20 July 2012

Professor Anthony Cheung Bing-leung, GBS, JP Secretary for Transport and Housing Transport and Housing Bureau 22/F, East Wing, Central Government Offices 2 Tim Mei Avenue, Tamar Hong Kong

Dear Anthony,

"<u>Our Future Railway</u>" Stage 1 Public Engagement Exercise for the Review and <u>Update of the Railway Development Strategy 2000</u>

The Chamber welcomes the Government's initiative to review and update the Railway Development Strategy 2000 with the objective of formulating a long-term railway development blueprint to meet the growing needs of the society. We support the continued efforts of the Government in developing electrical railways as part of the mass transportation solution to deal with population growth.

2. While the Chamber agrees in general that a comprehensive railway system connecting key regional areas of Hong Kong and the nearby cities will enhance the city's competitiveness in terms of connectivity, accessibility, free movement of talent, products and services, and exchange of knowledge, some of our members have misgivings that the viability and worthiness of the three proposed regional railway corridors, namely the Hong Kong-Shenzhen Western Express Line ("WEL"), the Northern Link ("NOL") and the Tuen Mun to Tsuen Wan Link ("TMTWL") have not been demonstrated in Stage 1 of the Public Engagement Exercise. We look forward to receiving more substantive information in Stage 2 of the Public Engagement Exercise.

- 3. In particular, our members have expressed the following queries: -
- (a.) It seems that the current consultation does not contain any information on the forecast cost or the economic return of each of the proposed railway corridors. It would be useful to have a comprehensive cost-benefit analysis for each link, taking into account financial, economic, social and environmental factors such as different fare levels, existing and planned developments, environmental impacts and the degree of crowding on the existing transport system. For the public to make an informed and rational assessment and decision on the proposals, it would be helpful if the Government would provide more information on the expected patronage and likely fare levels for each link, as well as assumptions which have been made in respect of population and employment growth in the areas to be served by each link.

- (b.) The proposed linkage of Hong Kong International Airport and Shenzhen Bao'an International Airport via WEL is believed to enhance Hong Kong's status as the region's transport hub, both facilitating transit passengers across the border and benefiting Hong Kong residents commuting to Shenzhen. The feasibility of the proposed WEL will to a large extent depend on the respective planned roles of Shenzhen Bao'an International Airport and Hong Kong International Airport and their future development, which will determine the volume of cross-boundary airport passenger traffic using WEL. Some members also query that the traffic volume between the two airports may not be sufficient to justify the investment. Meanwhile, due to the environmentally sensitive areas that this link passes through, a detailed environmental impact assessment undertaken in advance of any decision to proceed will be welcomed.
- (c.) The Government is already working on a major road link from Chek Lap Kok to Tuen Mun and the north (via the Tuen Mun Western Bypass) which would appear to duplicate the proposed domestic spur line linking Chek Lap Kok and Tuen Mun West. Nevertheless, some members opine that, for strategic and logistic reasons, a second rail link between the airport and the Tuen Mun area may be desirable.
- (d.) The patronage for the proposed TMTWL may not appear to justify the cost of building this link due to the relatively low population density along the Link. It may also have an adverse visual impact along the coast and draw patronage away from the existing West Rail.
- (e.) Some members opine that NOL will provide immediate relief to the congestion problem of the East Rail by diverting much of the Mainland traffic through the West Rail. On the other hand, some other members consider it premature to assess the viability of NOL, given the fact that the economic feasibility of NOL will to a certain extent hinge on the progress of the new development areas being planned in the northern New Territories.
- (f.) Some members comment that there has been more of a focus on new railway development rather than improving existing railway lines, for example upgrading the existing East Rail to reduce travel time and congestion and improve service quality for users.

4. We look forward to having an opportunity to comment on the proposals again when more substantive information is available in Stage 2.

Yours sincerely,

Shirley Yuen CEO

c.c. Railway Development Office, Highways Department