

Lucille A. Barale
Chairman



THE AMERICAN
CHAMBER OF COMMERCE
IN HONG KONG

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May 20, 2004

By hand and by email (*URGENT*)

Ms. Miranda Hon
Clerk
Public Accounts Committee
Legislative Council of the HKSAR
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Ms. Hon,

**The Director of Audit's Report No. 42 on the
results of the value for money audits**

This letter will reply to the questions listed in your letter of 10 May 2004 to our American Chamber of Commerce in Hong Kong ("AmCham"). We wish to thank you for granting us an extension of time until 20 May to reply to those questions. We have sought answers from files and persons directly associated with organizing Harbour Fest.

- (a)(i) Mr. Jon Niermann was the AmCham member who was instrumental in making the arrangements for the video. We understand from Mr. Niermann that originally the plans were that "Disney/ABC will help produce a TV special," and that this was stated in presentations made to the Economic Relaunch Working Group. AmCham does not have records showing how the commitments to produce or air the video were obtained. Mr. Niermann, who is no longer with Disney, is familiar with the details of the arrangements.
- (a)(ii) AmCham does not have any records which would help us answer your question regarding the statement that "regarding the network, we almost have to live by 'beggars can't be choosers'." We understand that the comment was

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made by Mr. Niermann and may have been a reference to the lack of a specified budget for promoting the airing of the video.

(b) We understand from Mr. Jim Thompson, our former Chairman, and Mr. Niermann that the announcement on 3 September was an indicative list of the talent line-up based on oral commitments.

(c) Our understanding is that the plans for the Rolling Stones concerts were made in consultation between Mr. Thompson and representatives of the Government. The Rolling Stones concerts were to be a major highlight of Harbour Fest. Both concerts were sold out and thoroughly enjoyed by those who attended. This was acknowledged in the press coverage. We have no files with materials on the financial results of the Rolling Stones concerts. We believe that Mr. Thompson has already provided as much detail as possible on this question.

In response to your request, we are also providing a Chinese version of this letter. Please let us know if you have further questions. We wish to cooperate with the Public Accounts Committee to the fullest extent possible.

Yours sincerely,

Lucille A. Barale
Chairman

cc: Mr. Frank Martin
President, The American Chamber of Commerce in Hong Kong