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Secretary General
Legislative Council Secretariat
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Central, Hong Kong
(Attn: Ms Sophie LAU)
[Fax no.: 2840 0716]

20 November 2017

Dear Ms LAU,

**Motions Passed at the Meeting of
Panel on Transport on 16 June**

Thank you for your letter dated 23 June to the Secretary for Transport and Housing regarding the captioned subject. Our reply is set out below.

Comprehensive transport study ("CTS")

Since 1976, the Government has conducted three CTSs to map out the strategic plans for transport planning and overall development, as well as formulate development plans for infrastructures so as to cater for the socio-economic development of Hong Kong. The CTS-3, completed in 1999, has laid down a number of broad directions, including (1) better integration of transport and land use planning; (2) better use of railway as the backbone of our passenger transport system; (3) provision of better public transport services and facilities; (4) wider use of advanced technologies in transport management; and (5) implementation of more environmentally-friendly transport measures. These broad directions remain applicable today.

In fact, since the completion of the CTS-3, the Government has been formulating policies for the various areas covered by the CTS. For example, in 2014, the Government announced the Railway Development Strategy 2014 which

sets out the blueprint for railway network up to 2031. The Public Transport Strategy Study ("PTSS") has reviewed the roles and positioning of public transport services and made recommendations to enhance the strategic arrangements of the services. To tie in with the Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030 study, the Government will soon take forward the Strategic Studies on Railways and Major Roads beyond 2030 which will cover the required transport infrastructure in areas including Lantau, Northwest New Territories and New Territories North. Having regard to the above studies covering the major public transport policies and transport infrastructure planning together with other measures in place in areas such as vehicle growth and green transport, the Government did not consider it necessary to conduct the fourth CTS at this stage.

Franchised bus

Railway operates on designated tracks, providing fast and convenient service at high carrying capacity and with zero emission. Therefore, it is always our policy that railway serves as the backbone of the public transport system in Hong Kong. On this basis, the Government supports the provision of park-and-ride facilities at or near suitable railway stations, so that drivers can take railway after parking their vehicles, hence reducing the road traffic entering congested areas. The Report on Study of Road Traffic Congestion in Hong Kong issued by the Transport Advisory Committee ("TAC") in December 2014 covers a number of measures which aim at minimising the use of private cars and relieving congestion. One of the measures is to recommend that Government consider providing more park-and-ride car parks in future railway projects, as well as urban redevelopment and new development projects.

Currently, there are 12 car parks providing park-and-ride service in various districts (including urban and rural areas), providing a total of about 3 940 parking spaces. These car parks are located at or near MTR stations, including Sheung Shui Station, Hong Kong Station, Kowloon Station, Tsing Yi Station, Choi Hung Station, Kam Sheung Road Station, Hung Hom Station, Olympic Station, Hang Hau Station, Wu Kai Sha Station, Tuen Mun Station and Ocean Park Station, to facilitate drivers' transit to MTR. Park-and-ride users (i.e. those who park their cars and transit to MTR to travel to their destinations) enjoy a parking fee discount of about 30% at these car parks. To better utilise the car parks, other drivers (i.e. those who park their cars but do not transit to MTR) can also use these car parks, but will not enjoy such park-and-ride concessions. Since June 2016, the Link Asset Management Limited has also been providing park-and-ride parking discounts to drivers who transit to MTR at its 12 car parks in the vicinity of MTR stations at specified hours.

As regards interchanging with road-based public transport, public transport interchanges ("PTIs") are performing this function. At present, there are a total of around 290 PTIs located in various districts across the territory. The public may enjoy convenient interchange with different road-based public transport modes

(including franchised buses, green minibuses, non-franchised buses and taxis) at these PTIs. Quite a number of PTIs are adjacent to housing estates and large shopping malls, some of which have car parks for private cars open to the public. Private car users may make use of these car parks for interchanging with suitable public transport services at PTIs where necessary.

The function of bus-bus interchanges ("BBIs") is different from that of PTIs. Located at places where many bus routes ply along, BBIs seek to facilitate convenient interchanges between different bus routes by passengers to achieve more efficient use of bus resources and a more extensive bus network. The BBIs under construction as mentioned in the report of the PTSS (i.e. the BBIs at Fanling Highway, the Lam Tin portal of Tseung Kwan O – Lam Tin Tunnel, the toll plaza of Tseung Kwan O Tunnel and the toll plaza of the northern connection of Tuen Mun – Chek Lap Kok Link) as well as the existing large-scale BBIs are all located along expressways, major regional trunk roads and tunnel portal areas. These places are subject to topographical and spatial constraints, while tunnel portal areas and toll plazas are within control areas. There is thus no objective condition in these areas for constructing car parks next to existing BBIs or BBIs under construction for interchanging passengers.

In fact, as mentioned in our discussion paper on parking space policy for the meeting of the Legislative Council ("LegCo") Panel on Transport in May this year, it is often very difficult to identify plenty of suitable land for building car parks. Continuous provision of additional parking spaces will also encourage the public to purchase and use private cars, thereby stimulating further growth of the private car fleet and aggravating the road traffic congestion. The traffic impact on the local road network should also be considered when increasing parking spaces. As regards the two BBIs to be set up in Mei Foo and at Prince Edward Road East as proposed in the PTSS report, they are existing facilities for franchised bus operation. The two locations are also within the urban built-up area where, as in the case of some other PTIs, car parks are available in nearby housing estates and shopping malls for private car users. The Government therefore has no plan to construct public car parks at these two locations.

The Government will continue to make reference to the recommendation in the Report on Study of Road Traffic Congestion in Hong Kong, and consider providing more park-and-ride facilities in future railway projects as well as urban redevelopment and new development projects.

The Government has all along been encouraging franchised bus companies to introduce monthly passes. As we have emphasised at the LegCo repeatedly, monthly pass schemes should meet three conditions in order to benefit the public: (1) their coverage should not be too restrictive such that passenger demand can be met in an appropriate manner; (2) the pricing of the monthly passes should not be too high so that the fare concession can be practical; and (3) franchised bus companies should be capable of introducing such monthly passes without passing the costs to non-monthly pass users in order to avoid generating pressure for fare increase in future. We understand that the Kowloon Motor Bus

Company (1933) Limited is proactively formulating a monthly pass scheme that can meet these three conditions. Upon receipt of details of the proposal, the Transport Department ("TD") will process it expeditiously and brief the public in detail.

Light Rail

Partial segregation of Light Rail tracks from roads/footpaths through enhancement of the design of individual busy junctions within the Light Rail network can help ease the current conflicts between Light Rail Vehicles (LRVs) and pedestrians at those busy junctions, enhance the operational efficiency of the Light Rail, and improve the overall traffic situation. In this connection, the Government and the MTR Corporation Limited (MTRCL) reviewed the feasibility of conducting grade segregation works at 11 busy junctions under the PTSS. The locations of those 11 busy junctions are set out in Annex 6 to the PTSS report. The initial review outcome is that it is technically not feasible to separate Light Rail tracks from roads/footpaths for five junctions, while further studies are required to ascertain the feasibility for the remaining six junctions. In any event, the Government will carry out an in-depth technical feasibility study to examine whether the technical constraints can be overcome, so as to confirm how many of the 11 busy junctions can undergo grade segregation works. The Transport and Housing Bureau will strive for resources to commence the detailed technical feasibility study in 2018. It is expected that the study will take about two years' time. Topics under this in-depth technical feasibility study are quite complicated and the major issues to be addressed include –

(i) the specific benefits of the grade segregation works in terms of Light Rail operation and overall traffic situation;

(ii) how to conduct the grade segregation works without affecting the existing roads as well as structures of nearby buildings and other facilities; and

(iii) the road closure arrangements during the works period and the impacts on the traffic in the vicinities of the junctions.

It must be pointed out that whether or not grade segregation works are feasible is not just a technical issue, but it also involves the demolition of existing structures and building of new structures. Therefore, even if grade segregation is confirmed to be feasible at individual junctions upon completion of the study, the Government would still have to conduct detailed planning for the implementation of the works. Also, the works will need to be undertaken in phases and confined to limited area each time. As such, the projects may take a long time, possibly five to ten years or even longer from planning to completion, and the cost would be high. At the same time, as alteration is required to the structures of existing roads and tracks, there may be temporary diversion or even partial suspension of Light Rail service during the construction. Roads may also need to be diverted.

If grade segregation is feasible at all or some of these 11 busy junctions eventually, the travelling time of the concerned Light Rail routes can be shortened, enabling the headway to be increased. When the grade segregation works are confirmed to be feasible, the Government will discuss with the MTRCL ways to increase the frequency of the Light Rail service, including deploying more coupled-set LRVs to serve the routes.

Personalised and point-to-point services

The Government is open-minded about the application of different types of technologies, including the use of Internet or mobile applications for calling hire cars. In fact, smart mobility forms part of the Government's smart city development strategy spearheaded by the Innovation and Technology Bureau.

However, hire car services adopting new technologies or platforms must be in compliance with our "Hire for Reward" policy and the relevant law and regulations. This is to protect the interest and safety of passengers, ensure an effective use of our roads, and preserve the efficiency, reliability and long-term healthy development of our existing public transport service system is currently used by over 90% of the commuters. If hire-for-reward passenger services are not regulated, they can be freely expanded, in effect encouraging illegal passenger services.

On the premise that the provision of any passenger services must be lawful, we agree that the new demand in the community for personalised and point-to-point public transport services of higher quality and fare should be well-addressed. To this end, the Government has conducted a comprehensive review on the personalised and point-to-point transport services (including taxis and hire car services) under the PTSS over the past two years and recommended the introduction of new "franchised taxis".

Franchised taxis will be a type of public transport service operated through a franchise model. Areas such as the number, service, fares as well as drivers' quality of franchised taxis will be regulated by the Government. The cap on the number of franchised taxis will be stipulated in the law. The present proposal on the cap (i.e. 600 vehicles) is decided after balancing various considerations (such as service demand, impact on road traffic as well as long-term development of various public transport services). Any change to the cap in future must take into account factors such as supply and demand of franchised taxis, the overall balance between public transport services as well as road traffic. We propose that the cap will be subject to legislative scrutiny.

Franchised taxis will be operated under fleet management. This will help address the current difficulty in managing centrally the service quality of ordinary taxis due to scattered ownership. The fares of franchised taxis will be charged according to meters providing transparency to passengers. Franchise terms will clearly prescribe the service level and set service standards in respect of vehicle

types, compartment facilities, limit on vehicle age, arrangement of mobile hailing applications (the so-called "online hailing"), service quality of drivers, etc. If an operator fails to meet the service level or standards prescribed under the franchise, the Government will be able to impose penalties through franchise terms or even revoke the franchise. Meanwhile, the franchise terms would be reviewed and amended having regard to prevailing circumstances when new franchises are to be granted.

In the light of the rising popularity of "online hailing" service in the personalised and point-to-point transport service market globally, our proposed franchised taxis will have the "online hailing" features. Not only can franchised taxis be hailed on street, passengers can hail franchised taxis through mobile phone applications. The mobile phone applications will not be allowed to require passengers to provide their destinations unless the passengers opt to do so on their own volition. The operators will be required to dispatch taxis according to passengers' locations. Refusal of hire will not be allowed. Moreover, all franchised taxis will be equipped with Global Positioning System ("GPS") devices. The route and fare of the journey can be provided to the passengers through the mobile phone applications. The real-time operating data of each franchised taxi, including hires for services, charges, routes and drivers' information, will be recorded by the GPS devices for the Government's inspection. Passengers can pay by cash or make electronic payment. They can lodge complaints or provide comment through 24-hour customer service hotlines and electronic channels (e.g. email, online comment form or mobile phone applications). Operators will be required to handle the passengers' complaints or respond to their opinions within a reasonable period under the franchise.

In comparison with the existing illegal online hire car service, the service of franchised taxis will be regulated by the Government. This will provide better protection to passengers, ensure the service quality as well as provide transparency on the fares. To the general public, since the number of franchised taxis is capped, the impact on the road traffic would be limited. From the transport policy perspective, franchised taxis can provide an additional choice for passengers and facilitate the further planning and development of the public transport system in an orderly manner.

In view of the above considerations, the general support from the community on the introduction of the franchised taxis as well as the result of the consultation with the LegCo Panel on Transport, the Government proposed that a bill should be prepared for early implementation on the basis of the current proposal on franchised taxis. We will decide whether to explore other new services (such as regulated online hailing services) depending on the outcome of the scrutiny of the proposal on franchised taxis by the LegCo.

As regards relaxing the restriction on the maximum seating capacity of hire cars, it is stipulated in Schedule 3 to the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap 374A, Laws of Hong Kong) that the maximum passenger seating capacity of a private car, regardless of its purpose

(including for hire or for own use), is seven. Under section 52(3) of the Road Traffic Ordinance (Cap 374) and section 14 of the Road Traffic (Public Service Vehicles) Regulations (Cap 374D), any person who would like to use a private car for the carriage of passengers for hire or reward should apply for a hire car permit. Anyone who would like to use other types of vehicles for the carriage of passengers for reward should make reference to the laws and apply for the permit as appropriate for the particular type and purpose of vehicle. Anyone who would like to carry more passengers may consider using a non-franchised bus with tour service (A01) endorsement. The minimum passenger seating capacity for such vehicle type is 17.

Road safety

The Government has formulated a long-term objective and strategy on road safety. To ensure that Hong Kong remains one of the world's safest cities for road users and to raise the road safety awareness within the community, through the Road Safety Council, the Government has set since 2013 the first Road Safety Vision in Hong Kong - "Zero Accidents on the Road, Hong Kong's Goal" - with a view to raising public awareness for road safety improvement and gaining their support to move towards this vision.

To achieve this vision, the Government has spared no effort to promote and enhance road safety with its three-pronged strategy under which the safety of road users is protected via legislative amendment and enhanced enforcement, improvement to road facilities, as well as launching of publicity and educational activities.

On road planning, the TD has compiled the "Transport Planning and Design Manual" which gives road safety top priority and provides guidelines on the planning and design of roads and traffic and transport facilities. Also, the TD will keep abreast of the latest overseas standards, knowledge and experience in relation to traffic and transport planning and design, and update the contents of the Manual or include new standards and rules from time to time.

Alleviating traffic congestion

As for Members' concern about the problems of traffic congestion and excessive number of vehicles, the TAC recommended 12 short-, medium- and long-term measures in its Report on Study of Road Traffic Congestion in Hong Kong in December 2014 to tackle traffic congestion. The Government is taking forward the above measures progressively, including studying measures to contain the growth of private cars. Also, it will soon commence a consultancy study on the parking for commercial vehicles to formulate appropriate measures to meet the parking demand of commercial vehicles.

The Government is studying proposals relating to the application of information technology (including CCTV cameras) for the monitoring and prosecution of traffic contraventions (such as illegal parking, illegal picking up/setting down of passengers and loading/unloading of goods). The study includes examining the legal and technical feasibilities of installing such systems for prosecution purposes, and the additional resources required for installing and operating such systems, etc. The objectives are to make use of new technologies to assist frontline officers in taking enforcement actions against traffic contraventions and in enhancing the efficiency of back-end support processes. Where necessary, the Government will propose legislative amendments to support such enforcement work.

Cycling policy

The Government endeavours to foster a "bicycle-friendly" environment in new towns and new development areas. As the traffic density in these areas is generally lower, we can reserve space for the provision of cycle tracks during the planning stage. These areas are thus more suitable for the public to ride bicycles for short-distance travel, leisure and recreational purposes. The Government will continue to improve ancillary facilities to facilitate the public using bicycles for "first mile" and "last mile" short-distance connection between public transport stations and destinations.

In comparison, the traffic in urban areas of Hong Kong is generally very heavy, with narrow and crowded roads. There are numerous bus and minibus routes serving the urban areas. On-street loading and unloading activities are also frequent, with many vehicles passing by and needing to stop temporarily. Owing to road safety considerations, the Government has all along been adopting a prudent approach and does not encourage the public to use bicycles as a mode of transport in urban areas. Therefore, the Government currently has no plan to set up a "Bicycle City Planning Unit".

The TD has completed a study on the improvement of the cycle tracks and cycling facilities in nine new towns, namely Shatin/Ma On Shan, Tai Po, Sheung Shui/Fanling, Yuen Long, Tin Shui Wai, Tuen Mun, Tsuen Wan, Tung Chung and Tseung Kwan O. A list of about 900 potential improvement sites has been drawn up. The first batch of improvement works involving about 100 sites started in phases in 2016. It is expected that the works will be completed progressively by 2018. As for the remaining improvement sites, since they involve comparatively large-scale or complicated construction activities, the TD and the Highways Department are currently formulating the implementation plans for the planning, design, funding application and construction in relation to the relevant works, with the aim of commencing the works as soon as possible.

Regarding the promotion of interchange between cycling and other public transport modes, there are currently about 12 500 bicycle parking spaces near railway stations to facilitate interchanging passengers. The TD will provide more

bicycle parking spaces near railway stations and PTIs as far as practicable. We project that upon completion of all of the aforesaid 900 improvement works, about 7 000 additional bicycle parking spaces will be provided with 1 400 of them located near public transport facilities to facilitate the use of public transport by cyclists.

The PTSS completed by the Government recently aims to review public transport service issues that are of concern to both the trades and the public and thus have been given priority. Although the Government has designated bicycles as a transport means for short-distance travel, such means is comparatively personalised in terms of operation mode and does not fall within the scope of public transport. Therefore, bicycles were not included under the PTSS.

Improving air pollution and promoting electric vehicles ("EVs")

The Hong Kong Special Administrative Region Government has adopted a set of Air Quality Objectives ("AQOs")[1] which is benchmarked against the concentration of air pollutants. The existing AQOs specified under the Air Pollution Control Ordinance (Cap 311) have come into effect since 1 January 2014. Such AQOs were drawn up by making reference to the World Health Organization's Air Quality Guidelines and are applicable to both ambient air quality and roadside air quality. The Government published "A Clean Air Plan for Hong Kong"[2] in 2013 to set out a series of air quality improvement strategies and measures with a view to broadly attaining the AQOs by 2020.

It is a challenging task to ensure that the roadside air quality in Hong Kong is in compliance with the AQO for nitrogen dioxide. A number of control measures have been introduced by the Government in recent years, including launching an incentive-cum-regulatory scheme to progressively phase out some 82 000 pre-Euro IV diesel commercial vehicles by the end of 2019, strengthening control of emissions from petrol and liquefied petroleum gas vehicles, retrofitting franchised buses with emission control device to upgrade their emission performance, and progressively tightening the emission standards of newly registered vehicles.

As regards promoting the use of EVs as replacements of their conventional counterparts, relevant measures include offering the first registration tax concession for EVs, subsidising the franchised bus companies to test out hybrid and electric buses, setting up a Pilot Green Transport Fund to encourage the transport sector to test out electric commercial vehicles, etc. Nevertheless, the Government considers it inappropriate to set any targets for a particular type of vehicles since the public will consider a wide range of factors in deciding whether or not electric or hybrid private cars will be used. These factors include the

[1] For details of the AQOs, please refer to the follow webpage: http://www.epd.gov.hk/epd/english/environmentinhk/air/air_quality_objectives/air_quality_objectives.html

[2] For the full text of "A Clean Air Plan for Hong Kong", please refer to the follow webpage: http://www.enb.gov.hk/en/files/New_Air_Plan_en.pdf

technology development of such vehicles (such as vehicle performance, durability), maintenance and repair requirements, daily operation requirements, vehicle price, availability of suitable models in the market, etc.

The measures for reducing vehicle emissions have been effective. From 2012 to 2016, the roadside concentrations of respirable suspended particulates, fine suspended particulates, nitrogen dioxide and sulphur dioxide have reduced significantly by 28%, 28%, 31% and 30% respectively.

Every year, the Environmental Protection Department ("EPD") holds a press conference to elaborate on Hong Kong's air quality and the progress of its air quality improvement measures. It also publishes an emission inventory and an annual report on air quality in Hong Kong. Recently, the EPD reported the progress of the roadside air quality improvement to the Panel on Environmental Affairs in May 2017, and published the "Clean Air Plan for Hong Kong (2013-2017 Progress Report)"[3] in June 2017 to set out the progress made in the implementation of the measures (including measures for improving roadside air quality) mentioned in the plan. The EPD will report matters relating to roadside air quality improvement to the Panel on Environmental Affairs again in a timely manner.

Yours sincerely,
[signed]
(Peggy NG)
for Secretary for Transport and Housing

[3] For the "Clean Air Plan for Hong Kong (2013-2017 Progress Report)", please refer to the following webpage: <http://www.enb.gov.hk/sites/default/files/CleanAirPlanUpdateEng_W3C.pdf>