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1 August 2014

Clerk to the Panel on Economic Development
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms. Michelle NIEN)

Dear Ms. NIEN,

Our reply to the views expressed by a public member on the replacement of the new Air Traffic Management System ("ATMS") of the Civil Aviation Department ("CAD") enclosed in your letter dated 16 June is set out as follows.

Procurement and enhancement of the new system

As stated in our reply to the Panel on 13 May ("our previous reply"), the CAD had strictly followed the relevant rules and procedures as stipulated in the Government Stores and Procurement Regulations ("SPR") and the Agreement on Government Procurement of the World Trade Organisation ("WTO GPA") throughout the procurement process of the new ATMS. There were checks and balances to ensure the impartiality and fairness of the procurement process. Details are not repeated here.

In light of the rapid development in air transport and aviation technology, during the implementation of the air traffic control system replacement programme, the CAD had, after reviewing the design and functions of the new ATMS, proposed enhancing the system with a view to meeting the higher international standards on air traffic management, new requirements of the International Civil Aviation Organisation ("ICAO"), and the operational needs of the future air traffic growth in Hong Kong. The items to be enhanced included strengthening the relevant functions in air traffic flow management and human-machine interface, adding training positions in the Simulator System, and enhancing the functions of the new system to cope with the latest requirements set out in the Global Air Navigation Plan promulgated by the ICAO. The enhancement works were not initiated by system deficiency.

Strictly following the requirements of the SPR, the CAD had set out the details regarding the items of the new ATMS to be enhanced and the associated costs, and submitted them to the Government Logistics Department for vetting and approval. The total costs for the replacement of the air traffic control system replacement programme, including the above enhancement works, would not exceed the approved budget.

Whether the new system had met the requirement of possessing "proven performance record"

As regards the judgment handed down by the dedicated and independent Review Body on Bid Challenges¹ in regard to whether the new ATMS proposed by the Raytheon Company of the United States possessed "proven performance record" as quoted in our previous reply, the CAD had provided the relevant information to the Review Body based on the actual circumstances. We note that the Review Body had considered the written representations and the documents, etc, filed by both the complainant and the respondent, and therefore do not consider that the Review Body had been misled by the CAD before making the judgment.

¹ The Review Body provides a dedicated, independent and impartial avenue to review challenges by suppliers who are involved in the relevant procurement against any alleged breach of the WTO GPA during the procurement process. It is served by a Secretariat within the Trade and Industry Department, and comprises 12 members selected from a wide spectrum of society, including legal, engineering, accountancy fields, and are appointed by the Secretary for Commerce and Economic Development.

The tender document of the new ATMS had spelt out the various technical requirements. Before formulating these technical requirements, the CAD had made reference to the overseas experiences of operating air traffic control systems, the latest technical, operational and safety standards adopted worldwide in regard to air traffic control systems, as well as the experience of operating the existing system. The Tender Assessment Panel which was responsible for assessing the tender proposals of the new ATMS had confirmed that the tender proposal in question had met the technical requirements set out in the tender document based on the stipulated assessment criteria.

Overseas experience

As stated in our previous reply, in the process of preparing the tender document, the CAD had paid visits to major air traffic control centres in the United Kingdom, Australia, Italy, France, Norway, Guangzhou, Beijing, etc, to exchange views with the air traffic control personnel there and make reference to their views and experience in operating air traffic control systems, thereby facilitating the incorporation of the latest international technology and flight safety requirements into the tender document for the new ATMS. As the tender document was not formulated for any specific supplier's system, the delegation's visiting programme did not target any particular system.

Stability of the new system

The Autotrac 3 system designed and manufactured by the Raytheon Company of the United States was approved following a rigorous tender assessment process. The company has over 50 years of experience in designing and manufacturing air traffic control and radar systems. Its systems are widely used by civil aviation authorities around the world, including the United States, Dubai, India, etc.

We have already set out the explanations provided by the Airports Authority of India on the reported incidents of the ATC systems used in the airports of New Delhi, Mumbai and Chennai in India, as well as its comments on the Autotrac3 system in our previous reply, and have no further supplement.

To ensure the new ATMS meets the operational requirements of Hong Kong, the CAD has since 2007 engaged and sought views from air traffic control officers on the various aspects of the system. Moreover, upon the award of contract for the new ATMS, the CAD has maintained communication with its frontline staff all along, and conducted detailed and stringent functional acceptance tests and comprehensive safety assessment for the new system to ensure smooth transition from the existing to the new system, and the operational safety, reliability and stability of the new system. The new ATMS would possess enhanced capacity and functions that would be able to cope with the future air traffic growth at the Hong Kong International Airport.

Expenditure on training of CAD staff

The expenditure of the two Chief Operations Officers of the CAD attending training in France in 2008 as quoted in our previous reply only included the course and accommodation fees. The expenditure quoted in our reply to Hon Emily Lau on 5 March also included other miscellaneous expenses on top of the course and accommodation fees, such as insurance, airfare, travelling expenses, study grant, etc.

Thank you for the Panel's concern on the matter.

Yours sincerely,


(Desmond WU)

for Secretary for Transport and Housing

c.c. Director-General of Civil Aviation (Attn: Mr. Simon LI)