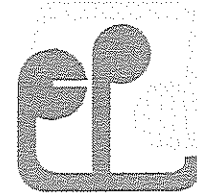


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**環境保護署**  
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Clerk to Panel on Environmental Affairs  
Legislative Council Complex,  
1 Legislative Council Road,  
Central, Hong Kong  
(Attn: Ms. Miranda Hon)

26 June 2013

Dear Ms. Hon,

**Panel on Environmental Affairs**  
**Follow-up to meeting on 14 June 2013**  
**on Retrofitting Franchised Buses with Selective Catalytic Reduction Devices**

As requested by Members at the meeting of the Panel on Environmental Affairs on 14 June 2013, we would like to provide the following supplementary information:

- (i) **The monitoring mechanism of the Transport Department on the maintenance and performance of franchised buses to be retrofitted with selective catalytic reduction (SCR) devices**

All franchised buses are subject to vehicle examination by the Transport Department (TD) in accordance with the Road Traffic Ordinance (Cap. 374). TD will carry out routine inspections, including annual vehicle inspection and spot checks, so as to ensure the roadworthiness of the franchised buses. For the retrofit programme of the SCRs, all the buses concerned will be monitored for the proper installation of the SCRs during TD's routine vehicle inspections.

The franchised bus companies have also put in place a comprehensive inspection and maintenance programme for their buses, which include regular inspections for both preventive and remedial purposes. In case defects are discovered, repairs will be carried out to rectify the situation as necessary. As SCR devices to be retrofitted on the buses will form part of the bus engine components, the above

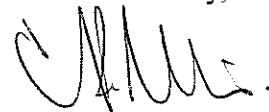
inspection and maintenance programme will also cover them to ensure their reliable performance.

**(ii). The cost implications of the proposed retrofitting of SCR on franchised bus and its impact on bus fares in the future**

The additional operating costs after the SCR retrofit programme will include urea consumption and extra fuel as well as increased maintenance. The total costs are estimated to be about \$131 million and \$19 million for KMB/LW and CTB/NWFB<sup>1</sup> respectively. Based on the remaining serviceable lives of the buses to be retrofitted, \$131 million and \$19 million would be spent between 2015 and 2024 (10 years) for KMB/LW and between 2015 and 2020 (6 years) for CTB/NWFB respectively. Thus, on average, the annual additional expenses amount to about \$13 million and \$3 million for KMB/LW and CTB/NWFB respectively, accounting for about 0.2% and 0.1% of their annual operating costs in 2012<sup>2</sup>. The franchised bus companies will absorb these costs as part of their operating costs. This could affect bus fare increases, as operating cost is one of the six factors under the Fare Adjustment Arrangement for franchised buses that the Government would take into consideration, but the impact shall be insignificant.

We should be grateful if you could draw Members' attention to this letter.

Yours sincerely,



(Henry C.P. CHIN)

for Director of Environmental Protection

c.c.: Secretary for Transport and Housing  
Commissioner for Transport

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<sup>1</sup> KMB – The Kowloon Motor Bus Company (1933) Limited  
LW - Long Win Bus Company Limited  
CTB - Citybus Limited  
NWFB - New World First Bus Services Limited

<sup>2</sup> The estimates are made based on franchised bus companies' operating costs in 2012 and are subject to changes in the future operating cost structure.