

(Translation)

(Letterhead of Universal Taxi Limited)

To: Legco Panel on Transport,
Legislative Council
Hong Kong SAR,
People's Republic of China.

31 October, 1998

Dear Sir,

In view of the deteriorating air quality in Hong Kong, especially the intolerable standard in certain busy districts, the Government proposes to implement a scheme which would convert diesel taxis into LPG ones. This would reduce the amount of respirable suspended particulates produced in the air in the process of diesel-burning. The Government has launched a pilot scheme last year to study the feasibility of implementing LPG taxis in Hong Kong. After operating the pilot scheme for a year, the Administration is of the opinion that it is feasible to propose a full-scale conversion of diesel taxis into LPG ones. The move is in fact in line with the latest trend of environmental protection. As taxi operators, we support the cause of improving the air quality. However, the business of the taxi trade is having a hard time especially when Hong Kong is suffering from a major economic downturn. So we have to face a lot of problems such as a substantial decrease in turnover, a sharp rise in interest rate, etc. It's really a hard time. According to the information collected from drivers who have participated in the pilot scheme, the fuel costs of LPG taxis is approximately 10-20% higher than diesel ones. As for maintenance, the safety requirements for LPG vehicles workshops are much more stringent than diesel ones, e.g. the ventilation system, fire fighting equipment, instruments and technicians. All these items are different from those for diesel vehicle workshops. A rough estimate would reveal that the maintenance costs for LPG taxis will be 40% higher. Therefore, we strongly urge the Government to provide assistance to us for a smooth transition to an era with cleaner air.

Now, we would like to present the following proposals to the Government for consideration:

- 1) The LPG used by taxis should be priced between \$2.5 and \$3 per litre.
- 2) Suitable sites should be provided by the Government for establishing maintenance workshops so as to reduce the costs borne by maintenance service operators.
- 3) The First Registration Tax of LPG taxis as well as their annual licence fees

for the first two years should be exempted.

- 4) The Government should provide interest-free loans to owners for the purpose of purchasing LPG taxis if necessary; and the repayment period should be extended to say 5 years.

(Signed)

Universal Taxi Ltd