

**立法會**  
**Legislative Council**

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(These minutes have been seen  
by the Administration)

Ref : CB1/SS/3/13

**Subcommittee on Air Pollution Control (Air Pollutant Emission)  
(Controlled Vehicles) Regulation**

**Minutes of first meeting held on  
Thursday, 14 November 2013, at 4:30 pm  
in Conference Room 3 of the Legislative Council Complex**

- Members present** : Hon Cyd HO Sau-lan (Chairman)  
Hon LEE Cheuk-yan  
Hon CHAN Hak-kan, JP  
Hon Frankie YICK Chi-ming  
Hon WU Chi-wai, MH  
Hon YIU Si-wing  
Dr Hon Kenneth CHAN Ka-lok  
Hon Kenneth LEUNG  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu  
Hon Tony TSE Wai-chuen
- Members absent** : Hon Dennis KWOK  
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
- Public Officers attending** : Agenda item II  
Mr Andrew LAI, JP  
Deputy Director of Environmental Protection (3)  
Environmental Protection Department

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

Dr MAK Shing-tat  
Senior Environmental Protection Officer  
(Mobile Source)  
Environmental Protection Department

Mr Alan CHONG  
Senior Government Counsel  
Department of Justice

Miss Queenie WU  
Government Counsel  
Department of Justice

**Clerk in attendance :** Mr Derek LO  
Chief Council Secretary (1)5

**Staff in attendance :** Mr Bonny LOO  
Assistant Legal Adviser 3

Mr Daniel SIN  
Senior Council Secretary (1)7

Ms Michelle NIEN  
Legislative Assistant (1)5

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Action

**I Election of Chairman**

1. Ms Cyd HO Sau-lan, the member with the highest precedence in the Council among all members of the Subcommittee present, presided over the election of Chairman of the Subcommittee. She invited nominations for the chairmanship of the Subcommittee.

2. Mr Frankie YICK Chi-ming nominated Ms Cyd HO Sau-lan and the nomination was seconded by Mr POON Siu-ping. Ms Cyd HO Sau-lan accepted the nomination. Mr Frankie YICK took over to preside at the election in accordance with paragraph 3(a) of Appendix IV to the House Rules. There being no other nomination, Ms Cyd HO Sau-lan was elected Chairman of

the Subcommittee. Members agreed that there was no need to elect a Deputy Chairman.

Late membership

3. The Chairman informed members that Mr LEE Cheuk-yan had submitted a late application to join the Subcommittee. Members agreed to accept Mr LEE Cheuk-yan as a member of the Subcommittee.

**II Meeting with the Administration**

<i>(issued by the Environmental Protection Department in October 2013</i>	— Legislative Council Brief on Air Pollution Control (Air Pollutant Emission) (Controlled Vehicles) Regulation
L.N. 160 of 2013	— Air Pollution Control (Air Pollutant Emission) (Controlled Vehicles) Regulation
LC Paper No. LS8/13-14	— Legal Service Division Report
LC Paper No. CB(1)297/13-14(01)	— Letter dated 29 October 2013 from Legal Service Division to the Administration
LC Paper No. CB(1)297/13-14(02)	— Reply letter dated 31 October 2013 from the Administration to Legal Service Division
LC Paper No. CB(1)297/13-14(03)	— Paper on Air Pollution Control (Air Pollutant Emission) (Controlled Vehicles) Regulation prepared by the Legislative Council Secretariat (Background brief)

4. The Subcommittee deliberated (Index of proceedings attached at the **Appendix**).

5. The Chairman said that the scrutiny period for the Air Pollution Control (Air Pollutant Emission) (Controlled Vehicles) Regulation (the Regulation) should be extended to 18 December 2013. Members agreed that a public hearing should be conducted to receive deputations' views in relation to the

Regulation.

Follow-up actions required of the Administration

6. The Subcommittee requested the Administration to provide written responses to the following concerns/requests –
- (a) details on how the ex-gratia payment would encourage early replacement of vehicles;
  - (b) mechanism and criteria for granting exemptions from compliance with the Regulation;
  - (c) arrangements with respect to non-franchised buses which were subject to inspection for issuance of Certificate of Fitness before the Regulation came into effect;
  - (d) whether the Small and Medium Enterprise Loan Guarantee Scheme or other similar support measures would be available to assist vehicle owners in meeting the upfront cost of replacing their vehicles; and
  - (e) statistics on prosecution cases involving vehicles which had passed the periodic examinations but were later found not to conform to the emission standards while running on the road.

**III Any other business**

7. There being no other business, the meeting ended at 6:08 pm.

**Proceedings of first meeting of the  
Subcommittee on Air Pollution Control (Air Pollutant Emission)  
(Controlled Vehicles) Regulation  
on Thursday, 14 November 2013, at 4:30 pm  
in Conference Room 3 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<b>Election of Chairman</b>			
000127 – 000330	Ms Cyd HO	Election of Chairman	
000331 – 000445	Chairman	Mr LEE Cheuk-yan's late application for membership was accepted.	
<b>Meeting with the Administration</b>			
000446 – 001809	Chairman Administration	The Administration briefed members on the background and major provisions of the Air Pollution Control (Air Pollutant Emission) (Controlled Vehicles) Regulation (the Regulation).	
001810 – 002239	Chairman Clerk ALA Administration	<p>The Clerk explained the legislative timetable for the Regulation, and ALA explained the commencement.</p> <p>The Chairman said that to allow sufficient time for scrutiny of the Regulation, the scrutiny period for the Regulation should be extended to 18 December 2013.</p> <p>The Administration advised that after the completion of scrutiny of the Regulation, it would submit an application to the Finance Committee in January 2014 for funding the ex-gratia payment.</p>	
002240 – 003142	Chairman Mr CHAN Hak-kan Administration	<p>Mr CHAN Hak-kan relayed the concern of the transport trades that vehicle vendors would lift the prices of new diesel commercial vehicles when the Regulation came into effect. He also enquired about the service life limit of 15 years.</p> <p>The Administration responded to Mr CHAN's questions that –</p> <p>(a) a newly registered diesel commercial vehicle could continue to operate after the end of the proposed 15-year service life if it could meet the prevailing emission standards at that time; and</p> <p>(b) even though the Regulation would allow pre-Euro and Euro I to Euro III diesel commercial vehicles to continue operation if they met the prevailing emission standards, they were unlikely to be able meet the</p>	

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		<p>prevailing emission standards unless there were significant technological breakthroughs.</p>	
003143 – 003709	Chairman Mr Tony TSE Administration	<p>Mr Tony TSE supported the Regulation and queried the capability of vehicle scrapping agents and vehicle body builders to meet service demand. He also queried about the mechanism and criteria of granting exemptions to vehicle owners from complying with the Regulation.</p> <p>The Administration's explanation that –</p> <ul style="list-style-type: none"> <li>(a) the vehicle scrapping and vehicle body building trades had indicated that they could meet the demand for their service;</li> <li>(b) exemption would only be granted under exceptional circumstances such as unforeseen disruption of the supply of new vehicles for replacing old vehicles even though the vehicle owner had exercised due diligence for ensuring timely delivery of the new vehicle; and</li> <li>(c) there would be an appeal mechanism under Part VI of the Air Pollution Control Ordinance (Cap. 311) against the Authority's refusal of granting exemption under the Regulation.</li> </ul>	
003710 – 004546	Chairman Mr WU Chi-wai Administration	<p>Mr WU Chi-wai's queries whether –</p> <ul style="list-style-type: none"> <li>(a) additional incentives would be provided for replacement of vehicles ahead of the deadlines;</li> <li>(b) vehicle owners were eligible for the Small and Medium Enterprise (SME) Loan Scheme or other schemes to meet the cost of replacing vehicles; and</li> <li>(c) the 15-year service life limit would apply to other commercial vehicles using Liquefied Petroleum Gas or Liquefied Natural Gas.</li> </ul> <p>The Administration responded that –</p> <ul style="list-style-type: none"> <li>(a) the current proposal of inversely correlating ex-gratia payment level with the age of the vehicles to be phased out already encouraged the early replacement of vehicles;</li> </ul>	

Time marker	Speaker	Subject(s)	Action required
		<p>(b) the Administration would report whether the existing schemes supporting SMEs could also provide funding support to diesel commercial vehicle owners; and</p> <p>(c) the Regulation did not apply to vehicles other than the specified diesel commercial vehicles.</p>	<p>The Administration to take action as per paragraph 6(d) of the minutes</p>
004547 – 005138	<p>Chairman Mr POON Siu-ping Administration</p>	<p>Mr POON Siu-ping supported the objectives of the Regulation.</p> <p>Mr POON queried about the mechanism and criteria of granting exemption under section 6 of the Regulation, and the arrangements for owners of controlled vehicles to undergo examinations for the Certificate of Fitness (CoF).</p> <p>The Administration explained that –</p> <p>(a) a newly registered diesel commercial vehicle after the commencement of the Regulation could continue to operate after the end of the 15-year service life limit if it could meet the prevailing emission standards at the time; and</p> <p>(b) to safeguard passengers' safety, there was little room for relaxing the CoF standards in the examination of non-franchised buses. Notwithstanding, the Transport Department had already consulted the relevant trades about reviewing the CoF inspection for streamlining its procedures.</p>	
005139 – 005235	<p>Chairman</p>	<p>The Chairman requested the Administration to provide a supplementary paper covering –</p> <p>(a) details on how the ex-gratia payment would encourage early replacement of vehicles;</p> <p>(b) mechanism and criteria for granting exemptions from compliance with the Regulation; and</p> <p>(c) arrangements with respect to non-franchised buses which were subject to inspection for issuance of CoF before the Regulation came into effect.</p>	<p>The Administration to take action as per paragraphs 6(a) to (c) of the minutes</p>

Time marker	Speaker	Subject(s)	Action required
005236 – 010134	Chairman Mr Frankie YICK Administration	<p>Mr Frankie YICK said that whilst the transport sector accepted the Administration's proposal, the retail sector had appealed for extending the service life limit of diesel commercial vehicles.</p> <p>Mr YICK reflected the transport sector's concern that there would be shortage of second-hand diesel commercial vehicles for replacement of retiring vehicles.</p> <p>Mr YICK relayed the transport sector's request to further extend the retirement deadlines of Euro I to Euro III diesel commercial vehicles.</p> <p>The Administration responded that –</p> <ul style="list-style-type: none"> <li>(a) the length of service life limit was proposed having taken into account overseas practices; and</li> <li>(b) further postponement of the retirement deadlines of diesel commercial vehicles would go against the public expectation of improving roadside air quality as early as possible.</li> </ul> <p>Mr YICK explained that some commercial vehicles had comparatively low utilization, and it seemed justified to extend the retirement deadlines of these vehicles.</p> <p>The Administration explained that –</p> <ul style="list-style-type: none"> <li>(a) a major cause of the roadside air pollution problem was the outdated engine design of pre-Euro IV vehicles, as their emissions could not be reduced to meet the prevailing emission standards; and</li> <li>(b) it was operationally difficult to prescribe a different retirement deadline for goods vehicles with low mileage.</li> </ul>	
010135 – 011028	Chairman Mr YIU Si-wing Administration	<p>Mr YIU Si-wing raised concern about a possible sharp escalation of vehicle cost arising when owners rushed to replace their vehicles when the Regulation took effect.</p> <p>Mr YIU also queried –</p> <ul style="list-style-type: none"> <li>(a) what measures the Administration would adopt to</li> </ul>	



Time marker	Speaker	Subject(s)	Action required
		<p>prevent speculation activities on commercial vehicles;</p> <p>(b) whether these was any additional support for vehicle owners to replace vehicles;</p> <p>(c) whether vehicles registered as a Euro IV type but fitted with Euro III engines could be eligible for ex-gratia payment; and</p> <p>(d) whether the Regulation covered franchised buses.</p> <p>The Administration explained that –</p> <p>(a) there was sufficient competition on the local market as to the supply of diesel commercial vehicles since Hong Kong is a free market;</p> <p>(b) views of the transport trades had been taken on board such that ex-gratia payment would be payable to owners of pre-Euro IV diesel commercial vehicles as long as they were scrapped before the specified retirement deadlines regardless of whether the owners would acquire replacement vehicles;</p> <p>(c) it was impracticable to determine individually whether a retiring vehicle was a Euro III or Euro IV model in determining eligibility for ex-gratia payment. The current approach to determine a vehicle's Euro standard class by the date of its first registration would make it easy and objective for vehicle owners to understand their eligibility for the ex-gratia payment because the date was shown on the registration document of the vehicle. This approach had been proven effective in previous voluntary schemes to incentivize the early retirement of pre-Euro III diesel commercial vehicles as well as the statutory programme to require pre-Euro diesel commercial vehicles to be retrofitted with particulate removal devices; and</p> <p>(d) the Regulation did not cover franchised buses, whose replacement or upgrading was covered under a different scheme.</p>	
011029 – 012733	Chairman Mr LEE Cheuk-yan	With a view to spreading out the replacement of diesel commercial vehicles, Mr LEE Cheuk-yan suggested	

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	Administration	<p>that –</p> <ul style="list-style-type: none"> <li>(a) eligible vehicle owners should be given ex-gratia payment up front, and be allowed to choose which time before the respective retirement deadline to replace their vehicles; and</li> <li>(b) vehicle owners who had renewed their vehicle licences shortly before the retirement deadlines should be allowed to operate the vehicles until the expiry of the licences.</li> </ul> <p>Mr LEE expressed concern that even new Euro V vehicles might not meet the emissions standards in 15 years time after their service life limit expired.</p> <p>The Administration explained that–</p> <ul style="list-style-type: none"> <li>(a) vehicle vendors and vehicle body builders had indicated that there should be sufficient supply of vehicles to meet demand;</li> <li>(b) the proposed arrangement of the ex-gratia payment had already provided flexibility to vehicle owners on the acquisition of replacement vehicles because the payment was linked to the retirement of the vehicle but not the acquisition or otherwise of replacement vehicles ; and</li> <li>(c) A timely replacement of diesel commercial vehicles with the ones that met the latest emission standards could help Hong Kong to improve air quality progressively.</li> </ul>	
012734 – 013419	Chairman Mr Kenneth LEUNG Administration	<p>Mr Kenneth LEUNG queried whether existing Euro IV and Euro V commercial vehicles which had already been registered were subject to any retirement deadlines or subject to being able to meet prevailing emission standards at the end of a 15-year service period.</p> <p>The Administration explained that existing Euro IV and Euro V commercial vehicles registered before 1 February 2014 were not covered under the Regulation (i.e. they were not eligible for the ex-gratia payment nor were they subject to the 15-year service life limit).</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>The Administration would focus on dealing with the high-polluting vehicles as a matter of priority.</p> <p>Mr Kenenth LEUNG queried if the Administration would consider subsidizing owners of Euro IV diesel commercial vehicles who volunteered to switch to Euro V or even Euro VI models.</p> <p>The Administration responded that there was no plan to subsidize the replacement of Euro IV diesel commercial vehicles at this stage.</p> <p>Mr Kenneth LEUNG suggested that the Environmental Protection Department should follow up with the relevant enforcement authorities under the Competition Ordinance (Cap. 619) on cases in which vendors colluded in setting the price of new diesel commercial vehicles after the Regulation came into effect.</p>	
013420 – 013624	Chairman	<p>The Chairman commented that many vehicles underwent minimal maintenance to pass periodic inspections but began to generate excessive emission shortly thereafter.</p> <p>The Chairman asked the Administration to provide statistics of prosecution cases involving vehicles which had passed the periodic examinations but were later found not to conform to the emission standards while running on the road. The information should be ready before the Subcommittee began to examine the Regulation clause-by-clause.</p>	The Administration to take action as per paragraph 6(e) of the minutes
013625 – 013846	Chairman	<p>Meeting arrangements for further meetings including one for the Subcommittee to receive deputations' views on the Regulation.</p> <p>The meeting was adjourned at 6:08 pm.</p>	