

(Translated Version)

**Lantau Development Advisory Committee
Traffic and Transport Subcommittee
Third Meeting**

Date: 8 January 2015 (Thursday)

Time: 2:30 p.m. to 5:15 p.m.

Venue: Conference Room of Transport Department, Room 4110B, 41st Floor, Immigration Tower, 7 Gloucester Road, Wan Chai, Hong Kong

Gist of Meeting

Members Present

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| Mr Billy LAM | Chairperson of Traffic and Transport Subcommittee (TT SC) |
| Ms CHAU Chuen-heung | Deputy Chairperson of TT SC |
| Hon CHAN Han Pan | |
| Mr CHAN Yung | |
| Mr Ivan CHU Kwok-leung | |
| Mr Allen HA Wing-on | |
| Professor HO Kin-chung | |
| Dr James WANG Jixian | |
| Hon WU Chi-wai | |
| Mr Randy YU Hon-kwan | |
| Mr CHEUNG Tsz-kei | |
| Mr LEE Chi-fung | |
| Dr Ernest LEE | |
| Mrs Ingrid YEUNG | Commissioner for Transport, Transport Department (TD) |
| Miss Cindy LAW | Deputy Commissioner/Transport Services and Management, TD |
| Mr TO Kam-biu, David | Deputy Commissioner/Planning and Technical Services, TD |
| Mr CHAN Chi-ming | Deputy Secretary(Works)2, Development Bureau (DEVB) |

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| Miss Janet WONG | Principal Assistant Secretary(Special Duties)Works, DEVB |
| Mr Bosco CHAN | Deputy Project Manager (Hong Kong and Islands), Civil Engineering and Development Department (CEDD) |
| Mr Robert CHAN | Chief Engineer/Railway Development 22, Highways Department (HyD) |
| Mr Anthony LI | District Officer(Islands), Home Affairs Department (HAD) |
| Ms. Amy CHEUNG Yi-mei, | Assistant Director of Planning/Territorial, Planning Department (PlanD) |
| Mr Jeffrey CHIM | Senior Administrative Officer (Tourism)2, Commerce and Economic Development Bureau (CEDB) |
| Mr Gary WONG Chi-fai | Chief Executive Officer (Policy and Development), DEVB Secretary of TT SC |

Members Absent with Apologies

Mr Andy LO Kwong-shing

Mr WONG Siu-keung

In Attendance

Dr FANG Zhou

Mr Franklin LAM Fan-keung

Mr Albert YAU
General Manager, Terminal 2 & Landside, Airport Authority Hong Kong (AAHK)

Mr Kevin CHEUNG
Researcher, Hong Kong Golden 50

Mr Ekmanson POON
Marketing and Branding Manager of Asia World-Expo

Miss Bonnie MAN
Assistant District Officer (Islands)2, HAD

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| Ms Irene HO | Assistant Commissioner/New Territories, TD |
| Mr. Chris YY CHAN | Assistant Commissioner/Planning, TD |
| Mr Honson YUEN | Chief Transport Officer/New Territories South West, TD |
| Mr. Vincent FAN | Chief Transport Officer/Bus and Railway 4, TD |
| Mr. Dannis LEUNG | Chief Transport Officer/ Planning/Taxi, TD |
| Mr. Alfred LAM | Chief Engineer/Transport Planning, TD |
| Mr. Michael NG | Principle Transport Officer/Management, TD |
| Mr Joe YIP | Assistant Secretary (Land Supply)1, DEVB |
| Miss Erica WONG | Senior Executive Officer (Lantau), DEVB |
| Mr Nick LI | Project Coordinator, DEVB |
| Mr Wilson MA Hon-wing | Senior Engineer/Project Management (Islands Division), CEDD |
| Mr Stephen WONG | Senior Planning Coordinator, PlanD |

1. The Chairperson welcomed all Members, co-opted Members and government representatives to the third meeting of the TT SC.

Agenda item 1: Confirmation of the Gist of the Last Meeting

2. The Chairperson said that the Secretariat had distributed the gist of the last meeting to Members for their perusal prior to the meeting and that no suggestions on revision had been received. The TT SC confirmed the proposed gist of the second meeting.

Agenda item 2: Matters Arising

Existing Lantau Public Transport Arrangements and Traffic and Transport Facilities Working Group (Paragraph 4 of the meeting minutes)

3. The Chairperson said that the Working Group would report work progress in AOB.

Agenda item 3: Views on the Application of Green Transport in Lantau

(TT SC Paper No. 01/2015)

4. Mr. FAN Yung-kuen, Vincent, Chief Transport Officer/Bus & Railway 4 and Mr. Dannis LEUNG, Chief Transport Officer/Planning/Taxi, TD, briefed Members on government's work on the promotion of the use of environment-friendly vehicles by franchised bus operators and the taxi industry, including franchised buses and taxis offering transport services in Lantau.
5. Members' comments were summarised as follows:
 - 5.1 In addition to the application of green transport, assessment should be conducted on the highest traffic flow in Lantau, to avoid excessive vehicles entering the area causing air pollution.
 - 5.2 An environment-friendly taxi pilot scheme should be implemented in Lantau to introduce electric and hybrid taxis so as to determine which type of taxis was suitable for use in Lantau with numerous mountain slopes. In addition, the authority was advised to consider setting up a low emission zone in Lantau, especially near the country park, to allow only the vehicles meeting the environment-friendly requirements to such areas.
 - 5.3 TD could regulate traffic lights at Lantau's main pathways by setting appropriate traffic light switching time intervals to reduce unnecessary road and traffic congestions that might cause air pollution.
6. The TT SC noted the contents of the paper.

Agenda item 4: Suggestion to Open the SkyPier for Other Purposes

(TT SC Paper No. 02/2015)

7. Mr. Albert Yau, General Manager, Terminal 2 and Landside, AAHK, outlined the current operations of the SkyPier in Lantau. Located in the restricted area of Hong Kong International Airport, the SkyPier was a facility owned and managed by the Airport Authority. The main purpose of the terminal was to provide transit passengers with express ferry services for air-sea transport between Hong Kong and the Pearl River Delta (PRD) region. Currently, the terminal operated around 90 sailings each day and handles an annual passenger throughput of approximately 3 million. The SkyPier did not have customs, immigration and quarantine facilities,

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and so it was not open to non-transit passengers.

8. Members' comments and discussions were summarised as follows:
 - 8.1 The SkyPier terminal should be relocated to the Hong Kong Boundary Crossing Facilities (HKBCF). A Member said that discussions had been previously held with relevant authorities with regard to the opening up of the SkyPier, and the preliminary response was as follows: the existing terminal had no sufficient space for clearance facilities. In addition, the current two cross-border ferry terminals, namely Hong Kong-Macau Ferry Terminal and China Ferry Terminal, still had sufficient capacity to meet the expected cross-border ferry service needs in the foreseeable future, and so the government had no plans to open up the third cross-border ferry terminal; moreover, land transport between Hong Kong and the west of PRD would become more convenient with the opening of the Hong Kong-Zhuhai-Macao Bridge (HZMB). Therefore, there was no need to offer cross-border ferry services between the Hong Kong boundary and Macau and the same places in the western part of the PRD.
 - 8.2 However, the Member said that a macro perspective on the use of the SkyPier should be taken. The future HKBCF would have adequate clearance facilities. If the SkyPier terminal was relocated to the HKBCF, such facilities could be shared to make up for the shortage of space at the existing pier. In addition, commercial buildings on the HKBCF and the commercial developments in North Commercial District (NCD) of the airport would provide more than 10 million square feet of commercial floor space, which was big enough to make one of the largest business districts in Hong Kong. This would create a strong need for opening up the pier to offer cross-border ferry services between Hong Kong and Macau and the western part of the PRD. When opened to traffic, the terminal would be able to handle passenger traffic to and from other inland cities, such as Jiangmen, Shunde, Nansha, Humen and Shekou. By that time, passengers could use the transit facility on the HKBCF either to take flights at the airport or to visit other commercial districts in Hong Kong or the nearby tourist attractions after going through customs.
 - 8.3 The TD should carry out a pilot scheme allowing organisations to operate one or two sailings by using the SkyPier for trial during holidays, and to review the scheme for the development of a long-term solution.

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- 8.4 The HZMB was mainly connected to the western cities in the PRD, while the terminal was sufficiently attractive to visitors wishing to travel to Hong Kong from the east of the Pearl River. The Member disagreed with the view that the existing two cross-boundary ferry terminals were sufficient to satisfy the projected demand for cross-border ferry service, because passengers from different areas had to be diverted to achieve customer-oriented goals. In addition, diversion of passenger traffic to Lantau would not only create economic value, but also boost the economy of the entire New Territories West region.
- 8.5 A Member inquired whether the SkyPier terminal currently still had capacity to handle more passengers, cargoes and ferry traffic. Mr. Albert Yau, General Manager, Terminal 2 and Landside, Airport Authority Hong Kong, replied that the SkyPier was developed mainly based on the operator's business performance. According to their understanding of the operator, the operator was optimistic about the development and was also willing to increase the number of sailings, but the Airport Authority realised after assessing the pier's facilities that the pier and the terminal building did not have sufficient space for more sailings. In terms of freight transport, the sea terminal next to the pier was used to handle sea cargoes.
- 8.6 Members noted that the Environmental Impact Assessment (EIA) report had limited the number of sailings. The maximum number of daily sailings, currently set at 92, had to be reduced. Therefore, Members agreed that relocation of the SkyPier to the Hong Kong boundary could share customs facilities, through which visitors would be permitted to enter or leave Hong Kong. The relocation could also free up land for more valuable developments.
- 8.7 Given the high number of job vacancies at the airport for a long time, the authorities should consider hiring workers from outside Hong Kong to work in the restricted airport area and allowing them to commute within a day without going through the complex procedure of applying to work in Hong Kong. Although labour shortage at the grass root level was initially and generally believed to be attributed to the inadequate transport facilities, the causes should be found out to provide a suitable solution.
- 8.8 The authorities concerned could provide information and data on the planning concept for the North Commercial District (NCD) of the airport; as to whether to open up the pier to offer cross-boundary ferry terminal service, a Member

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suggested that the previous experience of Tuen Mun Ferry Pier should be referred to identify why the project was not sustainable.

- 8.9 Mr. CHAN Chi-ming, Deputy Secretary (Works)², DEVB, said that the government was looking for funding to conduct a consultancy study on the use of commercial land on the HKBCF, and had discussed with the Transport and Housing Bureau and the Airport Authority the feasibility of relocating the SkyPier terminal. As there were still many uncertain factors, such as whether to move the rail link, the possibility of infrastructure investment, and the future crowd situation after the opening of the Hong Kong-Zhuhai-Macao Bridge and Tuen Mun-Chek Lap Kok Link, it was necessary to conduct a detailed study to determine the solution after more information and data were available. In addition, with regard to the issues relating to the employment of workers, the Labour and Welfare Bureau would attend the next meeting of the Economic and Social Development Subcommittee, which could provide more data and statistics to analyze the problem.
- 8.10 In fact, unemployment in Tung Chung was not very serious. Statistics show that around 11% of the employees at the AAHK or about 8,000 employees were residents in Tung Chung, not including those working for AsiaWorld Expo and other large organizations on the island. As there were adequate employment opportunities, it was not difficult for grass root workers to find jobs on the island. For the future Tung Chung New Town Extension project, supporting facilities such as transport, housing, education, and health facilities should be included for residents to live and work happily in addition to increasing the population.
- 8.11 Members agreed to relocate and open up the SkyPier and set up a cross-boundary ferry terminal. The SkyPier would face a very strong need, because currently the traffic in many cities on the western side of the Pearl River was heavily congested and the transit at Hong Kong-Zhuhai-Macao Bridge might not be more convenient than sea transport for passengers. Furthermore, the SkyPier did not operate during the early night time and early morning. Its operating hours should be extended for the terminal to be more utilized. Railways should also be used instead of conveyor belts to link the facility with the airport.
- 8.12 The preliminary estimate was based on the assumption that approximately 3 million people or a daily average of around 8,000 passengers used the SkyPier each year; however, the Transport Department estimated that the bridge would

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handle around 14,000 vehicles per day. Assuming each vehicle would carry two passengers (including the driver) in average, some 28,000 people would use the port facility; plus the traffic from the SkyPier, only around 36,000 passengers would use the clearance facility in the HKBCF building each day, and so the building could provide sufficient space.

- 8.13 A rail station should be set up on the sea passage between the Airport Island and the HKBCF, at a distance of only about 400 meters from each side. This design should be able to facilitate passengers on both sides and reduce the construction cost.
- 9 After discussions, the TT SC noted the limit on the number of sailings, but requested that relevant authorities should relocate and open up the SkyPier and set up a cross-boundary ferry terminal. In coordinating the consultant study, the DEVB should arrange for the consultants to exchange views with the TT SC Members in due course.

Agenda item 5: Suggestion to Abolish the Toll for the Lantau Link

(TT SC Paper No. 03/2015)

- 10 Mr. LAM Chiu-yu, Alfred, Chief Engineer/Transport Planning, TD, briefed Members on the background of toll collection for the Lantau Link, analysed the toll, and the proposal of toll free for the future Tuen Mun-Chek Lap Kok Link.
11. Members' comments and discussions were summarized as follows:
- 11.1 Members disagreed "whether the exemption from toll fee affects the willingness to drive to and from Lantau is really doubtful" described in Paragraph 7 and the "user pays" principle stated in Paragraph 8. Members considered that the toll fee would affect the willingness to drive to and from Lantau. If the "user pays" principle applied, the people of Hong Kong might disagree with the government's proposals of implementing other infrastructure projects involving a large scale and extremely high construction costs. The government should launch a pilot scheme and then develop a long-term solution based on the effectiveness of the pilot scheme.
- 11.2 The general public expected the toll for the Lantau Link to be abolished. To maintain the toll charge, a toll plaza would be required on the Lantau Link (Lantau Island bound) when other roads connecting to Lantau were completed.

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Apart from the expensive toll collection system, vehicles slowing down and stopping to pay toll fees might create congestions. In addition, the “user pays” principle seemed to be selective, as some of our existing roads or tunnels were toll-free, such as Cheung Tsing Tunnel and Stonecutters Bridge. Collecting toll fees in Lantau would run counter to the principles of developing and improving Lantau.

- 11.3 One should understand the feelings of Tung Chung residents who had to pay more for either transporting goods to Lantau or buying food within the region than those in other regions. One of the causes was the toll fee for the bridge, and so the fee might indirectly affect people's livelihood. It was the government's policy to develop Lantau, and its policy objective would be hard to achieve if we failed to address the basic livelihood issue when relocating hundreds of thousands of people there.
- 11.4 To implement the “user pays” principle, other options could also be considered. Taking the Shanghai Pudong Tunnel project for example, the project abolished the tunnel toll in the earlier stage and collected fees on the vehicle license plates, which indirectly recovered part of the construction cost. The Transport Department should explore other feasible solutions.
- 11.5 Members did not agree to calculate the Lantau Link toll according to the “user pays” principle. The Lantau Link toll had actually subsidised motorists driving from Tuen Mun via Ting Kau Bridge. As the bridge was previously included in the Tsing Ma Control Area, the “user pays” model was unfair at present. Members reiterated that they agreed to abolish the toll for the Lantau Link.
- 11.6 Mrs. Ingrid YEUNG, Commissioner for Transport, said that the “user pays” principle was a financial policy rather than a transport policy. If technically feasible, by setting up toll booths for example, the government would generally follow the “user pays” principle to collect fees. She would present the opinions of Members to the Financial Services and the Treasury Bureau. Meanwhile, the government would also use tolls as a financial means to regulate traffic flow on Hong Kong's roads, bridges or tunnels. Although currently there was no need to take financial measures to control traffic on the Lantau Link, she did not want to set aside such measures that could effectively control the flow of traffic. As regards the proposal to abolish the Lantau Link toll pertaining to the financial principle and other innovative approaches to recover costs, as well as the new

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toll collection facilities that might slow traffic, she said a toll collection system based on the latest technologies might help reduce the paying time. On the other hand, she said that the high cost of shipping to Lantau was due to the long journey and expensive fuel, while the toll fee for the Lantau Link would only account for a relatively small portion of the cost.

- 11.7 Development in Lantau might bring in more people, and Siu Ho Wan and Sunny Bay reclamation projects for commercial development might attract more vehicles to and from Lantau. Members did not agree to reduce traffic flowing into and out of Lantau using financial means to avoid contradicting the principle of developing Lantau.
12. The TT SC requested the TD to handle Members' opinions as soon as possible and consult the meeting to follow up when necessary.

Agenda item 6: Lantau Taxi Service

(TT SC Paper No. 4/2015)

13. Mr. Dannis LEUNG, Chief Transport Officer/Planning/Taxi, TD, briefed Members on the taxi service arrangements and situations in Lantau.
14. Members' comments and discussions were summarized as follows:
 - 14.1 There was a serious lack of intra-regional taxis in Lantau, especially during holidays. This would greatly hinder economic development. It was hoped that government departments would not repeat the old rhetoric that they would continue to monitor the situation, review the overall service level of public transport, and heed opinions, because the voice of people was quite clear, i.e., to increase the number of Lantau taxi licenses.
 - 14.2 It was recommended that during holidays, a pilot scheme should be implemented to introduce special taxi licenses and bring in taxis from outside Lantau. However, a Member added that taxi owners in Lantau opposed the introduction of taxis from outside the region to operate in Lantau and they would rather opt to increase the number of taxi licenses to solve the problem. The Government should take this opportunity to offer more electric taxi licenses in order to reduce air pollution.

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- 14.3 Members agreed that 30 new Lantau taxi licenses could be issued, as the growing number of facilities and tourists in recent years had often caused Tai O residents to lose access to taxi service.
- 14.4 Members supported the grant of more taxi licenses and the introduction of environment-friendly vehicles, but careful discussions with the taxi industry should be conducted so as not to cause them to backfire.
- 14.5 In reviewing the overall transport policy, the government should review the taxi license issue and decide whether to permit the buying and selling of taxi licenses as a commodity, leading to a high licence price.
- 14.6 The number of Lantau taxi licenses had not changed for more than 10 years. To support the current and future development of Lantau, Members hoped that the department would conduct a follow-up study on increasing the number of Lantau taxi licenses as soon as possible.
- 15. The TT SC noted the contents of the paper and hoped the department would follow up on Members' suggestions.

Agenda item 7: Any Other Business

Work Progress of the Working Group under the TT SC of the Lantau Development Advisory Committee (LanDAC)

- 16. The working group under the TT SC of the LanDAC reported their work progress. Members' comments and discussions were summarized as follows:
 - 16.1 The working group focused on discussing the existing public transport services and suggestions for Lantau. On 4 December last year, the working group held the first meeting, which mainly discussed and recommended optimizing the franchised bus service to and from the airport, so as to bring conveniences to staff working at the airport. The working group generally agreed on locations/routes where passengers had steady demand for franchised bus service. In addition, as many employees working at the Airport Island lived in the northwest New Territories, it was recommended that the TD continue to encourage franchised bus companies to offer more interchange discounts. The working group noted that the TD had implemented a number of route

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restructuring proposals, including dividing the E34 route into E34A and E34B to serve Tin Shui Wai and Yuen Long Town respectively; dividing S64 into S64X (to and fro Yat Tung Estate and the Airport Passenger Terminal) and S64C (to and fro Yat Tung Estate and the Airport Cargo/Catering Area).

- 16.2 Members suggested carrying out a survey on the use of public means of transportation by employees working at the Airport Island to enhance understanding about the needs of Lantau residents to commute via public transportation, so as to improve public transport services and thus attract residents to work on the island. It was suggested that the AAHK join the TD and other organisations in coordinating the survey to understand the mode of public transport and the need for public transport to commute within Lantau among local residents, and then discuss with the bus companies to improve the service.
- 16.3 The working group circulated the review and improvement suggestions regarding public transport on the Airport Island made by Members. The TT SC recommended that the working group continue to explore the survey model and advise appropriate agencies to make a similar survey.
17. It was advised that the items and suggestions relating to traffic and transport in Lantau that the TT SC had discussed be compiled for Members' reference.
18. There being no other business, the meeting was adjourned at 5:15 p.m.