



**D Dong's Response to the
MTR "Fare Adjustment Mechanism" ("FAM") Review**

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Dear Chairman of Transportation Panel, Legislative Council,

D Dong's Response to the MTR Fare Adjustment Mechanism Review

This letter restates our stance towards the MTR "Fare Adjustment Mechanism" review. A response document was submitted to the Legislative Council in May 2012 (Ref: CB(1)1738/11-12(07)), when a similar submission invitation was held. Members of the Council, Government Departments, MTRC, and members of the public are welcome to refer to the aforementioned document for details of our suggestions.

We believe that local railway service enjoys inevitable policy inclination that distinguishes the MTR service from any business. Business-like competition can serve the means to promoting efficiency, while we urge the government to make necessary intervention in the MTRC operation for the sake of public interest.

The following suggestions were made:

1. Considering the non-concurrent nature of property development revenue, we suggest a fixed percentage of the revenue be set aside for subsidizing the fare reduction in the next financial year. Under this provision, there is one extra level of concessionary fares which are calculated based on the FAM and the level of subsidy from the revenue respectively.
2. We agree that the service reliability can be introduced as the penalty factor and therefore an incentive for betterment.
3. More interchange concessions between MTR journeys and other means of road transport can be provided. The Government shall foster the negotiation, so development of all means of road transport can be promoted in a railway-prioritized policy.

We appreciate the Government's initiative in kicking off the review but we are concerned about the progress. We hope that a fairer FAM can be in place by May next year, when there is a new round of fare adjustment.

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