

THE INCORPORATED OWNERS OF BEACON HEIGHTS

畢架山花園業主立案法團

Management Office, Beacon Heights, 9-13 Lung Ping Road, Kowloon, Hong Kong.

香港九龍龍坪道九至十三號, 畢架山花園管理處

Tel: 2779 6527 Fax: 2788 1685

16 December 2004

Secretary-General
Legislative Council Secretariat,
Legislative Council Building
8 Jackson Road, Central, Hong Kong.
(Attention: Mrs Yu Sham Suk Kuen)

Dear Sir / Madam,

**Licensing System for Non-franchised bus operation:
Residents Bus Service – Beacon Heights**

After protracted exchanges of views and, upon approval of the Transport Department, the residents bus service licence (Type A06) for the shuttle bus service routes from Beacon Heights to Shek Kip Mei and Kowloon Tong had been renewed for one year, commencing 1 November 2004. The Incorporated Owners of Beacon Heights (hereunder referred to as this IO) had reviewed the past events and come up with some observations. Given that the Legislative Council Transport Panel will further consider the Report on the regulatory framework and licensing system for non-franchised bus operation, this IO, being one of the stake-holders of the non-franchised bus services, deems it appropriate to express our observations to the Chairman and Members of the Legislative Council Transport Panel for consideration.

It is noted that the presently approved period of operation falls short of the schedule originally applied for. Although the framework of the period of operation had been agreed between Transport Department and this IO at the Beacon Heights residents meeting held on 8 October 2004, this IO wishes to place on record that realistically the reduced level of service is not adequate in meeting the feeder transport service needs of residents. Nonetheless, at the residents meeting this IO recognised, and so did Transport Department, that it was in the interest of both the Government and residents that such a framework should be agreed upon to achieve a win-win situation under the circumstances. This IO appreciates that the authorities had shown a similar positive attitude in resolving the difference in opinion, without which there would not have been an amicable ending to our A06 licence renewal application.

During the process of negotiations for renewal of the licence, it had been brought to light that the present procedural mechanism in regard to application for residents bus service licence is not entirely satisfactory. As explained on a number

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of occasions during meetings with Transport Department, the existing procedures whereby the operator is responsible for making the application are, to some extent, the source of confusion affecting the de facto user of the service in applying for the licence.

To recap the unsatisfactory state of affairs, this IO invited operators to submit tenders in July 2004 (that is, about 3 months before expiry of our last A06 licence due on 31 October 2004) based on our then existing schedule of services which was the only schedule known to this IO at that time. Operators invited to participate in the tender exercise were asked to make quotations in accordance with the said schedule of services. The Transport Department's approved schedule of services, however, turned out to be different from that in effect prior to November 2004. Furthermore, the approval was sent to this IO just 11 days before expiry of the licence. The change of service schedule, coupled with the late notice of approval (which, strictly speaking, is not the fault of Transport Department), had put this IO in a very difficult situation as we had to re-negotiate with the operator on the service charges according to the revised schedule. The turn of events show that this IO had fallen victim to the present cart-before-the-horse procedural mechanism and suffered as a result. Certainly the same problem is not unique to this IO and will be applicable to other users as well. As remedy, this IO suggests that serious consideration should be given to revamping the mechanism suitably, notably through the introduction of an approval-in-principle system, to address the problem. The suggested workings are elaborated in the following paragraph.

Firstly, registered IOs or relevant organisations of property developments / housing estates wishing to operate residents bus service (Resident Service A06 Licence) for their bona fide residents should be designated as the responsible party applying for approval-in-principle from the licensing authority, i.e. Transport Department, for the service, giving operational details such as the frequency of service trips and period of operation. When granting the approval-in-principle, Transport Department should indicate clearly the schedule of services approved for each route. On receipt of the grant of approval-in-principle, the applicant can then proceed to invite service tenders of resident bus operator.

In conjunction with this suggested change, this IO further suggests that Transport Department should require applicant of A06 licence to submit application for approval-in-principle of resident bus service at least 12 weeks before commencement of service (or expiry of the existing licence as the case may be). Subsequently, Transport Department should notify the applicant results of its

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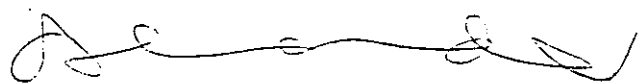
application no less than 8 weeks before the proposed commencement date of service so as to allow ample time for the applicant to proceed with the necessary tender exercise. The operator so selected should then submit application for A06 operating licence accompanied by the approval-in-principle notification, say, 4 weeks in advance. This IO believes that the above revised procedures will avoid the inconvenience experienced by this IO in the last application exercise.

Apart from the above observations, this IO is also of the view that the Administration (viz. TAC, Transport Department and the Environment, Transport and Works Bureau) should consult all stake-holders on non-franchised bus matters relating to resident services.

Last but not least, this IO wishes to take this opportunity to express our sincere gratitude to the Legislative Councillors who met with representatives of this IO on 21 July 2004 and who had provided valuable assistance in making our application for renewal of the A06 licence a success.

Letters of similar contents have also been issued separately to Commissioner for Transport (copied to the Hon. FUNG Kin-kee, Mr TAM Kwok-kiu, Chairman of Shamshuipo District Council, Ms NG Mei, Shamshuipo District Councillor, and District Officer, Shamshuipo), Secretary for Environment, Transport and Works, and Chairman and Members of Transport Advisory Committee.

Yours faithfully,



MA Po-kin
For and on behalf of
The Incorporated Owners of
Beacon Heights

c.c. The Hon. James TIEN, Legislative Councillor
The Hon. FUNG Kin-kee, Legislative Councillor
The Hon. TSANG Yok-sing, Legislative Councillor
The Hon. HO Chung-tai, Legislative Councillor

