

# TAC discusses fare increase applications from CTB and NWFB and proposal on tunnel traffic rationalisation

The following is issued on behalf of the Transport Advisory Committee:

The Transport Advisory Committee (TAC) discussed today (October 30) the applications for fare increases from the Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) (CTB(F1)) and New World First Bus Services Limited (NWFB), as well as the Government's toll adjustment proposal for the three road harbour crossings (RHCs).

The TAC Chairman, Professor Stephen Cheung, said that in deliberating on the applications from CTB(F1) and NWFB, the TAC had considered and balanced a basket of factors under the Fare Adjustment Arrangement for franchised buses (FAA). These factors include public acceptability and affordability, service performance of the bus companies and the past and forecast financial performance of the companies, as well as a supportable fare increase rate computed through a formula making reference to changes in the Composite Consumer Price Index and the wage index. The TAC was also briefed on the outcome of the review of the FAA.

Professor Cheung said, "Similar to other fare increase applications, the TAC will submit its recommendation to the Government for consideration by the Executive Council."

In addition, Members of the TAC discussed the toll adjustment proposal proposed by the Government for the rationalisation of traffic distribution among the three RHCs, namely the Cross-Harbour Tunnel (CHT), Eastern Harbour Crossing (EHC) and Western Harbour Crossing (WHC). According to the proposal, tolls for private cars, taxis and motorcycles using the CHT and EHC will be increased, while the corresponding tolls for using the WHC will be lowered. The Government and the WHC franchisee have agreed in principle to a proposed WHC Toll Compensation Scheme.

Professor Cheung said, "Members noted that the Government used a transport numerical model with sound scientific basis and a large amount of data analysed to project traffic volumes under various toll scenarios, before proposing the toll adjustments for rationalising traffic distribution among the three RHCs. Members welcomed the proposed toll levels, which are expected to shorten the total peak-hour traffic queue lengths at the CHT and EHC by 10 per cent to over 40 per cent and reduce by as much as 13 minutes the tunnel travelling time for certain cross-harbour vehicles. By effectively alleviating cross-harbour traffic congestion and reducing the impact on non-cross-harbour traffic and many public transport passengers, the proposal is expected to generate about \$800 million of social cost savings per year and

reduce emission from vehicles, for the overall benefit of society.

"The Government briefed Members in detail on the projected traffic volume under other toll adjustment suggestions raised by the community, such as reducing the magnitude of toll increases for private cars using the CHT and EHC. Members agreed that these suggestions would not be practicable from a traffic management perspective because they could result in traffic congestion at the EHC worse than not making any toll adjustments at all, or lengthen traffic queues at the WHC to an extent that could obstruct non-cross-harbour traffic."