

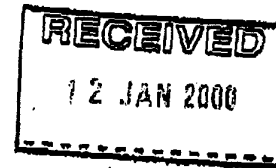


**Hutchison
Telecom**

11 January 2000

Mr. Edward Ho
Chairman
Panel on Planning, Lands & Works
Legislative Council
c/o Wong, Tung & Partners Limited
5/F., CityPlaza 3
Tai Koo Shing
Hong Kong

Hutchison Communications Limited
和記通信有限公司
17/F, Two Harbourfront
22 Tak Fung Street
Hung Hom, Kowloon
Hong Kong
Tel: (852) 2128 2128
Fax: (852) 2123 2123



Dear Sir,

Re: Proposed Charging and Penalty System for Road Opening Works

We refer to our letter of 30 March 1999 addressed to you and copied to all the members of the Panel on Planning, Lands & Works about the captioned proposal.

As the relevant issues are going to be discussed in detail in the Panel meeting on 13 January 2000, we would like to re-capture some of the key points below for your kind attention: -

1. The Proposal will impose a heavy financial burden on Hutchison Communications Limited who has invested and will need to continue to expend considerable funds on the fixed telecommunication network.

The capital and operating costs will inevitably be passed on to the consumers. In this respect, low income families would face financial burdens arising from increases in their electricity, gas and telephone bills.

2. The payment under the Proposal does not guarantee the commencement of actual excavation works after the issuance of the Excavation Permit. According to the Proposal, several other Government departments, such as the Environmental Protection Department, the Police and the Transport Department, etc. would have to be coordinated and consulted after the issuance of the Excavation Permit. This would not be a satisfactory arrangement.
3. The implementation of the Proposal would discourage the new fixed telecommunication network operators (Hutchison, NT&T, New World), expanding from their fixed telecommunication network.
4. The recovery of economic downturn is fragile. Improvement of unemployment will require further investment in the market. The Proposal would add financial burden to fixed telecommunication operators who would be forced to pull back on some of their expansion plans. The labour market would be adversely affected.

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5. The Proposal would create non-productive administrative works to all parties including the Highways Department.

In our point of view, the Proposal will have an adverse effect on the overall economy of HKSAR and should be suspended.

Yours Sincerely,
For and on behalf of
Hutchison Communications Limited

Stephen Hong
Manager - External Plant
Fixed Network Engineering Division

SH/wl

c.c. JUPG members

- Mr. C K Wong - Highways Department (Fax: 2714 5216)
- Mr. K W Chan - Water Supplies Department (Fax: 2824 0578)
- Mr. K.F. Tam - Drainage Services Department (Fax: 2827 6657)
- Mr. K W Li - The Hong Kong Electric Co Ltd (Fax: 2510 7812)
- Mr. Dennis Kwok - The Hong Kong and China Gas Co Ltd (Fax: 2516 9332)
- Mr. Allen Law - Hong Kong Cable Television Ltd (Fax: 2112 7810)
- Mr. Gary Chan - Hong Kong Telecommunications Ltd (Fax: 2802 1979)
- Mr. Matthew Lam - New T & T Hong Kong Ltd (Fax: 2112 2601)
- Mr. Steven Chan - Hongkong Tramways Ltd (Fax: 2858 4876)
- Mr. C L Wong - New World Telephone Co Ltd (Fax: 2133 2194)
- Mr. Paul Poon - China Light & Power Co Ltd (Fax : 2678 6537)

Panel on Planning Lands & Works

- Dr. Hon TANG Siu-tong -JP (Deputy Chairman)
- Mr. Hon Ronald ARCULLI - JP
- Mr. Hon Timothy Fok Tsun-ting
- Dr. Hon Raymond HO Chung-tai - JP
- Mr. Hon HO Sai-chu - JP
- Mr. Hon LAU Wong-fat - GBS - JP
- Mr. Hon LEE Wing-tat
- Mr. Hon TAM Yiu-chung - JP
- Mr. Hon James TO Kun-sun
- Mr. Hon WONG Yung-kan

- Mr. S S Lee - Secretary for Works
- Mr. K S Leung - Director of Highways





煤氣

香港中華煤氣有限公司

立法局規劃地政工務委員會各委員合鑒：

**建議挖掘准許証收費計劃
及掘路工程處罰制度**

香港中華煤氣有限公司獲悉以上凍結多年之草案將會再度提交於本年一月十三日立法局規劃地政工務委員會會議作出討論。

基於香港現時經營環境困難及草案本身之漏洞，本公司懇請各委員明察各公用事業機構未能接受此建議之原因。

現謹將本司對此草案之看法，概括如下：

1. 各公用事業機構現面對經濟不景氣。因此，在過去一年多，為舒緩市民的經濟負擔，大部份公用事業機構已主動凍結收費。在此情況下，政府再度提出此收費草案實在令人失望。
2. 此收費計劃將令各公用事業機構，在財政上背負沉重的負擔。在現時環境下，此負擔最後亦可能須轉嫁到消費者身上。
3. 所謂用者自付的原則，到頭來可能需要由最後的公用設施使用者，即公眾所負擔。
4. 收費計劃之引入，不一定會減低掘路工程的數量。其實，掘路工程的數量 and 社會之發展步伐有關。
5. 為配合路政署或其他政府部門的工程設計或要求，公用事業很多時都需要更改現有設施，很多挖掘工程皆因此引起。此等工程一般須免費為政府部門進行。再向公用事業收取掘路費極為不公平。
6. 相對於主要的大型道路工程或土木工程項目(例如：重建路面，渠務改善工程等)，一般而言，公用事業之掘路工程對交通的影響其實甚低。只顧責難公用事業工程所引致之交通影響，實為不公平。
7. 現時由公用事業及有關政府部門設立有關於掘路工程的三級監察委員會制度(即掘路工程協調委員會，公用事業技術性聯絡委員會和公用事業聯合政策組)已有效地監察掘路承建商的表現。各公用事業機構和政府有關部門的良好聯繫亦保障掘路工程遵照法例。
8. 有關部門及公用事業於近年已推出連串措施如於繁忙道路掘路前之「交通影響評估」，制訂不接受日間挖掘之「敏感道路」，盡量推行新科技如「無坑挖掘」及「電子資料溝通」等等。公用事業機構的緊密聯繫，再加上此等改善措施，比設立收費制度更為有效。
9. 建議之收費及處罰措施將大大增加不必要之行政費用。

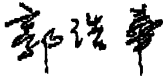
10. 除以上各點，建議仍有很多問題尚待解決，例如：

- 究竟掘路工程正式開始日期應從何時計算？由於交通部及運輸署很多時都會在掘路許可証發出後再加上其他要求，所以正式開工日期很多時並非申請者所能控制。
- 究竟計算上應根據「許可証期限」還是正式「佔據路面時間」？
- 數個公用事業合作挖掘的共用壕坑應如何計算？

由於以上種種原因，本公司懇請各委員慎重考慮於此經濟困難時期撤消或暫緩此等建議。

香港中華煤氣有限公司

工程總監



郭浩華謹上

二〇〇〇年一月十二日

送呈：立法局規劃地政工務委員會各委員

副本抄送：公用事業聯合政策組

工務司李承仕先生

路政署長梁國新先生

**Towngas**

The Hong Kong and China Gas Company Limited

12 January, 2000

Your ref:

Our ref: CEO/JUPG/L001/1-00

To: Members of LegCo Panel on Planning,
Lands and Works

Dear Honourable LegCo Members

The Proposed Excavation Permit Charging and Penalty System

We understand that the Excavation Permit Fee proposal, which has been shelved for years by the Works Bureau has been revived and the revised proposal is to be discussed in the meeting of the Legco Panel on Planning, Lands and Works on 13 January 2000.

We write to seek the Panel members' consideration on the difficulties of the utility undertakers in accepting this proposal, not only because of the loop holes in the proposal itself but also because of the current economic downturn.

For your information, we would like to summarise our views below:

- 1) The utility undertakers are facing stress in the current economic downturn. To relieve the consumers' financial burden, most of the utility undertakers have taken the initiative to freeze their tariff. It is most disappointing that the government is trying to revive the permit fee proposal, particularly under the current harsh economic environment.
- 2) The charging system will impose a heavy financial burden on the utility undertakers, which in turn might ultimately be transferred to the consumers.
- 3) It has been said that it is a "Users Pay" principle, so the consumers who are virtually the end users may have to bear the financial burden.
- 4) Imposition of charging scheme will not necessarily reduce the number of road openings, since decisions and implementation of excavation fall in line with the development of the community.
- 5) A lot of the utility work are diversions requested by Highways or other government authorities to facilitate their work. These diversions are already carried out free of charge to the government authorities. It is unreasonable that the utility undertaker has to pay another Permit fee.
- 6) Utility work in general has much less effect on traffic disruption than major road works or civil projects such as road re-construction and drainage improvement work. It is unfair to hold the utility undertakers responsible for poor traffic condition..

The Hong Kong and China Gas Company Limited

- 7) The existing 3-tier committees among utilities undertakers and government departments (namely Road Opening Co-ordination Committee, Utilities Technical Liaison Committee and Joint Utilities Policy Group) have effectively monitored the contractors' performance, and the good co-ordination between utility companies and the Government authorities has ensured compliance to regulation.
- 8) The recent new requirements such as Traffic Impact Assessment for busy roads, imposition of "Sensitive Roads" where day-time work is banned and the application of new technologies such as trenchless work in utility construction, electronic data circulation, etc. act as the effective mitigation measures to reduce public nuisance. The closer co-ordination of utility undertakers coupled with these improvement measures should be a better solution to the problem, rather than introducing a charging scheme.
- 9) The proposed Charging and Penalty System would create unnecessary administrative overheads.
- 10) There are a lot of complications in the scheme that have not been resolved with the utility undertakers, for example:
 - How would the actual commencement date be determined at the Excavation Permit application stage? It is usually out of the control of the Permittee since additional conditions are usually imposed by Traffic Police and Transport Department after issue of permit.
 - Should the actual permit duration or the actual site occupation date be counted for the daily charge?
 - How could excavation involving different utilities in common trench be done?

In view of the above, we sincerely request that the Panel members consider withdrawing the proposal or at least suspend it during this economically difficult period.

Thank you for your support.

Yours faithfully


Dennis Kwok
Chief Engineering Officer

DK/kk

The Hong Kong and China Gas Company Limited

Distribution

LegCo Panel on Planning, Lands & Works

Mr Hon Edward HO Sing-tin, SBS, JP	(Chairman)	Fax: 2803 9321
Dr Hon TANG Siu-tong, JP	(Deputy Chairman)	Fax: 2944 5805
Mr Hon Ronald ARCULLI, JP		Fax: 2596 0757
Dr Hon Raymond HO Chung-tai, JP		Fax: 2147 9027
Mr Hon HO Sai-chu, SBS, JP		Fax: 2806 8393
Mr Hon LAU Wong-fat, GBS, JP		Fax: 2338 8057
Mr Hon LEE Wing-tat		Fax: 2489 1984
Mr Hon TAM Yiu-chung, GBS, JP		Fax: 2528 2326
Mr Hon James TO Kun-sun		Fax: 2501 0724
Mr Hon WONG Yung-kan		Fax: 2840 0808
Mr Hon Timothy Fok Tsun-ting, SBS, JP		Fax: 2537 6662

Members of Joint Utilities Policy Group

Mr C K Wong	Highways Department	Fax: 2523 5327
Mr K W Chan	Water Supplies Department	Fax: 2714 5216
Mr K F Tam	Drainage Services Department	Fax: 2824 0578
Mr K W Li	The HK & Electric Co Ltd	Fax: 2827 6657
Mr Allen Law	H K Cable Television Ltd	Fax: 2510 7812
Mr Gary Chan	H K Telecommunications Ltd	Fax: 2112 7810
Mr Matthew Lam	New T & T Hong Kong Ltd	Fax: 2802 1979
Mr Steven Chan	Hongkong Tramways Ltd	Fax: 2112 2601
Mr C L Wong	New World Telephone Co Ltd	Fax: 2858 4876
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Mr Stephon Hong	Hutchison Communications Ltd	Fax: 2678 6537
		Fax: 2123 2123

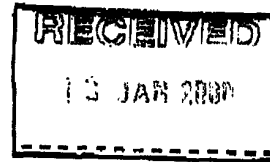
Mr S S Lee	Secretary for Works	Fax: 2523 5327
Mr K S Leung	Director of Highways	Fax: 2714 5216

The Hongkong Electric Co Ltd

香港電燈有限公司

Electric Centre, 28 City Garden Road, Hong Kong
Telephone: 2843 3111 Telex: HX 73071 Cables: Electric
Facsimile: 2637 1013, 2810 0508 Internet: mail@hac.com.hk

Please address correspondence to
PO Box 918, GPO Hong Kong



OUR REF.: T&D/385/07/03
YOUR REF.: WB(W) 249138/02(96)Pt.10

12th January 2000

By Fax and By Post (Fax No.: 2803 9321)

The Hon. Edward Ho Sing-Tin, O.B.E., J.P.,
Chairman,
Panel on Planning, Lands & Works,
Legislative Council,
c/o Wong Tung & Partners Ltd.,
5/F, City Plaza III,
Taikoo Shing,
Hong Kong.

Dear Mr. Ho,

CONSULTATION PAPER ON A PROPOSED
CHARGING AND PENALTY SYSTEM FOR
ROAD OPENING WORKS

We refer to the above-mentioned consultation paper sent to us by Works Bureau on 1st December 1999. We would like to reiterate our comments below for your consideration.

- a. In the past few years, we have made tremendous improvement in our road works through close co-ordination/co-operation with Highways Department in the 3-tier Committees (ROCC, UTLC and JUPG). Our Company and all our trenching contractors have also attained certification on quality management system on trench work to ISO9002 international standard. Similar improvements have also been made by other utilities. Hence, we do not consider that there is a need to establish the new structure and doubt its effectiveness in further improving road opening works, especially from a cost-benefit viewpoint.
- b. The Permit Charging System will create unnecessary administrative work, and hence cost and time, to both the Government and all utilities. All these will eventually be borne by the public.
- c. Based on the amount of road opening works related to our business to provide, reinforce and maintain electricity supply to our customers in 1999, our Company would have to pay 8.8 millions on permits and daily fees. This will inevitably increase our operational costs and could eventually affect our customers.

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We would be very pleased if you could consider seriously the above comments.

Yours sincerely,
THE HONGKONG ELECTRIC CO. LTD.
香港電燈有限公司



F.L.Y. Lee
DIRECTOR & GENERAL MANAGER (ENGINEERING)

KCW/SYW