立法會

調查赤鱲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20次公開研訊的逐字紀錄本

日期： 1998年11月23日(星期一)
時間： 下午2時30分
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)
何承天議員
李永達議員
吳靄儀議員
陸恭蕙議員
陳鑑林議員
單仲偕議員
劉江華議員
劉慧卿議員
蔡素玉議員

缺席委員

馬逢國議員
張永森議員

證人

香港機場管理局
行政總監
董誠亨博士

陪同證人出席研訊的其他人士

香港機場管理局
法律總監
郭展禮先生

主席：

多謝各位出席今天舉行的專責委員會第20次研訊。

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

我想藉此機會再次提醒公眾人士及傳媒，若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。

在未傳召證人香港機場管理局行政總監董誠亨博士之前，我想徵詢委員的意見，董誠亨博士要求帶同以下人士出席研訊：香港機場管理局法律總監郭展禮先生。如委員沒有異議，我建議容許郭先生在研訊進行期間陪同董誠亨博士，但他不可以在席上發言或提示證人如何回答委員的問題。

如委員對研訊程序沒有其他意見，我宣布研訊開始，並傳召證人香港機場管理局行政總監董誠亨博士。

(董誠亨博士進入會議廳，
並由郭展禮先生陪同)

Chairman:

Dr TOWNSEND, thank you for attending today's hearing. You are summonsed before this Select Committee today to give evidence and to produce papers, books, records and documents related to the Select Committee's scope of inquiry.

First of all, the committee has decided that all witnesses must give evidence on oath. As Chairman of the Select Committee I will administer the oath. You may either take the oath with your hand on the bible, or take an affirmation. Please follow the terms of the oath or affirmation put in front of you.

Dr Henry TOWNSEND, Chief Executive Officer, Airport Authority Hong Kong (Chief Executive Officer, AA):

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

Chairman:

Thank you, Dr TOWNSEND. The Select Committee has agreed that you may be accompanied by Mr Josiah KWOK during the hearing to render you legal advice when necessary, but he will not be allowed to address the hearing or to prompt you in any way in your replies to Members.

The Select Committee will now deal with the papers, records and documents that the witness has been ordered to produce by the summons dated 6 November 1998.

First, regarding Part 1 of the Schedule to the summons dated 6 November 1998, the Select Committee notes that the witness has already provided the papers, records and documents listed therein.

Secondly, regarding Part 2 of the Schedule to the summons dated 6 November 1998, the Select Committee notes that the witness has already provided the following papers, records and documents on 17 September and 21 November 1998 respectively:

(a) Papers, records and documents listed in the following Schedules to the letter dated 17 September 1998 from Dr Henry TOWNSEND to Clerk to Select Committee:

- Minutes of AOR Steering Committee meetings attached in the Revised Schedule 2 to the letter;

- The Airport Works Schedule of Critical Activities Weekly Status Reports listed in Schedule 3 to the letter;

- Papers, records and documents listed in Schedules 5 to 11 to the letter;

- Documents related to the Baggage Handling System (excluding confidential files) listed in Schedule 12 to the letter; and

(b) Minutes of the meetings provided on 21 November 1998:

- Minutes of the Executive Committee meetings from 9 April 1997

to 22 July 1998.

The Select Committee notes that some of the papers, records and documents listed in Schedule 11 to the letter dated 17 September 1998 from Dr Henry TOWNSEND have been obliterated by the Airport Authority for the reasons of intellectual property rights. The Select Committee also notes some of the minutes of the Executive Committee meetings have been obliterated for the reasons of confidentiality and irrelevance. The Select Committee has decided to leave the matter aside for the time being. We will address the issue in future when the need arises.

Thirdly, regarding Part 3 of the Schedule to the summons dated 6 November 1998, the Select Committee notes that the witness has already provided the document listed therein.

Dr TOWNSEND, are you now formally producing to the Select Committee all the documents mentioned above as evidence pursuant to the summons?

Chief Executive Officer, AA:

Yes.

Chairman:

Thank you. I now declare that all the documents mentioned above are admitted as evidence produced to the Select Committee. Dr TOWNSEND, I now ask the first question on behalf of the Committee. You told the Commission of Inquiry that a lot of the problems on AOD including FIDS, HACTL, public phones, signages, slippery floors and toilets were foreseen, yet when you came to brief LegCo on various occasions in July you said that the problems that arose were unanticipated and unforeseen. Can you tell us which were the problems that were unanticipated and unforeseen, and why could they not have been prevented?

Chief Executive Officer, AA:

Yes, if I could through the Chair please. I think there is a differentiation between problems that were recognised that we felt could be brought to a reasonable level of service by airport opening, some of those that you have mentioned such as the floor situation and others which we were working on at that time. A different situation though is, when the airport opens, what we call

the airport opening day, there is a tremendous change that takes place in the working environment of the airport. We are going from earlier experiences where we were running training and trials, gaining experience with the various partners we have for the airport as compared to the actual opening of the airport and the real time with various activities all undertaken at the same time. So there is quite a transition that takes place, not only with the people involved in the operation of the airport, but also for the systems, the first time seeing the actual loads under a more stressful situation.

Chairman:

So are you actually telling this Committee that they were foreseen or they were unforeseen? I think it is very, very important that you tell this Committee whether the problems which arose, in fact, they were specifically mentioned one by one in the hearing of the Commission of Inquiry. In fact, they included a lot of the problems that I just mentioned, FIDS, HACTL, all the major problems that arose, as well as the minor ones. So, were they foreseen, or were they unforeseen?

Chief Executive Officer, AA:

I will first handle those that are more related to the Authority's activities. Many of the problems that we were discussing in the very early week or 2 here at LegCo and presented papers on, many of those problems had been treated and there were contingency plans and measures under way to correct those before opening, or immediately after opening. What was not anticipated was those accumulating to a very great extent because of various things that were occurring in the operation of the airport. It is kind of a steamroller effect, and they built up to such a level that it created problems for us for the first day of operation.

So there was an accumulation of these problems to the point where several of them became difficult to manage, such as the dissemination of flight information and other matters became difficult for us in the first few days of operation. Interestingly, those problems of course were quickly brought under control and the airport returned to a more normal operation.

In the case of HACTL, which is a separate case, in their testimony given and discussion, they indicated that they too were caught by surprise with the number of problems that occurred, and many of them were unanticipated. I believe that we were of the same opinion based on the reports and meetings that

we had with HACTL.

Chairman:

Let us now concentrate on the responsibilities which are directly under the AA's control first. We will deal with HACTL a bit later. You mentioned 2 things, one is actually the snowballing effect, and the fact that you are operating under real time, and real time on AOD. But in your answers to the Commission of Inquiry you also seem to have put it to them that there is no risk assessment overall with all the so-called foreseen, those factors which could actually be foreseen, put together as a package.

Chief Executive Officer, AA:

What we were indicating to the Commission was the fact that the various operations of the airport, each had their own plans, or contingency plans, or backup facilities and people that would be involved in the event something were to go wrong. What was not accomplished, and what we were trying to say at that time as to the totality of all of those plans and backup programme, there was no global evaluation of what might happen under that situation.

Chairman:

Miss Margaret NG.

Hon Margaret NG:

Dr TOWNSEND, is it not right that that is precisely what accounted for the snowballing effect? In fact, throughout the period of preparation you have met with increasing demands that you should quantify the requirement should you go on your contingency plans, and you did not seem to have done it up to the very end, is that the case?

Chief Executive Officer, AA:

In fact, we had been working on contingency plans from the beginning of 1998. Of course, these were also part of the various training programmes and trials that were involved. As an example of what we had not anticipated, were difficulties with the Flight Information Display System, and what we called the TMS system, where we had problems with the Oracle data base programme and also interaction between the TMS and FIDS programme. These things can really only be discovered when the airport is in fuller operation. A stress test

and other things that had been referred to are also plan trials and may not necessarily pick up these type of problems.

Hon Margaret NG:

Madam Chairman, is it not right that concentrating on FIDS, this FIDS going slow and not being reliable, is that not one of the problems anticipated because it has been identified in many trials before AOD? Would you classify that as a foreseeable problem, a foreseen problem, or an unforeseen one?

Chief Executive Officer, AA:

I would say that that was a foreseeable problem. In fact, before airport opening day steps were taken to improve the speed of the FIDS system. It did perform satisfactorily during June and there were the so-called workarounds in the event that problems were to come up, which was a form of operating the system effectively. We were able to handle the information and the various dissemination of it quite satisfactorily prior to airport opening day.

Hon Margaret NG:

Dr TOWNSEND, is it not true that up to June FIDS did not operate satisfactorily? Secondly, the workarounds were never quantified?

Chief Executive Officer, AA:

Yes. I think we had a number of trials with the FIDS programme. I am sure that others have explained to you somewhat what the programmes were, including the trials, what we call the Site Acceptance Testing and the retesting of the systems, and they improved as the problem reports were being worked off. Towards the end, in early June when we had the meetings with the major supplier of the system, and our staff, we looked at the remaining items that were required yet for problem reports that needed correction, and it was during those meetings that each individual item was gone through. You may recall it as the item of 38 items that were gone through, and those were identified and tried out to see if they could workaround.

Of course, most of them were already known workarounds before the list was agreed upon. I think what perhaps made it more difficult was that when we started to operate on the real day, the airport opening day, what happened was that the response of the system slowed down for some of the reasons that I was

mentioning. One, the Oracle problem, the other the interface between FIDS and TMS, to the point where we could not keep up with the changes that were occurring in real time.

Hon Margaret NG:

One last question, Madam Chairman. Although, Dr TOWNSEND, it may have been improving all the time, but is it not right that up to AOD FIDS had never worked satisfactorily as you said?

Chief Executive Officer, AA:

I think when you say did it work satisfactorily, the thing is that it was working sufficiently to do the job that was required in our opinion to open the airport. There were some problems that had existed, most of which had been resolved prior to airport opening day. What happened is, that the stress of the system in the real time environment brought out additional problems that we had only begun to recognise during the opening day scenarios. I think, yes, we have had problems with TV monitors and LCD screens, which is a separate matter to some extent and not quite that important, but where we were running on data from Kai Tak for a number of days, and during the June testing of the programme it ran to a fairly high level.

What was happening, and I believe some of our colleagues perhaps explained to you, where we were having some difficulties was the fact that to maintain the programme we would have to refresh or reboot, either term is probably appropriate, to remove historical data out so there would be enough capacity. In fact, the major supplier did increase the capacity of part of the system at that time, but as it turned out on airport opening day and a few days after that, that was not really sufficient to solve the problem and we had to continue to workaround.

Chairman:

Miss Christine LOH.

Hon Christine LOH:

I would like to ask about risk assessment because this is something that we know a cumulative one was not carried out in the end. Can you tell us what is a

risk assessment?

Chief Executive Officer, AA:

I think, first of all, there are several ways that it can be approached, and we used different ways depending on the specific problem that was to be considered. For example, in the matter of safety and security, we went through rather extensive studies of what the possible occurrences may be and plans were in place to handle all of that. The other part of it of course is, let us talk about FIDS if we may again get back to that, that in that particular case we looked at all of the possibilities based on what was worldwide airport experience. In other words, what are you doing with this information? How are you collecting the information? How is it being presented for public display, for display of the business partners that we have for various types? They all have different formats, to see if we had ways of providing that information in the event of a system malfunction or failure. All of that was looked at rather carefully.

To go beyond that you would say, what other considerations would you really take into consideration? One, of course, would be what if the volume of the activity is much higher than you had anticipated? We thought we had covered that by having more than adequate capacity for phase 1A. Also, we had just checked out most of the system and it had proved to work reasonably well. However, because of what I call the system problems, the Oracle problem and the FIDS/TMS problem, we did not really anticipate those. But we did have people there to work on them immediately. We had our staff and the supplier's staff there, we had some of our other suppliers who were specialists in those systems there to help us. It did not take us very long to solve the problem once it had come up.

Hon Christine LOH:

I am just trying to find out, in terms of a risk assessment, presumably that will help you to identify what might be the problem areas?

Chief Executive Officer, AA:

Yes.

Hon Christine LOH:

Once you know what they are, you could have contingency plans, or you could provide the information to other people and they can help the situation; would that be right?

Chief Executive Officer, AA:

Yes.

Hon Christine LOH:

In this particular case, are you saying that because there was lots of other information or there were lots of other people doing various things, an overall risk assessment was viewed as not necessary by yourself as Chief Executive Officer?

Chief Executive Officer, AA:

We would look at certain things in combination. In other words, when we talk about the global risk assessment, which is rather difficult to define because you have an unlimited number of combinations that may never occur, and this is why you have to look at operating experience in comparable airports as to what has happened in them and what are the possibilities of these things happening. Of course, we did do that, we looked at how the FIDS system operated with what I call the CUTE system, which you have heard of, for the airline check-in counters and other uses. We checked with the baggage handling system. We had the ramp handler organisations that were also involved in it, so there were many users of information from the FIDS programme. We felt that we were in a position where we could meet their requirements.

What we did not anticipate was this real time, real life situation that we ran into where things were changing so rapidly in the operation of the airport on that first operating day, that it would slow down on us so that we could not reliably send out forecast times.

Chairman:

Dr TOWNSEND, I do not know whether the facts actually bear what you are saying out in real fact, because if you look at the FIDS log details, even at 0600 hours, before the real time operation had actually started, AIDB/AODB interface were down, AIDB fall back unstable, FIDS AOCC unable to receive

ETA, ATA, ATD and other flight movement updates. So it is not as if, you know, after a while, after you have had real time operation that you started having problems. You started having problems at the word "go". So in fact what you said about the systems being operational and workable and functioning was not quite the fact, was it?

Chief Executive Officer, AA:

We are now moving into other parts of the systems which also perform other functions. The AIDB of course is related to the Civil Aviation Department, and for its own purposes it is an informational programme and storage programme for datum. Ours is the AODB which is, as you indicated, used for our purposes for disseminating information and storing data.

In the case of the information relationship between CAD and the Airport Authority on times of arrival, which I believe you are referring to, which did give problems at the opening of the airport, there was a problem between the AIDB and the AODB where inaccurate information was coming in. There are various reasons for that which have been investigated.

Chairman:

I do not think we really need to go into too much detail, but the point I am trying to make is, right from the word "go" FIDS was already functioning unstably, it is not as if it started off doing what it should do. In fact, if we look at the FIDS log starting at 0600 hours, already FIDS was not performing as it should have been performing.

Chief Executive Officer, AA:

That is correct, it was beginning to fall behind early in the morning.

Hon Christine LOH:

If I could go backwards a little bit. I am trying to find out, Chairman, about the risk assessment, why it was not done and who decided it was not necessary. I think later on we can come back on to this point.

Chairman:

Right.

Hon Christine LOH:

It still is not clear to me why it was not done. My understanding of a risk assessment is, once you have done it, it is useful information to guide further decision making, and it also will tell, I presume, the ultimate bosses, the Hong Kong Government, the AA Board as to certain risk, the consequences if something did or did not happen. It is still not clear to me why an overall risk assessment was not done. I understand from Dr TOWNSEND that, OK, you cannot do a thousand and one things and go through all the permutations. Surely it depends on the experience of the person who decides how wide this risk assessment ought to be. Would it be right, Dr TOWNSEND, that this person who ultimately decides whether there should be one and how wide it should be would be yourself?

Chief Executive Officer, AA:

I was involved in many of these areas of risk assessment and backup and contingency plans, but it also requires the people who have the direct knowledge of how these functions perform. Of course, they are relied upon to go through these particular assessments. As I indicated, in many cases they were also covered by training and other programmes so people would know how to react to them.

Hon Christine LOH:

Am I right in saying that the witness may be telling us that they did not go through with a risk assessment in this particular case because there was no time, or it was seen as not necessary because people already had responsibilities?

Chief Executive Officer, AA:

No. Through the whole process starting in the latter part of 1997 when our Airport Management Division was in place and was ready to start taking over the facilities, they had already begun to look at the various plans that were required. Also, the suppliers who had experience with airports and with similar systems, although not of the same magnitude as the one for CLK, they had also pointed out certain things that were being required. All of the points that were being raised: What if this happens, what is the backup for that? Do we have a redundant

system? We did have redundancy in the FIDS programme, for example. These matters were considered and actions were taken. I think that, again, when we look at the points I raised earlier about the Oracle ...

Chairman:

Dr TOWNSEND, I think Miss Christine LOH's question really is, did you believe that an overall risk assessment was necessary? Did you forego that because of lack of time, or did you feel that it was not necessary? If it was necessary, would you be the person who should be responsible for conducting it? Could you answer that?

Chief Executive Officer, AA:

I will try to answer that more directly. The answer is, I felt that we did a reasonable programme of looking at the various contingency programmes that were needed. We did this by setting it up into functional areas of performance, and we felt that we had that adequately covered. What we did not do was to necessarily look at unrelated functions to try to attempt a greater overall risk assessment. Obviously, all of us in the Airport Authority were involved in that to some extent, and I certainly was involved in it.

Chairman:

Could you be more specific and direct Members to what you said are more assessments on a functional basis? Where can we find this? Which mechanisms are actually responsible for, I would imagine, the sectional assessment? Which mechanisms, and who? Can you direct us to the documents?

Chief Executive Officer, AA:

Perhaps I could. I would have to do some searching. A good example for a functional system would be the dissemination of flight information, for example, or the operation of the automated people mover. All of those were looked at within their particular functional areas. We felt they were appropriately covered. I believe that that is documented in various documents.

Chairman:

Perhaps you could point us to the documents afterwards, no need to do it

now.

李永達議員：

主席，我想請董誠亨先生參閱關於航班資料顯示系統的文件，亦即是我們的文件第V冊，B71-7號。

主席：

B甚麼？

李永達議員、主席：

文件B71-7。

Chief Executive Officer, AA:

This is the letter to EDS.

李永達議員：

主席，這是項目工程總監柯家威先生寫給航班資料顯示系統承辦商"EDS"的一封信。我想請董誠亨先生參閱這封信第2段最後一句，那裏提及一個時限，是柯家威先生希望"EDS"能在限期內將系統中的問題報告處理好。他說"This means that your system will need to be completed with all PR (Problem Report) fixed by the end of April to allow the minimum training period for all involved"，這封信的副本亦已送交董誠亨先生，請問董誠亨先生曾否看過？

Chief Executive Officer, AA:

I read it before.

李永達議員：

接着在6月11日至18日之間，你的下屬包括吳其成先生及"Vivian CHEUNG"亦曾提出38個項目，指出系統的問題，你在3月時已瞭解項目工程總監的要求，這些問題報告全部須在4月底完成。但直至6月18日你亦同意還有38項關於航班資料顯示系統方面的主要問題仍未解決，你為何在這階段仍不理會項目工程總監向承建商提出的要求，還容許有工作

未完成這種情況發生？

Chief Executive Officer, AA:

Yes. I think there are several reasons for this: One is in the nature of how the problem reports are identified. During the entire period of time that we are dealing with in 1998 the EDS system was under various forms of testing. As a result, anything that was discovered during the testing programme, if it was unexplained, or if the problem was actually known and could be identified, a problem report was developed. As the project was to go on on a day-by-day basis, at regular intervals EDS would send to us a new build which would incorporate corrections to many of the previously identified problem reports. So the problem reports would go up and down a little bit.

As we got towards the opening of the airport, at the period in mid-June that you were mentioning, these were now down to the level where they could be specifically addressed as to what impact it would have on opening.

Chairman:

Dr TOWNSEND, I think Mr LEE's question relates to that letter where Mr OAKERVEE says quite specifically to EDS that all PRs need to have been fixed before the end of April. I think his question is, why is it that by June you still have 38 problems, and some of them very severe, like slow response time, so on and so forth, that are still outstanding which have not been rectified, and how come that would give you confidence for AOD?

Chief Executive Officer, AA:

What I was attempting to explain was that many of the problems that were known in March could have been resolved through the issuance of a new version of a build. Those that appeared closer to airport opening day could be one that could have extended for a period of time, or were new ones that had been discovered more close to the period of June 18. So definitely we would want EDS to make their very best efforts to clear up all the problem reports before airport opening day. However, they did not achieve that.

李永達議員：

主席，我覺得柯家威先生的信件所列出的時限，已經是可接受程度

已的最低極限。因為其他文件曾引述，機場管理局的高層就這系統本身訂定了多個里程 "milestone"，請參閱第VIII冊B197號文件的清單。我不在此逐一引述，請各位參閱第VIII冊B197號文件的"Executive Summary Programmeme -Milestone and Key Dates"。根據這裏所列出的時間表，差不多全部項目都延遲得非常厲害，在"FIDS software ready for airport operation"方面，是延遲了14個星期。在機場開始動工時，時間非常緊迫，所以我完全同意柯家威先生在信內所說，4月底是完成處理所有問題報告"problem reports"的最後期限，而並非董誠亨先生所表示4月底之後還可以繼續進行改善。因為逾期處理問題可帶來其他問題，包括本專責委員會的委員曾提問有關訓練是否足夠，以及是否還有足夠時間觀察那些經過修理後再進行測試的項目。所以，我想向董誠亨先生多查詢一個問題：你剛才向我的同事解釋，每個系統都有一個"contingency"，即應急方案，而我的同事的提問是，既然在機場啟用前1個月，你已知道以下情況：第一，主要系統其實未完成，包括航班資料顯示系統及有關事宜；第二，訓練時間大幅度壓縮；第三，你提及的"workarounds"，即如何處理應急情況，其實當中很多情況是你未曾經歷過的。在這多項因素加起來之後，你為何不能預見這些問題會互相影響，因而形成雪球效應呢？這種效應並非是一個單獨的系統效應，而是系統之間組合成的積聚效應。你為何以前完全沒有這種想法？

Chief Executive Officer, AA:

Yes, through the Chair, I think that the situation is that when you look at the reason for clearing out the problem reports as expeditiously as possible, it is to help facilitate the final training or the final trial experience of the operators. What it would do is: 1. It would minimise the number of workarounds that would be required; 2. It would give you a more complete system to actually start the airport into operation. The fact was that at that time, when we looked at the outstanding problem reports, it was felt by our staff that they would be able to implement those in a normal way. The difficult part of it is that things did not happen in a completely normal way, that there were things that occurred during airport opening day that were far greater than within the level and capacity of the system that was in operation.

李永達議員：

既然董誠亨先生承認這些問題在機場啟用前幾週已經存在，但剛才你向專責委員會表示，你的下屬覺得問題經過處理"fix"後，系統便可在正常情況下運作。你會否覺得自己過分樂觀？我認為這些問題需要以

謹慎及保守的方法處理。現在大家都看過報告，請問董誠亨先生你是否對問題過分樂觀？

Chief Executive Officer, AA:

I believe that we were realistic from the viewpoint that we felt that the systems and other information and plans were adequate to open the new airport, and that we would have to deal with a real life situation to solve whatever may come up at that time. I think perhaps from the vantage of 20/20 hindsight again, what I call the perfect crystal ball, we could have spent some more time trying to get some of these items corrected. However, there is no guarantee that the other problems would not have occurred.

Chairman:

I think this Committee, Dr TOWNSEND, is interested in finding out what you did before AOD to ensure that certain things become anticipated and problems could have been prevented. So, we are actually looking at your state of mind before AOD, and what you decided to do before AOD. I think the questions all related to events which were pre-AOD. So we are not talking about hindsight here. Perhaps if I may draw Members' attention to Paragraph 46 of Dr TOWNSEND's statement. I think that Members would not really like to get too involved with one specific area of say, for example, FIDS, except by way of illustration. If you look at Paragraph 46, the last sentence reads:

> "A detailed list of all the services which were absolutely essential to the operation of the airport on AOD was prepared and continuous regard paid to it."

2 questions here, one is, where is that detailed list? Secondly, whether that detailed list was actually looked at immediately prior to AOD to ensure that you were in a fit enough state to go into AOD.

Chief Executive Officer, AA:

We are trying to locate the paper that you are referring to.

Chairman:

Your statement.

Chief Executive Officer, AA:

Could you tell us which document it is in please?

Chairman:

This is Paper no. B70, Paragraph 46. Do you have it?

Chief Executive Officer, AA:

Yes. Thank you.

Chairman:

The last sentence:

"A detailed list of all the services which were absolutely essential to the operation of the airport on AOD was prepared and continuous regard paid to it."

That list, does it exist anywhere?

Chief Executive Officer, AA:

Yes.

Chairman:

It does exist?

Chief Executive Officer, AA:

Yes.

Chairman:

Perhaps you could let this Committee have that list. Secondly, if you could tell us whether that list was actually used as a checklist immediately prior to AOD

for you, whether it is done separately with each individual, or whether it is done together, for you to come up with an assessment of whether you are ready for AOD. You did that check?

Chief Executive Officer, AA:

Yes, we monitored that regularly.

Chairman:

Through where? Through which mechanism and with whom?

Chief Executive Officer, AA:

This would be done through the airport operational readiness programme, or our various meetings with the team members and others, including NAPCO I might add.

Chairman:

In your statement you refer to 2 high level groups, one was the Executive Committee and the other one was the Chairman's group.

Chief Executive Officer, AA:

Yes.

Chairman:

Would you define those as bodies where the list was looked at?

Chief Executive Officer, AA:

Yes. Let me look again at the beginning of this paper. The Executive Committee of course is the committee that I chaired, which is a meeting of the directors of the Authority that were directly involved. I believe that has been discussed before. These were meetings normally held once a week for a period of about less than 2 hours to review key issues.

The weekly meetings which were referred to, there were several of those.

One of course was one that included the Chairman and Vice Chairman and several of the other directors where we went through detailed lists of the services. Not only that, it was in a matrix form which made it easy to go through and see exactly which facilities, what their status was, what had been turned over or ready. Similarly, we also had a description of FIDS and the other systems and their status.

Chairman:

What about the AOR group which was chaired by Billy LAM?

Chief Executive Officer, AA:

That was another weekly meeting. It had more broader representation in it from the viewpoint of the Authority and NAPCO. They were also going over many of the same issues. It was just a matter of how it was being presented in format and the degree of discussion that would take place.

Chairman:

Why was it necessary to have so many different groups?

Chief Executive Officer, AA:

There were many parties involved in it, as I am sure everybody would appreciate, so it was necessary to have the larger meetings which Billy normally would chair, and when he was on leave I usually chaired the meeting in his absence. Also, I think that for the other meeting it was more keeping our Board, our senior directors involved in the activities, Douglas, Chern HEED, Billy was also part of that meeting I might add, and we would go through and discuss the individual items, and Mr S K KWEI, who was Head of Project Management.

Chairman:

This is which group?

Chief Executive Officer, AA:

That is the one with the Chairman and Vice Chairman. It was a smaller group so we could go through the items more efficiently and get on with it. The

other meeting was more a problem solving meeting and taking any decisions necessary to get the items resolved.

Hon Emily LAU Wai-hing:

A brief follow up to your question and a question of Mr LEE Wing-tat. If I may refer Dr TOWNSEND to Volume III, Paper no. B32, minutes of AA Board meeting on 22 January 1998. At that meeting you have just finished the first airport trial and Mr Chern HEED gave a report. I want to invite Dr TOWNSEND to look at Paragraph 2.2.2 on Page 3 where Mr HEED listed a number of problems.

Chief Executive Officer, AA:

Yes.

Hon Emily LAU Wai-hing:

Over the page it went on. If we look at these problems, do they look a bit familiar? Are they not the similar problems that we saw on AOD? So as far as in January is concerned, AA already detected - of course this is not an exhaustive list, and we do not have HACTL here, but maybe you can assist us, if you go very quickly down the list those problems were known so far in advance. Can you tell us why, knowing it so far in advance, you still had not managed to resolve them? How many of them actually had this snowballing effect?

Chief Executive Officer, AA:

First, yes, this is a brief outline of the points that were found in the first trial operation. These items were subsequently discussed in several committees, including with business partners and Government as to what actions should be necessary. I might add that most of these action items were taken. Signage, action was taken; and a subsequent meeting on that. Toilet facilities, quite a bit of work had been done on that before airport opening day. Departure kerb, that area was looked at and cleaned up. Departure hall, that was a matter of the floor being slippery. I mentioned that had almost been resolved, there was just a small amount of work to do on AOD. Departure and immigration area, you can see most of these are items of signage and space and other matters. FIDS, here it was just a reflection from the monitors. Baggage sortation, trunk mobile radios, you can see there were some reports on that. FIDS, stability of the system.

But at that particular time we were concentrating mostly on the check-in stands and boarding gates area, and part of the problem at that time was the interface between FIDS and the CUTE system. It was not until after the second trial that we had that resolved. Thanks to the support that we received from SITA, who works for the airlines. CTTV, all of those were working in various areas. In general, all of these, yes, were recognised. The thing is that work was undertaken to correct as many of those as we possibly could before airport opening day.

Hon Emily LAU Wai-hing:

Madam Chairman, what I want to ask Dr TOWNSEND is, if we look at the list, the majority of the items there were problems that cropped up on AOD; is that correct, or not?

Chief Executive Officer, AA:

Yes, they were. I think when you look at the magnitude of the items that were still outstanding, we felt that they were at a manageable size where they would not create a serious problem in the operation of the airport.

Hon Emily LAU Wai-hing:

Can we have that again? What about the magnitude?

Chief Executive Officer, AA:

I think when we looked at the number of items that were remaining, thinking that, for example, we have 2,000 monitors. Let us say that we have a number of them not operating. Where the travelling public is not readily accessible, we did not consider that that would be something of a serious nature for opening of the airport.

Hon Emily LAU Wai-hing:

So what we are saying is, all these problems, many of them had been identified a long time ago, but you did not identify the magnitude of the problem. You added them all together and that is why we had chaos on AOD.

Chief Executive Officer, AA:

What we did, for example, if we look at item K, the trunk mobile radio, that happens to be referring to the Airport Authority's trunk mobile radio and it worked fine on airport opening day. The one with the difficulty was the one provided by a commercial service provider. Baggage sortation, the baggage itself worked quite well. There were problems with problem bags and other areas that were experienced there. When you look at this, most of these were put into a programme and they were followed very carefully and reported back to be sure that we had as much of it completed as we could.

Some of the signage, you may recall on airport opening day we were still waiting for 100 signs, I forget the exact number of signs, but of that order, to be installed. They were being shipped at that time on airport opening day. There were items, no doubt about that, that are somewhat related to this, but a number of them, or the severity of them was greatly diminished by airport opening day.

Hon Emily LAU Wai-hing:

I think if we look at the problems that happened I do not think we would say they are diminished. What I want to put to you is, if we look at this list and then look at the problems that were encountered on AOD, one cannot help but come to the conclusion, many of those problems were foreseen many, many months ago. No matter what effort you have taken in between, it seems those efforts were not enough, that is why we faced all these problems. Would you not agree with that conclusion? You, being the Head of AA, must be personally held responsible.

Chief Executive Officer, AA:

I feel, again, that we felt that we did assign people to work on these. They made great strides to have most of the essential elements of these prepared by airport opening day. The problems we experienced on airport opening day, as I indicated, were mostly related to the dissemination of flight information and other areas. When you look at some of the other problems that were reported, many of them did not have a significant impact on airport opening day, although they caused inconvenience to passengers and others.

Chairman:

Mr Edward HO.

Hon Edward HO Sing-tin:

I wish to go back to the very first question asked because I do not think it was adequately answered, or the answer was not very clear. That is, what problem or problems were foreseeable and what were not? I think if certain problems were foreseen, I would like to ask Dr TOWNSEND what action was taken to prevent them. If they were not foreseen, why were they not foreseen? A lot of questions just now were asked on the FIDS system. I think that is probably a very good example, and it is also a very serious problem that occurred on AOD. I would like to refer to Dr TOWNSEND's answers to the Commission of Inquiry.

Chairman:

Paraphrase please.

Hon Edward HO Sing-tin:

A question was asked that if a problem happened in isolation then it may not be a very serious risk:

> "If you look at those problems cumulatively and in combination you might say to yourself there is a serious risk. Here, for example, FIDS let us down."

And your answer was: "Yes." There was another question:

> "The trials of the FIDS system immediately prior to opening revealed continuing problems that still needed rectification."

We have seen that.

> "It must have been foreseeable that those sorts of problems would continue or might prove more serious under the actual stresses of real life when the airport opened; do you agree?"

And you said "Yes." You actually agreed that those problems which

occurred were foreseeable, especially when the airport opened and it was subject to this stressful real life situation. Can we have a confirmation on that?

Chief Executive Officer, AA:

In the case of the Flight Information Display System, I believe that is a correct interpretation of what I said. I believe also that, as we indicated, we knew what was causing the problem, but it is after considerable further investigation on that they have now identified I believe what the actual root causes were for the problems that we experienced. Again, they were primarily equipment software related, and they were corrected very quickly.

Hon Edward HO Sing-tin:

Whether they were corrected afterwards I think is another matter. I think we see from the record actually a lot of those problems keep occurring, even a couple of weeks after AOD. But we are not discussing that for the moment. What we are discussing is whether the problems which seriously disrupted the airport's operation on that day, like wrong information data, slow response time, and all that occurred, were they foreseen? You seem to have answered the Commission of Inquiry that they probably were foreseeable in view of the fact that the trials of the system prior to opening actually indicated a lot of problems.

Chief Executive Officer, AA:

Yes. We, of course, organised them to handle that problem recognising there was a probability that unexpected problems would arise. We did that by, first of all, having additional resources from the Authority as well as the suppliers available, including some of their sub-suppliers. So that even if it had not been identified prior to the opening of the airport, we could step in and resolve them as quickly as we could. What happened is that some of the problems we had experienced before airport opening day, for example, the capacity of the computers, the suppliers had added additional capacity in and the systems appeared to be operating normally.

Hon Edward HO Sing-tin:

That added capacity was in the middle of AOD.

Chief Executive Officer, AA:

There was some capacity added before airport opening day. What happened on opening day was that the level of the activity that was going on in those systems was greater than had been forecast for the system. That is one of the reasons why it slowed down.

Hon Edward HO Sing-tin:

The level of activity, how can that be more than anticipated? Surely the airport was designed to take so many flights in and out and the passengers and so on.

Chief Executive Officer, AA:

If it would have operated in that fashion I do not think we would have had the problem on airport opening day. The difficulty that we had was, again, and you have to get into the fundamentals of the flight information display system and I will not bore you with that.

Chairman:

I think it is quite important, Dr TOWNSEND. You keep telling us, because it is real time, it is the stress on real time operation which actually added to the problem. But the fact of the matter is, I think what Edward HO is asking you, should you not have actually designed and tested for real time? Before the airport opened you would have tested for real time.

Hon Edward HO Sing-tin:

Also, Dr TOWNSEND himself said in the Commission of Inquiry, well, he agreed to that question, that it must have been foreseeable given the problems before, and all that, that this sort of problem would occur under actual stresses of real life. You just said "a higher level of activity"; we would like to hear what those higher levels are.

Hon Margaret NG:

Madam Chairman, this witness seemed to have said that the problem was that the activity was above the forecast level.

Chairman:

That is right.

Hon Margaret NG:

Could we first ascertain whether there was a forecast level, if so, what was it?

Chairman:

Those questions are actually consistent.

Chief Executive Officer, AA:

I think we may be stuck on FIDS. Let me try to explain that, if I could, in another way. For example, when it comes to the number of activities or the number of transactions that take place in a system like FIDS, first of all, we have a good idea of how many aircraft are going to fly in and out of the airport, how many passengers are going to be handled, the bags and things of this type. Actually, the systems were designed to handle in excess of that, recognising that there would be some periods of, let us say, inclement weather that would cause changes anyway. What happened on the airport opening day was, because the system was operating so slowly, that it was not capable of keeping up with the rate of changes that were taking place which were actually higher than what were reasonably forecast.

Hon Margaret NG:

That does not answer the question. What was the forecast?

Chief Executive Officer, AA:

The forecast for the opening day at the peak time was just over 30 air traffic movements per hour. Of course, in fact over the other period of the day we handled about 80,000 passengers the first day, which was about what was planned at that particular time.

Chairman:

Where is it above forecast? I think Members would like to be advised

because you seem to be saying that because things happened unexpectedly, the actual activity in real time was much higher than you had planned for on AOD. So that accounted for quite a lot of the problems, particularly with FIDS. This is definitely new information. You have to tell us in what way activities on AOD are way above forecast to such an extent that your system was actually not designed to cater for the excess loading.

Hon Margaret NG:

Absolutely, Madam Chairman, because the witness said that had it not been for this, we would have been OK.

Chief Executive Officer, AA:

If I could I will try to explain. First, as I am sure some of the others may have said to you, as we went into the opening day early in the morning what happened was that the system had slowed down to the point where the response time was of the order of 15 minutes or so. With that problem of it slowing down and with a number of aircraft increasingly building up over the period of the day, it meant that the system could not keep up with the information.

Chairman:

Dr TOWNSEND, you have to be very clear on this point. You are telling us that the system slowed down and therefore it could not cope with the loading, but a minute ago you were telling us that it is because the actual activities were much higher than forecast and it was actually overloading your system. So which was it? Is it because the system slowed down and therefore could not cope with the loading, or is it because the loading was so much higher above your forecast that the system slowed down? You have to tell us very clearly what is the cause and what is the effect.

Chief Executive Officer, AA:

First, let me divide it, if I could, into 3 explanations. First of all, when the airport is operating normally, when the response time is a matter of seconds or no more than 2 minutes, the flight information display system has worked very well, and that is the situation we are in at the present time. That would be considered for the normal operation of the airport.

What happened though was - this is the second part of the explanation - we could not process that information rapidly enough to clear it out of the system, and so it kept on building up and building up and building up. So the demands on the system went up very rapidly to the point where we could barely make progress. In fact, during the first day we never really caught up with that part of the problem.

Chairman:

So, in other words, it was your system that failed you, not because the activities were of such an extent that it was way above forecast?

Chief Executive Officer, AA:

That is correct, yes.

Hon Edward HO Sing-tin:

I would like to finish that line of questioning. I think Dr TOWNSEND told us that the system actually failed your expectation, so I think that is clear now. In that case we come back to the question whether this was a foreseeable feature or not.

Chief Executive Officer, AA:

I quite honestly do not believe that it was a foreseeable feature. By that I mean all of us who had thought about the problem did not really foresee this particular combination happening. There were also other complicating factors between the FIDS and the TMS programme. We did not see this happening the way in which it happened, or the problems with Oracle, or what we call deadlocking.

Hon Edward HO Sing-tin:

I do not think we want to go into Oracle or whatever, these are technical problems, but we do want to have your answer on why was it not foreseen. You actually said that in the Commission, you said it could have been foreseeable. To give you another opportunity to explain why they were not foreseeable given the history of problems of delays, trials, all that we have gone through with your colleagues, and up to 17 June, the 38 items, even on 18 June when someone has

handwritten remarks on all those items, a lot of those items were not completed, they still have to be followed up, or EDS to follow up and all that? In other words, they could have been foreseen, the problems that occurred?

Chief Executive Officer, AA:

Again, if I could answer that in several phases. One is that the items that were identified in June, there were relatively straightforward workarounds that could be used to manipulate the system to perform properly. It would require the operators to take certain corrective actions, and they knew how to do this. The other part was that even when we were talking earlier to the Commission, which seems it was some time ago now, at that time we did not have a clear picture of this particular problem between FIDS and TMS, the deadlocking, nor the complete understanding of what had happened to the Oracle in that situation. Whether we could have foreseen that at that time or not I think is kind of a moot point.

Hon Edward HO Sing-tin:

The slow response time, sorry, I do not know what Oracle was, but the slow response time was a feature that is repeatedly stated in all the reports about FIDS.

Chief Executive Officer, AA:

Yes.

Hon Edward HO Sing-tin:

Whether it was CSE, NAPCO, or your own report, suddenly it also appeared on the 17 June checklist. Certainly it was not a surprise that even starting at 0600 hours and then 0730 hours and all that, the slow response time gave you a lot of problems on AOD.

Chief Executive Officer, AA:

Yes, it did.

Hon Edward HO Sing-tin:

The question is, that was foreseeable, what action was done to prevent that kind of incident happening?

Chief Executive Officer, AA:

I believe the earlier problems we had with slowness, again, as I indicated, actions were taken by the suppliers to increase the capacity.

Hon Edward HO Sing-tin:

When was the increase of the capacity?

Chief Executive Officer, AA:

Some of that was done before AOD if I recall correctly.

Hon Edward HO Sing-tin:

Was it before 17 June or after 17 June when the 38 items are identified?

Chief Executive Officer, AA:

I am not sure. I would have to go through the papers.

Chairman:

I think another witness has actually told us that action was taken as part of the package of remedial action to the list of 38, it was not in fact ascertained or tested, but that action was agreed to be taken to boost the response time.

Hon Edward HO Sing-tin:

It was not taken before AOD?

Chief Executive Officer, AA:

Yes, I believe it was.

Chairman:

It was promised for AOD. It was promised for urgent action, but no tests were actually conducted to ascertain that that was done prior to AOD.

Hon Edward HO Sing-tin:

Perhaps I will ask that in a question. The 17 June checklist, the same checklist was looked at again on the 18th, what action was there by any of the staff of AA, including yourself, to see that all those 38 items were satisfactorily dealt with before AOD?

Chief Executive Officer, AA:

There were regular meetings with the suppliers on all of those items that were outstanding. I think as a point of reference, after the AOD there was another list that was made up of the 19 ...

Hon Edward HO Sing-tin:

Before AOD, how was that list taken care of from 18 June to AOD?

Chief Executive Officer, AA:

There were a number of actions. First of all, the suppliers worked very hard to correct the items, and on some of them remediation was taken and they were corrected before AOD. The others, the workarounds or plans to manipulate the programme to get the same results were also taken into consideration.

Hon Edward HO Sing-tin:

I would like to ask, administratively, before AOD, whether it is 20 June or 25 June, whatever, whether AA staff or yourself has gone over those 38 items to ensure these are all fine, maybe except one or two.

Chairman:

Maybe I think we should address the question to Dr TOWNSEND himself, whether he personally somehow took action, or was aware of the fact that this crucial list was actually attended to successfully before AOD?

Chief Executive Officer, AA:

Yes. The list was followed very closely. In fact, there were meetings with the suppliers on a regular basis. This was handled mostly through Project Division and IT and the AMD groups where they would have very frequent meetings. We had weekly meetings that I would participate in, either at the AOR meeting or directly in the suppliers' meetings to follow the progress on those items. We were all reasonably advised as to where we were on those items.

Hon Edward HO Sing-tin:

Chairman, these are very important matters, then there is the AOD, but in terms of documentation, is there a document somewhere or a record of meeting somewhere that says: OK, these are all checked, they are all right? Or maybe there are 1 or 2 outstanding items and they are not critical.

Chief Executive Officer, AA:

I believe there are records of that.

Hon Edward HO Sing-tin:

Can we be supplied with that later on?

Chief Executive Officer, AA:

Yes.

Chairman:

I have to tell you, Dr TOWNSEND, that another witness told us that they were not checked. So you have to supply us with documentation if you have it anywhere.

Hon Margaret NG:

I wonder if Dr TOWNSEND can be asked whether he, of his own personal recollection, knows that the list was checked and found to be all carried out, or do you depend on somebody else?

Chief Executive Officer, AA:

We do know that those were part of the close out of problem reports by the supplier. Those would be reviewed on a regular basis.

Hon Margaret NG:

No, Madam Chairman, my question is much simpler: Does Dr TOWNSEND know personally? At the time, were you personally aware of the list of 38 problems? Were you personally aware that they had been gone through and to your personal satisfaction that they had been solved?

Chief Executive Officer, AA:

I think the situation is, yes, I did know about the 38 items. After the meeting was held with AMD and IT and the suppliers and others and the handwritten sheets and everything, Kiron CHATTERJEE did come to my office and discuss them with me. We went through them, and I could see what he was arriving at along with the others. Many of those should have been reflected in problem reports that were being handled by EDS. I probably agree with your statement: Did someone immediately before airport opening day go through that entire list to look at the status? I did not do that myself.

主席：

李永達議員，你想討論這事嗎？只可以就那38個項目提問。

李永達議員：

主席，在本專責委員會上次的研訊席上，證人陳達志先生說，這份是“Dr TOWNSEND”所說的38個項目的清單和經過修改的手稿，即“handwriting correction”。以我們的理解，陳達志先生出席本專責委員會時表示知道“EDS”會做些甚麼去處理“fix”這些“PR”，但正如在這38個項目的備註“notes”中指出，這些項目有一部分是在7月6日之後才調整，才“fix”好的；而另有一部分，據“Mr CHATTERJEE”所說，他叫“EDS”完成有關工作後，即使他自己也沒有檢查或再試驗這些問題報告是否已確實完成。你是否同意這說法？

Chief Executive Officer, AA:

If he said that, I would believe that. As I indicated, I did not personally go back and check against the list of 38. They were being cleared out as part of the normal process with EDS where those issues would be discussed. I personally could not say that I knew exactly what was remaining out of that list of 38. However, all of them were workarounds that were viable and could be put into operation. I do not think anyone was unduly concerned about them.

李永達議員：

董誠亨先生，你是否同意你的同事所說，這38個項目就是最後一批的主要問題報告？為何你在最後3個星期，還不親自確定一下航班資料顯示系統的問題是否已全部解決並再次進行測試呢？根據資料顯示，在6月14日至6月27日期間，航班資料顯示系統"whole server"還"down"了9%。直至機場啟用前兩個星期情況還是這樣，你為甚麼還有信心呢？從這份報告中，你知道系統還未修理好，並且還有另一份寫給"ADSCOM"的文件A53又指出"FIDS whole server was down for 9% of the time"，既然狀態如此不穩定，你為何不親身跟進這件事呢？

主席：

我想澄清一下，你剛才所說的報告是"NAPCO"給"ADSCOM"的，不是"AA"給"ADSCOM"的。

李永達議員：

但"Ms Vivian CHEUNG"在另一份文件指出，在同一段時間，"whole server down for 11%"。

主席：

文件編號是"A"甚麼？

李永達議員：

主席，我要翻查資料才可答覆你。請問董誠亨先生，既然你知道這38個項目的報告內所述各項還未修整妥當，航班資料顯示系統在機場啟用前兩個星期還"down"了9%至11%，為甚麼你仍然認為那些問題是不能預計呢？其實根據資料顯示，你會否同意一點，就是如果系統不發生問題才使人感到奇怪呢！

Chief Executive Officer, AA:

I think the nature of the problem reports is that they were categorised into those that were more critical than others, and those were the ones that were being focused on. However, again, the 38 items, it was felt that we had workaround programmes for those that could be operated in a straightforward way. Unfortunately, other factors came into the situation that made it difficult to operate the systems, and that was the primary cause for the slowing of the FIDS programme.

李永達議員：

主席，我剛才引用的資料，是來自張小姐，即"Vivian CHEUNG"，提交的第IX冊B225號文件，當中指出在機場啟用前3個星期，系統"down"了11%。

主席：

那麼我們先記下B225這份文件所述的問題，這個問題似乎已稍為偏離了關於38個項目的問題。這是從另一個角度來看這38個項目，是關於修整工作完成了多少和系統的可靠程度問題。如果有同事希望跟進這問題，稍後才跟進吧。何鍾泰議員。

Dr Hon Raymond HO Chung-tai:

I would like to pick up one point further to the last question. You think that there were high levels of activities. You also mention about this FIDS/TMS system or the interface. In fact, all these problems already started right in the first part of the morning, 6 o'clock, and also at 6.30 am there were records that the FIDS and TMS interface had problems. Also AIDB and AODB interface had problems. How can you explain that there were higher level of activities?

Hon Edward HO Sing-tin:

He answered that there is no higher level of activity.

Chairman:

I think that that has been gone into.

Chief Executive Officer, AA:

Very briefly, if I may.

Chairman:

I think you have already answered that question, I would not like to dwell on it.

Dr Hon Raymond HO Chung-tai:

Paper no. B37, minutes of AA's meeting on 25 June 1998, Volume III, Paper no. B37. The meeting shortly before AOD, Paragraph 4.1.3. This was something commented on by the Director of Civil Aviation. With regard to FIDS, the Director of Civil Aviation commented that the present state of the FIDS system should have been reached some 6 months ago. Many of its integration functions have not been achieved. He noted that on airport opening bay allocation would be carried out by the stand-by system etc. You attended that meeting. He also mentioned that this came about rather late. Did you not get the feeling that the system was not fully tested, in fact it was completed at a very late stage before AOD?

Chief Executive Officer, AA:

Yes, I think there are several aspects of that which have been pretty well discussed. One is the link with the CAD's system. That had to do with the connection between the AIDB and our AODB which was tied into the radar tracking system. That was not working too well. I am not sure I have the exact paragraph you were referring to.

Chairman:

This is Paragraph 4.1.3.

Dr Hon Raymond HO Chung-tai:

Under "presentation."

Chief Executive Officer, AA:

He is covering a number of subjects in this particular paragraph.

Dr Hon Raymond HO Chung-tai:

His overall impression was that the whole system was not quite ready because it was completed so late before AOD.

Chief Executive Officer, AA:

Yes.

Dr Hon Raymond HO Chung-tai:

Because of all these problems with FIDS and others, can I come to the question about your management tool? I understand that you did not get involved in any airport projects prior to Chek Lap Kok; is that right?

Chief Executive Officer, AA:

That is correct.

Dr Hon Raymond HO Chung-tai:

Are you a project management expert?

Chief Executive Officer, AA:

Yes.

Dr Hon Raymond HO Chung-tai:

You mentioned that there were an awful lot of committees that people had to attend, including yourself. What is your main management tool? The Airport Authority is a very large organisation. You build up the whole team. Being the person right at the top, you have got so many people under you. How would you look after them and make sure you know what they are doing?

Chief Executive Officer, AA:

I think this is an important point, because events were moving so quickly, particularly at these periods of time as we were approaching airport opening day. In fact, the organisation was lined up so that people had their specific responsibilities, but at the same time in areas of mutual interest it was necessary for them to operate between the organisations. So the best example that has been discussed is with AMD, IT and Project Division. They would have regular daily meetings and various sub groups to discuss whether there were facilities or systems. The contractors and suppliers would be involved in it. I would attend some of those meetings to the extent that I could. Of course, we had our weekly meetings with Excom and also the weekly meetings with Billy LAM at that time, as well as with the Chairman and Vice Chairman.

So certainly we also had a very large number of written reports that we had for internal purposes. NAPCO was directly involved at that time with many of the progress problems and AOR problems, so we felt that the communications were relatively good. We would meet together with various teams of people to discuss specific subjects. The delineation of responsibilities was pretty well defined within the Airport Authority at that time.

Dr Hon Raymond HO Chung-tai:

Dr TOWNSEND, you more or less built up the team yourself, so you must have the opportunity to ensure that everybody was chosen to head the right department, or be involved in the type of work that suits him or her best.

Chief Executive Officer, AA:

Yes. I feel that there was a good team for the Airport Authority. Of course, the one that was really fully into operation was the AMD group because, obviously, that was a smaller group until we could arrange transfers from Kai Tak to build up that organisation preceding airport opening. We did have exchange programmes with Kai Tak that would enable that type of coordination to take place. The IT group, which is somewhat in that same situation, they began to have a stronger role starting at the beginning of 1998 in taking over the systems from the Project Division who was really responsible for design and the management of the contracts with the suppliers. Overall, we had a fairly strong team in each functional area. Most of the people in AMD, we had over 150 people who came from Kai Tak.

Dr Hon Raymond HO Chung-tai:

Dr TOWNSEND, were you aware of certain personality conflicts between the senior people?

Chief Executive Officer, AA:

I would say that it depends on what you call conflict. I believe that there are checks and balances which are necessary that can result in disagreements over such matters. One, of course, is that Project Division had the responsibility for the contracts. AMD, representing the owner, the Airport Authority, wanted certain things to be taken care of as well as our commercial group for the various clients and others we had. So considering this is one of the world's largest projects, you would expect that at various times there would be differences of opinion. I think the matter of personalities has to be more judged from the viewpoint of the individuals who may have made the comments.

Dr Hon Raymond HO Chung-tai:

I would like to refer you to the management study carried out in October 1997 by Booz-Allen & Hamilton. The report says on Page 2 that there were unclear roles and responsibilities arising as a result of past phase organisational evolution. Do you agree that that was the case?

Chief Executive Officer, AA:

Yes, if I could comment on that. I was directly involved in that right from the very beginning. We had a team of senior executives, including several of the Board members and myself who met regularly with Booz-Allen and the development of that study. One of the purposes of this study was to make recommendations for the Board to consider on how best to make the transition to operating the airport.

It started in March of last year when we were setting up the operating budgets for the airport, and considerable work was done on benchmarking other airports around the world and how to organise accordingly. At that time more than three-fourths of our total organisation were in Project Division, and our AMD group was again a kind of nucleus of senior and general managers who were beginning to prepare for the opening of the airport.

Chairman:

Dr TOWNSEND, you do not need to give us so much detail because we would have read the documents already. If you could answer the question more directly please.

Chief Executive Officer, AA:

Yes. I believe part of the comments that are there is because of the checks and balances and the interests of the various groups that you would expect at times differences of opinion, yes.

Dr Hon Raymond HO Chung-tai:

In fact, it is stated in the report that there appear to be a lack of transparent checks and balances. In fact, there is a more critical comment saying that the Board believes that management recommendations are not always well thought out and that some managers are not capable, forcing the Board into an activist role, could you explain that?

Chief Executive Officer, AA:

I think many of those things, again, I apologise for going back a little bit to explain how it was developed.

Dr Hon Raymond HO Chung-tai:

Please keep your answer brief.

Chief Executive Officer, AA:

Booz-Allen went around to talk to the directors and most of the general managers about their observations as well as to most of the Board of the Airport Authority to get the background of where the Authority was at at that time. So these are capsule comments. It was not necessarily an audit of the Airport Authority, it was the impression stated by the people whom they were interviewing. I would say, generally, they are in line with the consensus thinking of the Authority at that time.

Dr Hon Raymond HO Chung-tai:

Do you agree that the report's comments are fair, or they have been put in too strong a manner?

Chief Executive Officer, AA:

I think it served the purpose of trying to get people to focus on what people believed the issues were. The main reason for that was to set the base for explaining how the recommendations would come about for making that transition to the operating organisation.

Hon Margaret NG:

Madam Chairman, it seems that having followed through so many papers, the different departments, there seem to be a lot of meetings, but these people seem to fall over each other. When you have targeted an aim, you seem to do things which were negated. For example, I would imagine that after the end of 1997 when you are transforming yourself from a project led organisation to an operation led organisation you would pay a lot of attention to the views of your AMD people, you would allow their demand to lead you, would you agree?

Yet, just an example, in spite of the reports on the slowness of FIDS, you seem to rely on Project people rather than the feedback of your AMD. Let me give you some comments so that you can respond to them. For example, on 8 June Mr K S NG, who is your Passenger Terminal Manager, says this, on your workarounds:

> "We may have to accept workarounds if the contractors cannot fix the problems in time. You will appreciate that neither AMD nor IT would have sufficient resources to operate the FIDS with so many workarounds."

Were you aware of this comment at the time?

Chief Executive Officer, AA:

Yes.

Hon Margaret NG:

Again on your 38 problems, are you aware of a memo written by Miss Vivian CHEUNG to Mr K C TSUI around the same date? You know that there

is a table of 38 problems, and against the slowness of FIDS her remark is, "No workaround." Since you are aware of those comments at the time, why did you not listen to them? Why did you still rely on workarounds?

Chief Executive Officer, AA:

I think there are several questions there if I could answer them please. First of all, I think that what the 2 individuals said - you quoted their notes within the Authority - yes, they were taken into very serious consideration and that Project Division and the others were trying their very best to get the results out of the suppliers. It was not that they were not taking action.

The other part of it I think is that, increasingly, we always knew that AMD would have a predominant role in the operation of the airport. For example, as part of the Booz-Allen recommendations we did a restructuring into what we would call line organisation, the important parts that would determine the major decisions are my Executive Committee members. It consisted of the Director of AMD, the Director of our finance commercial group and Douglas OAKERVEE was also a member and, of course, Billy LAM was a member of that.

Chairman:

Dr TOWNSEND, I think you have to try and answer the question. You told us in your statement and also in your answers just now what mechanisms there are. Margaret NG's question is, if you have 2 different key staff telling you 2 different things, why is it that you do not actually listen to what your users, the people who are representing the AA as users, have to say, what their worries are since on the other hand you told us that they are the people who should actually have warned you about all these problems for AOD?

Hon Margaret NG:

Indeed, Madam Chairman.

Chief Executive Officer, AA:

They were, as I indicated, listened to and it was discussed at various times in meetings with them. The other thing that occurred is that the suppliers were providing significant additional resources to help over the opening periods.

Hon Margaret NG:

Yes, sorry for the interruption, Dr TOWNSEND, but just so we do not waste your time, it is precisely because you told this Select Committee that the reason why you were confident, in spite of the instability of FIDS in the trial stages, was because of these workarounds. So are these comments from your own AMD people to you to show that this view is really untenable? Just now you referred to Booz-Allen. As a result of the report you did certain things. Is it not right that one of the most important things you did was to install a position of a Deputy Chief Executive Officer?

Chief Executive Officer, AA:

Yes.

Hon Margaret NG:

That was Billy LAM.

Chief Executive Officer, AA:

Yes.

Hon Margaret NG:

He had the special responsibility on AMD. You also know that all along there has been a controversy given that a stable FIDS, a fully tested stable FIDS was delayed considerably. There was a question of whether you should go back to the standalone system, the standalone modules as against going full ahead integration. Are you aware, you ought to be, in one of these executive meetings in about end of February, the question came up as to whether you should go for a standalone or integration? Billy LAM in that meeting insisted very hard on a going back to a standalone mode as against Mr OAKERVEE for Project. Why did you take the view of Mr OAKERVEE for Project rather than Mr Billy LAM who was incorporated precisely for AMD?

Chief Executive Officer, AA:

I have to think back to that period of time.

Hon Margaret NG:

Do you want me to direct you to it?

Chairman:

Yes, I think you should direct us to that document, for the benefit of Members as well.

Hon Margaret NG:

Madam Chairman, this is in Volume XI, the new material. I think the Paper no. is B323. This is a series of Executive Committee meetings. The first page is 4 February, but if you keep on turning, you will find the meeting minutes of 25 February. The paragraph I want is 2.2, in the middle:

> "Mr LAM supported that the standalone route should be pursued for airport opening, leaving the full integration of the system to a later stage. He urged that adequate training to the operators should be provided. Mr LAM suggested that at worst, the AA could use a system comparable to that of Kai Tak for the interim period of time. Mr OAKERVEE said that EDS and HUGHES were discussing the matter to see what could be done to enhance the diagnostic capability of the systems."

We know as a matter of history that his alternative was accepted and Mr LAM's alternative was rejected. Is that not right?

Chief Executive Officer, AA:

I do not appear to have the paper.

Chairman:

This is Paper no. B323. It consists of various notes of meetings of the Executive Committee all in the month of February.

Chief Executive Officer, AA:

I have the Executive Committee meeting notes.

Chairman:

The last paper is the meeting of 25 February.

Chief Executive Officer, AA:

I am sorry, I was missing an index.

Chairman:

If you would turn to Paragraph 2.2 of that paper.

Hon Margaret NG:

I thought the witness had it, that is why I read it. Perhaps he can read it now.

Chairman:

Paragraph 2.2, it should be on the right-hand side.

Chief Executive Officer, AA:

Yes, the upper part of Page 3, yes.

Chairman:

If you could read from the 5th line down, "Mr LAM supported that the standalone route...", etc., do you see it?

Chief Executive Officer, AA:

Yes.

Chairman:

Can you read the next few lines and refresh your memory on that?

Chief Executive Officer, AA:

Yes. I think that on that particular point this was an issue of the standalone

system based on the original concept of FIDS that Builds 1.2, 1.3, 1.4 and others ...

Hon Margaret NG:

We know the background, Dr TOWNSEND.

Chief Executive Officer, AA:

At that particular time we were still being assured by the suppliers that it would be possible, but it would take a week or so and a number of people to delink the FIDS system to go back to that standalone system. It was in March or thereabouts that it was decided to go for a stand-by system at that point. After further discussions on this it was decided not to pursue that particular matter.

Hon Margaret NG:

But is it not right that this was the crucial time, in fact, you were rather too late? First, the choice between going ahead full steam with an integrated FIDS, or going back to the standalone, because of the requirement to unravel it, was that not the crucial question? Was this not the crucial time? Was this not a crucial discussion at that time?

Chief Executive Officer, AA:

I think that at this particular time the FIDS programme was beginning to perform better, and in February we had received the integrated form of the FIDS programme at Build 2.0. Further work was taking place on it at that time. I believe that a number of us felt to go backwards at that point would not be particularly productive.

Hon Margaret NG:

Madam Chairman, is not in short what Mr Billy LAM was saying, better safe than sorry? The standalone modes may not be that wonderful and it may require more manual support, but looking at the performance of FIDS up to that point, he himself was not confident, and that is why he supported the standalone; why was he overruled?

Chief Executive Officer, AA:

For the reasons that I indicated. We felt that the FIDS system was beginning to perform, it was integrated. At this time also the 6 July opening date had been announced. It was felt that it could be in place by airport opening.

Hon Margaret NG:

Dr TOWNSEND, are you aware of an agreement between AA and GEC about December 1997?

Chief Executive Officer, AA:

Yes.

Miss Margaret NG

Where everything was rescheduled. Are you aware that it was also discussed at that time that should you abandon the integrated system and fall back on the standalone mode you would need some work? Are you aware that in that agreement at that time the deadline for making that decision was some time like 5 February?

Chief Executive Officer, AA:

It was in early February, I do not remember exactly what date.

Hon Margaret NG:

So the idea was after a certain date you would not be able to get back, you would not be able to reverse your decision and that is why it is crucial? Are you aware of that?

Chief Executive Officer, AA:

Yes.

Hon Margaret NG:

Are you also aware that ADSCOM was also very concerned as to which route you go down?

Chief Executive Officer, AA:

But it was at this time that we were also beginning to look at the stand-by system for FIDS.

Chairman:

Dr TOWNSEND, let us concentrate on the standalone, the reversion from the integrated system to the standalone first. We will deal with the stand-by separately. We are talking about discussions on the standalone.

Hon Margaret NG:

Not only that, it is when you have decided to abandon the standalone that you go to the stand-by. You are putting the cart before the horse.

Chief Executive Officer, AA:

It was discussed at that time and the overall decision was to continue to pursue with the integrated FIDS.

Hon Margaret NG:

I understand that. My question is why? Because the date of this meeting is 25 February. At that time you had had 2 trials; right?

Chief Executive Officer, AA:

Yes.

Hon Margaret NG:

In both of these trials FIDS crashed; right?

Chief Executive Officer, AA:

It crashed, one of the primary reasons was ...

Hon Margaret NG:

Never mind the reason, but it crashed. Certainly when it crashed it should not give you any confidence. It could not have added to your confidence by crashing, could it?

Chief Executive Officer, AA:

The difficulty is that it may have crashed in the standalone system under the same circumstances.

Chairman:

How do you substantiate that? If it was not done in a standalone, it was not done, so how could you say it could have crashed in the same way?

Hon Margaret NG:

Precisely, Madam Chairman. In fact, the reason why you always go to the standalone is that you say, and you have been assuring ADSCOM, that the standalones have been tested, had been fully tested and were reliable.

Chairman:

Is that the case, Dr TOWNSEND?

Chief Executive Officer, AA:

They were tested as individual builds, yes, as identified. They were tested to the extent that they could be tested because they were not completely finished in all regards until they were ready to be integrated. However, yes, they were running and the people were training on them under those circumstances.

Chairman:

I think, Dr TOWNSEND, if you would be kind enough to turn to Paper no. A33. I think, members, if you would turn to Paper no. A33, which is the

ADSCOM meeting of 14 February. This is Volume I, Paragraphs 14 and 15.

Chief Executive Officer, AA:

Yes, I have it.

Chairman:

Paragraph 14:

> "CEO/AA confirmed the Chairman's understanding that if full integration of FIDS were not possible for Day One of airport operation, there was technically the possibility of running each function of FIDS in standalone mode."

Then in the next paragraph:

> "PD/AA reassured the Chairman that there was still time for a decision on the configuration of the systems on Day One. They were going for a fully integrated FIDS and would decide whether it would be necessary to adopt the alternative of a standalone mode by 25 March."

That could not have been accurate, could it, Dr TOWNSEND, because by that time you had already passed the deadline of reverting back to the standalone, had you not?

Chief Executive Officer, AA:

Yes. But if I recall correctly, and I would have to go through other notes, even at this time we were receiving assurances from GEC, EDS, that this was feasible in February.

Hon Margaret NG:

Madam Chairman, is it not right that FIDS at that time was not stable? You all knew that it can become better, it can become worse, but there comes a time when you have got to say enough is enough, we have to decide which is the better way?

Chief Executive Officer, AA:

Yes.

Hon Margaret NG:

Why was it that you have rejected the view of someone who insists on better safe than sorry, whom you have roped in from the AMD point of view? Secondly, why did you - let us go for one question at a time, why did you do that? Why did you risk it? In other words, why did you take this risk?

Chief Executive Officer, AA:

I think there are several problems with operating in a standalone mode. One is that you do need considerable additional people to be able to operate each of the systems. It also involves a great deal of what I call manual manipulation of information between the systems which can lead to its own form of errors. Really, the objective of course is to do that in an integrated form to eliminate both of those particular problems. I believe they were 2 of the major factors that were considered.

Hon Margaret NG:

As far as the additional manual required resources is concerned, are you aware that that problem was in fact already discussed, I believe in June 1997, when it became clear that standalone mode means additional manual resources?

Chief Executive Officer, AA:

Yes.

Hon Margaret NG:

Do you recall that in fact both Mr SIEGEL from Civil Aviation and your own IT manager, Mr CHATTERJEE, had raised the question of staff, and EDS assured them that they would provide the staff; do you recall that?

Chief Executive Officer, AA:

Yes.

Hon Margaret NG:

As far as the additional manual requirement is concerned, you have got the assurance, so why do you take the risk? My question still boils down to this: Why did you take the risk?

Chief Executive Officer, AA:

We felt that that was the best way to proceed at that time.

Hon Margaret NG:

Why? Why was it best to proceed by taking such a risk?

Chief Executive Officer, AA:

I think several reasons. One is that if you look at more current events FIDS is working very well.

Chairman:

Not in February, not at the point that you were discussing it. It actually crashed twice.

Chief Executive Officer, AA:

I understand. If you look at FIDS over the last several months, it has been operating very well.

Hon Margaret NG:

Precisely. Coming back to that minute, Paragraph 2.2, is that not precisely what Billy LAM was saying? You could have an integrated system later on after AOD when we have got over the most tricky bits. He was not against it forever and forever, but he said that for AOD you have got to be sure. Why did you not accept that view?

Chief Executive Officer, AA:

It was decided not to follow that particular approach.

Hon Margaret NG:

Why? Who made the decision? Did you?

Chief Executive Officer, AA:

It would be a collective decision by people. We had discussed this at ADSCOM and also we had discussed it at the Board meetings.

Chairman:

I just read you the record of ADSCOM. That was distinctly not the understanding that members of ADSCOM got in that February meeting, because you and Mr OAKERVEE assured them they could actually fall back on the standalone system. So that is down in the record.

Chief Executive Officer, AA:

Yes.

Chairman:

So they could not have made that decision collectively with you, could they?

Chief Executive Officer, AA:

I might add you are correct in that as in the early part of February we felt that we still could go back to the standalone system, and that we wanted to wait until the major trials in March when Build 2.0 would have an opportunity to fully demonstrate itself. In fact, it did operate reasonably well at that time. But the fact was that considering all of it, it was decided not to go back to the standalone system.

Chairman:

I think I am going to break here for 15 minutes.

(The hearing resumed at 5:05 pm)

主席：

研訊繼續。劉慧卿議員。

Hon Emily LAU Wai-hing:

Madam Chairman, if I may refer to the Booz-Allen & Hamilton report. One of the proposals by the consultant is to restructure the top level organisation in order to strengthen leadership and accountability. I want to ask Dr TOWNSEND whether he regards the report as a criticism of his leadership in AA?

Chief Executive Officer, AA:

I do not believe the question of leadership of the Authority was being questioned in the report. I think it had to do more with the organisation in total, its effective leadership. What we were trying to do was to improve the role and the presence of the Airport Management Division, vis-a-vis for the opening of the airport.

Hon Emily LAU Wai-hing:

So you did not see that as a criticism of yourself, your style of leadership at all?

Chief Executive Officer, AA:

Not specifically, no, although certainly at various times people have commented to me that perhaps other approaches should be considered. But I feel that in order to balance such a large project you have to be able to work well as a team.

Hon Emily LAU Wai-hing:

Madam Chairman, I want to ask Dr TOWNSEND whether senior Government officials had commented that to you about your leadership ability?

Chief Executive Officer, AA:

I know the Government people quite well, and on a personal basis at various times they may have said things to me about, well, let us work on these problems or those problems. I believe in most cases we worked quite well together. I had a good relationship with the people that worked for me and I felt to that extent I helped facilitate agreements between them.

Hon Emily LAU Wai-hing:

Chairman, I want to refer the witness to Volume I, Paper no. A7, which are the minutes of an ADSCOM meeting on 7 September 1996. If we can refer to Paragraphs 16 and 17. In Paragraph 16 they were talking about claims filed. If we read in the middle of the paragraph it says - I think this is quoting NAPCO:

> "The situation was complicated by the facts that the AA Management tried to bounce this on the Chairman and the Vice Chairman on a helicopter trip in mid-July and hoped that through their influence, the Board could agree to the deal in a week's time."

Then if we look down to Paragraph 17 we are here quoting the Chairman, Mrs Anson CHAN:

> "The Chairman said that we should have a stiff word with the CEO/AA in a different forum. There was no good for them to spring surprises on the AA Chairman or us. The Government was the AA's sole shareholder and must get them to be more forthcoming, after all, we had to bail them out. She suspected that the current problems had a lot to do with the CEO/AA's management style. He should sit harder on his management. We might need to give him some form of ultimatum."

Did she give you an ultimatum?

Chief Executive Officer, AA:

Not that I am aware of.

Hon Emily LAU Wai-hing:

So she just said these things at the ADSCOM meeting and no communication was made to you about improving your management style?

Chief Executive Officer, AA:

I am looking carefully, because some of these items were discussed ...

Hon Emily LAU Wai-hing:

In your absence, maybe. I am asking you whether herself or her colleagues had given you an ultimatum, or something to that effect, that you should brush up on your management style?

Chief Executive Officer, AA:

Not that I am aware of.

Hon Emily LAU Wai-hing:

Chairman, can I refer Dr TOWNSEND to another ADSCOM meeting? Please turn to Paper no. A18, this is an ADSCOM meeting of 20 September 1997, that is, about a year after the Chief Secretary's remarks. Please look at Paragraph 5:

> "In response to the Chairman, CPM (that is the Consultant's Project Manager) said that AA management had just concluded their Quarterly Review Meetings with all their contractors and were expressing confidence in achieving the new programme. If the new programme could be met, April 1998 was still a possible target."

Here we have the Project Director of AA:

> "PD/AA in fact, he was pressing for a confirmation of an April 1998 date without establishing whether that was really achievable."

Then we have the Director of NAPCO. He observed that that was because the physical facilities would be ready.

"AMD should be in the driving seat of the airport project at this point in

time, but because of the personalities involved it was being pushed around parameters set by Project Division and had yet to gear itself up. DD, NAPCO added that CEO/AA should but did not quickly and firmly resolve the problem."

Do you know what they are talking about? Do you understand this criticism of you and your style of leadership?

Chief Executive Officer, AA:

I am not aware of this. This is the Consultant Project Manager.

Hon Emily LAU Wai-hing:

And NAPCO.

Chief Executive Officer, AA:

Yes. I might add that it was about this time in September 1997 that we were adopting some of the recommendations of the Booz-Allen report, they were under serious discussion at that time.

Hon Emily LAU Wai-hing:

That is why I asked you earlier whether you thought the Booz-Allen report was partly aimed at your style of leadership, or the lack of it.

Chief Executive Officer, AA:

Not that I am aware of.

Hon Emily LAU Wai-hing:

No Government official had mentioned that to you in your face?

Chief Executive Officer, AA:

Not that I am aware of.

Hon Emily LAU Wai-hing:

If you would turn to Paper no. A25, that is another ADSCOM meeting in November 1997, which is just 2 months after this meeting, Paragraph 3. Here we have the Director of Civil Aviation:

> "DCA had no faith in the top management of AA. The project was driven by PD/AA who always tried to bulldoze his way through. CEO/AA was not in control and the organisation was not functioning as it should."

Nobody from Government had ever conveyed such strong feelings to you, Dr TOWNSEND?

Chief Executive Officer, AA:

In the case of the Director of Civil Aviation, he and I used to discuss these matters at regular intervals. He was also a member of the Board. I know in the review of the organisation that he felt that we needed to first of all work hard on AMD and get it up to full strength.

Hon Emily LAU Wai-hing:

Did the Director of Civil Aviation convey such concerns to you on a number of occasions?

Chief Executive Officer, AA:

Not in those exact words. He was concerned, as all of us were, with filling out the AMD and getting it up into operation as soon as we could.

Hon Emily LAU Wai-hing:

Nobody in Government ever told you that they thought you were not in control of the organisation?

Chief Executive Officer, AA:

Not directly, no.

Hon Emily LAU Wai-hing:

Indirectly?

Chief Executive Officer, AA:

I would have no idea, they would be speaking to others.

Hon Emily LAU Wai-hing:

So after having read the minutes of these 3 meetings, are you surprised? Is this the first time you are aware of such strong feelings within the Government about your style of leadership?

Chief Executive Officer, AA:

I have no comment on that.

Hon Emily LAU Wai-hing:

I am asking you whether you are surprised or not. You do not want to answer the question?

Chief Executive Officer, AA:

What I would like to say is that I was not there when the statements were made, so I do not know the context under which they were really made.

Chairman:

I think Emily LAU's question is, you were either surprised or not surprised. Did you find that very extraordinary that such views were actually expressed at ADSCOM level?

Chief Executive Officer, AA:

I would say that I think that I would be disappointed in the fact that I would not be allowed to respond to those types of comments.

Hon Emily LAU Wai-hing:

You said nobody has ever put it to you?

Chief Executive Officer, AA:

No.

Hon Emily LAU Wai-hing:

If they did, you would have responded?

Chief Executive Officer, AA:

Yes.

Hon Emily LAU Wai-hing:

Can you respond now please?

Chief Executive Officer, AA:

I think it would be difficult to do that going back into that period of time.

Hon Emily LAU Wai-hing:

I think one area that this Committee is interested in is whether the whole thing, all the operations have been Project driven. We have been told by a number of witnesses that there are some very forceful characters within the AA, some probably quite domineering, and hence that is why some people criticise you as not controlling the situation. I think somewhere else, I am not going to read it out, it actually said that AMD and Project are not talking to each other. Are you aware of this situation?

Chief Executive Officer, AA:

Yes. Frequently I was the person between those 2 groups to try to get some agreement out of them.

Hon Emily LAU Wai-hing:

You do not think it was a situation that we should be concerned about?

Chief Executive Officer, AA:

I do not think it impacted the progress of the works at all.

Hon Emily LAU Wai-hing:

I just read out to you saying that AMD should be in the driving seat, and you tell me that it has not impacted.

Chief Executive Officer, AA:

The difficulty of course is that the Project Division had responsibility for all of the contracts. So AMD, since they had not reached their full complement at that time, were required to work through Project Division on all contracts, which they still are today I might add.

Hon Emily LAU Wai-hing:

Was slippage not one of the reasons which delayed the delivery of those projects and that is why AMD could not come in in full? Was it not Project's responsibility to make sure that those projects were delivered on time?

Chief Executive Officer, AA:

Yes.

Hon Emily LAU Wai-hing:

They did not, that is why AMD had to be pushed and their training had to be compressed.

Chief Executive Officer, AA:

Yes.

Hon Emily LAU Wai-hing:

What did you do to try to resolve that?

Chief Executive Officer, AA:

The first thing we tried to do was to complete the construction and the other matters as quickly as we could. The other thing is, we developed alternative plans to accomplish the training with AMD.

Hon Emily LAU Wai-hing:

I want to ask this last question: Why was AMD and Project not talking to each other?

Chief Executive Officer, AA:

I think there may have been a few cases at individual level where this was happening, but overall, they got along reasonably well together.

Hon Edward HO Sing-tin:

I want to follow up on Ms Emily LAU's question. Emily said that the Project Division was in the driving seat, actually, she was just quoting. We all know that there were a lot of problems with the contract being delayed and all that. I want to ask Dr TOWNSEND whether he was satisfied with the performance of the Project Director as far as controlling the progress of the project?

Chief Executive Officer, AA:

Yes, I think the Project Director and his staff did a very good job in keeping the project moving forward under very difficult circumstances.

Hon Edward HO Sing-tin:

In saying that, what would he attribute to the actual problems which have occurred? I am talking about delay of the main contract, delay of FIDS.

Chairman:

Can we turn it around and say would you agree good project management must be based on finishing projects or contracts within budget and on time?

Chief Executive Officer, AA:

Yes.

Chairman:

Did you find that the Project Division was performing on both?

Chief Executive Officer, AA:

They were trying their very best efforts and across the entire spectrum of activities. The question was, did the contractors achieve those requirements? The answer was, in certain areas they ran into problems and action was taken to correct as much of that as possible.

Hon Edward HO Sing-tin:

Madam Chairman, I think that test of good project management was not passed in the sense that the main building contract was delayed, huge sums had to be paid to them for acceleration. The FIDS system was delayed and, moreover, additional sums were paid to them yet the result, even on AOD, was not satisfactory. How can Dr TOWNSEND say that the Project Division did very well?

Chief Executive Officer, AA:

I think the earlier problems that you were referring to on the supplemental agreements were contributed to by external factors beyond the control of Project Division. The other factor is the inclement weather that was experienced at that time in getting the project started, particularly the terminal building. I think in the case of FIDS, again, it was the supplier organisations who had a major difficulty with them.

Chairman:

Is it not the job of the project management team, or the Project Manager, to ensure that certain problems are actually overcome, that in fact you deliver on time and within schedule? You told us all these various other parties who were actually responsible, but surely the Project Manager must be responsible to a very

large extent because he is the catalyst, is he not?

Chief Executive Officer, AA:

He is responsible for the performance of the design and construction of the airport, yes.

Hon Edward HO Sing-tin:

Also for the administration of the contract.

Chief Executive Officer, AA:

Yes, and administration of the contract.

Hon Edward HO Sing-tin:

Now say FIDS, they were awarded the contract in the middle of 1995. Supposedly, they were to deliver the whole package by the end of 1996, but up until April 1997, they had not done anything yet. They were still arguing with Project as to specifications and so on and so forth. Would a good project manager have sounded the alarm and tried to recover the programme and some very drastic action taken with the contractor and so on?

Chief Executive Officer, AA:

I believe that was done to the extent practical under the agreement we had with the contractor. I know that our Project Division worked very hard in that area. I think that considering the difficulties of getting that work underway, that it finally came to the point where it was recovered and we had a programme we could actually work with. You may recall that part of the problem was that the contractor had a schedule that was not really telling us what the deliverables were. That is what a good part of the effort went into.

主席：

劉江華議員。

劉江華議員：

我不是想請董誠亨先生評論柯家威先生的工作，而是想請你評論自己的工作責任。剛才何承天議員提及有關"FIDS"的合約問題，我想請你參閱昨天提供給我們的B306號文件……

主席：

劉江華議員請等一下。陸恭蕙議員，請問你的提問是關於哪一部分？

陸恭蕙議員：

我正想詢問關於"management"的問題。

主席：

"Management"……劉江華議員，對不起，現在討論的全都與"management"有關，但因為陸恭蕙議員先舉手，先讓她發言。

Hon Edward HO Sing-tin:

Madam Chairman, can I establish one point first? I am not trying to evaluate Mr OAKERVEE's performance, because we already have questioned him. I want to establish a point whether the CEO, whether he has over-delegated too much to the Project Director, or he just has too much confidence in him.

Chairman:

Can you finish off your question now?

Hon Edward HO Sing-tin:

That is my question.

Chairman:

Dr TOWNSEND, can you answer that?

Chief Executive Officer, AA:

I felt that what was delegated to Douglas had enough checks and balances that his performance could be watched carefully, both on budget and progress and in other areas. He was responsible for reporting, not only internally, but also to the Board and ADSCOM and the others. So it was certainly well under review.

Chairman:

Can I just let Miss Christine LOH ask first.

Hon Christine LOH:

I want to continue asking the question that Miss LAU left off. Now that you have heard the criticisms, the comments that were made by senior members of the Government from these papers today, I just wondered, first of all, what is your management style? What problems did you have in executing your duties?

Chief Executive Officer, AA:

I think, as you can appreciate, on a project of this size, it requires a blend of people to work together. Obviously, each have their own type of personality and their own style of working on the project. The people that we have in the Authority are quite capable in their own roles. I think my role in many cases was, first, to act as the decision maker if no decision could be agreed even between the individuals involved. The other thing was to facilitate agreement, either by getting them together and talking to them, or in other forms to try to keep those things under control.

Obviously, on a project of this size there is a great deal of tension and stress and other factors at play. There is always the necessity to move forward and get the project completed. At times you may find that there will be differences of opinion just for that reason alone.

Hon Christine LOH:

I am asking the witness personally, since you are the Chief Executive Officer and the ultimate decision maker, did you sometimes prevaricate, and were you sometimes indecisive? For example, earlier on today we talked about the passing of the date for the standalone system; did somehow your own personal management style contribute to some of the problems?

Chief Executive Officer, AA:

No. I agreed on the earlier point that was raised on continuing with the integrated system as compared to standalone.

Hon Christine LOH:

I think my question was, whether sometimes it was indecision, it took too long for decisions to be made?

Chief Executive Officer, AA:

I do not believe that I experienced that. One of the things you have to do is gaining acceptance from the various parties as to what their role is and how they will resolve the problems. I am not one to prevaricate or take a step back until I have an inadequate answer. I think the question is, how do you go about accomplishing that? Do you do it through strong measures, or do you use persuasion? I generally find in my experience in very large projects that you have to have a combination of both. I do believe that it is important to build the team and that persuasion is sometimes the best way to accomplish the overall objective.

Hon Christine LOH:

Is it possible that because of your own background in engineering that more weight was given to Project Division, for example, and also we heard and I think you sort of confirmed that we had a very strong personality heading the Project Division? Did you somehow give more weight to what they were saying and what they were doing as over AMD and other divisions?

Chief Executive Officer, AA:

No, I was paying very close attention to the other groups. Until we were able to have Billy LAM come over as my deputy and to help in those responsibilities, all of those people were reporting directly to me. I did have to worry about AMD, IT and all the other departments and divisions within the Airport Authority. I felt that at that time, as I indicated, in terms of total numbers of people, up until the latter part of 1997, about three-fourths of them were actually Project Division people.

Hon Christine LOH:

Earlier on a document was referred to you about when AMD should have taken over, one of the ADSCOM papers that was just referred to you a few minutes ago, did you agree that that should have been the case?

Chief Executive Officer, AA:

Yes. The question was: At that particular time was AMD fully in a position to take over, or not? For example, a programme was worked out whereby systems and facilities and other things were turned over to AMD. Once those were in place, then the access to those and how they were to handle them were completely in the authority of AMD. They were not up to full strength in earlier phases.

Hon Christine LOH:

I would like to make a distinction here. One is the situation that the witness has put before us. The other one is, whose decision took priority? Surely the people who headed AMD, what weight did you give to what they wanted? What you are saying is, in terms of personnel and so on, they were not ready, they did not have the full team. What I am saying is, they had certain priorities, they had certain preferences, why were they not given those priorities? Was that your decision to make in the end? Presumably, yes.

Chief Executive Officer, AA:

It was my decision in consultation with the people involved. Also, if it involved a large expenditure of money it would be involving the Board of the Airport Authority or one of their committees. I think the important point here is that when people start looking at AMD and say that they ought to receive what they want, the thing is, that is, is it contractually possible or feasible to obtain what they want within the period or within the budgets that have been allocated? Even those subjects were discussed, we were talking at the beginning of the session about the items identified during the first trial. As I indicated, almost all of those were implemented.

Hon Christine LOH:

This is a very large project, probably the largest project that you have been involved in. Is that correct?

Chief Executive Officer, AA:

I have been involved in other large projects, but this is definitely the biggest.

Hon Christine LOH:

Not as CEO.

Chief Executive Officer, AA:

As officer of the company that would be building the facility, yes.

Hon Christine LOH:

This is the largest project, and one that you are directly responsible for all the ultimate decisions. Did you feel overwhelmed sometimes, was it a bit over the top of your head sometimes?

Chief Executive Officer, AA:

I feel that at times there were subject areas with which I was not familiar, but we did have people within the organisation and consultants working for us that I could rely on for providing information. So I never felt at any time that I was really frustrated for lack of information to make decisions.

Chairman:

Are you on the same subject, Dr HO Chung-tai?

Dr Hon Raymond HO Chung-tai:

Yes. Following the last question, let us try to take a specific example on your management style. Up until even around April last year, the Project Division was still making changes to the technical specification of FIDS, contract C-381, so they were creating a lot of particular technical specifications, PTSs. These created a lot of delay to GEC, EDS's contract, although EDS was very slow to start up, anyway, on the contract work. Because of the number of changes made to the contract, eventually, the contractor asked for compensation of $89

million which was paid. Most of this was paid in respect of changes rather than other aspects. Was that decision made by the Project Division or did it actually get the blessing from you, Dr TOWNSEND?

Chief Executive Officer, AA:

Normally in that situation the Project Manager, K C TSUI, who may have appeared here, would work with the contractors in those particular cases. It would come up through Douglas OAKERVEE's organisation. A claims group, involving others in our organisation independent of the 2 people I mentioned, would evaluate the claims and decisions would be taken at that level. For an amount of change that we are talking about, this would ultimately go before the Board for their approval.

Dr Hon Raymond HO Chung-tai:

This involved a lot of time lost and also an extensive amount of money to be paid to the contractor, all due to uncertainty in the requirements of the Project Division. Why as CEO did you not actually put a stop to that?

Chief Executive Officer, AA:

Actually, when we look at this situation on those particular claims let us call them, there was a problem in interpreting the supplier's proposed specification, the so-called SSS system versus our particular technical specification which was part of the tender document. After they had tried for some time to modify available software that they had, they came back and indicated to us that they would require additional approaches. In addition, our AMD had been requesting a number of changes which is where many of them came from. There were other contributing factors such as access and a few other areas.

Dr Hon Raymond HO Chung-tai:

Dr TOWNSEND, my question was, why did you not put a stop to this because this involved a lot of loss in time, because time was pressing, and also a large expenditure was incurred, why did you not put a stop on this saying: Now, today, we can still carry out or ask for certain changes, but tomorrow we will freeze all changes; why did you not do that?

Chief Executive Officer, AA:

We tried to do that, the exception that we had was AMD that was requesting changes up to the end.

Dr Hon Raymond HO Chung-tai:

But you as CEO would not take a position on this and put a stop to this?

Chief Executive Officer, AA:

Yes. If it was not a reasonable request it would be stopped.

Dr Hon Raymond HO Chung-tai:

Do you think that all these late changes made, to a certain extent involving such a large sum of money, were reasonable?

Chief Executive Officer, AA:

Were within the terms of the contract, yes.

Dr Hon Raymond HO Chung-tai:

Did the committee responsible for claims put their recommendations to the Executive Committee for endorsement first? What was the route?

Chief Executive Officer, AA:

If they were to go to the Board, ultimately, they would come to the Executive Committee and then they would go to the Project Committee and to the Board generally. This was a sensitive contract and so it received considerable attention. I might add NAPCO was frequently involved in looking at these claims.

Chairman:

Dr TOWNSEND, you were saying a minute ago that in fact all the changes were changes that were requested by AMD and that Project took them on board,

asked for the changes so that AA was in fact responsible for the changes in the guise of AMD, the user representing AA. That was the reason why you were prepared to pay extra expenses to EDS for those changes, right?

Chief Executive Officer, AA:

Some of those changes were of that nature, yes.

Chairman:

You did not feel that it was necessary to tell AMD or to tell anybody that enough is enough?

Chief Executive Officer, AA:

Everything was looked at very, very carefully. They had to be justifiable, and they had to be what was required for AMD and for the Airport Authority. That is the way that we handled that particular item.

Hon Margaret NG:

Madam Chairman on that point, the AMD request, could the witness be asked to supply the changes requested by AMD because we have an AMD witness who said that AMD did not make any request as to changes of specification?

Chairman:

This was the end of 1996 and beginning of 1997, at that time when the agreement was altered and an additional amount was actually paid to EDS under a supplemental agreement, would you supply that?

Chief Executive Officer, AA:

I could provide a written response.

Chairman:

I think it is not a written response we want, we actually want documentation of the changes which were proposed by AMD which justified the additional payment, that is what we require.

Chief Executive Officer, AA:

They were part of that, yes.

主席：

單仲偕議員，請作簡短的詢問。

單仲偕議員：

主席，我想提問關於計劃控制的問題。機場航班資料顯示系統原定的支出預算是2億3,000萬元，後來結算時大概是3億元，約超支了7,000萬元。原定的計劃是在1996年底完成，但後來延至機場開幕時仍未能很有效地運作，延遲了18個月。但在整個計劃控制方面，董誠亨先生仍然感到滿意。至於這個計劃控制開始時的情況，無論柯家威先生或徐先生，均多次向我們表示，他們非常缺乏資訊科技的經驗。而在計劃控制方面，有關的資訊科技部人員直至1996年年底才開始參與有關的計劃管理。該工程出現時間延誤、超支和計劃內容各方面的問題，最低限度，AA內部職員(包括“AMD”的同事)覺得工程未能達到他們的要求。但你仍然滿意整個計劃管理，是嗎？

Chairman:

Mr TOWNSEND, were you happy with the Project Division's performance at that time?

Chief Executive Officer, AA:

I believe that the subject of the contract FIDS was very complex. As we have indicated, it was one of the largest ones in the world. I think that the Project Division recognised that in addition to one of their other consultants they had employed, that there were several requirements within the Authority. One is that the IT group was more oriented towards software and network systems. So it was arranged with IT that one of our senior managers ...

Chairman:

Dr TOWNSEND, you need to answer Mr SIN's question. Mr SIN has just pointed out to you evidence of how the budget was exceeded in the first place, time was slipped considerably, and his question is, in the face of all that evidence you still maintain that you are satisfied with the performance of Project?

Chief Executive Officer, AA:

I believe the Project group did a good job under the situation, and that many of the problems were also involved in the performance of the supplier.

主席：

劉江華議員。

劉江華議員：

主席，單仲偕議員和副主席已提問了我想提出的問題。我想跟進提問的是，董誠亨先生是否知道“FIDS”的功能實際上是減少了，你知道嗎？

Chief Executive Officer, AA:

Yes. I should clarify, many of the functions were deferred functions that would be completed after airport opening date.

劉江華議員：

另外，你是否知道它沒有進行在廠驗收測試？

Chief Executive Officer, AA:

Yes.

劉江華議員：

你是否知道交貨日期也延遲了？

Chief Executive Officer, AA:

Yes.

劉江華議員：

你又是否知道電腦軟件的文件正本直至開幕那天仍未送交你們？

Chief Executive Officer, AA:

I am sorry.

劉江華議員：

在開幕那天，他們還沒有將電腦軟件的正式文件交給你們。

Chief Executive Officer, AA:

The two million lines of software writing, no, we did not have that yet because they had not finished developing it.

劉江華議員：

在這種情況下，實際上是否應該罰款，而不是付款。有關費用由2億1,900萬元，3月時增加至3億元，這是基於甚麼理據？除了柯家威先生贊成增加這方面的支出外，董誠亨先生你也是主要的成本控制人員，為何在這種情況下，你還會批准增加如此大筆的款項？

Chief Executive Officer, AA:

The important part of it was that we are also pursuing various claims against the suppliers. The other part of it I believe is that there were other items involving more monitors and other activities that were part of the prime contractor's scope, also access delays in other areas. It was a total settlement in that particular area. That is why I indicated that not all of it was entirely the responsibility of AMD, but many of the changes to the FIDS programme were arising from AMD. I will explain that in writing.

劉江華議員：

主席，我們會繼續留意。現在，我想引用另一個例子，以衡量董誠亨先生控制支出的能力。請董誠亨先生參閱第IV冊C93號文件，其中一部分是敘述"TMR"無線電話的通訊，我們都知道那些電話在開幕那天的表現並不太理想。

主席：

是哪頁？

劉江華議員：

C93號文件後面的圖表，在"project data sheet"那部分，"sheet 2 of 13"，前面是一些文件，後面是一些圖表，就是第三張圖表。

主席：

你的意思是有圖表在前面？

劉江華議員：

……因為沒有頁數。

主席：

"Sheet 2 of 13, project data sheet"，是類似表格那頁？

劉江華議員：

那頁有一些金額的數據。

主席：

另外的圖表在哪裏？

劉江華議員：

不是圖表。就是那張表格，有金額數據那張。

Chairman:

Have you got it, Dr TOWNSEND? Sheet 2 of 13.

Executive Officer, AA:

I am getting it . Yes, sorry.

劉江華議員：

請你看384號合約，是關於無線電話系統的。在中間那部分，"Contract sum"提到"(a) award value, (c) current contract"。當時的"award value"是7,300萬元，在這時候驟增至1億9,200萬元，這是否後來增加了款額？

Chief Executive Officer, AA:

In many cases this has involved additional new works requested by Government, that we have under an entrustment from Government. In addition, more handsets and other base facilities were required over the original specification, but the contract allowed for that. So most of that has been for additional requirements.

劉江華議員：

儘管如此，透過這些研訊，我們亦可知道，政府很多物資實際上是未能及時提供，直至開幕那天還是沒有預備好。在這方面，我的問題是，雖然費用增加了，但這個無線電話系統在開幕那天的表現仍是很差。從這兩個例子可以看到，縱使增加了費用，卻似乎是物非所值，這是否意味著監管不足呢？

Chief Executive Officer, AA:

I think I explained the situation with FIDS which I will prepare an answer on. In the case of the trunk mobile radio, the Airport Authority's trunk mobile radio worked on airport opening day. It was the trunk mobile radio provided by a commercial service provider that was overloaded and did not work.

劉江華議員：

但警方使用這個系統時有許多盲點，而這是可以構成安全問題的。

董誠亨先生你不會否認這點吧?

Chief Executive Officer, AA:

It did not create security problems, but we found some areas on parts of the site, remote areas, where the signal was not strong, and those have been corrected.

劉江華議員：

在文件上可以看到，警方曾嘗試進行一些反恐怖活動，亦發覺未能收到信息。董誠亨先生你同意嗎？

機管局行政總監：

"Yes"。

劉江華議員：

那為何你不認為這是安全方面的問題？

Chief Executive Officer, AA:

Because they completed the exercise, and they came to us and asked for our help. It was mostly a problem of antennas more so than the trunk mobile radio system itself.

主席：

李永達議員。

李永達議員：

我想跟進劉江華議員剛才提及關於測試的問題。董誠亨先生你是否知道整個航班資料顯示系統中有一項測試名為"在廠驗收測試"，即"Factory Acceptance Test"已被取消？

Chief Executive Officer, AA:

Yes.

李永達議員：

你認為這個項目被取消是因為要與"Site Acceptance Test"組合，還是其他原因？你怎樣理解這點？"Is it a cancellation of FAT or is it a combination of FAT and SAT on site"？

Chief Executive Officer, AA:

I felt that under the conditions it was appropriate, first of all the remaining part of the FAT, to combine that with the SAT at the site. One reason being that a large delegation of ...

Chairman:

Sorry, Dr TOWNSEND, the question is, do you regard that as a cancellation of FAT, or a combination of the FAT and the SAT?

Chief Executive Officer, AA:

It was a combination of the 2.

Chairman:

So FAT was actually conducted, was it?

Chief Executive Officer, AA:

Yes, but the SAT incorporated all the key points of the FAT that were required.

李永達議員：

這樣的處理方法，董誠亨先生你會否認為產品測試未能符合合約的要求？

Chief Executive Officer, AA:

It would meet the requirements of the SAT test which was repeated to make

sure that everything was corrected in accordance with that. That is one of many tests that have to be performed.

李永達議員：

主席，我們在這個問題上已向兩位證人提問，所得的意見是，一個綜合的"SAT"與"FAT"，實際上是不能取代一個獨立的"FAT"。我的問題是:董誠亨先生，在測試的後期，你實際上有否詢問資訊科技部主管和同事，這樣的處理方法，會否影響系統最後所顯示的可靠性和穩定性？

Chief Executive Officer, AA:

As I indicated, it is a test, but it is not necessarily a full indication of the reliability or stability of the system.

Hon LEE Wing-tat:

Madam Chairman, my question is whether you have consulted the Head of the IT Division and also staff of IT that once you combine the 2 tests together, the result of that does not guarantee the stability and reliability of the system?

Chief Executive Officer, AA:

Yes. The result of the SAT was reported back as meeting the requirements after it had gone through a re-SAT, which is a follow-up test. So, yes, it was an indication that the system was functioning in accordance with those test parameters.

Hon LEE Wing-tat:

Madam Chairman, can I ask the witness, besides FAT and SAT tests there are another series of tests to guarantee you that the system is stable and reliable, like the regression test, resilience test, stress loading and, the most important is, the response time test. Whether these tests are actually operated or tested before the AOD?

Chief Executive Officer, AA:

Yes.

Hon LEE Wing-tat:

Had they?

Chief Executive Officer, AA:

They performed them, and under the conditions of those tests they performed satisfactorily.

Hon LEE Wing-tat:

I am sorry, Dr TOWNSEND, what I get from the information is that actually the resilience test was unsuccessful. The stress and loading tests are not started. The response time test to be recorded after AOD. So all these tests essential to test the stability and reliability of the system have not been tested, or tested unsuccessful before AOD.

Chief Executive Officer, AA:

I am sorry, I did not realise you were referring to those 2 tests. Those 2 tests, you have to have the airport actually in operation before you can successfully do that. So that is a continuing programme after opening date and will continue for months, because you do not know when you might have a failure of the system when they are first put into operation. So it is over a very long period of time, and preferably under stable conditions of airport operation.

Hon LEE Wing-tat:

Madam Chairman, is Dr TOWNSEND telling this Committee that the stress and loading test and the response time test can only be operated after AOD and cannot be, for example, simulated or use some kind of artificial arrangement so that you can test them before AOD?

Chief Executive Officer, AA:

They are simulated, but there are limitations as to what you can do with that type of test programme.

Hon LEE Wing-tat:

Leaving aside the limitations, I am asking whether these tests were tested,

and what are the results?

Chief Executive Officer, AA:

The results were generally satisfactory, although there were the problem reports that were mentioned earlier.

Hon LEE Wing-tat:

Dr TOWNSEND, can you give us documentation that proves the stress and loading tests and response time tests are tested and satisfactory? Because we have got other documentation that these tests have been taken place and failed.

Chief Executive Officer, AA:

I will have to check the records on that point. I do not recall.

Hon LEE Wing-tat:

In view of the circumstances and factors, for example, the tests for the FIDS, or the tests I listed just a minute ago, tested and failed and not successful. You have to squeeze the training and you rely on a large amount of workarounds for the opening, and you talked to Justice Woo's Commission, you have considered whether you should change the date of the opening, but you finally said you do not want to change it. Can you tell this Committee why, in lieu of these unfavourable conditions or testing the result you have?

Chief Executive Officer, AA:

The reason of course is that we felt that the airport would be ready to operate with the various workarounds and other systems that were in place, including the contingency plans. Therefore, we felt that it would not be desirable to request a postponement of the opening date from the viewpoint of the Authority.

Hon LEE Wing-tat:

Is Dr TOWNSEND telling this Committee that your confidence is totally relied on the workarounds that you mentioned this afternoon and not on the

operation of the main system? Not on successful tests of the system, and not depending on the well training of your staff and only depends on the workarounds? Are you saying that to this Committee?

Chief Executive Officer, AA:

The earlier testing had proved that the system was working satisfactorily with the exception of the problem reports. We did have workarounds that would work. We felt also that we had very strong support from the suppliers as well as our own staff and IT to work through those systems. In addition, as we indicated, once the airport goes live and all of the conditions, there could be additional problems that might come up and we had to be in a position to respond to them.

Hon LEE Wing-tat:

Can I refer to one last document, Volume IX, Paper no. B225-13. It is a test report from one of your staff, Vivian CHEUNG. It is about the testing of the FIDS system from 12 June to 28 June. Can you see the report from your staff, Vivian CHEUNG, on the system stability and down time from 12 June to June 28?

Chief Executive Officer, AA:

Yes.

Hon LEE Wing-tat:

As I read from a layman's perspective, at that period of time, only about 10 days to about 1 week before opening, there is still a list about 7 per cent, or on average about 11 per cent, of the down time of the system. Can you confirm that?

Chief Executive Officer, AA:

Yes, that is what her records indicate.

Hon LEE Wing-tat:

Only 1 week or 10 days before the opening and you still find your staff

reporting to you that the down time for the computer ranges from at least 7 to maybe sometimes 14%, and you still have confidence in the system?

Chief Executive Officer, AA:

With the programme as it was at that time there was work still going on of course and some of these were other tests being run by EDS. I believe the collective opinion was that we would be able to open the airport with this general situation existing.

Hon LEE Wing-tat:

My question is, Dr TOWNSEND, your staff has actually reported to you that the system is still unstable and will not be reliable for opening. You admit to this Committee that training is not enough, you are very dependent on workarounds, and you said to the Commission of Inquiry that you at one time think of another opening date again. Why did you not express this opinion to ADSCOM or AA Board?

Chief Executive Officer, AA:

I believe in the case of the airport opening date that the criteria set down by Government was that if we found anything that would seriously prevent us from opening the airport, that we should discuss it with them. For example, whether for the relocation, which is an unrelated subject. But in this case we felt that the airport would operate with all of the additional personnel, the workarounds and the other contingency plans that we had in place. Besides, this was no guarantee that other problems would not come up for other reasons. As I indicated, some of these may have been testing also being done by EDS or their systems.

Hon LEE Wing-tat:

Madam Chairman, Dr TOWNSEND repeatedly said to this Committee that he heavily relies on the increase in staff resources and the workarounds to achieve a safe, efficient and smooth opening of the airport. Do you really mean that the main system and all the other things that have actually been prepared for this opening event are not ready, so you have to very heavily depend on additional staff and workarounds?

Chief Executive Officer, AA:

Yes. Also, after this time we had run for a while on live information from Kai Tak, and the people in AMD were saying that they felt that they were ready to operate the airport.

Chairman:

Dr TOWNSEND, can I refer you to a status report which is Paper no. B67 in Volume III, this is the Schedule of Critical Activities Weekly Status Report, Report Number 28, week ending 5 July. That is the last report immediately prior to AOD.

Chief Executive Officer, AA:

Yes, I have it.

Chairman:

Would you say that this report is actually a list of all the various things which have been of some concern to ADSCOM and to the Board I suppose, AA Board, and to management just prior to AOD?

Chief Executive Officer, AA:

These are outstanding works, yes. It says report on additional works.

Chairman:

Can I refer you to C381. Would you look down the list? Here it says:

"Test on stand-by FIDS has been completed." "The outstanding problem reports, including the stand allocation module being progressively fixed." "More monitors and LCD boards identified to be faulty and need to be repaired." "Reliability of FIDS passenger system exceeded 95 per cent."

Then of course the TMS system, that is in operation, "decided to switch back to FIDS TMS for positive data flow"; OK?

Chief Executive Officer, AA:

Yes.

Chairman:

That is a comprehensive list of the various things under FIDS.

Chief Executive Officer, AA:

Yes, in summary form.

Chairman:

Would you agree from what I have just read out that it does give ADSCOM, and whoever will read it, a high degree of confidence that the system is working properly?

Chief Executive Officer, AA:

This was a report to the Chairman of the Airport Authority. It indicates the status leading up to AOD, yes.

Chairman:

It has been signed by you and Mr OAKERVEE, not by Mr HEED, but later on they did send us something to the effect that he agreed. So would you say that what I have just read out gives people a high degree of comfort and confidence that the system is performing well?

Chief Executive Officer, AA:

That it would perform sufficiently for the opening of the airport, yes.

Chairman:

Mr LEE has just read out the report of your user department which actually is Vivian CHEUNG's I suppose, that the user's actual usage reflected a certain degree of instability. Why was it not reflected likewise, to give a balanced view to the Board?

Chief Executive Officer, AA:

I believe that that information was generally discussed, but it was not included in this report because we felt that this was the actual situation and that even Miss CHEUNG I believe agreed that she felt we were ready to open the airport.

Chairman:

I am simply asking, why is it that you are presenting in the report a picture which is that by and large the system is OK, including stand-by and everything else, reliability 95 per cent? Incidentally, in your evidence to the Commission of course you did say 98.7 per cent was referring to the host server, but that point has never been made in any of these reports as well as the report to ADSCOM. Why is it that you only reported on the optimistic side and not the negative, the negative signals that you were receiving from your user department?

Chief Executive Officer, AA:

I believe in the 98.7 which has been discussed in various forums, that was early in the testing of the FIDS system, and later as it was operating, as I indicated, there were tests being run by EDS which also brought their average down. I think we agreed whether it is 95 per cent or 90 per cent is not the entire picture. For that reason we had mentioned at various times what the performance would be and how we were going to take care of it. I think this report is a very brief summary report and we do not have every item of detail in the report.

Chairman:

The point I am addressing, Dr TOWNSEND, is that you are reporting to the AA Board and you are also reporting to ADSCOM as to the status of affairs of various things which are AOR critical. Why is it that all the negative signals are not there and only the positive signals are there?

Chief Executive Officer, AA:

I might add, this is just to the Chairman of the Airport Authority, it was not sent to ADSCOM. As you are aware, this issue of the 90 per cent was reported also to ADSCOM by NAPCO who were in attendance during part of the trials, so they were aware of this situation.

Chairman:

If you would turn to Paper no. A47, which is the ADSCOM paper, which is the AOR Status Report as at 30 June 1998. Paragraph 9:

> "As regards the permanent FIDS, the stability of the main base system continues to be very good. Final tests to check resilience and response time have been conducted as well as continued upgrades to software to correct outstanding problem reports."

Would you not say that something like that would give a very high degree of comfort and confidence to ADSCOM?

Chief Executive Officer, AA:

I would believe that they would say that that is positive progress, yes.

Chairman:

None of the negative signals which came through from your user department were actually passed on, were they?

Chief Executive Officer, AA:

Again, this is a report in summary form which is the basis of a discussion paper with ADSCOM on these issues.

Chairman:

It may well be, but the fact of the matter is you gave very positive signals to ADSCOM that everything was ready, did you not?

Chief Executive Officer, AA:

Yes.

Chairman:

That reflected the status report that you gave to the AA Board, along the same lines, right?

Chief Executive Officer, AA:

Yes. We felt that we were ready to operate the airport.

Chairman:

As we found, this differed quite considerably to the NAPCO/CPM report to ADSCOM, they were not at all sure that FIDS, for example, was ready. They kept saying that there was a high degree of instability; were you aware of that?

Chief Executive Officer, AA:

Yes.

Chairman:

How did you reconcile that with their report?

Chief Executive Officer, AA:

Part of it was their observations taken during the June testing programme. Our initial report, not probably too different from the chart we were looking at earlier that was referred to, that indicated day-by-day the amount of down time by FIDS. Their results are somewhat comparable, they had access to that information. I believe you will find that the experts in NAPCO also felt that that would not prevent us from opening the airport.

Chairman:

They said very distinctly that you were not quite ready.

主席：

李永達議員。

李永達議員：

主席，我想提出最後一個問題，是有關董誠亨先生出席調查委員會時，表示曾考慮更改機場啟用日期一事。我想問得詳細些。請問董先生，你回答調查委員會時，有人曾問："As far as you are concerned, was it ever an option to delay airport opening"？你當時回答："I believe that was

considered”。我的問題是，請問是在哪個場合，以及哪些人曾參與討論能否更改機場啟用日期的問題？

Chief Executive Officer, AA:

I am sorry, I missed the first part of it.

Hon LEE Wing-tat:

In reply to a question in the Commission, you were asked, a question "As far as you are concerned, was it ever an option to delay airport opening?" You answered, "I believe that was considered."

My question is, in which venue, through which meeting or through what kind of discussion, with whom, directors and other people, did you discuss about the possibility of changing the date of opening of the airport?

Chief Executive Officer, AA:

This would be reviewed at various levels. One of course would be within the Authority. It was decided that we would move ahead with opening of the airport as scheduled on 6 July.

Hon LEE Wing-tat:

You are talking about the Authority level?

Chief Executive Officer, AA:

Yes.

Hon LEE Wing-tat:

You mean the Authority formally discussed the possibility of changing the date of opening?

Chief Executive Officer, AA:

What we said was, we were in a position to open on 6 July. This was also discussed with ADSCOM and NAPCO prior to that.

Hon LEE Wing-tat:

We are talking about the opening date of 6 July, whether it can be postponed to August or September, we are not talking about postponing the April date to July.

Chairman:

We are talking about your evidence to the Commission of Inquiry where you said that in fact 6 July was actually considered to see whether there was any need for postponement. Mr LEE has asked you where specifically was this discussed within the Authority?

Chief Executive Officer, AA:

That was referring to the Airport Operational Readiness Programme and how it was to be implemented. Although everyone was working and dedicated to 6 July, it was always intended that if anyone found a reason why the airport could not open, that it would be reported and that it would be considered by Government and the other parties to decide what action to take on it. We did not recommend the Government any other date, we said we would meet the 6 July date.

Hon LEE Wing-tat:

Are you telling this Committee: If all members in the AOR meetings, I think it includes most of the Directors, actually if they found the parties responsible were not ready for the opening, they should express this view to the meeting and tell you. Were they advised to do so?

Chief Executive Officer, AA:

Yes. Those members, AMD, Project Division, myself and others were aware that if there was anything to prevent opening the airport, I might add that included NAPCO and obviously ADSCOM, that that subject could be raised and that it would be considered at that time.

Chairman:

Where was it said? Where was this made clear to top management of the AA? Do you have any documentary evidence which would help members to focus on this?

Chief Executive Officer, AA:

It was part of the basic part of the run up to transferring the facility from Kai Tak to the new airport. In fact, there was a meeting held, I forget which day before the opening of the airport, but shortly before the opening of the airport, where all the situations were discussed, particularly weather. But there were no questions raised about opening the airport.

Hon LEE Wing-tat:

So, did Dr TOWNSEND pose questions at that meeting to all the directors and members concerned there? Did everyone have a clear mind that all the responsible areas are ready, or actually you have not posed the question to them?

Chief Executive Officer, AA:

They have expressed no heavy concerns about opening of the airport on that day.

Hon Margaret NG:

Madam Chairman, this is important. We all realise that from the very beginning when 6 July was fixed, people were aware that if the weather made it impossible for relocation, the date would have to be changed. You were aware of that?

Chief Executive Officer, AA:

Yes.

Hon Margaret NG:

We are not talking about weather.

Chief Executive Officer, AA:

I know that.

Hon Margaret NG:

We have heard from other witnesses who are very surprised that the 6 July AOD could be changed. Your evidence is that they should not be surprised because they were all aware of the fact that it could be changed. So could you tell us, what was the occasion on which they were made aware? In what terms were they made aware?

Chief Executive Officer, AA:

I think there were 2 points, one which came up at the Commission. One is in a letter between our Chairman and the Chief Secretary for Administration, and the term "irreversible" was used, and I think that could have been taken out of context. We did know ...

Chairman:

The question is: When you gave evidence at the Commission of Inquiry you mentioned that in fact the AOD could actually be moved. We want to know where this was actually discussed between yourselves? You said just now they all knew, so long as they raised the alarm, it probably would have been attended to. We want to know where, which forum was used whereby they were kept informed of this, that they could raise the alarm and say "we are not ready" and was this actually discussed amongst your top management?

Chief Executive Officer, AA:

The answer is yes, we did discuss it. We discussed it with the Board. We discussed it with ADSCOM. Our position was that there was nothing to prevent us from opening on 6 July, therefore, no other opening date was discussed at that time.

Hon Margaret NG:

Madam Chairman, we have read the ADSCOM minutes and Board minutes and so on, we have not come across anything like that. Dr TOWNSEND, do

you think you can help us by telling us the dates, if you do not feel that you can immediately pinpoint then tell us later, but it is frightfully important to us.

Chief Executive Officer, AA:

If I may, I did read some of the information, and I saw some statements, I cannot vouch for their accuracy, however, they said other dates were discussed. We were not party to any of those discussions.

Hon Margaret NG:

Madam Chairman, we are not talking about discussing any other dates. Just now, Dr TOWNSEND, you told us that the understanding was that having decided on the 6 July date, that date could be changed if there is a reason for doing so, and you said whether it should be changed or not was in fact considered, that people were aware of it. We are asking for the dates when this was discussed, and the forum at which it was discussed.

Chairman:

How your senior management was kept briefed of this fact, that they could raise alarm.

Chief Executive Officer, AA:

I will send you some information on that.

Hon LEE Wing-tat:

This is very important. The information which this Committee get is that there is no option to change the 6 July date. If you find any evidence, whether in the AA Board, in ADSCOM meetings or AOR review meetings, we would be very happy to read it. We read all the documents, there is not one sentence mentioning that change of 6 July is an option.

Chairman:

I think that what I would like to do is, if we could keep all the questions on FIDS today, keep all the questions on FIDS. If you have any other questions on FIDS can you raise them now and we will try and move on to other things

tomorrow.

Hon Edward HO Sing-tin:

What about stand-by?

Chairman:

Stand-by we can raise tomorrow. On the main FIDS. Miss Emily LAU.

Hon Emily LAU Wai-hing:

Madam Chairman, a brief question on the testing of the integrated FIDS. If I can just quickly refer to the transcript of the Commission of Inquiry, 22 September at Page 85, in which I think the counsel is Mr YU, he asked Dr TOWNSEND:

> "So would it be fair to say that you were alive to the fact, you were aware of the fact that on AOD your system had not really been tested and you would need a period of about 4 to 6 months before it would be free of problems?"

You said:

> "Yes. But as I indicated with major software systems of this type, you would probably watch them carefully for that period of time after being put into full operation."

So you admitted to the Commission that the whole integrated system was not tested at all.

Chief Executive Officer, AA:

No. What we said was, it had to be run for a long period of time before you would have a high level of confidence for its life cycle.

Hon Emily LAU Wai-hing:

Come again? Because that is why I read it to you. It had not been tested as a whole. Actually, when was the whole system integrated and delivered?

Chief Executive Officer, AA:

It was delivered by the end of 1997, the first part of 1998.

Hon Emily LAU Wai-hing:

Integrated, Build 2, completely delivered to AMD so that they can start testing?

Chief Executive Officer, AA:

Yes.

Chairman:

What was the answer to that? Integrated.

Chief Executive Officer, AA:

Build 2 was delivered by the end of 1997, first part of 1998.

Hon Emily LAU Wai-hing:

The whole system.

Chairman:

The integration.

Chief Executive Officer, AA:

If we could, we were talking about a different concept in the question from Mr YU. We were talking about at what point are you absolutely sure that the FIDS programme is functioning at its full capacity and full capability with a high degree of assurance? The answer is, 4 to 6 months, or thereabouts, after we were in operation.

Chairman:

I am sorry, I have to refresh your memory, Dr TOWNSEND. The question

is:

> "So would it be fair to say that you were alive to the fact, you were aware of the fact that on AOD your system had not really been tested and you would need a period of about 4 to 6 months before it would be free of problems?"

That was the question. It was not a question that you just put to us. This was actually the question put to you.

Chief Executive Officer, AA:

Yes. The answer I gave them was ...

Hon Emily LAU Wai-hing:

Was "yes".

Chief Executive Officer, AA:

Was correct, yes. It takes that long to get all the bugs and for everything to clear, including the defects liability period.

Hon Emily LAU Wai-hing:

That was not reflected in the status report. That is why our Madam Chairman said you just tended to report the good news. You should have told your own Chairman as well as ADSCOM that it would take about half a year, which was originally what you had planned. You had given yourself that amount of time for the debugging, but then the whole thing kept slipping. Why did you not put it in the status report?

Chief Executive Officer, AA:

Because what we were referring to after airport opening date is the life cycle performance of the system. It does not mean that we did test it before we opened the airport, we ran it through a whole series of tests, and it performed as indicated. That was sufficient to open the airport. You can only test those systems for life cycle once the airport is up and operating.

Chairman:

That is not quite true, is it? In your contract with EDS it actually comprises several tests, some of which you missed. You said earlier on that FAT and SAT were taken together. In fact your own people reported to you that in fact even with a Pre-SAT at Hook that quite a bit of it was missed out. The Pre-SAT or the SAT could not in fact replace FAT. Would you agree with that?

Chief Executive Officer, AA:

Could you repeat the question again please?

Chairman:

A number of the tests which were actually included in your contract with EDS were, in the end, either not completed or not done. For example, resilience test, unsuccessful; stress and loading tests, not started; reliability tests, incomplete; response time tests, deferred until after AOD.

Chief Executive Officer, AA:

Yes.

Chairman:

All these very important tests were actually not done according to contract, you even cancelled FAT. Were you aware of that at all?

Chief Executive Officer, AA:

We did have a form of Site Acceptance Test in accordance with the written requirements. In fact, we followed up and there were things found during that test that needed correction, and that was taken care of. There were other actions to take that up. As I indicated, everyone agrees that you can only do the life cycle testing and resiliency and stress once the airport is up and operating.

Hon LEE Wing-tat:

Can I ask a final question on this point?

Chairman:

We are not finishing FIDS today now. We need to carry on for perhaps another 15 or 20 minutes on the main FIDS. So let us leave it until tomorrow, because it has been quite a long session. Today's hearing will end here. Dr TOWNSEND, please attend the Select Committee's hearing tomorrow to give further evidence to be held at 9.00 am.

Chief Executive Officer, AA:

Yes.

(The hearing ended at 6:30 pm)

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