date. I don't think I've suggested otherwise.

劉江華議員：

即是說，這是你的責任，是嗎？

Managing Director, HACTL:

What, for the 29th of May?

劉江華議員：

是。

Managing Director, HACTL:

That has yet to be determined. By that I mean obviously the main building contractor had the 29th of May in the Supplemental Agreement. Now, the question of whether he's entitled to extensions of time or not remains to be determined.

劉江華議員：

翟達安先生，我想你直接回答我的問題，在5月29日……

Managing Director, HACTL:

I'm trying to.

劉江華議員：

你原本應該在5月29日取得入伙紙，但未能得到。這是空運貨站公司的責任還是政府的責任？

Managing Director, HACTL:

The Building Contractor had the obligation to achieve the OP under the Supplemental Agreement by the 29th of May.

劉江華議員：

主席，他沒有回應我的問題。

主席：

他已回答，表示根據合約，他的承建商有責任在5月29日取得入伙紙。

劉江華議員：

主席，我想問，建築署應該在6月17日進入空運貨站，但無法進入，須要放棄，這又是你的責任還是政府的責任？

Managing Director, HACTL:

I never suggested it was the responsibility of the Government. I don't quite know what you mean by the Building Department entering the building. Could you explain, please?

劉江華議員：

政府一些工作進展報告曾提及，你們申請的入伙紙一再延期發出，其中一個發出日期是6月17日，已十分接近啟用日期，建築署準備入內巡察，但最終放棄了。這是你們的責任，還是政府的責任？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

I am listening to the translation. Obviously, we were having problems with completing the building. I'm not suggesting the Government is responsible.

劉江華議員：

主席，我想跟進另外兩個他推卸給機管局的問題。一個是航班資料顯示系統的問題。他們曾提到，航班資料顯示系統令他們的運作出現問題。請問如果航班資料顯示系統在7月6日當天完全正常，這是否表示空運貨站公司在當天也能完全正常運作？

Managing Director, HACTL:

No.

劉江華議員：

為何你會把責任推卸給機管局？

Managing Director, HACTL:

For FIDS?

劉江華議員：

對。

Managing Director, HACTL:

For FIDS?

劉江華議員：

對。

Managing Director, HACTL:

I have explained in my chart, earlier, that it was a contributory factor to our breakdown in operations. It's a vital piece of information for us, but I am not saying that we would have been able to operate anyway, but, for smooth operations, we definitely needed FIDS.

劉江華議員：

另一個推卸給機管局的問題是，該局沒有進行全面的測試。但你在供詞內清楚表示，你的員工大多只接受了一至兩天的訓練，其實你的員工所接受的訓練非常少，你怎能將責任推給機管局，說他們沒有測試運作？你的員工也只接受了一至兩天的訓練。

Managing Director, HACTL:

I'd say it was a couple of days' training.

劉江華議員：

在我們的文件第E1號，是你在另一個調查委員會進行聆訊時的供詞，請看第14頁。

主席：

劉江華議員，請再說清楚一點。

劉江華議員：

在第II冊，文件E1。

主席：

“Volumn II”，第II冊。

劉江華議員：

E1，第14頁。

主席：

劉江華議員，請再重覆問題。

劉江華議員：

這裏說：“Most of the staff have only had one or two training sessions”。
剛才我可能還說得多了一些。我剛才的問題是，員工所接受的訓練那麼
不足，即使機管局有一個大規模的測試，你是否可以應付？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

I'm trying to find the place in the.....

Chairman:

Page 14, bottom of the page.

Managing Director, HACTL:

Yes. This is a question, I believe?

劉江華議員：

這是你的證供。

Managing Director, HACTL:

I don't know where that comes from. This is not our statement. If you go to page 11, I think you will understand this was a report of a conversation between Mr K K YEUNG and Mr Raymond LAI of the Airport Authority, and we objected to the statement. We didn't feel it reflected the true situation.

劉江華議員：

你是否同意這是空運貨站公司的證供？

Managing Director, HACTL:

No.

劉江華議員：

為何不同意？

Managing Director, HACTL:

Because we didn't say this.

劉江華議員：

是。

主席：

不是，他說他沒有這樣說。

劉江華議員：

或者請他回去再翻查一下，好嗎？我再繼續發問。

主席：

請繼續。

Managing Director, HACTL:

This is a statement made by Mr Raymond LAI of the Airport Authority, not us.

劉江華議員：

好。第三個問題是，你似乎把責任歸咎於承建商未能及時完工。請問機管局是否曾與你們商討，多付8億元給你們，以加快工程的進度？

Managing Director, HACTL:

Are you talking about the Supplemental Agreement?

劉江華議員：

對。

Managing Director, HACTL:

Could I be allowed a word of explanation on that? One of our problems was that we had no airport operational target date. OK, we were in discussions with the contractor to try and finalise a programme towards the end of 1997, and we were expecting advice from Government, in September, which would stipulate the opening date for the airport, and yet we still did not have an opening date for the airport. Obviously, the Board did not wish to spend money unnecessarily. We needed to know what our target was. We continued to work with the contractor towards a target date to get 50 per cent of the facility operational in April, with a 75 per cent towards the end of June, and I think I wrote to the Airport Authority in September, suggesting that we would want to enter into a Supplemental Agreement with our contractor, and there were some discussions and a further letter - I think in December - on the detail of how the cost of the Supplemental Agreement would be allowed within the scheme of control under which we operate. Not just that, but the costs had to be permitted as part of our base case construction cost, in order for us to get the funds from the banks. So, it's a very important point for us to conclude negotiations on this issue, and without an airport opening date, it was difficult for us to get the banks to agree as well.

劉江華議員：

這是你提到的背景，但你簽訂了協議，亦收到金錢，你是否知道這意味着你在7月6日必須...

Managing Director, HACTL:

It was our money.

劉江華議員：

...必須完成工作。

Managing Director, HACTL:

By the time we signed that Supplemental Agreement with the airport operational target date was known - the 6th July - but it was still being done on a 'best endeavours' basis. In fact, I was asked by the Airport Authority specifically whether I could bring the key date forward, and these were in my discussions with Dr Hank TOWNSEND and Mr Raymond LAI, and they inferred, or Mr LAI did, that perhaps it would be easier for them to agree if I agreed to bring the key date forward, and I objected to that. I was not prepared to bring our contractual date forward to the 6th of July. I was not, obviously the more time we had, the better chance we had of being operational successfully.

劉江華議員：

主席，我還希望得到一些簡單的答案。在7月6日有資料被刪除，這是否你們公司的責任？

Managing Director, HACTL:

We lost the inventory in the Container Storage System, and obviously that was a failure within our organisation.

劉江華議員：

當時你們亦沒有後備系統，這是否你們公司的責任？

Managing Director, HACTL:

It's nothing to do with the backup system. In fact, it was a test programme that was inadvertently run through human error.

劉江華議員：

沒有後備系統，你認為這是否空運貨站公司的責任？

Managing Director, HACTL:

I believe we had a backup system.

劉江華議員：

那麼我希望你澄清一下。你剛才說有，但在文件E1號第6頁則說沒有。請你再作澄清。在E1第6頁，“there was no reliable "backup" of the container inventory”。沒有後備資料或系統，這是否你的責任？

Managing Director, HACTL:

I would like to read the actual point, if I may. What page is it?

劉江華議員：

第6頁。

Chairman:

Mr CHARTER, it's on page 6 under paragraph (C), last phrase, last clause.

Managing Director, HACTL:

I think, I think what is meant here is, in the normal running of our CSS system, all the records are automatically duplex in COSAC. We have two computer rooms. Now, we were in manual operation in this situation, which is an abnormal circumstance, and, in that situation, we had no backup obviously. We were in manual, but, when we are normally running the system, 'yes', there are backup systems. There are two computer rooms. It's all duplex. We run real time duplex file systems, but the distinction here is we were in a manual mode, and there was not a backup system to the manual mode. It was an unexpected level of operation.

主席：

劉江華議員。

劉江華議員：

最後一個問題是，同樣在E1這份供詞內，提及當天有600個錯誤，而你的同事表示，如果有600個錯誤，你們的軟件根本無法應付。這可能與任何事情也沒有關係，那麼你認為這是否你們的責任？

主席：

在那裏？

劉江華議員：

第28頁第33項答案，第6點。

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Yes?

劉江華議員：

即是說，這是你們的責任。

Managing Director, HACTL:

I was asking an interrogative 'yes'. I beg your pardon.

劉江華議員：

我的問題是，文件說你的系統無法應付這600個錯誤。換言之，可能與其他事情並無關係。

Managing Director, HACTL:

The live-load situation was such that the mechanical faults, for whatever reason, were much higher than we anticipated, and, as a result the system was not performing, and 'yes' that is a HACTL responsibility.

劉江華議員：

我還想再就另一件事發問。在6月14日，財政司司長以署理行政長官的身份視察，當時你陪同他，你告知他甚麼情況？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

May I be permitted two sentences or more here, because I think it's important. The Financial Secretary came. He was Acting Chief Executive, I think, at the time, together with a number of Secretaries from various Government Departments, largely the NAPCO team, and this was at ten o'clock on Sunday, the Sunday night, the 14th of June, and we gave him a palette ride through the Container Storage System to demonstrate that it was operational, and then we walked to inspect the computer room that the customs had on the 4th floor of Super Terminal 1.

We then proceeded down to the first-floor truck area, which I'm sure you all remember, and into the Box Storage System, and, standing in there, he asked me would we be ready, and my reply - I remember the words very distinctly - I said to him it will be a close-run thing, but I believe that with 2,400 experienced staff we'll manage somehow, and then we walked out and went into the customs hall, which is between the two Box Storage System bollards, and that was one of the areas that NAPCO had been chasing us about, because it was part of the Government entrusted works, and I happened to be talking to somebody else at the time, but Mr Bill SCOTT came up to me a moment later and said Mr Donald TSANG is rather upset, and is talking about looking at the contract to see what liquidated damages apply.

So, as the party walked out of there, I bumped into Mr Dick SIEGEL, who was part of the party, and I said "Dick" - whom I have known for many years - "Dick, please explain to Mr Donald TSANG that this is being done on a 'best endeavours basis', and our contractual date is the 18th of August", and he promised he would tell him, and certainly I heard him speak to Mr Donald TSANG, as he climbed back into the mini-bus.

劉江華議員：

主席，我想引述署理行政長官在6月14日參觀後機策會的紀錄。我想請翟達安先生表明這是否準確反映當時談話的情況。第A44號文件內這樣說：“Managing Director was confident that HACTL would be able to achieve 75% of their cargo handling capacity by Airport opening”，這是否準確反映你當時的說話？

Managing Director, HACTL:

Well, it's his interpretation of what I said. I've told you what I said.

劉江華議員：

這段是否很準確地反映你當時的說話？

Managing Director, HACTL:

It is not for me to interpret that paragraph, but I believed we would be ready.

劉江華議員：

那麼，當時你不認為會做不到。

Managing Director, HACTL:

I do not think the way I replied to his question indicated that it was going to be smooth sailing, but I believed we would manage.

主席：

馬逢國議員。

馬逢國議員：

請問翟達安先生，現時空運貨站的運作是否一切已經順暢？我的意思是，是否再沒有貨物滯留？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Well, thank you, sir, for raising the question, because I haven't yet managed to talk about this chart, and I would quite like to draw your attention to this chart, and put to rest the belief in the media, in particular, that everything came to a grinding halt completely. It didn't. We continued to handle tonnage right from Day One, as you can see from this chart. With regard to operations now, I would say that operations are pretty normal in terms of the airside operation and within the Terminal we are still experiencing some teething problems, but, as I mentioned earlier, with 80,000 cycles and 200 volts, that's a fault rate of something like 0.0025 per cent, and is within the scale of what we would expect with new equipment. Obviously, there are bound to continue to be teething and tuning problems, and we expect this to go on for several months. One of the areas I am not happy with yet is the interface on the landside with the trucks, where we seem not yet be able to perform in terms of processing times at the same standards that we achieved at Kai Tak, but we are handling all cargo. It's a question of degree, and I think there are a number of factors for this. We've noticed, for example, that we are handling far fewer trucks now. At Kai Tak it was 3,000 to 3,500. Now it's something like 2,000, and that difference doesn't, isn't because of a competitor. A competitor has got about 20 per cent market shares.

So, we believe what's happening is the trucks are getting bigger. With a bigger truck, it takes longer to offload and load. So, that is a factor on our operations. Freighters are coming in after midnight. So, that is changing the operating pattern at CLK. It's a remote airport. The freight forwarders are having to get used to the idea that it's further out of town. It takes them longer to travel, and they're changing their operating patterns. So, for all these reasons, things are different to Kai Tak.

主席：

馬逢國議員。

馬逢國議員：

我接著想問關於電腦系統方面的問題。翟達安先生曾在7月6日及7日到立法會介紹，說曾經有“computer breakdown”，即電腦問題，但後來 Mr K K YEUNG在調查委員會作供時表示，電腦系統並非主要原因，我想澄清電腦“breakdown”到底扮演了甚麼角色？

Managing Director, HACTL:

Well, I tried to explain the inter-relationships earlier with this chart, but what we were experiencing was a slow-down of the total system, because of the inter-relationships of the fault reports back onto the computer system, the staff making constant and derogatory inputs into the system to produce lists, and I think, when I first reported to LegCo, we were worried that our inventory loss was a computer problem, some major problems in the system. We didn't, at that stage, realise it was a human error, and that we had this programme running. So, as time passed, we've had a chance to analyse all the factors that went into the breakdown.

馬逢國議員：

請翟達安先生講解第E2-1號文件。剛才我們已經看過這文件，即“Project Progress Report No. 32(AA) May 1998”，最後一頁，關於建造空運貨站的總開支。最後一頁。

Chairman:

Last page of the paper, Capital Cost Summary as at 31st May 1998.

馬逢國議員：

我想指出幾個項目。第一個是B3：“On Cargo Handling System Costs”；第二個是C4：“On Computer Facilities”。我的問題是，第一個“column”提及的數額，即B3，是6,500萬元的“Computer Control System Hardware and Software”，而C4“Computer Facilities”的價值是6,600萬元。而第二個“column”是“Revised Franchise Base Case Financial Plan”。兩個項目的總數分別由6,500萬元下降至4,500萬元，以及由6,600萬元下降至2,200萬元。請問這個“Revised Franchise Base Case Financial Plan”是甚麼時候作出的？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

The Franchise Base Case Financial Plan was what we believed would be our expenditure before we started the project, and, as we went along, we introduced

quite a lot of this equipment at Kai Tak, instead of at ST1, in order to train staff on that equipment. So, we transferred it then to our accounts under Kai Tak, rather than put it into this account.

馬逢國議員：

那麼這個“Revised Franchise Base Case”是甚麼時候作出的？

Managing Director, HACTL:

Eh, Revised Franchise Base Case? I would estimate towards the end of '97.

馬逢國議員：

“Latest Estimate”又是甚麼時候作出的？

Managing Director, HACTL:

Well, that's an ongoing running latest estimate.

馬逢國議員：

我的問題是，截至5月30日，為何“Computer Control Sytem”的軟件和硬件只是“commit”了600多萬元，而實際支出只是570萬元，而另外一個“Computer Facilities”由預算的6,600萬元下降至2,200萬元後，又只是承擔“commit”270萬元，最後只支出了140萬元。為何數字會有這樣大的差別？你可否解釋？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Yes, sorry. I'm just waiting for the translation. Basically, I think under B3, we originally planned to have some of the computer equipment supplied by the cargo handling system contractor, but, in the end, we took it out from their contract and supplied it in other ways. What you are trying to say, I think - or maybe I shouldn't read into it - is that we tried to cut down on computer equipment, and that was the result of our problem. Certainly not the case.

馬逢國議員：

請問C4的項目，由6,600萬元下降到最後只承擔了140萬元，已動用的140萬元是否已完成工程或已接近完工階段？實際用了多少錢？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

As I say, we've spent quite a lot of money under computer systems, and we were using those Terminals and things at Kai Tak. So, it would probably be more useful, if you wanted to pursue this, to see a more up-to-date one.

馬逢國議員：

我只想問這個數目到最後，即截至今天，到機場啟用時，大約用了多少錢？因為這個“cost summary”是...

Managing Director, HACTL:

I don't have that knowledge, but I can provide it.

馬逢國議員：

我還想提出一個問題，差距為何這麼大？是否系統仍未完成？為何差距這麼大？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Well, obviously this was a budgetary figure to start with, and, when you budget, sometimes you're conservative. As we progressed with our planning, and hardware prices have certainly come down. I'm sure everybody is aware of that, and there are a number of factors for not having spent as much money on hardware as we originally anticipated, but I would like to say that there has certainly been no skimping on computer equipment.

馬逢國議員：

同樣在軟件方面，軟件和硬件也由6,500萬元下降至3,800萬元，而實質開支只是500多萬元。你在去年底“revise”，進行修訂時，即在啟用6個月之前的估計，為何會與真實情況有這麼大差距？

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Well, a lot of the software we developed in-house, in the end. I think that is known. The computer development group was an in-house organisation, and those figures wouldn't appear in here.

主席：

劉慧卿議員，對不起，因為張永森議員還沒有發問，我先讓他發問。
張永森議員。

Hon Ambrose CHEUNG Wing-sum:

Mr CHARTER, is it right to say that, in your organisation, you make the final judgement and decision in relating to operation, as well as in relation to the whole construction programme generally?

Managing Director, HACTL:

Yes, I would say so.

Hon Ambrose CHEUNG Wing-sum:

Mr CHARTER, can you explain once again to me the correlation between the building, delay in the building and the test that you would like to have in an ideal situation?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

Ideally, on a project of this nature, one would complete the building first to a broom swept clean condition with a completely water-tight and sealed roof before you embarked on installation of equipment. Now, we knew that that was not possible right from the beginning, and so we accepted that there would be a measure of overlap between the building contract and the CHS installation, and it was a question of trying to manage that overlap.

Hon Ambrose CHEUNG Wing-sum:

And you appreciate that that is going to affect the result of your functional test?

Managing Director, HACTL:

Yes.

Hon Ambrose CHEUNG Wing-sum:

Mr CHARTER, can you explain to me any particular reason why in the Supplemental Agreement, the date 29th of May '98 has been chosen and agreed by both Parties?

Managing Director, HACTL:

Well, we wanted a period for final testing, cleaning up, trials etc. and, if we could get the building contractor out of the way by the 29th of May, that gave us June and the first week of July to be more certain of our operational readiness.

Hon Ambrose CHEUNG Wing-sum:

That would give you from 1st of July up to August the 18th, as opposed to get ready on all the functional tests that you would like to do?

Managing Director, HACTL:

Well, no, we knew the airport was opening on the 6th of July. We were targeting the 6th of July.

Hon Ambrose CHEUNG Wing-sum:

So, exactly you're looking for about June, and July would be roughly about

five weeks, I would say, for that purpose?

Managing Director, HACTL:

Clear of the building contractor would have given us time to properly ensure that all sensors were clean, etc.

Hon Ambrose CHEUNG Wing-sum:

Is it right to say that the control of the building progress obviously is a responsibility of your contractor, as well as your company. It's a matter between your company and the contractor?

Managing Director, HACTL:

Yes.

Hon Ambrose CHEUNG Wing-sum:

I do not have any intention to go into the causes of the delay or the responsibility of the delay. Would you be able to explain to me the difference and the distinction between an Occupation Permit and a Temporary Occupation Permit?

Managing Director, HACTL:

Well, actually, there's not a huge difference. It just means that certain areas may not be included in, as being ready. For example, our roof area, where we've got various facilities not regarded as essential were excluded from the initial TOP, some areas there, but generally there's not a big difference between TOP and OP in terms of fire protection, etc. It just means that there may be parts of the building that should not be occupied.

Hon Ambrose CHEUNG Wing-sum:

So, you are obviously aware that as and when we approach closer to the date of July the 6th that you have not got the five weeks' testing time that you would like to have?

Managing Director, HACTL:

Well, testing has been going on, had been going on for a long time. Our

testing strategy was originally to test - we've got two major areas to test - one is the Container Storage System, one is the Box Storage System, and, as I explained earlier, the Container Storage System is in zones, repetitive zones. So, our intention was for testing the computer systems, etc. to get one zone up running as quickly as possible, and I think we did. I stand to be corrected, but around January '97, and we were able to test that zone, and then mechanically we needed to go on and test the other zones, but the computer systems were the same applications in each zone in the Container Storage System. An area and the LCS, logic control system, applied across the CSS and the Box Storage System.

So, even though the Box Storage System was not completed until very late in the day, 30 per cent of that computer system and the Box Storage System is provided by the contractor, Murata, in what they call a virtual LCS situation, but really the LCS that was operating in the Container Storage System could be ported to the Box Storage System. That was one of the reasons I was not too concerned that the Box Storage System continued to slip, although I was concerned in terms of having both of them ready on Day One operations, and the impact it had on giving staff to familiarise themselves with the input/output process.

Hon Ambrose CHEUNG Wing-sum:

Mr CHARTER, can you tell me whether in your experience in air cargo business, have you ever experienced a situation whereby you have to go through fitting out works in the Terminal to be completed, and, at the same time, you would have to do testing on the CSS and the BSS situation?

Managing Director, HACTL:

To some degree, that's what we did in Terminal 2. We had the same problem of trying to fit the contractor in as building works were going on, but it was a particular problem in ST1, because of the very extensive automation. Therefore, you couldn't have workmen suddenly walking across roller beds and tripping off all the sensors, because everything came to a stop. So, trying to impose site discipline was a problem at ST1.

Hon Ambrose CHEUNG Wing-sum:

So, you have some experience in ST2. Can you elaborate a little bit on this, apart from just distinguishing the external automation that mainly distinguish between the Terminal 1 and 2?

Managing Director, HACTL:

Well, actually, we, both the contractors that we worked with on ST1, Mannesmann Demag Fördertechnik AG and Murata, we'd used at Kai Tak, and, in fact, we had a long working relationship. It's same types of equipment. Obviously, some changes, but, generally speaking, a lot of components that were similar, and a close working relationship with these contractors over many years. One of the reasons we had selected them in the first place, we were confident of their ability.

Hon Ambrose CHEUNG Wing-sum:

Who would be able in terms of, in your project and consultant team would be able to advise you professionally and safely that this is going to give you some problems in terms of the continuous delay in the building, and the likelihood that you will have to continue doing, fitting out works, and, at the same time, doing testing and commissioning the different system?

Managing Director, HACTL:

Well, we were all, all my senior managers and myself were aware of the problem. It was a question of managing the problem.

Hon Ambrose CHEUNG Wing-sum:

Who make the final judgement that this is going to, is not going to, cause a lot of problems and, as you use in your previous evidence, that you would still manage, and it's a close-run, a close-run thing?

Managing Director, HACTL:

Well, obviously, I have to make the final decision.

Hon Ambrose CHEUNG Wing-sum:

You make the final decisions. Mr CHARTER, can I refer you to paragraph 157 of your statement given to the Commission of Inquiry? At the last part of that paragraph, it says that "Consequently, there was a last minute rush by GPY." If I understand correctly that's the main contractor?

Managing Director, HACTL:

Yes.

Hon Ambrose CHEUNG Wing-sum:

And there are other contractors involved with the fitting out of ST1 to complete the necessary works, which result in on-going building works being undertaken at a time when the CSS and BSS were being tested and commissioned. So, this is a situation that you were able to realise, judge and note at that particular point in time, as and when you get closer to 6th of July. That's correct, isn't it?

Managing Director, HACTL:

Yes.

Hon Ambrose CHEUNG Wing-sum:

Can I then refer you to paragraph 163? If I - correct me if I am wrong - you were making a judgement and decision there, and you are basing your judgement and decision on firstly, your Steering Committee Meeting, by the end of June, with Bill SCOTT, and then the problem seems to have suggested to you that it's not sufficiently serious to make you believe that you would not be able to go operational?

Managing Director, HACTL:

If I thought the system was going to crash, obviously I would have brought that to somebody's attention. I did not believe the system would crash. I believed that we would go operational and manage somehow with 75 per cent capacity available to handle 50 per cent of the load.

Hon Ambrose CHEUNG Wing-sum:

And you did go on to say that, despite those problems, you remained confident of being able to operate on AOD?

Managing Director, HACTL:

Yes.

Hon Ambrose CHEUNG Wing-sum:

Slightly different from what you were saying previously that “we’ll manage somehow”?

Managing Director, HACTL:

Yes. Well, it's a question of how you use the words.

Hon Ambrose CHEUNG Wing-sum:

Even though you carry on to say that it would be a closerun thing?

Managing Director, HACTL:

Yes, that's what I believe.

Hon Ambrose CHEUNG Wing-sum:

So, you did, at that time, remain confident?

Managing Director, HACTL:

I believed we were ready to operate. It's a question of degree of risk. Obviously if you're short of time, there's a greater risk, but it doesn't necessarily mean that we are not going to succeed.

Hon Ambrose CHEUNG Wing-sum:

And you rely on your judgement also with your experienced staff and your project consultant's advice?

Managing Director, HACTL:

I was particularly concentrating, at this time, on the cargo handling systems. They were fundamentally important, and the building not being totally complete to me, apart from getting TOP, was a secondary issue.

Hon Ambrose CHEUNG Wing-sum:

Would you consider that a judgement error?

Managing Director, HACTL:

With hindsight, obviously it was, but coupled with this decision was the belief there was no alternative.

Hon Ambrose CHEUNG Wing-sum:

Why do you think it's a judgement error with hindsight? You must have some good reasons?

Managing Director, HACTL:

Because the systems crashed.

Hon Ambrose CHEUNG Wing-sum:

Because the system crashed. Because all the warning signals happening in May, June up to, say, the 3rd, 4th and 5th of July, in terms of the delay in the building, in terms of the delay triggering all sorts of things that have to overlap, and in terms of you not having the five-week ideal period to do all sorts of testing and all sorts of preparation work that you need to prepare for the opening; all this together did not give you, at the split of one thought, that perhaps HACTL is not ready, even on a 'best endeavours' basis on 6th of July?

Managing Director, HACTL:

If I thought it was going to be a perfect operation - I never thought that. I think in this situation obviously one wonders sometimes, but I would say I genuinely felt we would manage somehow, and anyway there didn't appear to me to be any alternative.

Hon Ambrose CHEUNG Wing-sum:

Do you feel that there is anything lacking in terms of professional support, in terms of supporting you to make that judgement, which you agree to be a judgement error in hindsight?

Managing Director, HACTL:

I think it was - and I shall be accused of trying to pass the buck, which I am not - I think it was a collective view of all my managers that were involved in the project that we would be successfully operational, but ultimately I take the final decision.

Hon Ambrose CHEUNG Wing-sum:

Were you at all influenced under paragraph 163, which you did mention, in the middle or to the end of that paragraph saying that "I believed there was no alternative and the problems encountered did not seem sufficiently serious to justify calling for a further postponement". Do you believe, at that time, that it is politically unwise to make a request for a postponement of the date of opening?

Managing Director, HACTL:

Politically unwise? I just didn't get any message at all that there was any chance or hope of a postponement of the airport. Nobody had ever asked me "Did we need more time". Everybody had asked "Will you be ready?", "Will you be ready?".

Hon Ambrose CHEUNG Wing-sum:

Why did you say, 'I believed there was no alternative calling for a further postponement'?

Managing Director, HACTL:

That was the impression I had from my dealings with the Airport Authority and certainly coloured by my experience of trying to get the date moved from April originally.

Hon Ambrose CHEUNG Wing-sum:

Despite you informed them about your problems?

Managing Director, HACTL:

They had copies of our, I mean we were writing our progress reports for the Airport Authority, so they had a monitoring role on what we were doing and they had officials visiting the site.

Hon Ambrose CHEUNG Wing-sum:

Thank you, Mr CHARTER, I have no further questions for you.

主席：

劉慧卿議員。

Hon Emily LAU Wai-hing:

Thank you, Madam Chairman. I also want to follow up on the building programme and the twenty-three weeks' slippage. I want to ask Mr CHARTER on the decision to accelerate the building programme, which apparently did not take place until, you know, the opening date. Is that correct?

Managing Director, HACTL:

I think that gives the wrong impression. Twenty-three weeks' slippage was at the end of '96. All right? That was what we were experiencing then, and you have to realise that the contractor, GPY, were exposed to considerable liquidated damages at that point. I think the incentive there for them to do something about the programme was to the tune of about a hundred and seventy-five million dollars. So, we very much relied, at that stage, because we believed at that stage that the problems associated with the building delay were the problems of the contractor in not getting to grips with the building structure, and, of course, they had problems with the weather, but under the contract weather was not an allowable excuse for an extension of time.

Now, the situation changed during '97, and I think GPY were making considerable claims for extension of time, and our claims consultants believed they were due more extension of time than we had, by that stage, allowed them, which was twenty-eight days, I think, and the reason for that was that the building design drawings were beginning to fall behind, and so there was a justifiable reason that we weren't getting, our consultants weren't getting some drawings out fast enough for GPY, so it came a point, by the middle of '97, that obviously we needed to do something to bring the programme back to achieve the April and June dates, and I have to explain that we were in constant dialogue with GPY. You can't take a snapshot and say twenty-three weeks' delay. We were playing with the programme, the methods of construction. One of their problems was the erection of system form-work, for example. They were struggling with that in the early stages of '96, and so what we did was to let them go to traditional form-

work for certain floors, in order to truncate the programme to some degree. So, they could use other resources to get on to other sections of the building.

So, we were constantly working with the contractor to see in what ways we could reduce the delay that had occurred, and that did, and that question of programme evaluation continued with the CHS contractors as well altogether. But, towards the end of '97, it was becoming very, very clear that we were going to have to formalise this agreement, and sign, if you like, a Supplemental Agreement, which took into consideration the delays that had occurred to date, and the way forward.

Hon Emily LAU Wai-hing:

So, Madam Chairman, it's not correct to say that without the airport opening date, you would not accelerate the programme, because you were trying to accelerate it all along. Is that correct?

Managing Director, HACTL:

Well, we were working on the programme to try and reduce the delay, but our concern was that without an airport operational target date - we didn't know whether it was April, we didn't know whether it was June, maybe it was going to be August the 18th - we obviously didn't want to spend money unnecessarily, but there came a point when it became necessary to enter into a formal agreement, and that is when we had to approach the AA to ensure the costs of that agreement would be permitted in the base case financial plan, and, in fact, to do what we are aiming to do, which was to bring, spend money to target a date before the 18th of August date, was, in fact, not envisaged specifically in the franchise. So, it was slightly outside the specific letter of the franchise. So, that had to get the agreement of the Airport Authority. Without that, I couldn't get the money from the banks.

Hon Emily LAU Wai-hing:

So, finally when the announcement was made - is it on the 13th of January? - that the Airport would open in the July, that got the thing going for you, isn't it? So, that you can.

Managing Director, HACTL:

We had hoped that the airport date would have been announced in

September. In fact, that was when we expected it would be announced. I think originally the Government said they were going to announce it in September, and so, we were disappointed it was slipping, but we were hearing rumours it was going to slip to June.

Hon Emily LAU Wai-hing:

Madam Chairman, what I'm trying to ask is when that date was finally announced, then presumably you got them to accelerate even more. But were you quite certain, at that time, that the building programme could be completed on time?

Managing Director, HACTL:

Yes, and we worked out a detailed programme with GPY, which included a method statement as to how they were going to do it, and had contractual dates in there, the 29th of May for the OP for ST1.

Hon Emily LAU Wai-hing:

And you were confident about the ability of GPY to deliver?

Managing Director, HACTL:

Yes. We believed they would honour their agreement.

Hon Emily LAU Wai-hing:

Madam Chairman, can we look at the paper E2-1, which was given to us today, and that is Project Progress Report of May 1998. Let's look at page 2, the first paragraph - "GPY's Progress to Completion". Can you see that Mr CHARTER? Have you got that in front of you?

Managing Director, HACTL:

Yes.

Hon Emily LAU Wai-hing:

"GPY's MP04 programme has become meaningless, as all other programmes issued by them. They have concentrated their efforts in the Main Building to

prepare it for the statutory inspections. In the Express Centre their efforts have in addition been directed to getting the tenants' fitting out work started. Here GPY have without exception failed to meet agreed target dates. This has caused us considerable problems with both the tenants and the Government departments who will use the building." This is May this year. You are still very confident in that?

Managing Director, HACTL:

Well, I'd have to understand what GPY MP04 meant. It might not have, it might have been a specific programme for a specific purpose to, say, complete the Government entrustment works. I'm not, I'm not sure what the purpose was, but if it was for the Government entrustment works, 'yes', that continued to embarrass us. But, I have to explain that the Government areas are minute in the overall scale of the building.

Hon Emily LAU Wai-hing:

If you look at the fourth line of that paragraph. "Here GPY have without exception failed to meet agreed target dates". What does that mean?

Managing Director, HACTL:

Well, it probably refers to target dates that were set in the Supplemental Agreement for specific areas. If it, I'm, I'm assuming that this refers to Government entrustment works. I may be wrong. That.....

Hon Emily LAU Wai-hing:

You are sure it is not referring to HACTL projects?

Managing Director, HACTL:

Well, I mean we were, we were actually responsible for the Government entrustment works. I'm not trying.....

Hon Emily LAU Wai-hing:

As well?

Managing Director, HACTL:

Yes. But it's only a small part of, say, the overall activity that was taking place. I'd have to know what MP04 referred to, and I'm talking without that knowledge.

Hon Emily LAU Wai-hing:

Can you go back and find out the whole, the whole, the tenor, what makes whoever it is wrote this paragraph? OK? Because this gives me the impression that they are slipping behind, and you are now telling me that it could be just a Government entrustment work, but nothing to do with your own projects?

Managing Director, HACTL:

Well, I mean, certainly, if you look at the Supplemental Agreement, you will see that there are milestones in there and targets in there for different areas of the building, and yes, there were some areas where the building works were slipping behind, but I think I've already explained that some of this, like the customs areas - all right, they were essential for operations, but they didn't affect the commissioning and testing of the building, of the material handling systems.

Hon Emily LAU Wai-hing:

Well, anyway, Madam Chairman, I hope that Mr CHARTER will provide us with some explanatory information with regard to this paragraph, but earlier you told us two things which I find a bit confusing. First, you said that you and your project managers, everybody told you that everything's fine, you are going to be able to deliver. But then you also said that the AA has been informed of your problems.

Managing Director, HACTL:

That's a question of degree.

Hon Emily LAU Wai-hing:

Can you explain a bit more?

Managing Director, HACTL:

Well, to get a building finished there is an awful lot of work like office fit-out, air-conditioning, those sorts of things, which are important. But you could say they are not essential - like my office. I didn't have one on Day One. It's not

essential. The cargo handling systems can still operate. The public areas can still operate. It's a question of degree.

Hon Emily LAU Wai-hing:

I think we would like to concentrate on the important areas, and your project managers, which, I think, we will be getting the reports anyway?

Managing Director, HACTL:

Certainly.

Hon Emily LAU Wai-hing:

The progress reports?

Managing Director, HACTL:

Certainly.

Hon Emily LAU Wai-hing:

And they kept telling you everything was OK, the important areas would be completed on time?

Managing Director, HACTL:

Where we were talking about essential installations, like fire systems, etc., etc., that would affect OP, they were progressing, albeit not without problems. But I believed they would be ready in time to get an OP to statutory, to meet the statutory requirements and operate the building. The cargo handling system tests were not dependent on the OP or *vice versa*, or the computer tests, although there were interruptions to computer tests because of having to go through the statutory inspections where you have to switch off the power and things.

Hon Emily LAU Wai-hing:

So, the fact that the building programme did not finish in time for the cargo handling system to be tested and tried does have an impact, doesn't it?

Managing Director, HACTL:

It has an impact, but the testing has been going on in the cargo handling system, and the computer systems for many, many months. This wasn't a last

minute thing.

Hon Emily LAU Wai-hing:

And what did you - earlier you referred to the problems that the AA was aware of regarding HACTL. Can you relate to us again?

Managing Director, HACTL:

Well, basically I think they, through our progress reports, would have been kept up-to-date with the state of the building. Things like air-conditioning, Government fit-out works, external works. I mean, our truck park wasn't finished. It wasn't, we believed, essential for Day One operations, provided we had half the truck park and so on. So, this is what I meant by a close-run thing, but I believed we would still manage to be operational.

主席：

副主席。

Dr Hon Raymond HO Chung-tai:

Thank you, Madam Chairman. I would like to ask Mr CHARTER about this COSAC 2. This is your proprietary system. Just now I believe you, when you answer question from the Honourable Ambrose CHEUNG, you said that the system is similar to the one being used at Super Terminal 1. Where you say "similar", what does it mean?

Managing Director, HACTL:

Well, generally, with ST1 in mind, we re-developed COSAC to COSAC 2 a couple of years ago, and generally most of the functions were ported, if you like, from Kai Tak to ST1, but there were some areas where COSAC needed to be modified. A few, a few areas, because of the physical nature of ST1, was different to Kai Tak.

Dr Hon Raymond HO Chung-tai:

So, you are saying that it was really just minor adjustments to the system,

rather than a major overhaul of the system?

Managing Director, HACTL:

To move into ST1, yes. We did a major overhaul a couple of years before.

Dr Hon Raymond HO Chung-tai:

I see. Now, are you saying that whether or not this COSAC 2, or the system is functioning properly has a lot to do with, normally the permanent operation or the actual operation of the ST1, but also even functional tests or live-load tests?

Managing Director, HACTL:

Well, I mean, we had, we had done live-load tests on COSAC at Kai Tak. There wasn't a problem with COSAC. There were different levels of computer control, and I again, I don't wish to. The area that was new, if you like, was the LCS control, which lies between COSAC and the machines. It's what we call a level 4, a logic control system and then there's a level 3.

Dr Hon Raymond HO Chung-tai:

I'd like to put a question.....

Managing Director, HACTL:

Sorry, LCS is level 3. Level 4 is RMS. I beg your pardon. Resource Management System.

Dr Hon Raymond HO Chung-tai:

I'd like to put the question in a different way. Even a live-load test is dependent on whether or not COSAC 2 is functioning?

Managing Director, HACTL:

Yes.

Dr Hon Raymond HO Chung-tai:

Now, you were saying earlier on this afternoon that on 6th of July, you were using the manual system?

Managing Director, HACTL:

We fell back to the manual level of control.

Dr Hon Raymond HO Chung-tai:

That's why there was no backup system?

Managing Director, HACTL:

We fell back, we had to fall back to the lowest level of control in this hierarchy of control from 5 down to 1.

Dr Hon Raymond HO Chung-tai:

But, if a human error could take place, resulting in such a major disaster of having the inventory disappearing entirely, surely that's not much of a backup. Would you agree?

Managing Director, HACTL:

Well, I think one, the problems, as I understand it, did not occur at the COSAC level, I think they occurred at a lower level, although I stand to be corrected on that. The problem was that when you're commissioning systems, obviously you have to manipulate data to some degree, and there was an engineering programme which the people that were commissioning and testing the system used to eliminate data, test data, add test data and so on, and that programme we discovered remained on the live system, which was a mistake, and, having captured or recaptured the inventory manually on the Monday night by simply going around with a clipboard and checking what every single container was in the seventeen hundred storage container position, they came to enter that. Somebody inadvertently triggered this erase programme, which was a testing tool, if you like, which hadn't been taken out, and that eliminated all our records. Now, we could have retried on the Tuesday night to re-establish the inventory, and I think we would have been successful, but, by that stage, because of these other interrelated problems that we were suffering, it became apparent that it was going to be impossible to recover physically from the situation, because we didn't know where anything was that was causing us difficulties, without falling back to

Kai Tak.

Dr Hon Raymond HO Chung-tai:

But, even if it's a manual system, surely it must be a reliable system. Wouldn't you agree?

Managing Director, HACTL:

Manual is not terribly reliable. It requires everybody to go around and make a physical note of where everything is, and then enter it into a computer, and human error occurs. But, as I say, I think had we, had we been able to recover the inventory, we could have, and we lost that inventory, we could have done it again the following night. But we began to realise that our problems were more serious than just losing the inventory.

Dr Hon Raymond HO Chung-tai:

I would like you to answer this question, Mr CHARTER. Would you say that the manual system has got the shortcomings, basic shortcomings, because human errors could happen so easily?

Managing Director, HACTL:

When I refer to a manual system, it's what we normally use, what our engineers use, on a maintenance mode, when they want to drive the machines individually, and it certainly has very serious shortcomings. But it was the only way that we could attempt to process what containers we were trying to get in and out at that time, because of the slow response of the whole system.

Dr Hon Raymond HO Chung-tai:

Did you know that you would have to rely on this manual system before 6th of July?

Managing Director, HACTL:

No, we didn't envisage that we would be relying on it.

Dr Hon Raymond HO Chung-tai:

For what?

Managing Director, HACTL:

For full operations, no.

Dr Hon Raymond HO Chung-tai:

You were expecting to use the proper system on 6th of July?

Managing Director, HACTL:

Yes.

Dr Hon Raymond HO Chung-tai:

Now, if you refer to the statement made by Mr K K YEUNG to the Commission of Inquiry, document number E4, paragraph 34. It says here on the 3rd and 4th of July 1998, during these two days, first time you had the live-loads and there were some faults recorded, but it was thought that this was not too serious. But, if you go down further, paragraph 36, "The level of recorded faults in the cargo handling machinery increased during the course of 5 July 1998, as did the load." So, did you envisage or did you consider this to be a very serious warning that the system was not working? It was deteriorating or degrading quite rapidly, or were you aware of this happening at all?

Managing Director, HACTL:

On the 5th of July, I was aware that there were system faults, but I don't think that anybody believed that they were of such a serious nature that we were going to end up with a crash.

Dr Hon Raymond HO Chung-tai:

So, you did not take too much notice of what's happening here?

Managing Director, HACTL:

On the 5th?

Dr Hon Raymond HO Chung-tai:

Or the serious situation?

Managing Director, HACTL:

It wasn't, our alarm bells weren't, weren't ringing at that stage, I don't think.

Dr Hon Raymond HO Chung-tai:

Now how serious was it actually, because it's not so clear here?

Managing Director, HACTL:

5th of July, I was out there on Sunday night. I was not really aware that it was a huge problem. I could see containers were being, coming from Kai Tak, were being fed into the system and some were being offloaded onto the truck driveway. So, I was aware there was beginning to be a backlog, but then again, I thought operations were concentrating largely on processing exports, receiving exports, etc.

Dr Hon Raymond HO Chung-tai:

I think that you left this entirely to Mr YEUNG. That's why you were not too familiar with the actual situation that day, on the 5th of July?

Managing Director, HACTL:

Well, by that stage, it would have, the whole system is in the hands of operations, and even K K YEUNG would not necessarily be wholly in the picture.

Dr Hon Raymond HO Chung-tai:

And this was part of the live-load test that you have been referring to. Is that right?

Managing Director, HACTL:

This was part of our live operations, because we were starting to receive export cargo.

Dr Hon Raymond HO Chung-tai:

Now, last question, Mr CHARTER. Did you ever make a proposed programme, or suggest a proposed programme for live-load test to the Airport

Authority before 6th of July?

Managing Director, HACTL:

A detailed programme? No.

Dr Hon Raymond HO Chung-tai:

Did you? Sorry, carry on.

Managing Director, HACTL:

Apart from the suggestion of the soft opening of the airport.

Dr Hon Raymond HO Chung-tai:

So, you never make the suggestion to the Airport Authority?

Managing Director, HACTL:

Without, without being able to achieve a soft opening, it was pretty well impossible to have a proper live-load test.

Dr Hon Raymond HO Chung-tai:

Sorry, I'm not too sure, too clear of the answer. Could you please answer this question again. I will repeat the question. Did you ever propose a live-load test programme to Airport Authority before the 6th of July?

Managing Director, HACTL:

I said, I think earlier, "no", and I tried to explain why.

Dr Hon Raymond HO Chung-tai:

And why did you not make a proposed programme to the Airport Authority?

Managing Director, HACTL:

Well, a live-load involved actually a proper operation of an airport. As far as I was concerned, and we'd been told that it was not possible to operate the freighters into the other airport, and therefore we discarded that as a possibility,

and therefore we were going to go operational based on test loads.

Dr Hon Raymond HO Chung-tai:

My very last point is that, because this is a new airport, that's why it is not possible?

Managing Director, HACTL:

I was told it was not possible to operate two airports in parallel.

Dr Hon Raymond HO Chung-tai:

Thank you.

Chairman:

Margaret?

Hon Margaret NG:

Thank you, Madam Chairman. Mr CHARTER, I am trying to understand the breakdown on that day. I am still very puzzled about the breakdown, and also very puzzled about your very genuine surprise at it. Looking at your chart, it seems that one of the most central thing was the failure of your CHS equipment and, feeding into it one of the very important thing, the balloon, is the dust and water contamination, as I see it. Now, you are aware of Mr YEUNG's Witness Statement to the Commission of Inquiry, and there he said that the system was clogged up with 8,524 fault messages, and that was part of it, and he said, and by the way, I think you have a report of all those fault messages. Do you think you could make that available to this Committee?

Managing Director, HACTL:

I'm sure we can.

Hon Margaret NG:

Thank you. Now, according to Mr YEUNG, an overwhelming number is from the source of dust and water contamination. Now, you told this Committee that you were aware of a dust problem, that dust is a problem for your kind of

machine, right?

Managing Director, HACTL:

Yes.

Hon Margaret NG:

Now, obviously the greater amount the dust, the more contaminated the environment, the greater the problem?

Managing Director, HACTL:

Yes.

Hon Margaret NG:

You were also aware that there was some concrete grinding activity going on because of the building works not being done properly?

Managing Director, HACTL:

Yes.

Hon Margaret NG:

And you were also aware of the other activities outside your Terminal, and you anticipated on the day that there would be lots of ramp handlers and so on, kicking up a lot of dust, as you explained to me earlier?

Managing Director, HACTL:

I was talking, I think I was talking about the sweepers.

Hon Margaret NG:

Yes, yes.

Managing Director, HACTL:

Inside the building.

Hon Margaret NG:

Inside your building?

Managing Director, HACTL:

Yes.

Hon Margaret NG:

Right. Now, none of these seem to me to be beyond contemplation. So, why was it that you were unable to factor that in?

Managing Director, HACTL:

We foresaw a certain level of dust. That's for sure, and we took steps to try and overcome that with our own cleaning force and so on. Because of the construction delays and so on, there was a lot of building debris around that needed to be cleared, mounds of it, in fact.

Hon Margaret NG:

I understand that, and you tried your best, but did you then assess, at that point, that even with what you were able to do then, there is going to be a very great problem. Did you assess the size of the problem at that point?

Managing Director, HACTL:

No, but I think there's a, also dust maybe has been overplayed to a degree. I mean it was a problem, but we were also suffering other mechanical problems as well.

Hon Margaret NG:

Well, according to your Mr YEUNG, it seems that an overwhelming number of the fault messages come from that source. Would that be correct?

Managing Director, HACTL:

I'm not entirely sure. There were mechanical problems too. Let me talk about the fault messages.

Hon Margaret NG:

Yes?

Managing Director, HACTL:

We're saying that there was a fault. We're not sure necessarily of the reason for the fault, but then that fault would be reported back to the computers and the computers would try and establish another routing for despatching a particular container, and there were an awful lot of fault error messages being generated. It didn't necessarily mean, as I understand it, that we had 8,500 faults in the system, mechanical faults, or dust faults.

Hon Margaret NG:

I understand. But, Madam Chairman, it seems quite - I mean, Mr YEUNG made a very graphic description of how you have lots of dust, and then you have water leakage, and water plus dust becomes mud, and mud - how should I put it? - acted on your sensors, so that they were going haywire. They were sending you all sorts of wrong information. Isn't that what happened?

Managing Director, HACTL:

I have to say that, you know, our analysis has been an ongoing analysis of the problem, and I think dust contributed, but maybe a lot, too much emphasis was put on it in the early stages. I don't think it was our only problem. It was a problem.

Hon Margaret NG:

Well, we'll come back to it. But, as far as the dust problem is concerned, well, wasn't it something that, since you already knew that it was an element, the second thing would be to quantify it, to have - maybe not quantify it, but to assess the size of that problem. So, when has the dust been there? The dust must have been there for some time?

Managing Director, HACTL:

Well, we started our cleaning efforts I think as far back as April.

Hon Margaret NG:

Yes.

Managing Director, HACTL:

Because we realised it was a problem, and we needed to try and control the problem.

Hon Margaret NG:

Yes. But, Madam Chairman, isn't it right that some time, let's say even a few days before the airport opening day, you would have been quite fully aware of the seriousness of the dust/water/mud problem?

Managing Director, HACTL:

I think the water/mud problem is related largely to the Box Storage System, and that problem was rectified largely by the contractor, when he found that sensors were not working, and maybe they had oxidised. He'd replaced them.

Hon Margaret NG:

All that. But, Madam Chairman, my point is that you shouldn't have discovered that problem, the problem with the sensors only upon the airport opening day. You should have been able to discover it at least a few days ahead. Isn't that right?

Managing Director, HACTL:

I think we would know that we had to clean the sensors, and were cleaning the sensors, as part of our commissioning process. What I'm trying to convey is that the major clean-up effort that occurred for airport operations created a lot of airborne dust, and maybe that didn't give us sufficient time to go back, because it was an ongoing cleaning process, even through the first days of operations in terms of cleaning the building, not necessarily just the material handling system, and maybe we didn't have sufficient resources, because we were relying largely on what we did at Kai Tak for commissioning in terms of numbers and so on.

Hon Margaret NG:

Madam Chairman. I have to understand you have to manage because there is the date, but did you at least have the knowledge that is going to be a huge problem? I think you did say that, if you knew it was going to crash, you would have told somebody. Now, shouldn't you have known about it, even if you were not able to do anything about it due to resources by that time?

Managing Director, HACTL:

I think we knew the importance of clean sensors. That was our experience at Kai Tak.

Hon Margaret NG:

Sorry, Madam Chairman, that is not my question. My question is shouldn't you have known before the airport opening day that this problem of dust and contamination acting on your sensors was going to be a huge problem on the airport opening day? Shouldn't you have known that?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

I'm thinking. I don't think we appreciated the magnitude of the problem. We were aware of the problem, but we did not appreciate the magnitude of the problem.

Hon Margaret NG:

Why weren't you able to appreciate the magnitude of the problem given your experience, given your awareness of the huge size of the new airport?

Managing Director, HACTL:

Well, there were a great deal, a great deal more, a larger number of sensors and maybe, because it is a curtain as opposed to a beam, as I tried to explain, maybe we didn't take that on board sufficiently.

Hon Margaret NG:

Madam Chairman. Another question that you have raised early on is live-cargo load, how important that is, and I think you also described very graphically why a test load is not the same thing as a live-load, and you had considered that very important to testing. Now, why were you still confident, instead of feeling very worried about the result on the airport opening day?

Managing Director, HACTL:

Well, we had done our tests, test loads. Live-load would have given us a greater level of comfort, I agree, and phasing in the operation through a soft opening would have given us a greater level of comfort, but it didn't mean that we felt that we were going to fail on Day One because we hadn't done it. What it would have given us is the opportunity to tune the system in relation to what actually happens now on a day-to-day basis. Would you like me to try and give you an example?

Hon Margaret NG:

Yes, please.

Managing Director, HACTL:

For example, inputs into the Box Storage System, which I think you've seen. When you're planning operations, you assume a certain pattern of activity, say, on the truck docks and on the work stations, and you have to set priorities as to which function is most important, whether it's export build-up, or the processing of import cargo into the system, or its retrieval out of the system for truck loading, etc., and you make some planning assumptions, but you can't really fine-tune it until you've actually got the live-load there.

Hon Margaret NG:

Yes, Madam Chairman, it's not fine-tuning. It's a huge problem. Now, I get the impression that live-load test is very important to you, because everywhere you emphasise it without this live-load test, you can't actually get an accurate picture of what's going to happen, because a live-cargo load is very different from a test load. Now, again, I ask you to separate two questions. One is whether you can do something about it. The other question, which is the one I'm asking

you is, your assessment, your awareness of the seriousness of the problem, your assessment of it. Why were you not able to have this assessment?

Chairman:

Mr CHARTER.

Managing Director, HACTL:

We believe that our testing, which involved putting large numbers of containers in a peak hour reflected, as far as we could, a simulation of what our live-load situation would be, and we believed, given the operating experience we had at Kai Tak, we didn't think the flight schedules would necessarily change too much in the early days. We were able, we had a lot of historical data on which to plan, and therefore we were reasonably confident of using test data, particularly when there was not an alternative as far as we could see.

Hon Margaret NG:

Madam Chairman, one final question. Mr CHARTER, in the course of my questions just now, you said that you might have overplayed the dust question, and now you say that the live-cargo load itself is, you know, only an advantage but not vital. You said that there are other fault messages, that is the fault comes from different direction. Could you give us some idea of what they were, apart from dust, apart from live-load and so on?

Managing Director, HACTL:

I think the fact that our sensors produce this curtain of light, which is different from Kai Tak, was certainly still experiencing about 25 per cent of our faults relate to contour checking that is done by the sensors. Not because the sensors are failing, or anything like that, but because in-bound palette loads, it seems to be extremely accurate and sensitive, much more so, more accurate probably than what we experienced at Kai Tak.

Hon Margaret NG:

Madam Chairman, I want to ask Mr CHARTER whether he had seen the

fault analysis report. Have you analysed these fault messages, so you know now the breakdown of where they come from?

Managing Director, HACTL:

The ones that are occurring today?

Hon Margaret NG:

No, no, no. The.....

Managing Director, HACTL:

I haven't actually analysed in detail the reports that occurred on the.....

Hon Margaret NG:

No. But are you able to say roughly what, what are the proportions, what are the things, the components of these faults?

Managing Director, HACTL:

For the, this period, July the 5th, 6th?

Hon Margaret NG:

For the, I mean the figure I just read out, 8,524. You said only a part of them have to do with the dust and water and so on.

Managing Director, HACTL:

I'm sure we could, we could get somebody. I am sure that analysis has been done, and I am sure that data could be provided, if you would like to have it.

Hon Margaret NG:

Thank you very much.

主席：

單仲偕議員。

Hon SIN Chung-kai:

Do you have a test plan for testing all the, you know, operations, including hardware, software?

Managing Director, HACTL:

We have a test plan, yes.

Hon SIN Chung-kai:

Do you have a log for this test plan?

Managing Director, HACTL:

Yes, I mean, on the Cargo Handling System there are test reports, yes.

Hon SIN Chung-kai:

OK. And can you provide to this Committee the log and the test plan?

Managing Director, HACTL:

We'll provide you with our - I don't know if it is a log, to be honest - but the test results certainly.

Hon SIN Chung-kai:

OK, test results.

Managing Director, HACTL:

What we provided to the Commission, I don't think we.

Hon SIN Chung-kai:

OK, I just want to follow the questions from Ms Margaret NG. You should probably, during the last couple of days before the opening, be testing the whole operations, and, during the last few days' testings, you could not discover any problems on the sensors or, you know, to what level you discovered the problems of the sensors?

Managing Director, HACTL:

Well, obviously in our test process, we were having some faults, as we do now, attributable to the sensors, but we were testing largely with containers which are rigid, and you don't have this problem of being out of contour. A polythene sheet, if it blows out of contour, can stop the machine, because the machine will register that polythene sheet is out of contour. Inbound loads, when they come off aircraft, they can sag in their nets, so they get out of shape, and obviously we do some of that sort of testing with built-up loads and palettes and polythene sheets, but you tend to build it up within contour, because you know that, if you don't have it in contour, it's not going to work.

Hon SIN Chung-kai:

As far as I understand, you know, during even normal operations you do have some faults, the sensors faults, and, on the first day of your operations the number of faults reached such a level which jeopardised your normal operations. Am I right to say this?

Managing Director, HACTL:

I think sensors and other mechanical faults.

Hon SIN Chung-kai:

Yes, OK. So, you should have a normal statistics, normal, normal range of faults, and, during your testings, during the testing period especially the last couple of days, can you compare the number of faults you discovered during your tests, and the normal operations, the number of faults you would expect in the normal operations?

Managing Director, HACTL:

I believe that during our tests, we reached a satisfactory level of system performance; that was the reports that I was getting, that we would be able to operate, given that we were achieving a certain level of faults. I mean, at the moment, it's about two hundred faults or so a day within the system, and I think that was the sort of target, target level, but I hate to say this, because I don't wish to bring all my other people here, but I think some of these questions of a technical nature, maybe need to be addressed to others, rather than myself.

Hon SIN Chung-kai:

For normal day operations, how many tons of cargoes do you handle?

Managing Director, HACTL:

We, we expected we would need to handle round about three thousand seven hundred and fifty to four thousand tons in one operation.

Hon SIN Chung-kai:

You said that you created, you created a simulation test, and, you know, how much, how many tons of cargoes do you use during the simulation test?

Managing Director, HACTL:

Well, I think, when we came to a simulation test, we were talking about getting a certain number of containers in a peak two-hour period through the system, and I think that was about one hundred and ninety containers during that two-hour period.

Hon SIN Chung-kai:

So, what is the percentage of, you know, comparing with the normal operations?

Managing Director, HACTL:

Well, I would say, at the moment, including all the empty containers, we, in a peak day, but then our tonnage level now is higher than it was a month ago, not for the problems of operational difficulty, but because of the peak season, generally at the moment we might be handling about two thousand export units and maybe fifteen hundred import units a day, but, so that's three thousand five hundred. We would have been expecting to handle about three thousand units a day, twenty-four hour period, at operation. I think that's a fair assessment.

Hon SIN Chung-kai:

Last question. Can I conclude to say, am I right to conclude to say, that even in the last few days of testings you could not find, you cannot find alarming problems?

Managing Director, HACTL:

No. The reports seem to indicate that the operating level was satisfactory, and that we would be able to go operational on the 6th of July.

Chairman:

Mr CHARTER, just to conclude, I'd like to ask one question. You kept saying that nobody has ever said to you "Do you need more time?". Everybody says "You've got to get it ready in time", but nobody's expressed this rather sort of, I suppose it can be viewed as a rather sympathetic approach of asking that question "Do you need more time?". But if we look at the, quite a few, you know, correspondence or papers that we have available to us, and, you know, one of which, of course, is the exchange of letters between yourself and NAPCO, the Director of NAPCO, Mr Keith KWOK, in May, between the 21st and the 25th, during which time Mr KWOK has expressed to you his concern that you may be quite a bit behind schedule, and your reply to him seems to indicate that you are confident, you are confident, and then, of course, the next bit is when Mr Donald TSANG came to visit, and you have already described that he was a bit upset. I suppose that is the best way to describe it. So, he wasn't as confident, although you did say it was close-run, but what you put to him was, OK, I mean, "we are on our best endeavours" that should be explained to him. But you still did not actually use that opportunity to say anything to the contrary, and then we look at the NAPCO SITREPS to ADSCOM during the whole month of June, and in those reports every single time, although they did report that the OP dates were slipping, they rather faithfully reported the sixty to sixty-five per cent of operating capacity that you seemed to be able to reach. So, it is not quite correct to say that these other parties, whether it was AA or whether it was NAPCO, or even the Government, as represented by Mr Donald TSANG, were not worried. In fact, you were the one who were assuring them that you would be all right, and they were the one who were awfully worried. Would you not say?

Managing Director, HACTL:

I think that's probably right.

Chairman:

Yes. So, I'm trying to see how you reconcile that with your, with your other assertion that nobody was being understanding and asking you "Do you need

more time", because you have actually been insisting that you are all right. Would you agree to that?

Managing Director, HACTL:

Yes. We believed that we would be all right, but I also believed there was no hope of getting the date changed. That may have been a wrong assumption on my part. Obviously, if we had been able to get the contractual date of the 18th of August, I would have been very happy indeed, but we had said to Government back in, through the AA, that, you know, June the 30th date would give us a lot of comfort.

Chairman:

In fact, going back to an earlier answer that you gave to one of our colleagues, in fact, it was the June date, the end of June date was actually the date that you put forward in some circles to be the date that you would probably be able to achieve the seventy-five per cent capacity. Is it not?

Managing Director, HACTL:

That's probably right as the original suggestion, yes.

Chairman:

Why did you not put forward the August date, instead of the June, end June date?

Managing Director, HACTL:

Well, we were trying to, we were aware obviously that the impact on the Airport Authority is considerable every month you delay. So, as part of our 'best endeavours' programme, we would do it in what we felt was a period we could achieve it.

Chairman:

Because, you know, actually, when Ms Emily LAU earlier pointed us to the slippage, you said it was '96 when you had this thirty-something weeks' slippage

but, in fact, in your statement it was actually in December '97 that you yourself said that there was a three to four months' slippage, even in December '97.

Managing Director, HACTL:

On the original programme? Yes.

Chairman:

On the original programme. So, in other words, you wouldn't have made it in April, because that was December, and you had a four months' slippage?

Managing Director, HACTL:

Well, we would have had to take other action, like maybe Temporary Occupation Permit, sealing off part of the building, getting an Occupation Permit for one half of the building. I don't think it was an unachievable date at that stage. We were still trying to get 50 per cent by April.

Chairman:

Yes. Well, it was very evident that you were very unhappy with the April date, and you were trying to get that changed. What I am trying to ask to establish here is why you did not put forward the August 18th date? Why did you put forward the end June date?

Managing Director, HACTL:

Because we believed we could get 75 per cent operational by the end of June.

Chairman:

That was even before you signed the Supplemental Agreement?

Managing Director, HACTL:

Yes.

Chairman:

And that was against the repeated track record of your main building contractor not being able to meet all those milestone dates?

Managing Director, HACTL:

But you have to rely on contracts, and they were prepared. We'd worked with them, method statement and so on, to work towards what we believed was an achievable programme.

Chairman:

But wouldn't you say that that was the pattern before, and they had always repeatedly failed to achieve dates?

Managing Director, HACTL:

Yes, but the project had got to a different stage by then. I mean, in the early stages, the serious problem was the concrete structure. Now, it was a question of fit-out, and fit-out, as far as we were concerned, was a much simpler operation.

Chairman:

But even during those months, we were given to understand that there was lack of activity on site. There was not enough labour.

Managing Director, HACTL:

After we signed the Supplemental Agreement?

Chairman:

No. You only signed the Supplemental Agreement in May. I'm talking about the period leading up to the date that they are supposed to finish. They are supposed to come up with OP, you know, condition ready for OP. During that period, the crucial period between January and May, in fact, you also, there was also quite a few places where it was mentioned that the contractor was not actually up to par on labour, on activities on site and so on. Would you not agree?

Managing Director, HACTL:

I think that's probably true. I think we always remained concerned about their manpower resources. GPY gave us assurances that it was not a problem, but we always remained concerned. We believed that the Supplemental

Agreement, which had incentive payments in there for them to achieve milestone dates, would provide the incentive necessary.

Chairman:

Yes. Well, my question still remains that, if the contractual date of 18th of August was so important to you, why did you not try and push the date to the contractual date, rather than to end June, when at that time you are not even confident that you could actually do it, because there was no Supplemental Agreement at that stage? Your main contractor was still showing, you know, every sign of not performing up to standard. I mean, why did you determine? What I'm, what I'm putting to you, Mr CHARTER, is wouldn't you say this whole business of not being ready is really of your own doing of determining on an end June date?

Managing Director, HACTL:

We obviously were trying to reduce the impact as far as possible on delays to opening the airport, because we realised we were critical to airport opening, and we didn't wish to put forward a date that would extend the period perhaps unnecessarily.

Chairman:

I'm sorry. You mean to say that the end June date was not a date that you pushed for, but somebody gave you that date?

Managing Director, HACTL:

No, no. I'm saying what you're saying, "why didn't you go for August the 18th,"?

Chairman:

Yes, right.

Managing Director, HACTL:

Obviously we were trying to reduce the delay, because we appreciated the

impact it would have on the AA. So, if they were happy with the June date, because that was when the MTRC was going to be operational, and so on, and it all fitted together, then "yes", we make our best endeavours to be ready then.

Chairman:

Can I point out to you that, in fact, you heard about the June date before the AA did, that, in fact, you know, in your statement to us, you said that you received news, you expected to receive news in a week or so that the airport opening would be delayed til the end of June. That was the December situation, but really the AA didn't even learn about it, or Board Members of the AA didn't learn about it until January?

Managing Director, HACTL:

But that was my discussion with Hank TOWNSEND and Raymond LAI, that was surmising, I think.

Chairman:

Are you saying that, in fact, that your impression was that Dr TOWNSEND knew?

Managing Director, HACTL:

No. I think we were all, there were so many rumours going around at that stage, I don't believe that Dr TOWNSEND knew officially what the date was, but we were discussing April and end of June as quite likely possibilities. I mean, it was moving more towards the end of June at that stage.

Chairman:

So, it was more or less a sort of you were moving towards a sort of consensus with AA that probably the end of June would fit everybody, would suit everybody?

Managing Director, HACTL:

I think, I think that was right.

Chairman:

立法會調查赤鱘角新香港國際機場自1998年7月6日
開始運作時所出現的問題的原委及有關事宜
專責委員會

Legislative Council Select Committee to inquire into the circumstances
leading to the problems surrounding the commencement of the operation of
the new Hong Kong International Airport at Chek Lap Kok
since 6 July 1998 and related issues

OK. Any other questions? If not, then today's hearing will end here. Mr CHARTER, please note that if the Committee considers it necessary to order you to give further evidence, you must attend further hearings. You may now withdraw. Thank you.

Managing Director, HACTL:

Could I please, could I please leave dates with the Select Committee as to when I will be away from Hong Kong, if that's permitted?

Chairman:

Yes, of course, and I hope that we will get the documents which we mentioned during the hearing from you shortly.

Managing Director, HACTL:

Yes. Thank you.

主席：

請委員往會議室C。

【研訊於下午6時45分結束】