

Tom Ledger: Submission to Legco

With any large investment, it is obviously crucial to ensure any preliminary findings and reports central to the project are of upmost credibility, and all viable alternatives explored thoroughly before arriving at a decision. Whilst a third runway would clearly aid Hong Kong, I believe there are a number of questions surrounding possible inefficiencies within the current runway system, and a growing underlying public mistrust in government reports such as the EIA, and it is negligent to ignore these issues before embarking on a massive project such as the third runway.

It is negligent to rely solely on the conclusion of a report such as the EIA, given the project is of such a large scale and, for instance, the Health Impact Assessment is based on optimistic assumptions by Airport Authority hired consultants. Even with the best experts the report ultimately will still be biased. And the role of the government here is deeply conflicted, as it seeks to balance the interests of individuals against the common good, as well as supposedly objectively informing the public of its' findings: both the positive aspects of the findings as well as the negative. But how can it absolutely do this when it is shackled by the Airport Authority's economic self interest?

Much like the British government did with Heathrow, consulting should be opened up to other institutions' to conduct their own findings into environmental impacts. At least then an independent view is available for additional analysis. Only then will information be truly transparent. Until then, the people of Hong Kong are denied the full spectrum of information into such a crucial long-term matter. More needs to be done beyond the statutory EIA.

And finally, why not let the market decide **when** a third runway is required? Let private entrepreneurs with required capital take the risk. The everyday people of Hong Kong have clearly become disillusioned by a government that has continually gone over budget with past projects. The argument that it is dangerous to allow public assets to fall into private hands is surely made redundant with the example of the MTR network, a public listed company. Privatization leads to greater incentive for plans run to schedule, a tighter budget that avoid another "white elephant", a natural tendency for better governance and does not cost the average Hong Kong taxpayer anything.

The proposed Third Runway should yield priority and preference to more cost-efficient and time-efficient policy options, such as the possibility of extending operating hours and more imaginative air controls to make better use of the existing runways. If private investors seek the profits conducted within a positive cost benefit analysis, then the project would go ahead accordingly. We trust that our wise councilors would exercise the due financial prudence to uphold the overall interest of Hong Kong, in line with their duties, and let market forces do the job.

The nervousness of the officials selling the plan for a third airport runway last week was matched only by the impressive line-up of the lobbying team. The voice of politicians and academics backing the plan swamped the airwaves for days after it was announced.

The authority knows it has a tough plan to sell: a price tag of HK\$136 billion, the biggest reclamation of land since the handover, an irreversible damage to an important dolphin habitat, and a yet-to-be quantified impact to climate change and air quality. Despite the adverse impact, the best chance for the government to convince the community of its plan is to adopt an honest approach in public engagement.

Economists and commentators were quick to question the authority's estimate of economic return – HK\$912 billion over 50 years. But the biggest surprise of the plan was not what it contains, but what it omits despite years of preparation.

The project comes at a difficult time for Hong Kong. Despite economic growth, Hong Kong is going through a “social recession”, as defined by Tim Jackson of the British government's Sustainable Development Commission: rising income inequality, soaring property prices, declining social mobility and an acute sentiment of injustice in both the middle class and the grass roots. Pumping HK\$136 billion into a single infrastructure project in a social recession is not likely to boost Hong Kong's happiness index.

Yet the city has excelled in providing airport and airline services. Maintaining this competitive edge is not just about economic growth, but also about a vital means to strengthen our cultural nexus to the world. The question is how.

I refer to Mike Rowse's column on the proposed **third runway** (“HK **needs a thirdrunway** – paid for by users, not taxpayers”, August 18).

I am no economic expert but I suspect the **Hong Kong** Airport Authority bonds that Rowse indicates should be used to fund the expansion will never be recouped. Which is why it will be taxpayers who eventually pick up the tab.

Integration among regional airports will occur, if not in the simple and impractical way Rowse conjures in his counterfactual scenario. It will be **a** stop-and-start affair, to be sure, and will be contentious to boot.

But eventually each airport will develop its own pool of clients, aided by the extensive land transport system that, for better or worse, is being developed.

This very system will allow consumers to vote with their wheels, if not their feet, short of **a** cross-border, cartel-like control of prices.

Free competition is perhaps **a** chimera in **a** tightly controlled economy, but I suspect it would be in the interests of many parties to boost neighbouring airports at the expense of Chek Lap Kok.

I know scores of people who fly to other parts of China from Shenzhen already.

This will become more common if and when differences in ticket prices increase, as they surely will since the cost of leaving from **Hong Kong**, under the funding system proposed by Rowse, will be shouldered by consumers.

As to the casual dismissal of green groups' objections, I don't particularly like the tone but I appreciate its implicit call to be realistic.

Like the transport minister, green groups clearly have **a** lot of work cut out for them.

PRD airport integration key to efficiency

We have been hearing more doomsday warnings that **Hong Kong** is finished unless we build a **third runway** at Chek Lap Kok.

The cost estimate was HK\$136 billion in 2011, and later soared to HK\$200 billion. I have heard of even higher sums.

Proponents of a **third runway** all have vested interests. The Airport Authority collects charges for every landing and take-off, regardless if planes are full.

Studies to support the need for a **third runway** have all been sponsored by the authority.

Previous correspondents have called for an independent study by a group like the Bauhinia Foundation to see if there is a real need for the **runway**, but these calls have been ignored.

There are five airports within 150 kilometres of **Hong Kong**. Integration with the Pearl River Delta airports is the key to improving efficiency.

Better liaison with mainland air-traffic control could provide more slots under the present system. Wide-bodied aircraft should be encouraged.

Small-aircraft traffic between **third-** and fourth-tier mainland cities should be handled by the airports in Shenzhen, Guangzhou and even Macau, which are all under-utilised.

Cargo originating from the Pearl River Delta should be loaded onto planes in Shenzhen and Guangzhou and carried by mainland airlines. This is better than having smoke-belching trucks haul the goods from the delta region to Chek Lap Kok and onto Cathay Pacific's cargo planes.

The money for the **third runway** could be better spent on building more hospitals and schools in **Hong Kong**. It could also be used as seed money to start a universal retirement fund.

Last month, the Advisory Council on the Environment granted conditional approval for the construction of **a third runway at Hong Kong** International Airport (HKIA). But 20 conditions and four pieces of advice were included with the approval. These stated that the construction work could not be launched until **a** number of requirements had been met. Nevertheless, the Advisory Council will submit **a** proposal to the Environmental Protection Department for month-long consideration in order to issue an environmental permit.

Although some “Greens” still stubbornly resist the construction plans, some statistical information helps make the case for the establishment of **a third runway**. Last year, 59.9 million passengers and 4.12 million tons of air cargo passed through HKIA. This shows **a** rise of 109 percent and 153 percent, respectively, since 1998, demonstrating that HKIA is in urgent need of **a third runway** to keep pace with future increases in passenger numbers and cargo tonnage.

The Airport Authority **Hong Kong** (AA) predicts that if the **third runway** were to be open for traffic in 2023 as scheduled, it would bring in HK\$167 billion of revenue to **Hong Kong**, equivalent to about 4.6 percent of gross domestic product (GDP).

Furthermore, this would see the number of direct employment posts at the airport increase from 65,000 to 141,000, and numbers of secondary posts rising to 199,000 employees. These figures illustrate the potential benefits of the **third runway to Hong Kong**'s economic development. New job opportunities would help improve people's livelihoods providing the government is prepared to develop an East Lantau city, for 500,000 residents.

In future, the **Hong Kong**-Zhuhai-Macao Bridge will attract passengers from the Pearl River Delta to use HKIA as their port of departure. If passenger numbers exceed capacity however, HKIA will face an embarrassing scenario with tourists preferring Shenzhen, Guangzhou, Zhuhai or even Macao, to **Hong Kong**. Therefore, the **third runway** project is of considerable importance.

On Oct 7, the Panel on Economic Development and the Panel on Environmental Affairs held **a** joint meeting in Legislative Council. This was to hear public views on the **third runway** project in the HKIA and also assess an environmental impact assessment report. The joint meeting invited 80 representatives from various sections of society to express their views.

The majority of Hongkongers favor the construction of the **third runway**. The business community has always been **a** great supporter. The only remaining opponents are certain environmental groups. Their main reason for opposition is concern about the potential impact upon Indo-Pacific humpback dolphins.

Construction of the **third runway** will undeniably have **a** temporary affect upon the neighboring marine ecology — including dolphins. But this is something which the Advisory Council is concerned about and has taken into consideration. So on top of creating **a** conservation fund of HK\$300 million, the AA also **needs** to ensure **a** construction process which ensures **a** seashore park will be built on northwestern waters off Lantau Island as **a** place to protect “pink” dolphins and other marine species.

Moreover, the Agriculture, Fisheries and Conservation Department published **a** plan at the beginning of the month, stipulating that seashore parks will also be established in the southwestern waters off Lantau Island and the Soko Islands, respectively. Legal procedures relating to this are scheduled for

next year and expected to be finalized in 2017. These parks are aimed at protecting both Indo-Pacific humpback dolphins and Finless Porpoises, in both areas.

In maintaining the ecological balance, it is essential to understand that all animals have **a** natural ability to adapt to the changing environment. The proposed location for **runway** construction is not the only area where dolphins can thrive. And when the seashore parks are completed, they will have **a** place where they can shelter. In future, when the **runway** and the northwestern park are completed, the three parks will be connected to provide **a** large “home” for the dolphins. Dolphin-watching tours will be able to continue on **a** larger scale.

I hope concern about the dolphins will not be used as an excuse for obstructing the future economic and social development of **Hong Kong**.

Apart from the beach project in Tai Po, there has also been criticism of the proposed **third runway** at the airport because of fears, again, about marine ecosystems.

However, there is also strong demand for this **runway**. It is felt that despite the environmental problems, it is **a** project that should be supported.

While it should go ahead, more must be done to ensure damage to the environment is kept to **a** minimum.

We all have **a** responsibility to protect the environment. However, at the same time, we need to support projects that can make **Hong Kong** better economically and more competitive. That is why we must strike the right balance and not oppose all developments in the name of conservation.

At the heart of the EIA processes is **a** technical memorandum requiring the need to mitigate or compensate for any potential environmental damage. The AA said it complied strictly with requirements to avoid, minimize, mitigate and compensate for potential environmental impacts.

It has proposed **Hong Kong**'s largest-ever marine park of about 2,400 hectares. The AA said it has **a** firm commitment from the government — the only body which can create such **a** zone. It has also promised **a** marine ecology conservation management plan as well as further, self-funded studies.

Both sides have said there is insufficient data on the behavior of Chinese white dolphins to accurately predict how they will respond to the project. One area of agreement is the dolphins will be displaced. If and when the dolphin population will return and recover is where the sides differ greatly.

“The (AA) admit they would move away. These **needs** to be mitigated and compensated,” Hau said.

The scrutiny of the AA plan is perhaps the toughest any project proponent in **HongKong** has yet faced, with half the current 14 subcommittee members holding day jobs as conservationist.

Professor Bernd Wursig, who was hired by the Airport Authority to assess the prospects for the Chinese white dolphin population that makes its home off North Lantau, said he was “positive” on the chances of the Chek Lap Kok dolphins coming home.

Wursig, who first studied the city’s Chinese white dolphins in the early 1990s, is one of two experts hired by the authority to assess the threatened species’ ability to survive the **runway** work, which will see 650 hectares of land reclaimed.

His comments come as environmentalists step up the pressure on airport chiefs, saying the **runway** work will do unprecedented damage to both the size and quality of the dolphins’ habitat. They have criticised as inadequate measures identified by the authority in an environmental impact assessment of the plan.

Wursig, an expert in marine mammal behaviour at Texas **A&M** University, cited San Francisco Bay and Galveston Bay, Texas. He said both bays had lost their populations of bottlenose dolphins in the last century, but they had returned when the environment was improved.

In San Francisco, he said reclamation and dredging from the 1930s to the 1980s drove dolphins away. **A** large military presence, including **a** chain-link fence closing off the bay, caused problems during the second world war.

In Galveston, where he is based, Wursig said “amazing environmental degradation” had left “very little natural habitat” for the dolphins after 1905. **A** man-made island several kilometres long also caused problems. Wursig said both populations recovered due to better environmental regulations and **a** clean-up.

“If we can clean up properly, they will come back,” he said.

But Wursig acknowledged that the **Hong Kong** dolphins were of **a** different species, and that some marine mammals, including some whales, did not return to disrupted habitats.

Local dolphin expert Dr Samuel Hung Ka-yiu was sceptical and questioned whether Wursig had come under pressure to find “successful” examples.

“They should substantiate their claims with reports and data,” said Hung, chairman of the Dolphin Conservation Society. Hung studied under the other expert commissioned by the authority, Dr Thomas Jefferson. Jefferson had studied under Wursig.

Hung criticised the authority for proposing measures that were outside its power to implement – only the government could establish **a** new, 2,400-hectare marine park, for example, and bring in speed limits for boats. Hung also said the marine park should be set up before 2016, when work is due to begin, rather than 2023, when it will finish.

The **runway** plan still **needs** government approval, and the question of how the cost – more than HK\$130 billion – will be funded has not been settled. **A** government consultation on the environmental assessment runs until July 19.

There is no need for *third runway*

I was disturbed to read Amber Chui Cheuk-hang's letter supporting the **thirdrunway** as apparently more tourists will come here and it will maintain **HongKong**'s position as an international transport hub ("**Third runway** can boost tourist sector", August 6).

What your correspondent does not mention is that the current airport is not at capacity and the Airport Authority's projected figures have been questioned by several sources as to their validity.

The numbers are inflated and do not, for example, allow for the other international airports in the Guangdong area and their expanding need for the same airspace, more imaginative air traffic controls, extending operating hours, more use of A380s and the new high-speed rail link to the mainland. For instance, why doesn't the authority have a hefty surcharge for small aircraft and a discount for larger ones?

This would encourage airlines like Cathay Pacific, for example, to open their wallets and buy bigger aircraft.

The cost of the new **runway** is huge and the social and environmental impact during and after construction appalling. The cost is far greater than the expected payback of a few more tourists.

In reality, the only people who will gain from this project are the construction companies benefiting from the large sums of money that will be spent, more than HK\$130 billion.

What the Airport Authority should be doing is working closely with the other airports and high-speed rail links in the area to allow swift transfers between airports, as happens in other parts of the world, and looking at how it can increase capacity with its current set-up.

However, unfortunately, I fear common sense will not prevail and yet again the construction companies will be rubbing their greedy hands in anticipation of more business, while everyone else will be raising their eyebrows in disbelief.

Martin Reynolds, Tai Kok Tsui

As usual, Jake van der Kamp nails it in his column ("Let spoiled airlines fund **thirdrunway**, not the public purse", July 22).

Those speaking up for a **third runway** at Chek Lap Kok demand that taxpayers stump up at least HK\$200 billion to pay for it. That's HK\$30,000 for every man, woman and child in **Hong Kong**. Or nearly HK\$200,000 per taxpayer.

Surely the proponents of the **third runway** owe us an explanation. Why don't they increase the efficiency of the airport, before demanding that we spend vast sums on more concrete?

We are told by various sources that efficiency of the airport has dropped dramatically in recent years, as more narrow-bodied aircraft flying to secondary airports are allowed landing slots.

These should be weeded out, to focus on wide-bodied jets servicing key cities.

Why not address that issue first? Can the Airport Authority come clean on this issue?

Peter Forsythe, Discovery Bay

A **third runway** will not solve the low efficiency of flights through **Hong Kong** International Airport due to the mainland's airspace restrictions such as unexplained closures and the entry height level at 15,700 feet, an environmental group said yesterday.

Green Sense president Roy Tam Hoi-pong said the real problem lies in the flight airspace above China.

The Airport Authority had earlier said only 23 percent of all flights are affected by the restrictions.

Green Sense recently conducted a study with the Airport Development Concern Network, concluding three in 10 flights are affected because of restrictions set by the People's Liberation Army that only permit flights to enter Chinese airspace at 15,700 feet. The study, which analyzed one million flights between 2010 and 2012, also found that in 2012, more than 100,000 flights and 1.5 million passengers were affected, as the restriction brought frequent flight delays and extra flying time for routes that were supposed to pass through China.

The report comes ahead of the Environmental Impact Assessment subcommittee's meetings in August that will ultimately help decide whether **HongKong** will build a **third runway**.

British Airways **Hong Kong** International Cabin Crew Association chairwoman Carol Ng Man-yee said the current air traffic congestion cannot be solved even if **Hong Kong** built 10 or 100 runways, as the problem lies in the congestion of flight routes when planes are either forced to fly extra distances to enter the SAR, or have to hover around to wait for landing clearance.

"The problem lies in the air - not on the ground," she said.

While Ng acknowledged that air traffic congestion may also be caused by an increase in the number of flights, she questioned if the existing runways are really saturated.

The two runways at Chek Lap Kok currently handle 64 flights per hour at peak hours.

But initial projections in 1992 - before the airport began operations in July 1998 - put the handling capacity at 82 to 86 flights per hour when its calculations excluded the effects of the PLA's restrictions.

LegCo on the Third Runway - Sept 29th, 2014

Thank you Chairman.

There is a quote by Mr. Russell Ballard, "To innovate does not necessarily mean to expand, very often it means to simplify."

What I see here is a desperate push for the Third Runway, funded by taxpayers, before properly exhausting all viable uses of the first and second runways, in resolving the increasing capacity of air traffic. As long as the fundamental problem has not been addressed, an extra or Third Runway will remain an irrelevant topic of discussion.

As it is in the Hong Kong International Airport's (HKIA) interest to make itself as attractive as possible to airlines contemplating adding services to or from Hong Kong, more cargo or passengers delivered each landing will increase the efficiency per landing. How ironic that the HKIA imposes weight-based landing charges much higher for larger aircrafts and significantly lower for smaller aircrafts. Naturally, any cost-efficient airlines has chosen to land their smaller planes on the Hong Kong runway, resulting in the highly inefficient usage of HKIA's runways.

The Lion Rock Institute aims to keep Hong Kong the shining beacon of freedom for the rest of the world, where the entrepreneurial spirit is supposedly embraced at the forefront of free markets. Surely it has occurred to the Hong Kong government that a much simpler way to accommodate increasing air traffic is simply to auction off assigned landing spots to the market, where buyers will maximize usage by landing larger planes thus increasing landing efficiency.

The difference between spending HKD136 billion on a third runway and creating extra space, versus making use of the existing space within our first and second runways through a competitive bidding process, is obvious.

At this rate, a hundred runways can be built along the remaining confines of Hong Kong to China and we will still be out of landing space. How many runways will I have to see built within my lifetime?

In sum, the proposed Third Runway should yield priority and preference to more cost-efficient and time-efficient policy options. Of course, we trust that our wise councilors would exercise the due financial prudence to uphold the overall interest of Hong Kong, in line with their duties, and let market forces do the job.

Airport chiefs are ignoring inefficiencies in the use of its two runways as they seek to justify a third, concern groups say.

They questioned the need for the multibillion-dollar expansion of Chep Lap Kok after analysis of a million flights between 2010 and 2012 highlighted low operational **efficiency** of the existing runways.

They pointed to valuable landing and take-off slots being allocated to low-capacity, narrow-body aircraft, most destined for obscure third- and fourth-tier mainland cities.

Airport Development Concern Network spokesman Michael Mo questioned whether this was the most efficient use of the runways given that some small narrow-body jets were taking off only half full.

“There are currently no efficient monitoring mechanisms to ensure our runway landing slots are used efficiently,” said Mo.

He said the **Airport** Authority was letting “empty flights” fly back and forth from the city so it could earn landing fees and push up the total number of flights.

According to the authority, adding another runway would boost the capacity of the **airport** by about 44 per cent by 2023.

It says the existing two runways are forecast to reach capacity as early as 2016.

But the group’s analysis, based on Civil Aviation Department data, found the proportion of narrow-body aircraft rose from 37 per cent of total flights in 2010 to about 39 per cent in 2012, while wide-body aircraft flights fell from 63 per cent to 61 per cent.

Narrow-body aircraft flights accounted for 70 per cent of all flights to the mainland, with most headed for lower-tier cities.

A narrow-body, single-aisle aircraft carries 50 per cent fewer passengers than a wide-body, or dual-aisle, model.

Roy Tam Hoi-pong, of the group Green Sense, which co-authored the report, said the **airport** was “at risk of becoming a small **airport** transit hub exclusively used by Chinese passengers”.

He said: “The actual number of aircraft seats occupied is not high, but the authority gets to create an illusion that there are many flights moving in and out.”

Albert Lai Kwong-tak, of the Professional Commons, said the **airport** could turn into a “low **efficiency**, low value and high cost” operation. “There is no reason for our international **airport** to compete, and at such high cost, with Shenzhen and Guangzhou for domestic flights to third- and fourth-tier cities,” he said.

“The economic benefits of expanding routes to these cities are low and positioning our **airport** as a hub for these routes will only cause the city a loss.” He said the **airport** did not have to increase the total of flights, but urged airlines to change aircraft types.

David Newbery, of the **Hong Kong** Airline Pilots Association, said switching to larger aircraft would not necessarily increase **efficiency**, as having to fly them half empty would be even worse financially

and environmentally. He said most flights would have to be operating at 80 per cent capacity or risk running a loss, but many airlines kept unprofitable routes just to keep them open or because they were subsidised by governments.

The fate of the third runway hinges on how the public takes the results of an environmental impact assessment. The public has until Saturday to inspect it.

In a statement, the authority said the only way to solve the capacity bottleneck was to expand the **airport** into a three-runway system to increase daily flight movements to meet air traffic demand.

The Civil Aviation Department said that its views were in line with that of the authority.

Both pointed out that the **airport** was the most efficient in the world, with 267 workload units per flight movement. One workload unit is equal to one passenger, or 100kg of cargo.

The fate of **Hong Kong**'s costliest infrastructure project hinges on how well the public accepts the results of the environmental assessment.

However, the groups are urging the committee to declare the environment report "no go" until it provides alternative solutions to the third runway.

"Terminal Two has no air bridges and only serves departures, not arrivals," said network spokesman Michael Mo.

"Some of the commercial space has nothing to do with travel. The concourse, meanwhile, serves just 10 aircraft, can only be reached by bus and only serves narrow-bodied aircraft used by very few passengers," he added.

He urged the **airport** to stop allowing so many narrow body jets flying to third and fourth tier cities to use up valuable airspace and timeslots.

An **Airport** Authority spokesman said carriers decided their own aircraft mix .

Lam Chiu-ying, now adjunct professor at the Chinese University's Department of Geography and Resources, said the **airport** operator had "bungled" management of the facility and had no justification for asking for a third runway.

Roy Tam Hoi-pong of Green Sense said: "If they can't use the existing two runways at maximum operational **efficiency** then a third won't change anything. It will just be another white elephant."