

# 立法會

## *Legislative Council*

LC Paper No. CB(1)940/02-03

(These minutes have been seen  
by the Administration)

Ref : CB1/PL/TP/1

### **Panel on Transport**

**Minutes of special meeting held on  
Tuesday, 14 January 2003, at 5:30 pm  
in Conference Room A of the Legislative Council Building**

**Members present** : Hon Miriam LAU Kin-yee, JP (Chairman)  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP  
Hon CHAN Kwok-keung  
Hon LAU Kong-wah  
Hon Andrew CHENG Kar-foo  
Hon TAM Yiu-chung, GBS, JP  
Dr Hon TANG Siu-tong, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon LAU Ping-cheung

**Non-Panel Members :** Hon SIN Chung-kai  
**attending** Hon Emily LAU Wai-hing, JP

**Members absent** : Hon Abraham SHEK Lai-him, JP (Deputy Chairman)  
Dr Hon David CHU Yu-lin, JP  
Hon Andrew WONG Wang-fat, JP  
Hon Albert CHAN Wai-yip  
Hon WONG Sing-chi  
Hon LAU Chin-shek, JP  
Hon LEUNG Fu-wah, MH, JP

**Public Officers attending : Agenda item I**

Environment, Transport and Works Bureau

Dr Sarah LIAO  
Secretary for the Environment, Transport and Works

Mrs Rita LAU  
Permanent Secretary for the Environment, Transport and Works

Mr Paul TANG  
Deputy Secretary for the Environment, Transport and Works (T)1

Mr Arthur HO  
Deputy Secretary for the Environment, Transport and Works (T)2

Miss Margaret FONG  
Deputy Secretary for the Environment, Transport and Works (T)3

**Clerk in attendance :** Mr Andy LAU  
Chief Assistant Secretary (1)2

**Staff in attendance :** Ms Pauline NG  
Assistant Secretary General 1

Ms Alice AU  
Senior Assistant Secretary (1)5

Miss Winnie CHENG  
Legislative Assistant 5

---

Action

**I Briefing by the Secretary for the Environment, Transport and Works on the Chief Executive's Policy Address 2003**  
(LC Paper No. CB(1)711/02-03(01) - Information paper provided by the Administration)

At the invitation of the Chairman, the Secretary for the Environment, Transport and Works (SETW) highlighted the salient points of the information paper provided by the Administration on various transport-related initiatives proposed in the Policy Address 2003 (LC Paper No. CB(1)711/02-03(01)).

Fare adjustment process

Action

2. Mr LAU Chin-shek pinpointed the fact that at present, the initiative to introduce any fare adjustments rested with the public transport operators. Despite repeated calls from both the public and the Administration for fare reduction, the operators had only responded with the offer of concessionary schemes which were of little practical help. To relieve the heavy burden of transport costs on the travelling public, Mr LAU considered that any new fare adjustment mechanism to be adopted should allow the Administration a greater say in the matter.

3. Referring to the different characteristics in the operation of public transport services, Mr CHENG Kar-foo highlighted the importance for the Administration to start early consultation with the operators in parallel with its on-going study on fare adjustment mechanism. Otherwise, he was worried that the proposed mechanism might meet with opposition from the operators as it failed to take into account their unique operating conditions. Given the heavy burden of transport costs on the travelling public, he said that any further delay in this matter was clearly not acceptable.

4. In response, SETW said that the crux of the problem was that at present, there was no mechanism to trigger off fare reductions by public transport operators. To address this issue, the Administration had reviewed extensive data and information from public transport operators so as to ascertain their operating environment and to determine whether there was healthy competition in the market. The on-going study also examined the need for and the way to develop a more rational process for adjustment of public transport fares so that dispute could be minimized when adjusting fares in future. If established, the new mechanism should allow public transport fares to go up or down in light of the relevant factors, including public affordability and the operating situation of the transport operators. The Administration was examining whether this could be done through the operating franchise/agreement between the Government and transport operators. While the transparency of fare adjustments would be enhanced through such a mechanism, SETW stressed that it was the Government's principle not to interfere with the commercial operation of public transport providers.

5. Sharing Mr LAU Chin-shek's concern about the operators' reluctance to introduce fare cuts, Mr CHENG Kar-foo opined that the new fare adjustment mechanism must allow the people or the Legislative Council to initiate fare adjustments. Moreover, he was strongly of the view that this new mechanism should be given statutory power to ensure compliance by the operators. He was not convinced that the matter should be dealt with through the terms and conditions of the franchise/operating agreement.

6. On consultation with public transport operators, SETW said that the Administration's intention was to finalize the findings of its internal study first before seeking the views of the operators. As the study was now near completion, the Administration would consult members as well as the public transport operators when the findings had been compiled. In view of the public's expectation, Ms Emily LAU called on the Administration to expedite its work.

Merger of the MTL Corporation Limited and the Kowloon-Canton Railway Corporation

## Action

7. Mr CHENG Kar-foo reiterated his view that there was no urgency in pursuing a merger between the MTR Corporation Limited (MTRCL) and the Kowloon-Canton Railway Corporation (KCRC). Instead, the Administration should concentrate its efforts on bringing down the level of public transport fares to alleviate the burden on people's livelihood. A priority task should be the establishment of a unified railway fare structure. Given the complex issues involved, the Administration should take time to study the merger proposal carefully and no hasty decision should be made. Citing the recent rift between the two railway corporations in their discussions on concessionary fare for interchange passengers, Mr CHENG was particularly concerned that a merger would be very difficult to come through without co-operative spirit between the two railway corporations.

8. In response, SETW confirmed that the initiative to establish a rational fare adjustment process was a priority task under her purview. As far as the merger proposal was concerned, she assured members that the Administration was not taking a hasty approach. In the past few months, the Financial Services and Treasury Bureau and the Environment, Transport and Works Bureau had been conducting the merger study cautiously. The impact of the merger on the public, the future development of the railway, the management and staff of the two corporations, minor shareholders of MTRCL and other stakeholders, and Government policy would be considered in detail. Taking note of Mr CHENG's concern, SETW reiterated that the Administration would proceed with the matter cautiously while ensuring that public interest was properly safeguarded in terms of transport provision at reasonable fares.

9. Noting that the Administration would strive to complete the study and announce its decision early this year, the Chairman asked whether prior consultation with members would be held. SETW replied that given MTRCL's status as a publicly listed company and the commercially sensitive nature of the decision, it would not be appropriate to conduct any prior consultation on this matter. To supplement, the Permanent Secretary for the Environment, Transport and Works (PS for ETW) advised that the final decision whether to accept the merger proposal would rest with the Boards of the two railway corporations, and in the case of MTRCL, the shareholders as well. Legislative amendments would also be required if the merger proposal did proceed. As such, members and the public would have the opportunity to consider the matter in detail after an announcement was made by the Administration.

## Railway development

10. Referring to the Administration's decision to proceed with Kowloon Southern Link (KSL) ahead of Northern Link (NOL) as West Rail's extension, Dr TANG Siu-tong asked whether the Administration's decision to proceed with KSL might be changed as a result of the on-going study on the proposed merger of MTRCL and KCRC in view of the overlapping services run by KSL and the Mass Transit Railway along part of its alignment.

## Action

11. In response, SETW advised that the KSL project was proceeding with full swing. The contract for detailed design had been awarded.

12. Referring to the proposed reorganization of Light Rail (LR) service to tie in with the opening of West Rail (WR) later in the year, Mr Albert HO conveyed the utmost dissatisfaction expressed by local residents about the fundamental change in LR's as the primary internal transportation serving the North West New Territories (NWNT). With the substantial reduction of local routes, LR only served to provide feeder service to WR. The situation was highly unsatisfactory, particularly in Tuen Mun. Local view was that existing LR routes should be maintained as far as possible while feeder service to WR would be provided by KCR feeder buses.

13. Acknowledging the member's concern in the matter, SETW said that the Administration would work with KCRC to ensure that the need of passengers for local transportation and feeder to WR was satisfactorily resolved before WR's opening. The Deputy Secretary for the Environment, Transport and Works (T)2 supplemented that after WR's opening, many passengers in NWNT would benefit from the provision of a fast, reliable and convenient service for both external and internal journeys, whereas some passengers might felt inconvenienced by the reorganization of LR service, say the need for transfer/interchange and longer journey time, etc. To address the problem, PS for ETW said that the Administration would ensure that early consultation with relevant District Councils and other local parties would be conducted.

14. In this connection, the Chairman said that the Government could convey the concerns raised by local residents to the KCRC Managing Board for consideration through its representation on the Board.

15. Ms Emily LAU asked whether the Administration would revisit its stance to defer the provision of Hin Keng Station of Shatin to Central Link (SCL). PS for ETW responded that under KCRC's modified SCL scheme, provision had been made for a station at Hin Keng should future population build up to a justified level. KCRC was still reviewing the alignment and location of stations of SCL in light of the public's suggestion and other changes.

## Cross-boundary infrastructure

16. Mr LAU Kong-wah enquired about the progress in taking forward the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong (Lantau)-Macau-Zhuhai Bridge Link projects. Highlighting the strategic importance of these cross-boundary infrastructure, he considered that the best efforts should be made by both sides to expedite the decision and delivery process.

17. In reply, SETW assured members that the Administration was pursuing with the Mainland authorities possible cross-boundary transport infrastructure to strengthen the tie between Hong Kong and the Pearl River Delta. However, she called on members' understanding that as many parties were involved in such discussions, it would

## Action

invariably take time to work out a decision that could balance the interests of all parties concerned.

18. Regarding the Hong Kong (Lantau)-Macau-Zhuhai Bridge Link, SETW reported that a joint study with the State Development Planning Commission on the transport linkage between Hong Kong and Pearl River West, including traffic forecasts, alignments and economic benefits had commenced in early January and was expected to complete within six months. Notwithstanding, she said that earlier planning studies and environmental impact assessment for the Lindingyang Bridge had also provided useful information for the present project. As such, she did not see any insurmountable difficulties in the construction of the bridge link. While she could not commit on a definite timetable at this stage, the actual construction of such a bridge link would usually take several years to complete.

19. Regarding the Guangzhou-Shenzhen-Hong Kong Express Rail Link, SETW advised that with the express rail link, the commuting time between Hong Kong and Guangzhou would be reduced to within one hour. The link would serve as a convenient corridor between the transport hubs of the two areas. A preliminary joint study on the function, alignment, technology, demand and economic benefits of the rail link was underway and would be completed within a few months.

20. Responding to Mr LAU Kong-wah, PS for ETW said that the preliminary alignment would run from Hung Hom to the boundary direct and then to Shenzhen and Guangzhou. Mr LAU Kong-wah however considered that limited stops should be provided to facilitate the use of residents in the New Territories. Ms Emily LAU also called on the Administration to critically review the cost-effectiveness of the proposed alignment.

21. Noting the progress of these important cross-boundary infrastructure, Mr SIN Chung-kai suggested that in order to expedite their delivery process, the Administration should consider ways to encourage private funding initiatives in the design and development of cross-boundary infrastructure projects.

22. SETW however cautioned that given the different systems and processes adopted in the two places, the involvement of private sector at such an early stage would give rise to unnecessary speculation and hence, confusing messages would be sent to the Mainland authorities. It would not be beneficial to the matter. She assured members that the Administration would ensure that these projects were taken forward progressively once an agreement was reached between both sides.

## Action

### Shenzhen Western Corridor and Deep Bay Link

23. Dr TANG Siu-tong sought information about the progress of the Administration's discussions with Route 3 (CPS) Company on the offer of incentives to divert traffic from Tuen Mun Road (TMR). He was worried that if no favourable outcome was achieved after funding approval was given to the two projects, the local residents would be the ones who suffer eventually. In this connection, he asked whether other measures were in place to resolve the congestion at TMR in case of such eventuality.

24. SETW replied that good progress had been made in the Administration's negotiations with Route 3 (CPS) Company. However, as a private business was involved, the Administration would only make an announcement when the details had been finalized and agreed to by both parties. Acknowledging the grave concerns expressed by members about the congestion problem at TMR, she said that while no time limit had been set, the Administration would make its best endeavour to strike a deal with Route 3 (CPS) Company as early as possible.

### Environmental measures relating to franchised bus operation

25. Expressing support for the deployment of environmentally friendly buses to run on busy corridors and the adoption of relevant conditions in the selection of operators for new bus routes, Ms Emily LAU enquired about the selection criteria of such corridors and whether other measures were in place to promote the greater use of environmentally friendly buses by existing franchised bus operators.

26. SETW responded that the Administration had been working on this initiative progressively. As far as the selection of busy corridors was concerned, calculations would be done for relevant road sections to ascertain the total amount of bus emission at peak periods, taking into account the number and emission standard of buses deployed by the operators to run on the concerned routes. For those corridors found to have excessive road side air pollution, a cap would be set. The Administration would then discuss with franchised bus operators to deploy more environmentally friendly buses to run on such corridors subject to the availability of environmentally friendly buses in their fleet. To ensure further progress, the Administration would insert a new provision into new franchises to be granted, which required the operators to adopt the latest commercially available and proven environmental protection technology in setting specifications for acquiring new buses. At Ms Emily LAU's request, the Administration would provide further details on the criteria for the choice of busy corridors and the initiative to deploy more environmentally friendly buses to serve the selected busy corridors, as well as the anticipated/actual improvements in air quality.

Admin

### Development of road network

27. Citing the unsatisfactory cases of Route 7 and Western Coast Road as examples Ir Dr Raymond HO opined that as a matter of principle, a dual-three lane configuration rather than dual-two should be adopted for the construction of trunk roads in Hong Kong.

Action

28. In response, SETW said that when planning for road projects, the Administration would decide whether a trunk road was required taking into account various factors such as traffic flow. She agreed that if a trunk road was planned, a dual-three lane configuration should be adopted. However, she stressed that when taking forward major highway projects, their need and scope would be regularly reviewed under the Strategic Highway Project Review System, taking into account the latest projections in population and traffic growth. As many of the projections made earlier on had been adjusted downwards due to changing circumstances, some highways might no longer be required to be built as trunk roads. While noting the Administration's explanation, Ir Dr HQ said that land reserve should be made where possible to allow for further expansion of major highways.

**II Any other business**

29. There being no other business, the meeting ended at 6:40 pm.

Council Business Division 1  
Legislative Council Secretariat  
19 February 2003