

By Fax: 2537 3774

CB1/SS/9/04
2869 9244
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7 October 2005

Secretary for the Environment, Transport and Works
(Attn : Ms Annie CHOI)
Environment, Transport and Works Bureau (Transport Branch)
16th floor, Murray Building
Garden Road
Central
Hong Kong

Dear Ms CHOI,

Subcommittee to Study

**Tate's Cairn Tunnel Ordinance (Replacement of Schedule) Notice 2005 and
Tai Lam Tunnel and Yuen Long Approach Road Ordinance
(Replacement of Schedule 1) Notice 2005**

Thank you for your reply of today's date.

Hon LAU Kong-wah, Chairman of the Subcommittee, has noted the Administration's reply. On the Subcommittee's request for the Administration to continue to liaise with Route 3 (CPS) Company Limited with a view to fulfilling the undertakings made by the then Secretary for Transport in 1995 as far as practicable, the Chairman is pleased to note that the Administration will continue to urge the Company to provide as much information as possible. In this connection, the Chairman has directed me to forward to you the attached reply from the Company. The Company states that it has no objection to allowing the Government to disclose in the Legislative Council (LegCo) in October each year the franchisee's annual audited statement of Actual Net Revenue and to make a statement on that occasion on both the figures and any application for a toll increase, so as to enable the Government to fulfil the undertaking. Given the Company's reply, the Chairman urges the Administration to fulfil the undertaking.

The Chairman would also like to reiterate the Subcommittee's request for the Administration to report to the LegCo Panel on Transport (TP) by the end of 2005 on the progress of the Administration's discussion with the Company on various possible measures to enhance the utilization of Route 3 and the idea of extension of its franchise. Given that the discussion has been going on for several years and that significant public interests are involved, the Subcommittee

considers it essential for the Administration to report progress of the discussion to TP. As a start, the Administration is invited to report progress by the end of this year.

On the instruction of the Chairman, the Administration is invited to provide its written response as early as possible so that the response could be incorporated in the Subcommittee's report to be issued to all members of the House Committee on 12 October 2005 (two days before the House Committee meeting on 14 October 2005). Given the tight timeframe, I should be grateful if the Administration would let me have its written response (in both Chinese and English) **on or before 12:00 noon, 10 October 2005**. Please forward the soft copy of the written response to Ms May LEUNG at mleung@legco.gov.hk.

Yours sincerely,

(Miss Salumi CHAN)
Clerk to Subcommittee

Encl.

c.c. Hon LAU Kong-wah, JP (Chairman)