

For discussion on
23 January 2009

Legislative Council Panel on Transport

Regulatory Arrangements for Cross-boundary Vehicles

Purpose

This paper informs Members of the Administration's proposal to relax the regulatory arrangements for cross-boundary private cars.

Background

2. With the commissioning of new land boundary control points, we consider that there is room to proactively consider the relaxation of the control on cross-boundary vehicles. As mentioned in our previous Panel paper relating to the Hong Kong – Zhuhai – Macao Bridge (HZMB), we have engaged a traffic consultant to explore and review possible options for regulating cross-boundary vehicles after the commissioning of the HZMB, and to recommend the preferred arrangement for these vehicles (hereinafter referred as “the Study”). While the main focus of the Study is on private cars, it also covers the regulatory arrangements for other types of cross-boundary vehicles, i.e. coaches, hire-cars and goods vehicles/container trucks.

Gists of Major Recommendations of the Study

3. The major recommendations of the Study are summarised below -
- (a) The existing regulatory arrangements for cross-boundary coaches/hire cars/goods vehicles be maintained without major modifications. Details are set out at **Annex A**;
 - (b) For private cars, there is room to relax the existing quota system through managed control, i.e. to introduce ad hoc quotas at the Shenzhen Bay Port (SBP) and the HZMB to broaden the availability and flexibility of travel for private cars. A trial scheme should be rolled out at the SBP as soon as practicable. Further details are set out in paragraphs 4 to 7; and
 - (c) The advantages of Park-and-Ride (PnR) are to reduce the impact of increasing private cars from the Mainland and Macao on our road system and the environment. The provision of voluntary Park-and-Ride (PnR) facilities at convenient locations such as MTR stations (e.g. Tung Chung, Sunny Bay, Lam Tei and Kam Sheung Road Stations) and the airport should be considered. Mandatory PnR is not recommended as it will :
 - (i) discourage the use of the HZMB and offset the attractiveness of ad hoc quotas to private cars from the Mainland and Macao;
 - (ii) increase journey time due to public transport waiting time and transfer;

- (iii) reduce accessibility to areas without convenient rail links; and
- (iv) require a large piece of land at the HZMB Boundary Crossing Facilities and incur major expenditure for PnR purposes.

Consideration for Ad Hoc Quotas

4. Before putting up the proposed option comprising ad hoc quotas, the following factors have been considered -

- (a) The proposed option should preferably be built on the existing quota system;
- (b) The proposed option should be capable of implementation on an incremental basis having regard to demand and provide effective control on the volume of private cars entering into Hong Kong from the Mainland and Macao;
- (c) The proposed system would apply to the three jurisdictions (Hong Kong, the Mainland and Macao) though each place may maintain a different pool of ad hoc quotas to ensure acceptability to the three governments;
- (d) The increase in traffic volume should be practicable after taking into account the handling capacity of our road network; and

- (e) The need to consider the environmental, safety and security issues arising from the increased number of private cars from the Mainland and Macao.

5. Having considered the factors in paragraph 4 above, we aim to promote cross-boundary traffic under a controlled environment (i.e. managed relaxation) by introducing ad hoc quotas to facilitate the general public to travel across the boundary using private cars. Through control on the level of ad hoc quotas, increases in the resulting traffic will be gradual and incremental. The existing quota system for private car will be retained so as to maintain the continuity of the existing system and not to deprive existing quota holders of the certainty (unrestricted travel) they need to meet business or operational need.

6. Having regard to the prevailing design capacities of the existing control points, boundary crossing links, approach roads and circulation within Hong Kong networks, ad hoc quotas should only be introduced at the SBP and the HZMB.

7. Parallel to relaxing the regulatory regime for cross-boundary private cars are concerns on environmental, traffic safety and security aspects in anticipation of an increasing number of Mainland and Macao private cars entering Hong Kong. We will require visiting vehicles to meet preset/prevaling emission and vehicle standards of Hong Kong, and a pre-qualification system will be considered to facilitate enforcement of such requirements.

Implementation of Ad Hoc Quota System

8. A basic implementation framework currently contemplated for ad hoc quota is at **Annex B**. While the concept is feasible, the sorting out of implementation details involves complexities. For example, given the temporary nature of the ad hoc quota, it is not practical to require visiting Mainland/Macao vehicles with a short duration of stay to carry Hong Kong registration marks. Without a Hong Kong registration mark, however, it will require Transport Department and law enforcement agencies to capture/trace the registration marks of visiting vehicles bearing Chinese characters. Legislative amendments and enhancement of relevant computer systems will be required to address this issue.

Trial Scheme

9. We had reached preliminary agreement with the relevant Guangdong authorities to pursue the proposal further in two phases, starting with the issue of ad hoc quotas to Hong Kong private cars first, to be followed by Guangdong private cars at a later stage upon satisfactory implementation of the proposal for Hong Kong private cars.

10. At the expert group meeting with the Guangdong authorities held in mid-December 2008, both sides agreed to implement a Trial Scheme at the SBP as soon as possible, subject to the sorting out of implementation details. Experts from both sides will continue to map out an overall implementation

plan, e.g. the number of one-off ad hoc quotas, issuing criteria, application procedures, recognition of vehicle registration and licensing documents, requirements on environmental protection, motor vehicle insurance and traffic enforcement, etc. Our preliminary target is to announce the arrangements for the first phase (i.e. issuing one-off ad hoc quotas to Hong Kong private cars) within this year, while the actual implementation date will be worked out subject to the progress of discussions of the expert group.

11. The Trial Scheme, if implemented successfully, will increase utilisation of the SBP, and pave way for full-scale implementation at the HZMB.

Advice Sought

12. Members are invited to note the contents of this paper.

Transport and Housing Bureau

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**Major Recommendations for Regulatory Arrangements for
Cross-boundary Coaches/Hire Cars/Goods Vehicles**

- (a) Cross-boundary coaches :
- (i) To maintain the existing regulatory regime on cross-boundary coach services which are operated under a quota system jointly administered by the Hong Kong and Guangdong authorities;
 - (ii) To provide Shuttle Bus Services on the HZMB for Hong Kong/Macao and Hong Kong/Zhuhai; and
 - (iii) To continue to allow different types of cross-boundary coach services to operate on the HZMB.
- (b) Cross-boundary hire cars :
- (i) To maintain the existing regulatory regime for hire cars, i.e. to maintain quota control but not to restrict the issue of hire car permits for the HZMB subject to the gazetted limit of 1,500; and
 - (ii) Following from (b)(i) above, it is advisable not to interfere with market supply for hire car services via the newer higher capacity road crossings, including the HZMB.
- (c) Cross-boundary goods vehicles :

The existing regime for cross-boundary goods vehicles is already relaxed without any quota control¹. However, it is desirable to improve productivity of these vehicles. Measures for consideration may include :

- (i) eliminating or relaxing the restriction on the number of drivers who can be registered to drive a particular cross-boundary goods vehicle; or
- (ii) introducing a “Registered Fleet Scheme” whereby transport operators submit details of their fleets and drivers to the authorities on both sides of the boundary, and update the information periodically; or
- (iii) simply increasing the number of drivers per goods vehicle to reduce the complexity of matching of resources on the part of the operators.

¹ These vehicles are, however, required to obtain the relevant permits (for example, Closed Road Permit) from the Hong Kong and Mainland authorities for making cross-boundary trips.

Annex B

**Ad Hoc Quota System for Cross-Boundary Private Cars
Basic Implementation Framework**

1. Given the nature of ad-hoc quotas, the application process should be as simple as possible.
2. Ad hoc quota would be applicable to private cars only, not other vehicle types.
3. Only registered vehicle owners could apply for ad hoc quota.
4. Each quota will allow the vehicle owner to have one round-trip within the quota validity period, which will be a short period, for example, a few days.
5. The same vehicle will only be granted a limited number of ad hoc quotas within specified period of time, to allow more vehicles to benefit from the scheme and to avoid the system being abused.
6. The visiting vehicle must have valid third party insurance covering their whole period of stay in Hong Kong.
7. As the vehicles with ad hoc quota will only stay in the visiting place for a short period at any one visit, and for only a limited number of visits per year, any registration and licensing requirement should be waived as far as possible, subject to necessary legislative amendments.
