

Legislative Council Panel on Transport

Operation of Non-franchised Bus Service

PURPOSE

This paper provides background information to Members on the policy and regulation of non-franchised bus service, with particular emphasis on Residents' Services (RS).

BACKGROUND

2. Hong Kong has a comprehensive public transport system. Under our current transport strategy, priority will be given to railways which are environmentally friendly, efficient and reliable mass carriers. Within this framework, franchised buses will continue to be an important mode providing services to areas not conveniently served by the railways, and choices to passengers. There is at present an extensive bus feeder network comprising more than 130 feeder bus routes connecting with the railway stations, and the role of franchised buses as feeders to the railways will be strengthened. The other transport modes, including public light buses, non-franchised buses, taxis and ferries perform a supplementary role.

Role of Non-franchised buses

3. Non-franchised buses supplement franchised bus services by serving tourists, and primarily during the peak hours, residents, employees, and students, and primarily during the peak hours, groups of . As stated in the 1990 White Paper on Transport Policy in Hong Kong, the purpose of permitting non-franchised operators was to help reduce the peak-hour demand on the franchised operators and to enable the latter to keep down the level of resources left idle during the off-peak period. This policy was recently reaffirmed in the Third Comprehensive Transport Study promulgated in end 1999.

Licensing Arrangement of non-franchised buses

4. Operation of non-franchised buses, including RS, is regulated by the Passenger Service Licence (PSL) issued under the Road Traffic Ordinance (RTO). When determining an application for a PSL, Transport Department (TD) has to consider the following factors -

- (a) the need for the services to be provided by the applicant;
- (b) the level of services already provided or planned by other public transport operators;
- (c) traffic conditions in the areas and on the roads where the services are to be provided; and
- (d) the standard of service to be provided by the applicant.

5. In granting a new PSL or approving the renewal of an existing PSL, TD may stipulate licence conditions to regulate the number of vehicles that the licensee may use, the types of passenger services which the vehicles may be used for, and the places at which the vehicles may stop for passengers.

6. Under the RTO, a PSL may be issued for a period of not exceeding 5 years and may be renewed for a further period or periods each of not more than 5 years. Normally, PSLs are issued for a period of 2 years, which may be extended for a further period or periods of 2 years.

Licensing Arrangement of RS

7. RS is a form of non-franchised bus service operated on fixed schedules and routes. A non-franchised bus may be allowed to provide RS only when the operator has obtained from TD a RS endorsement for that vehicle. The application must be made by the registered owner of the buses accompanied by the written support of the end users. RS operators are required to operate their service according to the approved schedule which specifies the routeing, stopping points and period of operation. The fare charged is agreed between the operator and the users by way of a contract, and the operator is required to notify TD of the agreement.

8. As at May 2000, there were 891 buses with service endorsements for RS operating in 247 RS routes. About 90% of the RS routes are operated from the New Territories (NT), particularly Tuen Mun and Yuen Long districts which are not served by external railways.

PROBLEMS OF RS

9. During the period from 1995 to 1997, the number of RS buses increased rapidly by about 11% per annum. This rapid expansion of the RS

fleet in mid 1990s arose from growing demand for direct and comfortable bus services from commuters in NT. RS give the NT commuters the assurance of a seat for their journey to the urban areas. The commuters are also reluctant to use the railways where interchanging is necessary.

10. The rationalisation of RS must be considered in the context of the changing transport environment and the congestion in urban areas which could be aggravated by further growth in direct bus services. It is a follow-up to our efforts last year on the rationalisation of franchised bus services and is part of our overall package in tackling the serious traffic congestion in the major corridors along the north shore of the Hong Kong Island.

11. RS activities is a major cause of congestion in the main roads in the central business districts, especially in the evening peak period when they wait for passengers. As at May 2000, a total of 75 RS routes had approved stops in Sheung Wan to Causeway Bay, of which 55 RS routes were from NT. These RS from NT were authorised to make some 1,720 stoppings in these districts each day. However, according to a survey conducted by TD in mid 1999, these RS were making about 40% excessive "unauthorised" stoppings in these districts. Some also operated additional trips to these congested areas without approval. Further, it was estimated that 27 illegal RS routes involving about 80 buses were operated in Sheung Wan to Causeway Bay for commuters from NT. Police enforcement actions were difficult because it was not easy to differentiate between the authorised and unauthorised services.

THE NEED FOR NEW REGULATORY MEASURES

12. In the light of the problems discussed above, we need to address the following issues –

- (a) to better manage the fleet size and operation of RS, containing its growth while enabling its to maintain its supplementary role in the public transport system;
- (b) to better regulate the stopping activities of RS in Central and Wan Chai; and
- (c) to enhance enforcement against illegal RS.

Development of RS [Paragraph 12(a)]

13. In 1999, the approval rate of the new applications for RS was 6.5% (7 out of 107 applications); as for applications for renewal, the approval rate was 99%. In future, TD would continue to adopt a cautious approach in vetting applications for new RS or renewal, taking into consideration the relevant factors mentioned in paragraph 4 above. As a general principle, new RS to the congested urban areas would not be allowed unless there is inadequate peak-hour capacity on the other public transport modes to meet passenger demand.

14. On existing RS services, TD will, wherever appropriate, encourage modification of their routeings into feeders to connect to railways stations. RS routes to congested areas (Central, Admiralty, Wan Chai, Causeway Bay, Tsim Sha Tsui) will be carefully reviewed. If there is a continued need for the RS routes, their stops and routeings in congested areas would be reduced/rationalised as far as practicable to reduce congestion.

RS Stopping Activities and Unauthorised RS [Paragraph 12(b)&(c)]

15. To improve traffic flow in the central business district, it is necessary to restrict RS stopping activities and to introduce measures to assist the police to enforce such restrictions. Tighter controls would also deter unauthorised RS activities on Hong Kong Island. A package of measures was recently implemented in phases to facilitate the regulation of RS stopping activities in Sheung Wan to Causeway Bay –

- (a) Phase 1 (from 20 March 2000 onwards) – all RS buses were required to display a yellow indication sign showing the approved route number and destinations;
- (b) Phase 2 (from 8 May 2000 onwards) – all buses providing RS were required to display on the nearside front window a permit issued by TD to show the details of approved routeings, stopping points and number of approved trips. RS routes to Sheung Wan to Causeway Bay had to observe the new stopping points. RS stop signs were erected in Sheung Wan to Causeway Bay to facilitate both passengers and Police enforcement action.
- (c) Phase 3 (from 29 May 2000 onwards) – no-stopping restrictions for buses were designated at three locations in

Central and Wan Chai from 4:00 p.m. to 7:00 p.m. daily to facilitate police to take enforcement against unauthorized stopping activities:

- Connaught Road Central westbound between Jubilee Street and Man Wa Lane;
- Hennessy Road westbound between Fleming Road and Fenwick Street; and
- the layby at Harbour Road eastbound outside Harbour Centre.

The imposition of these restrictions means that only authorized RS buses which are issued with a permit could stop at the approved stopping points.

16. Under these new measures, each RS route is normally permitted only a maximum of 4 alighting and 3 boarding stops from Sheung Wan to Causeway Bay. It is expected that these measures could reduce the number of RS stoppings by approved RS routes in these districts by 30% (about 710 stoppings). Observations after implementing the Phase 2 measures showed that traffic situation at popular RS stopping places had improved.

17. The new measures would also assist the Police's enforcement work. RS buses which do not display TD's approved identification sign and permit can easily be identified as illegal RS. Relevant authorities can also ascertain on the spot whether the RS operators concerned are operating their service according to the approved routeing, stopping points, etc by referring to the details shown in the permit.

Reaction from RS operators

18. Some operators of approved RS routes from NT complained that the new stopping arrangements affected their operation and patronage. Complaints were also raised by some operators of illegal RS services who were forced out of business. The Public Omnibus Operators Association (POOA) launched a "slow drive" demonstration at Central and Admiralty in the evening peak hours on 12 May 2000 without notifying the relevant Government departments. This caused serious traffic congestion on Hong Kong Island. The public generally did not support the slow drive, and POOA publicly apologised afterwards.

19. Prior to implementation of the scheme, RS operators were briefed on 26 August 1999 regarding the framework of these new measures. The POOA was consulted on 17 May and 28 September 1999 about the proposed measures. Meetings were subsequently held with POOA on 29 February and 13 March 2000 to address the trade's concerns. TD also held numerous consultation with the operators of individual RS routes before May 2000.

20. On publicity, TD conducted a press briefing on 7 March 2000 to introduce the phased implementation of the scheme. Information papers were also distributed to the Traffic and Transport Committees of concerned District Councils to advise them of the scheme. In early May, fliers were distributed to inform RS operators and passengers of the scheme. Fliers were also provided to all RS operators who were requested to distribute them to their passengers. TD also conducted a road show in Wan Chai on 4 May 2000 to publicise the measures, and telephone hotlines were mounted by TD to answer public enquiries before and after implementation of Phase 2 of the scheme.

21. There were therefore plenty of publicity and consultation with the trade before implementation of the scheme. Whilst the POOA accepted the scheme in principle, some RS operators and users have maintained their strong objection to the measures. In view of complaints from some operators, TD met with the POOA on 16 May 2000 to consider the various requests from operators on revisions of the alighting stop arrangements in Sheung Wan to Causeway Bay in the morning period. The operators have been invited to submit their requests to TD before the end of May. The submissions received are being considered by TD.

22. Members are requested to note the paper for information.