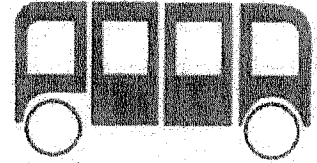


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25 February 2016

Hon. Michael Tien Pak Sun, BBS, JP
Chairman
Transport Panel
Legislative Council
Legislative Council Road, Central
HONG KONG

Dear Sir,

Public Transport Arrangement for the
Hong Kong - ZhuHai - Macao Bridge

The Public Omnibus Operators Association is a confederation of Non-Franchised Bus (NFB) operators in Hong Kong; currently there are over 7,000 units of NFB in Hong Kong providing different types of passenger transport services under a Passenger Service Licence system administered by the Transport Department.

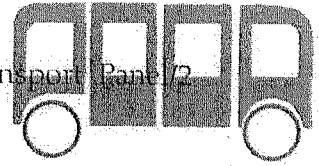
We have been given to understand that on 29 February 2016, the Transport Panel of the Legislative Council will meet to discuss, among other matters, the agenda item on "Local Public Transport Arrangement at the Hong Kong Boundary Crossing Facilities of Hong Kong - Zhu Hai - Macao Bridge"; and that there are two papers under Ref. CB(4)629/15-16(04) (THB Paper) and CB(4)629/15-16(05) (Secretariat Paper) to be submitted by the Transport and Housing Bureau cum Transport Department and Legislative Council Secretariat, respectively, for discussion.

We wish to raise our concern over the public transport arrangement at the Passenger Transport Interchange (PTI) and on the Bridge, from the perspective of NFB operators.

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LegCo Transport Panel/2



While the THB Paper has mentioned, under Paragraph 9 (d), that Transport Department (TD) will introduce an online application system to facilitate NFB operators on access to the PTI, of which we would be obliged to continue liaison with TD in this respect, it has not addressed the issue, if any, of additional Passenger Service Licences (PSL) for NFB to access the Bridge to carry passengers to Macao and/or Zhu Hai.

While we would not speculate on any procedure in hand from TD, we wish to stress that recent downward trend in tourists' arrivals, added to an overall decline in the local bus business environment, have created heavy burden to NFB operators. Any increase in PSL, thus additional buses to the total NFB fleet size, could result in an acute over-supply of NFB in Hong Kong.

Furthermore, it has been the Government's policy, since 2005, for new entrants to the NFB market to source from the existing market pool to procure NFB with appropriate PSL, and TD has refrained from the issue of new PSL since then. This policy has been enshrined vide Legislative Council's Transport Panel's Paper CB(1)786/04-05(06) – "Regulatory Framework and Licensing System of Non-Franchised Bus Operation" issued in January 2005 by the then Environmental, Transport and Works Bureau.

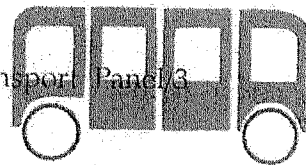
The aforesaid policy paper has stated, inter alia, at Paragraph 15 –

(VI) Sourcing Vehicles from Existing Fleet

The NFB trade share the view that as a further step to contain the growth of total number of NFBs in the market, incentives should be provided to encourage applicants to source vehicles from the existing fleet (which do not require replacement vehicles) in the market, in lieu of purchasing additional vehicles which will entail a net increase in NFB fleet, to meet new service demand.

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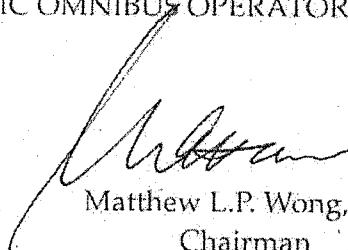
Applicants who intend to purchase additional vehicles would be given a period of six months to try to source vehicles from the existing NFB fleet. Their applications would be processed as soon as they could source vehicles from the existing fleet or at the end of the period if they could not source such vehicles during the period. The length of the period will be kept under review to suit the changing circumstances.

This measure has been in practice since 2005, if the above arrangement is modified, it would become inequitable to the bus operators who, since 2005, have adhered to government's advice and directive in entering the NFB market.

We urge the Panel to take into consideration the above, and maintain your vigilance in the handle of any future submission in connection with NFB operation for the Bridge.

Thank you very much for your attention.

Yours faithfully,
For and on behalf of
PUBLIC OMNIBUS OPERATORS ASSOCIATION



Matthew L.P. Wong, BBS
Chairman

c.c. Members, Transport Panel, Legislative Council (via Secretariat)
Secretary for Transport and Housing
Commissioner for Transport