

立法會
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Airport Authority Hong Kong)

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**Subcommittee to Follow Up Issues Relating to the Three-runway System at
the Hong Kong International Airport**

**Minutes of the second meeting
held on Tuesday, 3 November 2015, at 8:30 am
in Conference Room 2 of the Legislative Council Complex**

Members present : Hon Andrew LEUNG Kwan-yuen, GBS, JP (Chairman)
Hon Dennis KWOK (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon CHAN Kam-lam, SBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Cyd HO Sau-lan, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon CHAN Kin-por, BBS, JP
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Charles Peter MOK, JP
Hon CHAN Han-pan, JP
Dr Hon Kenneth CHAN Ka-lok
Hon Kenneth LEUNG
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon TANG Ka-piu, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Members absent : Hon CHAN Hak-kan, JP
Dr Hon KWOK Ka-ki
Dr Hon Elizabeth QUAT, JP
Hon Tony TSE Wai-chuen, BBS

Attendance by invitation : Agenda item I

Transport and Housing Bureau

Professor Anthony CHEUNG Bing-leung, GBS, JP
Secretary for Transport and Housing

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr Wallace LAU Ka-ki
Deputy Secretary for Transport and Housing
(Transport) 4

Airport Authority Hong Kong

Mr Fred LAM Tin-fuk, JP
Chief Executive Officer

Mr Wilson FUNG Wing-yip
Executive Director, Corporate Development

Mr Peter LEE Chung-tang
General Manager, Environment (Third Runway)

Clerk in attendance : Miss Mary SO
Chief Council Secretary (4)2

Staff in attendance : Mr Joey LO
Senior Council Secretary (4)2

Ms Clara TAM
Assistant Legal Adviser 9

Miss Vivian YUEN
Legislative Assistant (4)2

Action

I. Meeting with the Administration and Airport Authority Hong Kong

LC Paper No. CB(4)143/15-16(01) -- Airport Authority Hong Kong's paper entitled "Three-runway System Project at the Hong Kong International Airport: Overview, Need and Urgency and Latest Progress"

The Subcommittee deliberated (index of proceedings attached at **Annex**).

Declaration of interests

2. Mr Jeffrey LAM, Mr Frankie YICK and Mr Albert HO declared that they were members of the Board of Airport Authority Hong Kong ("AAHK").

Issues discussed

Need and urgency of the Three-runway System ("3RS")

3. Mr TANG Ka-piu sought affirmation about whether Hong Kong would lose its competitiveness as an international business and trading centre and aviation hub if the 3RS was not proceeded.

4. Chief Executive Officer, AAHK ("CEO, AAHK") affirmed the need and urgency of the 3RS for the reasons detailed in paragraphs 8 to 11 of AAHK's paper submitted to the Subcommittee (LC Paper No. CB(4)143/15-16(01)). CEO, AAHK further said that runway capacity was subject to many factors including runway design, runway separation and aircraft mix etc. He quoted that as a result of its delay in constructing a third runway, Heathrow Airport had lost its top position in air connectivity to other neighbouring airports.

5. Ir Dr LO Wai-kwok noted from paragraph 8 of LC Paper No. CB(4)143/15-16(01) that the Hong Kong International Airport ("HKIA") handled 391 000 air traffic movements ("ATMs") in 2014 and from paragraph 9 of the same that the existing 2RS would likely reach its maximum practical capacity of 420 000 ATMs per annum (or 68 ATMs per hour) in 2016 or 2017. Ir Dr LO further noted from Annex B to LC Paper No. CB(4)143/15-16(01) that it was stated in the 1992 New Airport Master Plan ("NAMP") that the maximum runway capacity of the 2RS at the future HKIA at Chep Lap Kok was 86 ATMs

per hour. In the light of this, Ir Dr LO sought clarification on the need and urgency of the 3RS.

6. Secretary for Transport and Housing responded that the 86 ATMs per hour stated in the 1992 NAMP was a theoretical projection of a two-runway system made on the premise that HKIA at Chek Lap Kok could operate in a constraint-free environment. As explained in paragraph 10 of Annex B to LC Paper No. CB(4)143/15-16(01), both NAMP and the subsequent consultancy studies by the Washington Consultancy Group and the National Air Traffic Services confirmed that what really limited HKIA's runway capacity from achieving the high end hypothesized traffic projection mentioned in NAMP (i.e. 86 ATMs per hour) was the entire stretch of North Lantau terrain. In other words, the only way the existing 2RS could achieve 86 ATMs per hour and to satisfy the safety requirements of the International Civil Aviation Organization ("ICAO") was to level most of the high peaks on Lantau Island, including Lantau Peak, Sunset Peak and other high mountains on Lantau Island. In this connection, some crucial infrastructures/landmarks, such as the Ngong Ping Cable Car, Big Buddha and Po Lin Monastery, would also be affected, not to mention that most of these areas fell within the boundaries of the Lantau Country Parks.

7. Mr YIU Si-wing said that the need and urgency of the 3RS was imminent, as evidenced from the feedback from the aviation sector about the difficulties for aircraft to land in Hong Kong due to the lack of parking stands at HKIA, particularly during the peak hours. Mr YIU pointed out that aircraft forced to land in the neighbouring airports due to the lack of capacity of HKIA to receive them would adversely undermine Hong Kong's competitiveness as a global and regional aviation hub as the airlines concerned would not likely choose to land in HKIA again if their aircraft could land in the neighbouring airports at all hours.

Enhancement of the existing runway capacity of HKIA

8. As the 3RS project would not be completed until 2023-2024, Ir Dr LO Wai-kwok asked whether there was any room to increase the runway capacity of the existing 2RS in the intervening period so as to maintain Hong Kong's competitiveness as an international business and trading centre and aviation hub. Mr YIU Si-wing, Mr SIN Chung-kai and Mr WU Chi-wai raised similar questions.

9. CEO, AAHK responded as follows:

- (a) an independent consultant was engaged by AAHK to explore ways to increase ATMs per hour under the existing 2RS. Although the maximum capacity of the existing 2RS might at best marginally

increase from 68 to 70 ATMs per hour owing to the constraints posed by the terrain surrounding HKIA, such an increase would help to ease the pressure of HKIA in meeting the growing demand for its aviation services;

- (b) advancement in technology had resulted in the use of quieter aircraft over the years. That said, AAHK was currently conducting a study on the need of introducing a noise charge on aircraft to encourage airlines to use quieter aircraft at night (i.e. 11 pm - 7 am). If such a noise charge on aircraft was introduced, it would be possible to lift the current limit of 230 ATMs at night, as it was envisaged that more airlines would use quieter aircraft to land in or depart from HKIA;
- (c) although the 3RS project was planned for completion in 2023-2024, the Third Runway was planned for commissioning in 2020 upon which the existing North Runway would cease operation temporarily for modification before becoming the new Centre Runway. As the Third Runway and the existing South Runway would be some three kilometres apart, there might be a greater runway capacity gain than as the wide distance between the Third Runway and the existing South Runway might be able to support independent mixed mode operation (i.e. each runway could accommodate both take-off and landing concurrently and separately). At present, the existing 2RS was operating under segregated mode (i.e. one runway exclusively for approaches and the other exclusively for departures); and
- (d) in the short to medium term, AAHK was implementing the Midfield Development Project in three phases to increase the handling capacity of the HKIA. The project included the building of a new midfield concourse with 20 aircraft parking stands, a new cross-field taxiway and the extension of the existing automated people mover to the midfield concourse. The Midfield Phase 1 Project would be completed by end 2015 to increase handling capacity by 10 million passengers per annum. AAHK also had plans to proceed promptly with Midfield Phase 2 and the Remaining Midfield Development to provide an extra 34 full service stands, with a view to fully developing the entire Midfield apron by 2020 to provide for continued smooth operation of the 2RS before the planned commissioning of the 3RS in 2023-2024.

commissioning of the Third Runway in 2020 and the full implementation of the 3RS in 2023-2024.

AAHK 10. Mr Albert CHAN and Mr WU Chi-wai requested AAHK to provide information on the change in overall capacity upon completion of the Third Runway in 2020.

11. Mr Jeffrey LAM asked whether AAHK would consider conducting a study on constructing a fourth runway now to better meet traffic growth at HKIA in the long run.

12. CEO, AAHK responded that AAHK had no plan to do so, as AAHK must first focus on ensuring the smooth and timely implementation of the 3RS project. According to the latest projection, the 3RS project could receive 102 million passengers per year.

Costs and benefits of the 3RS project

13. Mr Dennis KWOK requested AAHK to provide the following information after the meeting:

- (a) details on how the projected overall economic benefits of the 3RS at around \$1,046 billion (2012 dollars) over the 50-year period from 2012 to 2061 were arrived at, including assumptions made for coming up with the projection; and
- (b) full breakdown of the estimated capital cost of \$141.5 billion for the 3RS and details of the assumptions made, such as interests and inflation rates, for the estimation.

14. Mr LEE Cheuk-yan also requested AAHK to provide details on how the projected 102.3 million passengers to be received and 8.9 million tonnes of cargo to be handled by HKIA per year by 2030 were arrived at.

AAHK 15. CEO, AAHK undertook to provide the information requested by members in paragraphs 13 and 14 above. CEO, AAHK pointed out that the economic impact of the 3RS was conducted by an independent consultant commissioned by AAHK, whereas the estimated project cost of the 3RS had been separately assessed by the Administration, AAHK and independent outside experts to be reasonable. Executive Director, Corporate Development, AAHK supplemented that the economic impact study of the 3RS had been uploaded on AAHK's website for public reference.

"Air wall" constraint

16. Mr WU Chi-wai noted from paragraph 7 of LC Paper No. CB(4)143/15-16(01) that the Civil Aviation Department ("CAD") had confirmed that the requirement for point of control transfer and the so-called "air wall" were not relevant to runway capacity. Mr WU asked whether the basis for CAD saying the aforesaid was because its new Autotrac3 system had yet to be implemented to control air traffic.

17. CEO, AAHK responded that "air wall" was not relevant to runway capacity was affirmed by independent aviation experts. CEO, AAHK further said that the term "air wall" generally referred to the boundary between adjacent airspaces. To ensure that aircraft in adjacent airspaces operate concurrently in a safe and efficient manner, an aircraft must reach a certain altitude before an air traffic control ("ATC") unit might hand over the control in respect of that aircraft to another ATC unit. This was to ensure that aircraft drawing near each other whilst flying in opposite directions in adjacent airspaces could avoid collisions by flying at different altitudes. This ATC arrangement sought to safeguard flight safety, and was commonly applied by busy airports all over the world, including those in London and New York.

18. On Mr Kenneth LEUNG's enquiry about whether the new Autotrac3 system could cope with the air traffic control upon the full commissioning of the 3RS, Under Secretary for Transport and Housing ("USTH") replied in the positive.

19. Mr Christopher CHEUNG was unconvinced that "air wall" was not relevant to runway capacity. Mr CHEUNG pointed out that a CAD official had said two years ago that CAD had reached agreement with the civil aviation authorities of the Mainland and Macao to enhance the Pearl River Delta ("PRD") airspace structure by 2020 to cater for daily flight movements within the region which were expected to increase from 3 000 flights in 2013 to 5 000 flights by 2020, and that one of the measures to achieve such enhancement was to relax the height restrictions of the airspace in the PRD region. Mr CHEUNG asked when the altitude for handover of flights between Hong Kong and the Mainland air traffic control units would be relaxed so as to increase runway capacity of the existing 2RS before completion of the 3RS project in 2023-2024.

20. USTH responded that the handover altitude between Hong Kong and the Mainland air traffic control units had been lowered/relaxed from 15 700 feet to 12 800 feet since 2005 for non-peak hours at night (i.e. 11 pm to 7 am). USTH further said that relaxing the handover altitude between Hong Kong and the Mainland air traffic control units would save some flight time and fuel. However, this would not have a direct bearing on runway capacity.

Airspace constraint

21. Mr SIN Chung-kai said that if the constraint of the PRD airspace could not be fully addressed, the maximum runway capacity of the 3RS could not be achieved. Mr Albert CHAN raised a similar view.

22. USTH responded that the Administration planned to brief members on issues relating to the PRD airspace at a future meeting of the Subcommittee.

23. Mr Albert HO noted that since 2004, the Civil Aviation Administration of China ("CAAC"), CAD and the Civil Aviation Authority of Macao ("CAAM") had set up a Tripartite Working Group ("TWG") to formulate measures to improve the airspace structure and air traffic control arrangements in the PRD region to optimize the use of airspace and enhance safety. In 2007, the TWG drew up and agreed to the "PRD Region Air Traffic Management Planning and Implementation Plan (Version 2.0)" ("the PRD Airspace Plan"), which clearly stipulated the short, medium and long term optimization targets and measures to be achieved and implemented before 2020. Mr HO however noted that although CAAM had issued press releases on 31 August 2011, 19 June 2012, 18 September 2013 and 29 October 2013 to announce the progress of implementing the PRD Airspace Plan, similar press releases had not been issued by CAD. Mr HO asked why this was the case.

24. USTH clarified that CAD had issued press releases on the progress of implementing the PRD Airspace Plan in the past. The most recent one was issued on 20 October 2015 concerning the agreement reached between CAD and CAAC on new air routes for traffic to and from eastern part of the Mainland. At the request of Mr Albert HO, USTH undertook to provide all press releases relating to the PRD airspace issued so far after the meeting.

Admin

Environmental issues

25. Noting AAHK's aim to achieve "development alongside environmental conservation" in the implementation of the 3RS project as mentioned in the opening remarks by the Secretary for Transport and Housing at the meeting, Mr TANG Ka-piu asked about the measure(s) that would be adopted by AAHK to achieve such aim.

26. General Manager, Environment (Third Runway), AAHK responded that apart from using non-dredged methods for the reclamation works to protect water quality, AAHK had committed to undertaking a series of tasks, such as establishment of Marine Ecology Enhancement Fund and formulation of Marine Ecology Conservation Plan for the conservation of marine life particularly the Chinese White Dolphins within the Hong Kong and the Pearl River Estuary water, before reclamation commenced.

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27. Mr Albert CHAN said that the environmental control of the Hong Kong-Zhuhai-Macao Bridge ("HZMB") project was far from satisfactory. To prevent the aforesaid situation from recurring in the 3RS project, Mr CHAN requested AAHK to include the measures it would take to ensure compliance with the conditions set out in the EP granted by DEP for the 3RS project in its future discussion paper on environmental issues for the Subcommittee.

28. Mr Michael TIEN expressed concern that residents of Ma Wan would suffer even more aircraft noise upon the full commissioning of the 3RS. Mr TIEN noted that the noise generated by aircraft using J7 flight path for taking off was lower. However, only aircraft with certain equipment could use the J7 flight path. To date, only 25% of the flights departing from HKIA at night used the J7 flight path. To reduce aircraft noise impact on Ma Wan at night, Mr TIEN asked whether AAHK would consider reducing the landing and departure fees charged to those airlines which deployed aircraft equipped to use the J7 flight path to depart from HKIA at night.

29. CEO, AAHK responded that with the 3RS in place, aircraft noise impact on North Lantau, including Ma Wan, would be significantly improved as the existing South Runway would be put on standby mode at night then. Executive Director, Corporate Development, AAHK supplemented that apart from the fact that aircraft must be equipped with the necessary equipment to use the J7 flight path, pilots must also possess the requisite licence to operate such equipment. Executive Director, Corporate Development, AAHK further said that AAHK was in discussion with CAD and airlines on introducing a noise charge on noisy aircraft landing in and departing from HKIA during night-time. The noise charges received by AAHK might be used for incentivizing airlines to increase the use of the J7 turn, e.g. through providing assistance to pilot training.

AAHK

30. CEO, AAHK agreed to provide information on AAHK's proposed noise charge in due course.

31. Dr Kenneth CHAN noted that 11 green groups, including Clean Air Network, Designing Hong Kong, Green Sense and WWF-Hong Kong, had declined an invitation by AAHK to join the 3RS project's Professional Liaison Group ("PLG"). Dr CHAN asked AAHK to respond to such a boycotting from the green groups, as AAHK was required under the EP issued by the Environmental Protection Department for the 3RS project to form the PLG which should comprise relevant professionals/experts to enhance public transparency and communication.

32. General Manager, Environment (Third Runway), AAHK responded that although green groups had declined to join the PLG, AAHK would continue to maintain a close dialogue outside the PLG to understand their concerns/views on

all environmental issues relating to the 3RS project. Although green groups were not represented on the PLG, the membership of PLG comprised academics and other relevant professionals/experts.

AAHK 33. Dr Kenneth CHAN requested AAHK to provide a membership list of PLG, the background of the PLG members as well as the steps taken by AAHK to engage those environmental groups which declined to join the PLG.

AAHK 34. Mr YIU Si-wing noted that AAHK had organized 700 engagement activities on Environmental Impact Assessment from 2012 to 2014 covering 12 key assessment aspects. To facilitate better discussion on environmental issues relating to the 3RS project at a future meeting, Mr YIU requested AAHK to provide information on the names of the organizations/individuals which/who had participated in the aforesaid activities with breakdown by the 12 key assessment aspects.

Financial arrangement of the 3RS project

35. Members noted that in considering the financial arrangements for the 3RS, AAHK had adopted the "joint contribution; and user-pay" principle, i.e. whilst AAHK would fund part of the project cost, users of HKIA, including passengers, airlines and operators at HKIA, should also contribute. With the advice of financial consultant, AAHK would fund the 3RS through the following three sources:

- (a) third party debts raised from the market;
- (b) AAHK's operating surplus; and
- (c) introduction of a new ACF.

36. Mr CHAN Han-pan expressed concern about whether AAHK was able to raise the required debt from the market to bridge the funding gap for the 3RS project, having regard to the slowing down of the global and Mainland's economy.

37. CEO, AAHK responded that AAHK was confident that it could raise the required debt from the market to finance the 3RS project, leveraging on AAHK's strong financial position, projected steady growth in revenue in coming years and AAHK's AAA credit rating. CEO, AAHK pointed out that there was a 8.4% increase in the number of passengers received by HKIA in the first nine months of 2015 over the same period last year. Although the number of Mainland visitors to Hong Kong had dropped, there was an increase of over 9% in the number of Mainland passengers received by HKIA in the first nine months of 2015 over the same period last year.

AAHK

38. Mr Michael TIEN said that setting a rate of \$90 for short-haul economy passenger represented a high percentage of the air ticket price, whereas setting a rate of \$180 for long-haul premium passenger represented a very low percentage of the air ticket. In this regard, Mr TIEN requested AAHK to provide information on the estimated number of years which AAHK would need to levy the ACF if the rate for short haul economy passengers and for long haul premium passengers was set at \$50 and capped at \$500 respectively and how such estimated number of years compared with that for the rates to be charged under the revised ACF regime set out in paragraph 25 of LC Paper No. CB(4) 143/15-16(01).

39. Mr YIU Si-wing welcomed the new revised ACF regime with differential charging levels which distinguished short haul passengers from long haul passengers, premium class passengers from economy class passengers and transfer/transit departing passengers from other departing passengers, instead of the original proposal of charging a flat rate of \$180 per passenger (excluding transit) passengers. Responding to Mr YIU's enquiry about whether the ACF would be increased in subsequent years in line with inflation, CEO, AAHK said that the charges to be levied under the revised ACF regime would remain unchanged until AAHK had paid off all borrowings from the market to fund the 3RS project.

40. Noting from Annex D to LC Paper No. CB(4) 143/15-16(01) that the operating surplus of AAHK was \$47 billion, Mr Kenneth LEUNG asked whether such a surplus was an actual sum.

41. CEO, AAHK replied that the operating surplus was a forecast number. AAHK had started to retain all operating surplus since last year amounting some \$7 billion.

42. Mr Kenneth LEUNG urged AAHK to issue different forms of bonds, such as the green bond and Islamic bond, to reduce its costs in raising debts from the market. Mr SIN Chung-kai also said that AAHK should offer its bonds for subscription by Hong Kong residents as well as institutional investors.

43. CEO, AAHK responded that AAHK would engage a financial consultant to draw up a comprehensive plan on the bond issue next year. It was AAHK's plan to offer some of its bonds to Hong Kong residents.

AAHK

44. Mr Dennis KWOK requested AAHA to provide the legal basis for introducing a new ACF. Mr SIN Chung-kai also requested AAHK to provide the legal basis for AAHK to retain all distributable profits earned from financial year 2014-2015 onwards until the full commissioning of 3RS in 2023-2024. CEO, AAHK agreed to provide the requested information after the meeting.

Implementation of the 3RS project

45. Mr WONG Ting-kwong expressed support for the 3RS. Mr WONG however expressed concern that judicial review against the 3RS would delay the implementation of the 3RS project.

46. CEO, AAHK responded that seven judicial review cases against the 3RS project had been lodged thus far, of which one of them had been withdrawn by the applicant. Some of these judicial review cases were related to the environmental impact of the 3RS, whilst others were related to the affirmation of the 3RS by the Executive Council. CEO, AAHK further said that a one year delay in implementing the 3RS project would increase the project cost by \$7 billion.

Admin 47. At the request of members, USTH agreed to provide details of the six judicial review cases against the 3RS and the impact of these cases on the progress of the 3RS project after the meeting.

Marine safety

48. Referring to the recent ferry accident near Lantau Island when a high-speed ferry on the way to Macau from Hong Kong was struck by an unknown object resulting in over 100 people injured, Mr Jeffrey LAM asked about the measure(s) that would be adopted by AAHK to avoid release of objects to the water column during the reclamation works for the 3RS project.

49. CEO, AAHK responded that adequate safeguards would be put in place to avoid release of objects to the water column during the reclamation works for the 3RS project, as AAHK was required to use non-dredged methods during land formation under the EP for the 3RS project granted by DEP on 7 November 2014 to protect water quality.

50. Mr Steven HO said that there were numerous incidents of fishing boats struck by heavy construction objects, such as silt curtains, associated with the construction of the artificial island with respect to HZMB in Hong Kong waters when these fishing boats sailed along the aforesaid construction site on high speed at night-time, as a result of which injuries were caused to the fishermen on board. Mr HO urged the Administration and AAHK to step up monitoring of marine construction works to avoid putting the safety of fishermen and other persons whilst at sea at risk. Mr HO requested AAHK to provide information on the measures that were/would be adopted by AAHK to safeguard the safety of fishermen and others at sea in the course of carrying out the reclamation works for the 3RS project for discussion at a future meeting of the Subcommittee.

AAHK

51. CEO, AAHK responded that AAHK would accord great care to ensure that the reclamation works for the 3RS project would not put fishermen and other persons whilst at sea at risk. General Manager, Environment (Third Runway), AAHK supplemented that under the EP granted for the 3RS project, AAHK was required to, amongst others, devise a Silt Curtain Deployment Plan and draw up detailed technical guidelines to avoid adverse water quality impacts for compliance of contractors over the operation of barges and construction vessels to be deployed in the project. Such measures should in turn prevent the occurrence of accidents similar to those referred to by Mr Steven HO in paragraph 50 above. General Manager, Environment (Third Runway), AAHK further said that AAHK would continue to maintain a close dialogue with the fisheries industry to understand its concerns about the 3RS project.

Admin 52. USTH responded that stringent conditions had been imposed by the Administration on contractors to comply. The Administration would continue to step up monitoring of contractors' performance to ensure such compliance. At the request of Mr Steven HO, USTH agreed to provide information on accidents caused by marine construction works with respect to the HZMB.

Issues relating to manpower

AAHK 53. Mr TANG Ka-piu said that many people who worked at HKIA had complained that their employers did not take into consideration of their high travelling costs to work in their salaries. In view of the large amount of workers that would be needed to implement the 3RS project, Mr TANG requested AAHK to provide information on the measures adopted/would be adopted by AAHK to attract more people to work at HKIA, including construction workers to work for the 3RS project, for discussion at a future meeting of the Subcommittee.

II. Any other business

Proposed items for discussion at subsequent meetings

54. Members agreed to discuss the proposed items for discussion at subsequent meetings tabled at the meeting. Members further agreed to include the issues raised by Mr Steven HO and Mr TANG Ka-piu in paragraphs 50 and 53 above.

Visit to HKIA

55. The Chairman sought members' view on conducting a site visit to HKIA. Members did not see the need to do so for the time being.

Date of next meeting

56. Members agreed to hold the next meeting on 1 December 2015 at 10:45 am to discuss the scope and cost of the 3RS project, including 3RS reclamation design and cost control.

57. There being no other business, the meeting ended at 10:24 am.

Council Business Division 4
Legislative Council Secretariat
27 November 2015

**Subcommittee to Follow Up Issues Relating to the Three-runway System at
the Hong Kong International Airport**

**Proceedings of the second meeting
on Tuesday, 3 November 2015, at 8:30 am
in Conference Room 2 of the Legislative Council Complex**

Time Marker	Speaker(s)	Subject(s)	Action required
Meeting with the Administration and Airport Authority Hong Kong			
000500 – 000608	Chairman	Welcoming remarks	
000608 – 001331	Administration	Opening remarks by the Secretary for Transport and Housing	
001331 – 002321	AAHK	Powerpoint presentation by the Chief Executive Officer, Airport Authority Hong Kong ("AAHK") on the overview, need and urgency of the Three-way system ("3RS") project at the Hong Kong International Airport ("HKIA"), and latest progress	
002321 – 002803	Chairman Dr LO Wai-kwok Administration	Need and urgency of the 3RS	
002803 – 003208	Mr YIU Si-wing AAHK	Need and urgency of the 3RS AAHK agreed to provide information on the measures to be adopted by AAHK to enhance the capacity of HKIA before the commissioning of the Third Runway in 2020 and the full implementation of the 3RS in 2023-2024.	Para. 9 of the minutes refers
003208 – 003523	Mr Dennis KWOK Chairman AAHK	AAHK was requested to provide the following information: (a) details on how the projected overall economic benefits of the 3RS at around \$1,046 billion (2012 dollars) over the 50-year period from 2012 to 2061 were arrived at, including assumptions made for coming up with the projection; and (b) full breakdown of the estimated capital cost of \$141.5 billion for the 3RS and details of the assumptions made, such as interests and inflation rates, for the estimation.	Para. 15 of the minutes refers
003523 – 003940	Chairman Mr Jeffrey LAM AAHK	Mr Jeffrey LAM's suggestion of conducting a study on the need of constructing a fourth runway at HKIA Mr Jeffrey LAM's concerns about marine safety in the course of carrying out the reclamation works of the 3RS project and suggestion about reducing aircraft noise at night	

Time Marker	Speaker(s)	Subject(s)	Action required
003940 – 004426	Mr SIN Chung-kai AAHK	Utilization of the airspace of the Pearl River Delta ("PRD") region	
004426 – 004931	Chairman Mr TANG Ka-piu AAHK	Need and urgency of the 3RS Measures to mitigate environmental impact of the 3RS	
004931 – 005419	Mr WU Chi-wai Chairman AAHK	"Air wall" constraint	
005419 – 005855	Mr Steven HO Chairman AAHK	AAHK was requested to provide information on: (a) the measures that were/would be adopted by AAHK to safeguard the safety of fishermen and others at sea in the course of carrying out the reclamation works for the 3RS project for discussion at a future meeting of the Subcommittee; and (b) information on accidents caused by marine construction works with respect to the Hong Kong-Zhuhai-Macao Bridge.	Paras. 50 and 52 of the minutes refer
005855 – 010312	Mr Albert CHAN Administration	AAHK was requested to provide information on the measures to be adopted by AAHK to enhance the capacity of HKIA before the commissioning of the Third Runway in 2020 and the full commissioning of the 3RS in 2023-2024. AAHK was requested to include the measures it would take to ensure compliance with the conditions set out in the Environmental Permit granted by the Director of Environmental Protection for the 3RS project in its future discussion paper on environmental issues for the Subcommittee.	Para. 10 of the minutes refers Para. 27 of the minutes refers
010312 – 010717	Mr Christopher CHEUNG Administration Chairman	"Air wall" constraint	
010717 – 011209	Mr LEE Cheuk-yan Chairman AAHK	AAHK was requested to provide details on how the projected 102.3 million passengers to be received and 8.9 million tonnes of cargo to be handled by HKIA per year by 2030 were arrived at.	Para. 14 of the minutes refers
011209 – 011615	Mr CHAN Han-pan AAHK	Financial arrangement of the 3RS	
011615 – 012120	Mr Michael TIEN Chairman AAHK	Introduction of the new Airport Construction Fee ("ACF") AAHK agreed to provide information on its proposed noise charge in due course.	Para. 30 of the minutes refers

Time Marker	Speaker(s)	Subject(s)	Action required
012120 – 012600	Mr Kenneth LEUNG Chairman Administration AAHK	Financial arrangement of the 3RS	
012600 – 013025	Mr Albert HO Administration Chairman	Utilization of the PRD airspace The Administration undertook to provide all press releases relating to the PRD airspace issued so far after the meeting.	Para. 24 of the minutes refers
013025 – 013534	Dr Kenneth CHAN Chairman AAHK	Environmental issues AAHK was requested to provide a membership list of the Professional Liaison Group, the background of the PLG members as well as the steps taken by AAHK to engage those environmental groups which declined to join the PLG.	Para. 33 of the minutes refers
013534 – 013707	Mr Dennis KWOK Chairman AAHK	AAHK was requested to provide the legal basis for introducing a new ACF.	Para. 44 of the minutes refers
013707 – 013954	Mr TANG Ka-piu Chairman AAHK	Issues relating to manpower at HKIA AAHK was requested to provide information on the measures adopted/would be adopted by AAHK to attract more people to work at HKIA, including construction workers to work for the 3RS project, for discussion at a future meeting of the Subcommittee.	Para. 53 of the minutes refers
013954 – 014201	Mr SIN Chung-kai Chairman AAHK	AAHK was requested to provide the legal basis for AAHK to retain all distributable profits earned from financial year 2014-2015 onwards until the full commissioning of 3RS in 2023-2024.	Para. 44 of the minutes refers
014201 – 014444	Mr Michael TIEN Chairman	AAHK was requested to provide information on the estimated number of years which AAHK would need to levy the ACF if the rate for short haul economy passengers and for long haul premium passengers was set at \$50 and capped at \$500 respectively and how such estimated number of years compared with that for the rates to be charged under the revised ACF regime set out in paragraph 25 of LC Paper No. CB(4) 143/15-16(01).	Para. 38 of the minutes refers
014444 – 014712	Mr YIU Si-wing Chairman AAHK	AAHK was requested to provide information on the names of the organizations/individuals which/who had participated in the aforesaid activities with breakdown by the 12 key assessment aspects.	Para. 34 of the minutes refers
014712 – 014930	Mr WONG Ting-kwong AAHK Administration Chairman	The Administration agreed to provide details of the six judicial review cases against the 3RS and the impact of these cases on the progress of the 3RS project.	Para. 47 of the minutes refers

Time Marker	Speaker(s)	Subject(s)	Action required
Any other business			
014930 – 015535	Chairman Mr SIN Chung-kai Administration Mr Steven HO Mr TANG Ka-piu	Proposed items for discussion at subsequent meetings Visit to HKIA Date of next meeting	

Council Business Division 4
Legislative Council Secretariat
27 November 2015