

October 13, 1999

Bills Committee on Telecommunication (Amendment) Bill 1999
Legislative Council
Hong Kong SAR
Legislative Council Building
8 Jackson Road
Hong Kong

By Fax: 2121 0420 & By Hand

Attention: The Hon. Sin Chung Kai, Chairman

Dear Sir,

Telecommunications (Amendment) Bill 1999

Further to our previous letters to your Committee, we wish to draw your attention to a further point which has arisen. The government has said that wayleave fees charged to mobile telephone operators in government tunnels are determined on a cost recovery basis, making them less than those charged by BOT tunnels. They have also said that there will be a further reduction in the fees in the future. In its paper to the Bills Committee on October 4, 1999, the Government also stated that the access fees relating to government tunnels will be reduced to cover government's administrative costs for processing applications for access. The fees referred to in the paper are substantially lower than the current fees determined by the Market. We wish to make the following comments: -

- Charging the fee less than the market rate is in effect subsidising mobile phone operators at the taxpayers' expense. Surely this represents a loss of revenue to the government which cannot be justified.
- BOT tunnels obviously cannot operate in this way, nor can they and the road users be expected to subsidise the mobile operators.
- This kind of announcement is very unfair to the BOT tunnels as it reflects badly on us and makes it seem that we are overcharging mobile operators.

We hope the Committee can take our comments into consideration and pass them to the Administration so that a reply can be given at the next meeting of the Bills Committee on October 21, 1999, together with its response to all the points we made in our previous submissions.

We would like also to take this opportunity to quote the Chief Executive who, in a recent briefing to the business community following his Policy Address, said “our Government still believes in free economy and market forces and still wants the private sector to invest in Hong Kong”. What is being proposed in the amendment Bill is just the opposite!

Yours sincerely,

For and on behalf of
NEW HONG KONG TUNNEL CO. LTD.

For and on behalf of
TATE’S CAIRN TUNNEL CO. LTD.

Alexander Chan
General Manager

George Lee
General Manager

For and on behalf of
WESTERN HARBOUR TUNNEL CO. LTD.

For and on behalf of
ROUTE 3 (CPS) CO. LTD.

Kenneth Pang
General Manager

Gary Luk
General Manager

Copy to

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The Hon Howard Young, JP
The Hon Yeung Yiu-chung
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