

29 March 2003

The Hon. Mrs. Mariam Lau, JP
Legislative Councillor (Transport Constituency)
Room 511, Central Government Offices
West Wing, Ice House Street
HONG KONG

Dear Mrs. Lau,

Tung Chung – Ngong Ping Cable Car Link

As the Legislative Council is going to debate on the Tung Chung Cable Car Bill early next week, we venture to write to you to express our opinion and concern on the proposed cable car link between Tung Chung and Ngong Ping, and its implications towards New Lantau Bus Co. (1973) Ltd. (“NLB”) and the rest of Lantau Island.

Setting aside the divergence in opinion on this project that have appeared since its proposal stage, various sectors who have interests in this project had discussed in details of its implications, and that the Hong Kong SAR Government has already decided to put forward this project for approval at the Legislative Council for funding and legislation, we would like to submit the followings for the Honourable Members’ consideration:

Impact on Transportation in Lantau

- (a) The Tung Chung – Ngong Ping Cable Car Link was initiated after NLB had been granted in continuation a franchise to operate routes that have the same terminal points. Upon the completion of the cable car link, NLB’s Route 23, which is the most gainful route of all of our routes, will have its patronage greatly eroded by the cable car service.
- (b) On the other hand, Route 23 and other routes affected by the cable car link will have to continue its schedule of service, which has been established under the franchise and pledged to be undertaken by NLB. As frequency may have to be reduced, the number of buses assigned for NLB’s service has to reduce in order to remain cost effective.

- (c) NLB has already been informed by the Transport Department that in view of the uncertainties lying ahead as a result of the cable car link, NLB will not be allowed to procure new buses to enhance its service; any additional buses to NLB's fleet could only be hired from fellow public bus operators.
- (d) The above would have at least two negative bearings:
 - (i) Upon the completion of the cable car link, the income of NLB will be severely and adversely affected, this had not been anticipated in NLB's original investment plan when the franchise was granted;
 - (ii) Without the certainty in revenue but at the same time resources put into NLB's service would have to remain almost the same, we could envisage higher cost of operation; and
 - (ii) NLB will be very much hindered in its forward planning due to its restraint in bus fleet development.

Known and Unknown Contingencies

- (a) At a working level, NLB is in coordination with MTRC Ltd. for interchange services for passengers connecting between Tung Chung Line and various NLB routes. However, the cable car link has no provision for such interchanges.
- (b) NLB has envisaged a number of scenarios under which buses from NLB may have to be summoned under very short notice to cater for contingencies of the cable car link when it is to be out of service, these scenarios include:
 - (i) Annual service maintenance when the cable car service may be suspended;
 - (ii) Approach of tropical storm or adverse weather conditions;
 - (iii) Mechanical failure during regular service hours; and
 - (iv) Other contingencies of unknown nature but not limited to results from act of violence.

- (c) Under any of the above scenarios, NLB may be required to deploy buses in large number to transfer passengers from Ngong Ping to either Tung Chung or Tai O. Without any provision for such situations, passengers of the cable car link under such junctures would become vulnerable to the situation.
- (a) For the interest of the passengers concerned, the Council have to consider carefully an emergency arrangement under which service of the cable car link, during contingency, could, under short notice, be substituted by an alternate service. Noting that most of the passengers may be international visitors whose impression of Hong Kong may be prejudiced by the unprepared service provider in this respect.
- (b) NLB would be obliged to work with the cable car company under mutually acceptable terms in order to maintain an uninterrupted transport framework for visitors to Lantau.

Impact of Cable Car's Fare Structure

- (a) The fare structure of the cable car link has been disclosed at HK\$50 for one way and HK\$60 for round trip (under cost index of 2002). This would greatly discourage single journey passengers who may wish to visit other parts of Lantau upon completion of their stopover at Ngong Ping, or those visitors who may wish to travel one way from Ngong Ping to Tung Chung after visiting other parts of Lantau and arriving by different modes of transport.
- (b) In the success of the cable car link, therefore, would rest the depression of other parts of Lantau because visitors would incline to use the round trip fare advantage and remain at Ngong Ping.
- (c) In order to promote Lantau as an ideal tourist destination, NLB would like to propose that the fare structure of the cable car link be enhanced to allow for concessionary measures in the form of Cable Car-Bus or even Cable Car-Bus-Ferry interchange. Interchange facilities can also be incorporated under the form of a Day Pass covering various available modes of transport.

The Hon. Mrs. Mariam Lau/4

Kindly forward our submission for the consideration of honourable members of the Legislative Council.

Yours sincerely,
For and on behalf of
NEW LANTAO BUS CO. (1973) LTD.

Matthew L.P. Wong
Managing Director