

立法會
Legislative Council

LC Paper No. CB(1)1864/12-13
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EA/1

Panel on Environmental Affairs

Minutes of Special meeting
held on Saturday, 25 May 2013, at 3:00 pm
in Conference Room 1 of the Legislative Council Complex

- Members present** : Hon Cyd HO Sau-lan (Chairman)
Hon Vincent FANG Kang, SBS, JP
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Hon Claudia MO
Hon Steven HO Chun-yin
Hon WU Chi-wai, MH
Hon Gary FAN Kwok-wai
Hon Charles Peter MOK
Dr Hon Kenneth CHAN Ka-lok
Hon KWOK Wai-keung
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, JP
Hon Tony TSE Wai-chuen
- Members attending** : Hon Frankie YICK Chi-ming
Hon TANG Ka-piu
- Members absent** : Hon Christopher CHUNG Shu-kun,
BBS, MH, JP (Deputy Chairman)
Hon Albert CHAN Wai-yip
Hon CHAN Han-pan

Hon Dennis KWOK
Hon SIN Chung-kai, SBS, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon CHUNG Kwok-pan

**Public Officers
attending : For item I**

Ms Christine LOH, JP
Under Secretary for the Environment

Mr MOK Wai-chuen, JP
Assistant Director (Air Policy)
Environmental Protection Department

Mr Edmond HO
Principal Environmental Protection Officer
(Mobile Source Control)
Environmental Protection Department

**Attendance by
invitation : For item I**

Taxi & P.L.B. Concern Group

Mr LAI Ming-hung
Chairman

Clear The Air

Mr Edwin TOWN
Vice Chairman

Individual

Mr Jacky LIM

Lok Ma Chau China – Hong Kong Freight Association

Mr Stanley CHAING
Chairman

Democratic Alliance for the Betterment and Progress of
Hong Kong

Mr CHIU Man-leong
Deputy Spokesperson of Environmental Affairs

Hong Kong Logistics Association

Ir Stephen CHAN
Chairman, Industrial Development Committee &
Past President (2009-10)

Hong Kong Guangdong Transportation Association Ltd

Mr TSE Long
Chairman

Friends of the Earth (HK)

Ms Mayling CHAN
Chief Executive Officer

Hong Kong Container Drayage Services Association Ltd

Mr Clarence WONG
Chairman

The Chamber of Hong Kong Logistics Industry Ltd

Mr F C CHAN
Executive Vice Chairman

Our Bus Terminal

Mr Leslie CHAN
Chairman

Clean Air Network

Ms KWONG Sum-yin
Chief Executive Officer

Individual

Mr YEUNG Kwok-kuen

New People's Party

Mr Marcus TSE
Eastern District Council Member

Hong Kong Container Tractor Owner Association

Mr LAM Hoi-tat
Secretarial General

Civic Party

Mr IP Yiu-wing
NTW District Developer

Kowloon District Tourists and Passengers Omnibus
Operators Association

Mr LAI Chin-to
President

Hong Kong District Tourists and Passengers Omnibus
Operators Association

Mr David CHAN
Chairman

Yuen Long District Tourists and Passengers Omnibus
Operators Association

Mr Leo YIP
Committee Member

Tuen Mun District Tourists and Passengers Omnibus
Operators Association

Mr Chris MAN
Vice Chairman

HK Trucks Merchants Association Ltd

Mr TANG Ching-liong
President

汽車交通運輸業總工會

林天賦先生
副秘書長

香港鮮果業物流協會

Mr CHAU Sing
Chairman

鮮果運輸業聯會

姚玉琮女士
財政

港九及新界夾斗車商會有限公司

鍾引弟女士
代主席

貨運車從業員分會

Mr YUEN Cheung-fung
Director

學童車協會

梁剛先生
主席

Hong Kong Scheduled (GMB) Licensee Association

Mr WONG Yu-fung

Hong Kong Automotive Body Manufacture Association
Company Ltd

Mr Alex KWONG
Vice Chairman

Public Transport Think Tank of Hong Kong and Idea4hk

Mr CHAN Tik-yiu
Public Transport Think Tank of Hong Kong 幹事

China Hong Kong and Macau Boundary Crossing Bus
Association

Mr Matthew WONG
Vice Chairman

The Federation of Hong Kong and Kowloon Labour
Unions

Mr WONG Man-kuen
Organizer for Transport Industry Committee

Public Omnibus Operators Association

Mr Peter MOK
Committee Member

Hong Kong Vehicle Transportation Association

Mr Kenneth LEE
公關

民主關注網絡

晴女士

Individual

Mr Harry YEUNG

Kowloon Truck Merchants Association Ltd

Mr LEUNG Kun-kuen
Chairman

The Hong Kong Institution of Engineers

Ir Dr WONG Yiu-man

Tsuen Wan District Tourists and Passengers Omnibus
Operators Association

Mr Ocean LAW
Committee Member

Motor Traders Association of Hong Kong

Mr Johnson LI
Secretary General

Environmental Concern Group on Kam Tin Scrapyard

Mr Chapman CHENG
代理主席

Hong Kong Waste Disposal Industry Association

Mr SIU Tak-hung
Executive Committee

Clerk in attendance : Ms Miranda HON
Chief Council Secretary (1)1

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

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I. Meeting to receive views on "Retirement of pre-Euro IV diesel commercial vehicles"

(LC Paper No. CB(1)1003/12-13(01) — Administration's paper on "Retirement of pre-Euro IV diesel commercial vehicles"

LC Paper No. CB(1)1003/12-13(02) — Background brief on "Retirement of pre-Euro IV diesel commercial vehicles" prepared by the Legislative Council Secretariat)

At the Chairman's invitation, 42 deputations/individuals presented their views on the Administration's proposal to phase out pre-Euro IV diesel commercial vehicles ("DCVs") and to limit the service life of newly registered DCVs at 15 years. A summary of the views of the deputations/individuals is in the **Appendix**.

2. Members also noted the following submissions from deputations/individuals not attending the meeting –

(LC Paper No. CB(1)1099/12-13(15) — Submission from G.M.B. Maxicab Operators General Association Ltd (Chinese version only)

LC Paper No. CB(1)1099/12-13(16) — Submission from Mr Markus WOHLGENANNT (English version only)

LC Paper No. CB(1)1099/12-13(17) — Joint submission from 香港仔專線小巴有限公司, 傑記運輸有限公司, 超栢萊有限公司, 傑誠集團有限公司, 中環專線小巴有限公司, 香港專線小巴有限公司, 新興運輸有限公司, 捷領運輸有限公司 and 大埔專線小巴有限公司 (Chinese version only)

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- LC Paper No. CB(1)1099/12-13(18) — Submission from Chit Fai Motors Company Ltd (Chinese version only)
- LC Paper No. CB(1)1099/12-13(19) — Joint submission from 香港鮮果業物流協會, 香港貨櫃車主聯會, 香港廢物處理業協會, 港九及新界夾斗車商會, 鮮果運輸業聯會, 港粵運輸司機從業員協會, 香港運輸業機械操作及維修專業人員協會, 貨櫃運輸業聯工總會, 汽車交通運輸業總工會, 貨運車從業員分會, 非專利巴士分會, 駕駛教師分會 and 公共小巴分會 (Chinese version only)
- LC Paper No. CB(1)1099/12-13(20) — Joint submission from 大強發展有限公司, 中西區小巴服務有限公司, 天祥運輸有限公司, 明裕運輸有限公司, 通運專線小巴有限公司, 富運專線小巴有限公司, 運泰實業有限公司, 上水專線小巴有限公司, 成功運輸有限公司, 金運專線小巴有限公司, 樂方投資有限公司, 加利信有限公司, 冠志實業有限公司, 富明有限公司, 路榮實業有限公司, 人人好汽車有限公司, 亨運專線小巴有限公司, 冠榮實業有限公司 and 勝運實業有限公司 (Chinese version only)
- LC Paper No. CB(1)1120/12-13(01) — Submission from Federation of Hong Kong Transport Worker Organizations (Chinese version only)

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LC Paper No. CB(1)1127/12-13(02) — Submission from The Hong Kong Federation of Trade Unions (Chinese version only)

LC Paper No. CB(1)1134/12-13(02) — Submission from 落馬洲中港貨運聯會, 貨車車隊聯會, 香港貨櫃拖運業聯會, 香港物流商會, 九龍重型貨車聯合商會, 香港貨櫃車主聯會, 港粵運輸業聯會 and 香港(跨境)貨運司機協會 (Chinese version only)

Discussion

3. The Under Secretary for the Environment ("USEN") provided a consolidated response to the views and concerns raised by the deputations/individuals as follows –

- (a) there had been close liaison with the transport trades and their views and concerns were well understood;
- (b) the proposed scheme on the retirement of pre-Euro IV DCVs ("the proposed Scheme") would bring about improvements in air quality and better protection for public health; and
- (c) there would be further discussion with stakeholders with a view to reaching a consensus on the proposed Scheme.

Justifications for mandatory retirement of pre-Euro IV diesel commercial vehicles

4. Mr TANG Ka-piu declared that he was the Deputy Secretary General of the Hong Kong Vehicle Transport Association. He opined that, given the scope of the proposed Scheme which involved a funding of \$10 billion and the haste with which it was put forward, members would need to examine it with care. He questioned whether the mandatory retirement of pre-Euro IV DCVs was necessitated by the coming into operation of the new Air Quality Objectives in 2014. He noted with concern that the level of nitrogen oxides ("NO_x") had increased significantly over the years and that the major contributor was franchised buses and not DCVs. While the Government would be funding the capital cost for retrofitting Euro II and III franchised buses with selective catalytic reduction ("SCR") devices in an attempt to improve their emission

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performance, it would only be providing subsidies for the replacement of pre-Euro IV DCVs. Given the impact of the proposed Scheme on the transport trades, he considered it necessary that the Administration should give further thoughts to the need for implementing the proposal in such haste.

5. The Assistant Director of Environmental Protection (Air Policy) ("ADEP(AP)") responded that the roadside air quality monitoring stations at Mongkok, Central and Causeway Bay had also reflected the air pollution problems at the roadside of other districts with busy traffic of heavily polluting diesel vehicles. As the major contributor of NO_x and respirable suspended particulates was DCVs, an incentive-cum-regulatory approach should be adopted to phase out heavily polluting DCVs to improve roadside air quality.

6. Dr Elizabeth QUAT said that there was a need to ensure the cost-effectiveness of the proposed Scheme as well as its practicality and reasonableness. She questioned if there were any practical measures to improve the emission performance of pre-Euro IV DCVs, as an alternative to their replacement. She hoped that the \$10 billion funding would be able to improve air quality on the one hand while ensuring the livelihood of the transport trades on the other. Mr Gary FAN shared the concern about the need to ensure the cost-effectiveness of the proposed Scheme. He questioned why the retrofitting with SCR devices on franchised buses, the capital costs of which were funded by the Government, could not be equitably applied to DCVs as this would likely have a lesser impact on the transport trades. The mandatory retirement of pre-Euro IV DCVs was also at variance with the pledge made in the 2013 Policy Address to assist franchised buses, taxis and minibuses to reduce their emissions through retrofitting or replacing SCR devices.

7. ADEP(AP) responded that given the poor emission performance of pre-Euro IV DCVs, retrofitting them with SCR devices could not solve the emission problem. They would also need to install particulate filters, which could easily be blocked because of their excessive particulate emissions and the poor condition of their engines. Besides, there might not be sufficient space to accommodate the two retrofit devices. To add to the practical constraints, the feasibility of retrofitting these devices would have to be tested on an individual vehicle model basis. Therefore, spending years to assess the feasibility of retrofitting the already aged vehicles with these devices would not provide quick relief to the air pollution problem at the roadside. Neither would it be practical to replace the engines of these aged vehicles with new engines as the latter might not be compatible with the other components of the vehicles. Based on the aforesaid factors, it was considered more practical and preferable to replace the pre-Euro IV DCVs than retrofitting them with emission reduction devices.

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8. Mr TANG Ka-piu and Mr Gary FAN sought the deputations' views on the measures to improve emission performance of diesel vehicles. Mr Jacky LIM/Individual said that the Administration should be responsible for testing the feasibility of retrofitting SCR devices and particulate filters and advising on their effectiveness in reducing emissions, rather than mandating the retirement of DCVs. He pointed out that there should be enough space within the engines of diesel trucks to accommodate SCR devices. He made reference to an aged bus model previously used by the China Motor Bus Company which had been exported to Australia for continued use after retrofitting with a newer engine. He failed to see why the Government had resorted to a more expensive approach of vehicle replacement rather than a simpler retrofitting approach which would have less impact on the transport trades. The resultant savings could be used to enhance the maintenance and repair of diesel vehicles. There was also a need for technology transfer in the maintenance and repair of Euro IV and V diesel vehicles. Mr Harry YEUNG/Individual said that based on his own experience, the emission performance of diesel trucks could be significantly improved with regular tuning. He would support introducing legislation to require the regular tuning of diesel vehicles.

9. In response, ADEP(AP) said that a few years ago, a one-year trial on retrofitting diesel oxidation catalysts ("DOCs") onto pre-Euro diesel vehicles. Even though DOCs had a greater tolerance for poor engine condition at the expense of particulate removal effectiveness as compared with diesel particulate filters, problems that took lengthy time to resolve had been encountered. It would not be worthwhile to go through the trial of retrofitting pre-Euro IV DCVs with SCR devices and particulate filters, which could not work with the poor condition of aged engines, as the trial would take a number of years to complete, by then these vehicles would have retired. The early replacement of pre-Euro IV DCVs would be an effective means to achieve timely improvement in air quality. While he agreed on the need for regular servicing of vehicles (including proper engine tuning), there were limitations on the extent of the improvement as to the emissions of aged polluting diesel vehicles on account of their outdated engine design. As such, there was a need to mandate their retirement through the setting of a deadline for non-renewal of licences. At members' request, the Administration would provide an information paper to explain the technical feasibility of retrofitting pre-Euro IV DCVs with emission reduction devices as an alternative to their phasing-out.

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Level of ex-gratia payment

10. Mr Frankie YICK said that he had maintained close liaison with the transport trades on the proposed Scheme. While he did not support extending the deadline for the replacement of pre-Euro IV DCVs, he would support

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standardizing the ex-gratia payment, so that the same payment would apply irrespective of whether the scrapped vehicle was replaced or not. He also supported the provision of a retrospective arrangement for eligible vehicles scrapped before the commencement of the proposed Scheme.

11. Dr Helena WONG indicated support for an incentive-cum-regulatory approach to phase out heavily polluting DCVs. Under the polluters pay principle, transport operators were the polluters who should pay. The amount of ex-gratia payment to be provided by the Government for subsidizing the replacement with cleaner vehicles would need to be worked out, taking into account the diversity of the transport trades and their different interests. Members of the Democratic Party had suggested the provision of loans to assist the self-employed drivers in the replacement of their vehicles. She requested the Administration to respond to the trades' views on the setting of the deadline for the replacement of pre-Euro IV DCVs and the standardization of ex-gratia payment. USEN said that in response to the proposal, banking institutions would provide better mortgage terms for vehicle owners to acquire replacement vehicles for attracting more business. As for the implementation of the proposal, the Administration would try its best to reach consensus with the trades as soon as possible.

Trades' concerns

12. Mr Frankie YICK said that the transport trades were in general supportive of the measures to improve air quality. They were concerned whether the vehicle suppliers and vehicle body builders were able to meet the increased demand for replacement vehicles arising from the implementation of the proposed Scheme. They were also concerned about the inadequacy of the ex-gratia payment and the need for technology transfer in the repair of newer models of Euro IV and Euro V diesel vehicles in order that repair services would not be monopolized. More land should also be set aside for vehicle repair shops and scrap yards for the repair and scrapping of vehicles. The trades hoped that a consensus could be reached soon because many commercial vehicle owners had put on hold their vehicle replacement plans pending the final decision on the proposal.

13. Mr KWOK Wai-keung pointed out that the trades were dissatisfied that the Government had changed the rules of the vehicle replacement scheme by mandating the retirement of pre-Euro IV DCVs when all along, the retirement was encouraged by way of a voluntary incentive scheme. Besides, there was a need to address the trades' concerns about the insufficiency of the ex-gratia payment, the unsatisfactory performance of Euro IV and Euro V diesel vehicles, and the transitional arrangements pending the decision on the proposed Scheme. The predicament faced by single vehicle owners in the replacement of vehicles

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would also need to be addressed. He shared members' concern about the haste in which the proposal was put forward and the rigid deadline for non-renewal of licences, particularly for pre-Euro II and Euro II DCVs the vehicle licence of which would not be renewed starting from 1 January 2016 and 1 January 2017 respectively. USEN responded that the Administration was fully aware of trades' views and concerns and would further discuss with the trades for an early consensus on the proposed Scheme.

14. Mr TANG Ka-piu said that there were conflicting views from the transport trades with some requesting for the early implementation of the proposed Scheme and others opposing its implementation. With the growing number of passengers using land transport, transport operators dealing with passenger transport were keen to use the ex-gratia payment to replace their vehicles under the proposed Scheme as they would need to replace their vehicles in any case. However, with the decline of the logistics trade, transport operators engaged in container transport had been facing much financial difficulty in their operation, and would unlikely be able to afford the vehicle replacement cost. The Administration would have to work out a proposal which would meet the needs of the different sectors of the transport trades, in particular the single vehicle owners who constituted over 30% of the transport operators. USEN responded that the Administration understood the unique circumstances of different sectors of the transport trades and would endeavour to reach a consensus with the transport trades on the proposal.

Measures to improve roadside air quality

15. Mr WU Chi-wai enquired whether there were other practical measures to improve roadside air quality. USEN said that while there were various measures to improve roadside air quality, the reduction of end-of-pipe emissions would be the most direct way. Other measures would include the designation of low emission zones by restricting the entry of more polluting vehicles. ADEP(AP) added that measures to reduce emissions would include tightening fuel standards, switching to cleaner vehicle models and retrofitting with emission reduction devices. At present, the fuel standard in Hong Kong had already been tightened to a very high standard and the retrofit option was not practicable as discussed earlier. To achieve further improvements in roadside air quality, there was a need for the early retirement of aged and polluting diesel vehicles.

16. Mr Charles Peter MOK invited environmental groups to express their views on the proposed Scheme. Ms Mayling CHAN/Friends of the Earth (HK) said that as there was a need to achieve the 2020 emission reduction target, there should not be any further extension of the deadline for scrapping pre-Euro IV DCVs. The transport trades and the Administration should work out a feasible

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arrangement to retire aged and polluting diesel vehicles. Mr Edwin TOWN/Clear The Air suggested that legislation should be introduced to require vehicle maintenance and inspection on a regular basis during the service lives of diesel vehicles. Ms KWONG Sum-yin/Clean Air Network said that there was a need to improve roadside air quality for the benefit of public health. It was hoped that under the incentive-cum-regulatory approach, there could be early replacement of aged and polluting diesel vehicles.

17. The Chairman thanked the deputations and individuals for attending the meeting. She said that further views in writing would be welcomed.

II. Any other business

18. There being no other business, the meeting ended at 6:00 pm.

Council Business Division 1
Legislative Council Secretariat
3 October 2013

Panel on Environmental Affairs

Special meeting on Saturday, 25 May 2013, at 3:00 pm

Meeting to receive views on "Retirement of pre-Euro IV diesel commercial vehicles"

Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation/individual	Major views and concerns
1.	Taxi & P.L.B. Concern Group [LC Paper No. CB(1)1099/12-13(01)]	<ul style="list-style-type: none"> • suggested that the ex-gratia payment level for the phasing out of pre-Euro IV diesel commercial vehicles ("DCVs") should be proportional to the age of the vehicle to be scrapped, such that a higher payment would be offered for the replacement of the more polluting vehicles, contrary to what was proposed by the Administration; and • there was a need for the early phasing out of pre-Euro, Euro I and Euro II diesel vehicles as they accounted for the majority of the vehicular emissions
2.	Clear The Air [LC Paper No. CB(1)1099/12-13(02)]	<ul style="list-style-type: none"> • supported the Administration's proposed scheme to phase out pre-Euro IV DCVs as a public health measure ("the proposed Scheme"); • supported the designation of Clean Air Zones which would restrict the entry of polluting vehicles; and • supported a carrot and stick approach whereby older vehicles would be required to undergo six-monthly emissions testing while Euro V and VI vehicles ordered before a specified date would be exempted from First Registration Tax ("FRT")
3.	Mr Jacky LIM [LC Paper No. CB(1)1099/12-13(03)]	<ul style="list-style-type: none"> • questioned why funding could not be provided to retrofit pre-Euro IV DCVs with catalytic converters, as in the case of franchised buses, taxis and minibuses which was pledged in the 2013 Policy Address; • the Environmental Protection Department, the Transport Department, the Electrical and Mechanical Services Department, the transport trades and vehicle suppliers should work together on the feasibility of retrofitting pre-Euro IV DCVs with catalytic converters and/or replacement of engines; • need to amend the guidelines for vehicle inspection; and • supported that facilities be installed at the vehicle inspection centres to measure the level of nitrogen oxides emitted from vehicles

No.	Name of deputation/individual	Major views and concerns
4.	Lok Ma Chau China – Hong Kong Freight Association	<ul style="list-style-type: none"> • expressed disappointment at the Administration's proposed plan to phase out pre-Euro IV DCVs; • the container trades were opposed to the proposed Scheme which would lead to transfer of benefits to vehicle suppliers, given that the price of DCVs had increased significantly since the plan was announced; • supported that ex-gratia payment be provided for scrapping of aged vehicles without requiring their replacement; and • the proposed Scheme would disrupt the operation of the transport trades as they were required to replace their vehicles at specified dates
5.	Democratic Alliance for the Betterment and Progress of Hong Kong	<ul style="list-style-type: none"> • supported the proposed Scheme if it was effective in improving roadside air quality; • was concerned about the cost implications of the proposed Scheme as the operating cost of the transport trades were already very high; and • the setting of statutory retirement age for newly registered DCVs at 15 years and the non-renewal of licences for pre-Euro IV DCVs would be very confusing to the trades
6.	Hong Kong Logistics Association	<ul style="list-style-type: none"> • supported increasing the ex-gratia payment level by 20% and exempting FRT for the replacement of polluting DCVs; • supported extending the date for non-renewal of licences for pre-Euro IV DCVs by one to two years for the benefit of aged drivers so that they could use their vehicles for some more time before they retire; • as well-maintained DCVs could have service lives of more than 15 years, it would not be environment friendly to set the statutory retirement age at 15; and • suggested setting the statutory retirement age of DCVs at 17 years with tightened inspection and maintenance when the vehicles reached the age of 15 years
7.	Hong Kong Guangdong Transportation Association Ltd [LC Paper No. CB(1)1099/12-13(04)]	<ul style="list-style-type: none"> • supported that ex-gratia payment should be provided for the scrapping of vehicles, irrespective of whether the scrapped vehicles were replaced or not; • the requirement for replacement with new vehicles would only benefit vehicle suppliers and not vehicle owners; • the ex-gratia payment should be sufficiently generous as the Scheme as proposed would have the effect of forcing transport

No.	Name of deputation/individual	Major views and concerns
		<p>operators out of business; and</p> <ul style="list-style-type: none"> • the impact of the proposed Scheme on the livelihood of vehicles owners and their families would need to be taken into account
8.	Friends of the Earth (HK)	<ul style="list-style-type: none"> • supported the proposed Scheme and the early retirement of aged and polluting vehicles in an attempt to achieve the 2020 emission reduction targets; • need to apply the polluters pay principle and subsidies should not be offered to diesel vehicles owners indefinitely; and • need to ensure the cost-effectiveness of the proposed Scheme
9.	Hong Kong Container Drayage Services Association Ltd	<ul style="list-style-type: none"> • while supporting initiatives to improve air quality and safeguard public health, there was a need to take into consideration the impact of the proposed Scheme on the livelihood of transport operators; • with keen competition and high operating cost, container trades would have much difficulty in the replacement of their vehicles; • there was consensus among the transport trades that the ex-gratia payment for the replacement of pre-Euro, Euro I/II, and Euro III diesel vehicles should be set at 30%, 35% and 40% respectively; and • the proposed Scheme should give priority to the replacement of pre-Euro, Euro I and II DCVs first, and to deal with the replacement of Euro III vehicles at a later stage
10.	The Chamber of Hong Kong Logistics Industry Ltd [LC Paper No. CB(1)1099/12-13(05)]	<ul style="list-style-type: none"> • more publicity and public education should be launched to promote public awareness of the need for environmental protection and the use of cleaner vehicles; • while transport operators had been regularly maintaining their vehicles and subjecting them to annual inspections to ensure their emission performance, the proposed Scheme would force the operators to scrap their existing vehicles and replace them with new ones which they could not afford; • the logistics trades were facing keen competition and could not afford to replace their vehicles; and • the setting of the statutory retirement age for DCVs at 15 years was not viable
11.	Our Bus Terminal	<ul style="list-style-type: none"> • as Euro diesel vehicles would have a service life of about 20 years, it would be too early to retire Euro III vehicles by 2019 when some of them would only be 13 years old;

No.	Name of deputation/individual	Major views and concerns
		<ul style="list-style-type: none"> • there were aged buses which had been running for years but were able to pass the road worthy tests and meet the required emission standards; • it was unfair to impose a retirement age for DCVs while no such requirement would apply to private vintage cars; and • with the setting of a statutory retirement age of 15 years, owners would tend to replace their vehicles with less expensive models, the performance of which might not be reliable
12.	Clean Air Network [LC Paper No. CB(1)1099/12-13(06)]	<ul style="list-style-type: none"> • supported the incentive-cum-regulatory approach to phase out pre-Euro IV DCVs, the emissions of which were carcinogenic and affecting roadside air quality; • there were public health costs associated with poor air quality in Hong Kong and there was a need for investment to improve air quality; and • the deadline for the retirement of aged and polluting diesel vehicles should be advanced by one year to enable earlier improvement to air quality
13.	Mr YEUNG Kwok-kuen	<ul style="list-style-type: none"> • questioned the need for scrapping of diesel vehicles when the emission problem could have been resolved through retrofitting with catalytic converters and replacement of engines, as was the practice of some overseas countries; • transport operators who were already facing much difficulty in their operation would unlikely be able to afford the vehicle replacement cost, despite that it was subsidized by the Government; • as shown in earlier replacement schemes, vehicle suppliers would be the ultimate beneficiaries of the proposed Scheme; and • did not support the proposed Scheme and called for its abolishment
14.	New People's Party	<ul style="list-style-type: none"> • supported that the proposed Scheme should be implemented by phases starting with the replacement of pre-Euro, Euro I and II diesel vehicles first; • supported initiatives to improve air quality but there was a need to balance public interests; • despite efforts made to improve ambient air quality through the setting of emission caps for power companies and the use of cleaner fuels in power generation, the roadside air quality had not improved;

No.	Name of deputation/individual	Major views and concerns
		<ul style="list-style-type: none"> • need for the Government to explain the effectiveness of air improvement measures; • was concerned whether there were sufficient number of scrapping agents for scrapping the 80 000 pre-Euro IV DCVs; • vehicles owners were concerned whether the ex-gratia payment would be sufficient to pay for the scrapping cost which would likely increase as a result of increased demand; • there were also concerns that vehicle suppliers would increase the selling prices of replacement vehicles; and • need for close liaison with transport trades before implementation of the proposed Scheme
15.	Hong Kong Container Tractor Owner Association	<ul style="list-style-type: none"> • supported the retirement of aged and polluting diesel vehicles but there was a need to strike a balance between environmental protection and impact on the trades; • it was unfair to set a timetable for the non-renewal of licences for pre-Euro IV DCVs given that such vehicles all met the prevailing emission standards when they were imported; • was concerned that transport operators who were already facing much difficulty in their operation would not be able to afford the vehicle replacement cost; and • shared the concern that the more polluting vehicles should be removed from the roads first by way of increased financial incentives
16.	Civic Party [LC Paper No. CB(1)1134/12-13(03)]	<ul style="list-style-type: none"> • welcomed the incentive-cum-regulatory approach to phase out pre-Euro IV DCVs which would be effective in improving the roadside air quality and public health; • while the inverse correlation between ex-gratia payment level and age of vehicle to be scrapped would be in line with the polluter pays principle, there was a need to encourage the early replacement of the more polluting vehicles; • supported that more subsidies be provided to single vehicle owners in the replacement of their aged vehicles; and • the suggested increase in subsidies for the replacement of DCVs aged under 10 years might have encouraged large number of owners to scrap/replace their vehicles, leading to increased replacement and scrapping costs • supported that the licences for pre-Euro IV DCVs should not be renewed by 2019

No.	Name of deputation/individual	Major views and concerns
17.	Kowloon District Tourists and Passengers Omnibus Operators Association	<ul style="list-style-type: none"> • concerned about the inadequacy of ex-gratia payment under the proposed Scheme which was capped at 30% of the taxable values of new vehicles, given that the cost of coach buses was between \$1.5 million to \$1.8 million; and • supported that the ex-gratia payment level be increased to 50% of the taxable values of new vehicles
18.	Hong Kong District Tourists and Passengers Omnibus Operators Association	<ul style="list-style-type: none"> • as Euro III buses could be used beyond 2019, the proposed Scheme would curtail their service lives by several years and would lead to a waste of resources; • the use of Euro III buses was initially recommended by the Government, but the trades were subsequently advised that such buses were not environment friendly and should be replaced. This had adversely affected the operation of the transport trades; and • supported the proposed Scheme but was of the view that the ex-gratia payment level should be increased to 40% to 50% of the taxable values of new vehicles in order to compensate the trades for their loss
19.	Yuen Long District Tourists and Passengers Omnibus Operators Association	<ul style="list-style-type: none"> • the Yuen Long Tourists and Passengers Omnibus Operators Association welcomed and supported the proposed Scheme to phase out pre-Euro IV DCVs as they would require regular replacement of buses; • coach and light bus operators were indecisive on the replacement, particularly for those who owned Euro II vehicles that were being offered a voluntary incentive scheme. As a result, vehicle vendors and vehicle body builders were adversely affected because many commercial vehicles owners had put on hold their vehicle replacement plans pending a final decision of the Government on the proposal; and • need for the Government to explain the transitional arrangements from the current voluntary Euro II DCVs incentive scheme to the proposed Scheme
20.	Tuen Mun District Tourists and Passengers Omnibus Operators Association	<ul style="list-style-type: none"> • the feedback from transport operators who had switched to the use of Euro V diesel vehicles was that these vehicles were prone to engine failure and that if they were not well maintained, their emission performance might not be better than Euro III vehicles; • was concerned that that there was inadequate maintenance facilities for Euro V diesel vehicles if used on a large scale; • there was a need to ensure the performance and feasibility of Euro V diesel vehicles before encouraging the switch; and

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		<ul style="list-style-type: none"> despite the incentives provided, vehicles owners were not keen to replace their pre-Euro IV DCVs as they were running smoothly
21.	HK Trucks Merchants Association Ltd	<ul style="list-style-type: none"> the HK Trucks Merchants Association was supportive of the measures to protect the environment and would try its best to match the Government policies; and supported the early implementation of the proposed Scheme
22.	汽車交通運輸業總工會	<ul style="list-style-type: none"> the proposed Scheme had not taken into account the operational difficulties of transport operators; many smaller transport companies would be forced out of business as a result of the implementation of the proposed Scheme, leading to the monopolization by major business enterprises; while the public had been reminded of the adverse health effects associated with diesel emissions, the Government had not provided any evidence to substantiate the claim. Besides, it would appear that the health of drivers had not been affected; and operators of vehicle repair shops engaged in the maintenance and repair of pre-Euro IV DCVs were concerned that they would be out of job with the switch to Euro IV and V diesel vehicles as the maintenance of the latter had been monopolized by major vehicle companies
23.	香港鮮果業物流協會	<ul style="list-style-type: none"> given the high cost of new diesel vehicles, most transport operators could only afford to purchase second-hand vehicles and could not benefit from the proposed Scheme; the proposed Scheme would increase the operating difficulties of the transport trades; and there was a need to resolve the conflict arising from the proposed Scheme
24.	鮮果運輸業聯會	<ul style="list-style-type: none"> transport operators who were self-employed owners of pre-Euro, Euro I and Euro II DCVs would have much financial difficulty in replacing their vehicles given the high cost. They would also have difficulty in securing a bank loan for the purchase of vehicles; and transport operators, particularly those engaged in the fruit trades, were operating in the early hours where there was not much traffic and therefore, they would not be contributing to the pollution during busy hours

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25.	港九及新界夾斗車商會有限公司	<ul style="list-style-type: none"> • requested the following – <ul style="list-style-type: none"> (a) removal of the deadline for scrapping pre-Euro IV DCVs; (b) standardization of the ex-gratia payment; and (c) increasing the level of ex-gratia payment; • diesel emissions had not adversely affected the health of drivers; and • DCVs could be used for a long time if well-maintained
26.	貨運車從業員分會 [LC Paper No. CB(1)1099/12-13(07)]	<ul style="list-style-type: none"> • as the proposed Scheme would mandate the retirement of all pre-Euro IV DCVs through non-renewal of licences by specified dates, vehicle owners who had secured mortgages for their vehicles would be faced with much financial difficulty; • the proposed Scheme would force transport operators out of business; • urged for the removal of the deadlines for scrapping pre-Euro IV DCVs; and • major vehicle companies would be monopolizing the repair and maintenance of Euro IV and Euro V diesel vehicles
27.	學童車協會 [LC Paper No. CB(1)1134/12-13(01)]	<ul style="list-style-type: none"> • requested deferment of the deadline for scrapping coaches with 16 or less seat; and • self-employed school bus operators who were about to retire should be given an additional 5% ex-gratia payment
28.	Hong Kong Scheduled (GMB) Licensee Association [LC Paper No. CB(1)1099/12-13(08)]	<ul style="list-style-type: none"> • supported the proposed Scheme in principle; • there were concerns about the poor performance of Euro IV diesel vehicles and their frequent breakdown which had disrupted bus schedules and affected drivers' livelihood; • Euro IV and Euro V diesel vehicles were not considered suitable for providing public light bus services in Hong Kong; • as the transport trades were reluctant to switch to liquefied petroleum gas vehicles due to insufficient filling facilities, they continued to rely on pre-Euro IV models; • requested deferment of the deadlines for scrapping vehicles by two to three years in order to allow sufficient time to identify the suitable replacement models; and • need for the Government to maintain close liaison with the

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		transport trades to better understand their needs and to provide the necessary assistance
29.	Hong Kong Automotive Body Manufacture Association Company Ltd [LC Paper No. CB(1)1099/12-13(09)]	<ul style="list-style-type: none"> • with the retirement of over 20 000 pre-Euro II diesel vehicles by 2016, there might not be sufficient space and capacity for the manufacture of replacement models; • consideration should be given to allowing the use of vacated industrial estates for vehicle manufacture; • additional manpower resources and changes in the manufacturing process were needed to meet the increased demand for replacement vehicles arising from the proposed Scheme; and • need to defer the deadlines for scrapping of pre-Euro IV DCVs
30.	Public Transport Think Tank of Hong Kong and Idea4hk [LC Paper No. CB(1)1099/12-13(10)]	<ul style="list-style-type: none"> • the scrapping of pre-Euro IV DCVs would add pressure to landfills; • there were cost implications in upgrading vehicle standards; and • the increase in the number of vehicles in Hong Kong had given rise to traffic congestion and air pollution
31.	China Hong Kong and Macau Boundary Crossing Bus Association	<ul style="list-style-type: none"> • supported that the ex-gratia payment be increased to 40% of the taxable values of new vehicles given that the maintenance cost for Euro IV and Euro V vehicles were higher than that for pre-Euro IV vehicles by 50%; • as cross-boundary coach buses in use were mostly imported, their taxable values amounted to \$1.5 million, and not \$1.1 million as estimated by the Administration; • need for the early implementation of the proposed Scheme to replace the current voluntary incentive scheme for Euro II vehicles which would expire on 30 June 2013; and • the transport operators who had accepted the Administration's advice to switch from pre-Euro II to Euro IV vehicles were dissatisfied with the poor performance of the latter
32.	The Federation of Hong Kong and Kowloon Labour Unions	<ul style="list-style-type: none"> • objected to the inclusion of Euro III DCVs in the proposed Scheme as it would be wasteful to mandate the retirement of Euro III diesel vehicles by 1 January 2019 given that their emission performance was much better than that of pre-Euro II vehicles; • objected to the setting of the statutory retirement age at 15 years for newly registered DCVs; • objected to the inverse correlation between the ex-gratia payment

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		<p>level and the age of the vehicle to be scrapped;</p> <ul style="list-style-type: none"> • transport operators, in particular the self-employed single vehicle owners, would have much difficulty in making their ends meet and would unlikely be able to afford the replacement with new vehicles; • supported standardizing the ex-gratia payment level at 30% of the taxable values of new vehicles for the phasing out of pre-Euro II vehicles; and • need to communicate with the transport trades in deciding on the types of vehicles to be scrapped given the serious impact of the tightening of vehicle standards on the trades
33.	Public Omnibus Operators Association	<ul style="list-style-type: none"> • requested that the ex-gratia payment be increased from 30% to 40% of the taxable values of new vehicles; • the taxable values of new coach buses were much higher than that estimated by the Administration; • need for a seamless transition from the current voluntary incentive scheme for Euro II DCVs to the proposed Scheme; • need to open up the maintenance services of Euro IV and Euro V diesel vehicles as such services were monopolized by vehicle suppliers at present; • as there was a shortage of space for vehicle maintenance, there was a need for allocation of more land for the purpose; and • consideration should be given to allowing aged and vintage vehicles to remain on the roads, so as to retain Hong Kong's characteristics
34.	Hong Kong Vehicle Transportation Association	<ul style="list-style-type: none"> • supported environmental protection and the proposed Scheme; • supported that more incentives should be provided to encourage the early replacement of the more polluting vehicles; • despite the ex-gratia payment, transport operators, in particular the self-employed single vehicle owners, would have much difficulty in replacing their aged vehicles and there was a need for government assistance in the form of loans to facilitate the replacement; • as some of the transport operators might be forced out of business as a result of the proposed Scheme, the Government should consider providing assistance to them in finding alternative employment;

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		<ul style="list-style-type: none"> • there were concerns about the high maintenance cost for Euro IV and Euro V vehicles as their maintenance services were monopolized by vehicle suppliers; and • the setting of statutory retirement age at 15 years for DCVs would adversely affect the sales of second-hand vehicles as vehicle owners would opt for new vehicles
35.	民主關注網絡 [LC Paper No. CB(1)1099/12-13(11)]	<ul style="list-style-type: none"> • would be prepared to offer assistance to affected parties in the lodging of judicial review or injunction on the proposed Scheme; and • transport operators had contributed much to the community
36.	Mr Harry YEUNG	<ul style="list-style-type: none"> • according to the Guangzhou authorities, the air pollution problem stemmed from the use of high sulphur diesel in the Mainland which had given rise to high levels of respirable suspended particulates; • it would be wasteful to mandate the retirement age of DCVs at 15 years when the vehicles could be used for 20 to 25 years if properly maintained; • it would not be cost-effective or justified to spend \$10 billion on the proposed Scheme; and • need to open up the maintenance service and provide one-stop shop service for Euro diesel vehicles
37.	Kowloon Truck Merchants Association Ltd [LC Paper No. CB(1)1099/12-13(12)]	<ul style="list-style-type: none"> • the proposed Scheme would force truck merchants out of business; and • was concerned about the inadequacy of ex-gratia payment given the high cost for replacement of trucks
38.	The Hong Kong Institution of Engineers [LC Paper No. CB(1)1127/12-13(01)]	<ul style="list-style-type: none"> • welcomed and supported the proposed Scheme which would bring considerable benefits to Hong Kong from various perspectives including public health, medical expenditure, social and economic benefits; • the scrapped pre-Euro DCVs must not be used in locations outside Hong Kong as otherwise it would be exporting environmental problems; • suggested allowing low-mileage pre-Euro IV DCVs (say, less than 2,000 km per year) to remain in service as long as the vehicles could pass the road worthy test before licence renewal; • need for flexibility in mandating the retirement of DCVs at 15 years under the proposed Scheme which should be reviewed after a few years, taking into account the latest advancement in

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		<p>diesel engine technology;</p> <ul style="list-style-type: none"> • part of the \$10 billion earmarked funding should be used to promote the wider use of electric vehicles; and • more information should be provided by the Administration on the proposed Scheme and the additional measures to improve roadside air quality
39.	Tsuen Wan District Tourists and Passengers Omnibus Operators Association	<ul style="list-style-type: none"> • supported the proposed Scheme but was concerned that it could not commence right after the expiry of the current Euro II DCVs incentive scheme on 30 June 2013 to allow a seamless transition; • vehicle owners were putting their replacement plans on hold pending a final decision on the proposed Scheme; and • supported the provision of a retrospective arrangement for eligible vehicles scrapped before the commencement of the proposed Scheme
40.	Motor Traders Association of Hong Kong [LC Paper No. CB(1)1099/12-13(13)]	<ul style="list-style-type: none"> • vehicle manufacturers and suppliers should be given sufficient time to manufacture and supply Euro IV and Euro V diesel vehicles to Hong Kong in order to meet the increased demand arising from the commencement of the proposed Scheme; • was concerned about the sufficiency of land and manpower resources to cope with the increased demand for vehicle body building services to be carried out in Hong Kong and more assistance should be provided by the Government in this respect; • more staff should be deployed at the test centers operated by the Transport Department to deal with the increased number of vehicle inspections and registrations; and • there was a need to work out the transitional arrangements from the current Euro II DCVs incentive scheme to the proposed Scheme
41.	Environmental Concern Group on Kam Tin Scrapyard [LC Paper No. CB(1)1099/12-13(14)]	<ul style="list-style-type: none"> • was concerned about the environmental pollution associated with the scrapping of large numbers of pre-Euro IV DCVs within the next few years; and • questioned the rationale for mandating the retirement of pre-Euro IV DCVs which had given vehicle suppliers a chance to profiteer
42.	Hong Kong Waste Disposal Industry Association	<ul style="list-style-type: none"> • supported the implementation of the proposed Scheme; • was concerned about the insufficiency of ex-gratia payment; • most of the operators of waste trucks could not afford the high cost for replacing their trucks and would be forced out of

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		business as a result of implementation of the Scheme; and <ul style="list-style-type: none">• there was a need for flexibility in mandating the retirement of pre-Euro IV DCVs as their emission performance could be improved if they were well-maintained