

**A summary of views gathered
at focus group meetings, District Council forum and
meetings with transport trades**

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**Summary of views on the Pilot Scheme collected from
the urban taxi trade conference (16 December 2015)**

Names of representatives and their respective organisations are in Chinese only and are set out in the Chinese version of the report.

Major views on six basic elements

(1) Charging area

- (i) After the implementation of the Pilot Scheme, even though some of the vehicles would not enter the Central District, traffic congestion would possibly occur in the areas adjoining the charging area, such as Wan Chai.
- (ii) Taxis have not been granted any profit guarantee by the Government. While the Government is now planning to implement the Pilot Scheme in the Central District, it may later launch other schemes in other districts. This will make the taxis' operating environment difficult.

(2) Charging mechanism

- (i) An enquiry was made on whether taxis, after entering the charging area, would be charged once or be charged every time they travel along a street.

(3) Charging period

- (i) No comment had been made.

(4) Charging level

- (i) No comment had been made.

(5) Exemption and concession

- (i) The majority of the representatives requested that exemption be granted to urban taxis. Some indicated that only when taxis were exempted, they would support the Pilot Scheme. Some of the representatives were worried that the taxi business would be affected if taxis were not exempted.
- (ii) If taxis were not exempted, they would stay away from the charging area and avoid entering it to ply for hire.
- (iii) If the Pilot Scheme was implemented and a taxi passed through charging points without paying the charges, then the fines incurred would be borne by taxi owners instead of rentee-drivers. This would incur additional administrative cost to the taxi owners. For example, the taxi owners would have to check with relief-drivers on the costs incurred. In addition, if taxis were not exempted, there could be disputes between passengers and drivers on whether a charging route should be taken.
- (iv) If taxis were exempted while private cars were charged, this would encourage private car owners or users to switch to taxis while boosting the taxi business. That would kill two birds with one stone.

(6) Technology

- (i) No comment had been made.

Major views on three pertinent issues

(1) Privacy concerns

- (i) No comment had been made.

(2) Effectiveness

- (i) No comment had been made.

(3) Complementary measures

- (i) No comment had been made.

Other views

- (i) If the Pilot Scheme was implemented, traffic conditions would be smoother and taxi drivers would be able to do more business.
- (ii) The Pilot Scheme could add to the costs of daily necessities. It was pointed out that the root cause of road traffic congestion should be excessive growth of private cars.
- (iii) Some representatives of the urban taxi trade understood that ERP could help alleviate road traffic congestion, but they considered that the Government should first tackle illegal parking in the Central District and control the growth of private cars while the Pilot Scheme should be implemented after the commissioning of the Central – Wan Chai Bypass.

**Summary of views on the Pilot Scheme collected from the
Hong Kong-Guangdong cross-boundary coach services trade conference
(18 December 2015)**

Names of representatives and their respective organisations are in Chinese only and are set out in the Chinese version of the report.

Major views on six basic elements

(1) Charging area

- (i) The issue of whether Cotton Tree Drive should be included in the charging area has to be handled carefully as it is the essential route used by the residents of the Mid-levels area and many school buses.
- (ii) An enquiry was made on whether there would be a pre-determined boundary for the charging area.

(2) Charging mechanism

- (i) For those vehicles without exemption granted, levying charges on them for entering the charging area on a “charging per pass” basis would be more effective than that on a “charging per day” basis because the latter would encourage motorists to stay in the charging area for longer time and would aggravate road traffic congestion.

(3) Charging period

- (i) No comment had been made.

(4) Charging level

- (i) The issue of whether charging levels should be varied according to the vehicle size or carrying capacity has to be handled carefully

because this approach might run against the mass transport policy promoted by the Transport Department.

(5) Exemption and concession

- (i) Cross-boundary coaches belong to non-franchised buses but serve as public buses, and they have all along been allowed to use bus-only lanes. Under the Government's principle of encouraging the public to make use of mass carriers, cross-boundary coaches should be exempted from ERP charges or should pay reasonable and low charges.
- (ii) If franchised buses are exempted from ERP charges, non-franchised buses (including cross-boundary and local coaches) should also be exempted.

(6) Technology

- (i) No comment had been made.

Major views on the three pertinent issues

(1) Privacy concerns

- (i) No comment had been made.

(2) Effectiveness

- (i) No comment had been made.

(3) Complementary measures

- (i) Clear road markings and signage, and turnaround facilities should be provided at the fringe of the charging area (such as 1km from the charging area) to enable drivers to decide in time on whether to enter the charging area. Such arrangements would be particularly important to tourists and drivers who seldom visit the area.

- (ii) Large car parks and pick-up/drop-off points should be provided in the areas adjoining the charging area so that some of the drivers could park their cars or drop off their passengers outside the charging area and then the passengers could walk into the area.

**Summary of views on the Pilot Scheme collected from
the green minibus operators trade conference (5 January 2016)**

*Names of representatives and the respective organisations are in Chinese only
and are set out in the Chinese version of the report.*

Major views on six basic elements

(1) Charging area

- (i) No comment had been made.

(2) Charging mechanism

- (i) No comment had been made.

(3) Charging period

- (i) No comment had been made.

(4) Charging level

- (i) The implementation of the Pilot Scheme would turn the Central District into a “wealthy people” zone. Unless the charging level would be exceedingly high, it might not serve as a disincentive for the “wealthy people” to drive in the charging area.

(5) Exemption and concession

- (i) Some trade representatives indicated that the public transport modes, including green minibuses, should be granted full exemption if the Government would like to take forward the implementation of the Pilot Scheme.

- (ii) An enquiry was made on the breakdown figures for different types of vehicles going in or out of the Central District and how the granting of exemption to vehicles of schools, government and social welfare organisations would undermine the effectiveness of the Pilot Scheme.

(6) Technology

- (i) No comment had been made.

Major views on three pertinent issues

(1) Privacy concerns

- (i) No comment had been made.

(2) Effectiveness

- (i) No comment had been made.

(3) Complementary measures

- (i) Although the concept of the Pilot Scheme was very good, the main cause for traffic congestion in the Central District would be the illegally parking of “chauffeur-driven vehicles”. The Government should first address the problems of illegal parking and insufficient parking spaces, raise the fixed penalty for congestion-related traffic offences, and ascertain their effectiveness in tackling the illegal parking problem before deciding on whether to implement the Pilot Scheme.
- (ii) No new car park would be built in the Central District but some car parks would be demolished. Given that the car park next to the City Hall is only two-storey, the Government should explore whether the car park could be demolished and redeveloped.

Other views

- (i) The implementation of the Pilot Scheme should be deferred until the Government has taken over the Eastern Harbour Crossing and the Central – Wan Chai Bypass has been commissioned. Then after reviewing the changes in traffic movements, the Government can decide on whether to implement the Pilot Scheme.

**Summary of views on the Pilot Scheme collected from
the public light bus services trade conference (23 December 2015)**

Names of representatives and their respective organisations are in Chinese only and are set out in the Chinese version of the report.

Major views on six basic elements

(1) Charging area

- (i) No comment had been made.

(2) Charging mechanism

- (i) No comment had been made.

(3) Charging period

- (i) No comment had been made.

(4) Charging level

- (i) No comment had been made.

(5) Exemption and concession

- (i) Some trade representatives agreed that ERP could help alleviate road traffic congestion, increase the operating speed of public light buses (“PLBs”), attract more passengers and boost the revenue. However, the major premise was that PLBs would be granted exemption.

- (ii) PLBs should be treated the same as buses. It would be unfair if buses were exempted but PLBs were charged. All public transport modes including PLBs should be granted exemption.
 - (iii) If PLBs were charged, drivers of PLBs would pass on the charges to passengers who in turn would have to pay higher fares.
 - (iv) It was worried that the administrative costs incurred on PLB owners would increase if they were charged by the Pilot Scheme and they, in turn, had to cross-charge different rentee-drivers on different days. Therefore, it was demanded that PLBs should be granted exemption.
- (6) Technology
- (i) No comment had been made.

Major views on the three pertinent issues

- (1) Privacy concerns
- (i) No comment had been made.
- (2) Effectiveness
- (i) No comment had been made.
- (3) Complementary measures
- (i) The Government should first control the growth of private car fleet, including controlling the number of the private car licences to be issued.
 - (ii) More pick-up/drop-off points for PLBs should be provided in the Central District if the Pilot Scheme would be implemented.

Other views

- (i) The Pilot Scheme would only waste manpower and financial resources and would have little effect on the “wealthy people”. It was pointed out that if the Police could take more stringent enforcement actions against illegal parking in the Central District, road traffic congestion would not occur. Besides, excessive duplication of bus routes was another cause of road traffic congestion and it could be redressed by rationalising bus services.

**Summary of views on the Pilot Scheme collected from
the goods vehicle driver associations trade conference (30 December 2015)**

*Names of representatives and the respective organisations are in Chinese only
and are set out in the Chinese version of the report.*

Major views on six basic elements

(1) Charging area

- (i) No comment had been made.

(2) Charging mechanism

- (i) No comment had been made.

(3) Charging period

- (i) The timing of goods delivery is subject to a lot of limitations in Hong Kong and is not solely determined by the goods vehicle trade. It is also subject to the constraints set by the parties who pay for the delivery service. As such, the suggestion that goods vehicle trade should schedule delivery or collection of goods in the Central District only during non-peak hours (such as before 8 a.m. or after 6 p.m.) would be impracticable. In view of this, when setting the charging period, the Government should take into consideration the practical operational situations of the goods vehicle trade and the timing of goods delivery for different businesses.
- (ii) When setting the charging period, the Government should take note of the existing access restrictions imposed on certain goods vehicles in some road sections in the Central District. For example, vehicles

weighing 5.5 tonnes or above are currently prohibited from using Cotton Tree Drive from 8 a.m. to 9 a.m. and 4 p.m. to 7 p.m. except on Sundays and public holidays. Take concrete mixers as an example, they need to access to construction sites in the Mid-levels area frequently. If the Pilot Scheme is implemented, many of these vehicles may need to rush to enter the charging area before the commencement of the charging period, thus aggravating traffic congestion in the Mid-levels area.

(4) Charging level

- (i) No comment had been made.

(5) Exemption and concession

- (i) It was considered that goods vehicles played a very important role in supporting the commercial activities in the Central District. As the congestion problem in the Central District is mainly caused by private cars and the number of goods vehicles and their traffic volumes going in or out of the Central District are much lower than those of private cars, therefore goods vehicles should be given exemption.

(6) Technology

- (i) There may be difficulties in applying the “Automatic Number Plate Recognition” (ANPR) technology in Hong Kong because vehicles are densely packed on roads and one follow another, thus it may not be possible to take photographs of their licence plate numbers.
- (ii) Concerns were raised on the type of technology to be adopted by the Government (e.g. whether Radio Frequency Identification and Electronic Number Plate technology would be considered) as well as the safety and compatibility of various technologies.

Major views on the three pertinent issues

(1) Privacy concerns

- (i) Concerns were raised on whether all vehicles would be required to install in-vehicle units (IVUs), who would bear the cost of IVU installation (including installation fee and deposit) and the associated privacy issues.

(2) Effectiveness

- (i) No comment had been made.

(3) Complementary measures

- (i) It would be necessary to address the traffic congestion problem that might arise in the areas adjoining the charging area (including finding ways to avoid continued expansion of the charging area and providing adequate buffer zones) and to ensure that public transport services (including the MTR) would have sufficient carrying capacity.
- (ii) The Government should consider setting up bus-bus interchanges in the Central District and designating vacant sites along the fringe of the charging area, such as Wan Chai, for the loading/unloading activities of goods vehicles.

Other views

- (i) Illegal parking of private cars is the main cause of traffic congestion in the Central District. The Police should tackle the illegal parking problem at source by strengthening enforcement actions rather than solely combating illegal loading/unloading activities of goods vehicles.

- (ii) If the Pilot Scheme is to be implemented in the Central District, it should be implemented only after the commissioning of the Central – Wan Chai Bypass.
- (iii) The Pilot Scheme will not have much effect on the “rich”. The reasons are many: if they can afford to hire chauffeur to drive “chauffeur-driven vehicles” to go in or out of Central, they will not mind paying the ERP charges; the companies of “rich” will pay for their charges; the “rich” are undeterred even if they are issued multiple fixed penalty tickets by the Police for illegal parking. It was also pointed out that the Pilot Scheme, in effect, would create a zone for the “rich” to illegally park their cars and turn the charging area into an exclusive driving zone for the “rich”, while the goods vehicles might be discriminated against when entering the charging area.
- (iv) It is not appropriate to commence the preparatory work of the Pilot Scheme and, at the same time, to propose raising the fixed penalty charges for congestion-related offences. It is better to ascertain the effectiveness of the Pilot Scheme before proceeding to raise the fixed penalty charges for congestion-related offences.

**Summary of views on the Pilot Scheme collected from
the trucking industry associations trade conference (31 December 2015)**

Names of representatives and their respective organisations are in Chinese only and are set out in the Chinese version of the report.

Major views on six basic elements

(1) Charging area

- (i) The three bigger car parks in the Central District, namely the car parks at the Macau Ferry Terminal, Rumsey Street and the International Finance Centre, and their approach roads should be excluded from the charging area because vehicles entering or leaving the above three car parks are less prone to causing traffic congestion in the Central District.

(2) Charging mechanism

- (i) If the charging levels under the Pilot Scheme were set according to vehicles' duration of stay in the charging area, the Government should consider not counting the time period a vehicle staying in the car park because it would not cause any traffic congestion during such period.

(3) Charging period

- (i) If the charging period ended at 8 p.m., the Central District would possibly receive an influx of goods vehicles immediately after the end of the charging period and the traffic congestion would thus be caused.

- (ii) The situation that vehicles will slow down to avoid entering into the charging area when the charging period is about to end should be carefully addressed.

(4) Charging level

- (i) Private cars are the culprits for road traffic congestion. It is reasonable for private car users to pay the charges for entering the charging area during the charging period because the use of private cars is for personal enjoyment. Moreover, the charging levels to be set should have a deterrent effect and charging only several dollars will be useless.
- (ii) The Government can consider setting higher charges for places at the core of the charging area and lower charges for peripheral places in the charging area.

(5) Exemption and concession

- (i) Some trade representatives opined that goods vehicles play an important role in supporting the commercial activities of the Central District where there are supermarkets and restaurants. Goods vehicles also provide services to the public as what the buses do. For these reasons, goods vehicles should be exempted.
- (ii) However, some trade representatives considered that all vehicles should be accorded the same treatment and no vehicle should be granted exemption. This is because if a certain type of vehicles is exempted, those which are not exempted will certainly raise strong objection. If no vehicle type is given exemption, there will be less opposition. At present, even “cross-harbour buses” are not exempted from the tunnel tolls. In fact, buses also contribute to road traffic congestion.
- (iii) If goods vehicles were not exempted, the charges would be passed on to their clients.

- (iv) Taxis, which are a personalised transport mode, should not be exempted.
 - (v) In view of the need of residents living the charging area to travel using their own cars and the need of people with mobility difficulty to go to see doctors in the Central District, the Government should consider granting exemption or concession to them accordingly.
 - (vi) The Government should grant exemption to vehicles of utility companies with urgent services (e.g. recovery vehicles of electricity companies).
- (6) Technology
- (i) There was a view stating that the administrative cost incurred by the Automatic Number Plate Recognition technology would be higher.
 - (ii) An enquiry was made on who would bear the cost of installation of in-vehicle units.

Major views on three pertinent issues

- (1) Privacy concerns
- (i) There was a view stating that there would still be certain privacy problems for the implementation of the Pilot Scheme.
- (2) Effectiveness
- (i) No comment had been made in this aspect.
- (3) Complementary measures
- (i) If the Pilot Scheme was implemented in the Central District, the congestion problems that might arise in the areas adjoining the charging area (including the Mid-levels and Wan Chai) should be addressed.

Other views

- (ii) If the Pilot Scheme would be operated under the “user pays” principle or even the “self-financing” principle in which the road users who access to the Central District would need to share the costs of the Pilot Scheme, then they might have to shoulder very heavy financial burden when the number of vehicles accessing to the Central District would be substantially decreased. This would be a very unfair issue.
- (iii) An enquiry was made on whether there would be free-of-charge alternative route leading from the junction of Ice House Street to the pier area bypassing the charging area.
- (iv) The Government should consider measures to alleviate the traffic congestion of the Central District after it had taken over the Eastern Harbour Crossing.
- (v) The Government should address the reasons behind its past failure to implement the ERP Scheme.
- (vi) An enquiry was made on how the congestion situation of the Central District would be improved after the commissioning of the Central – Wan Chai Bypass.
- (vii) The Pilot Scheme should only be implemented after the commissioning of the Central – Wan Chai Bypass.
- (viii) The Government should not make light of the role of buses in causing traffic congestion in the Central District since they usually take longer time to pick up and drop off passengers.

**Summary of views on the Pilot Scheme collected from
the franchised bus operators trade conference (11 January 2016)**

Names of representatives and their respective organisations are in Chinese only and are set out in the Chinese version of the report.

Major views on six basic elements

(1) Charging area

- (i) If the Pilot Scheme is implemented in the Central District, it is likely that a “congestion belt” will be formed in the areas adjoining the charging area, thereby affecting the effectiveness of the scheme. Therefore, the actual boundary of the charging area should be mapped out with great care.
- (ii) If the Pilot Scheme proves a success, consideration can be given to extending the scheme to cover Tsim Sha Tsui and West Kowloon.

(2) Charging mechanism

- (i) The cordon-based charging mechanism is more flexible than the area-based charging mechanism because the former allows tackling the traffic congestion situation at different locations and in different time periods.

(3) Charging period

- (i) Traffic congestion, at present, affects bus operation more in the evening peak period than in the morning peak period.
- (ii) The Government should examine how to achieve traffic rationalisation through the setting of charging periods because

different types of road users would respond differently to the charging periods set.

(4) Charging level

- (i) The Government should conduct comprehensive data evaluation in the feasibility study to be conducted at the next stage, so as to explore how the charging level would affect the travel habits of different types of road users, including making projections on the responses of different types of road users to different charging levels and estimating how the overall travel speed could be improved. When setting the charging level, it should be noted that drivers who could afford to pay and are willing to pay would not be easily affected by ordinary charges.
- (ii) The Government should determine the charging level carefully. If a low charging level is set at the beginning, it will be difficult to raise the charges at a later stage even when traffic congestion persists in the charging area. If this really happens, the public will no longer perceive the advantages of ERP and will only feel that the ERP charges keep increasing.
- (iii) The setting of charging level should take account of the vehicle nature (e.g. carrying passengers or goods is different in nature), rather than just considering the vehicle size or carrying capacity.

(5) Exemption and concession

- (i) Franchised buses should be given exemption as their carrying-capacity is high and their routings are fixed and they are not allowed to bypass the charging area without permission.
- (ii) Franchised bus companies will pass on the ERP charges to passengers if franchised buses are charged.

(6) Technology

- (i) Technology with lower administrative cost should be adopted, but as no specific data was available at the current stage, it would be difficult to make a comparison.
- (ii) An enquiry was made on the approximate cost of in-vehicle units (IVUs). It was considered that if they were too expensive, users might resist installing them.

Major views on the three pertinent issues

(1) Privacy concerns

- (i) No comment had been made.

(2) Effectiveness

- (i) The Government could select some representative bus routes in the Central District and record their journey times. Such data could be used as the basis for the review and adjustment of the ERP charges upon the implementation of the Pilot Scheme.
- (ii) A crude estimation on how many minutes of bus journey time can be saved upon the implementation of the Pilot Scheme is a simple indicator that can be understood easily by the general public. As buses can carry the largest number of road users, and if bus passengers can benefit, the whole community will stand to benefit.

(3) Complementary measures

- (i) Alternative routes or turnaround facilities should be provided so that motorists could avoid entering the charging area.
- (ii) The Government should adopt a multi-pronged approach in tackling the traffic congestion problem in the Central District, such as raising first registration tax and annual licence fee for private cars as well as

stepping up enforcement actions against illegal parking and illegal loading/unloading activities.

Other views

- (i) It was requested that the revenue generated under the Pilot Scheme, after deducting administrative costs, should be used for subsidising the public transport operators. This would bring about fare reduction and encourage the public to make use of public transport.
- (ii) Bus fare reduction should be introduced to tie in with the implementation of the Pilot Scheme to encourage more people to switch to using buses. Bus companies might then need to provide additional bus services. From the perspective of bus companies, they definitely would not want their operating costs to be increased by the implementation of the Pilot Scheme.
- (iii) Some trade representatives expressed in-principle support for the implementation of the Pilot Scheme in the Central District, and they agreed that the reduced road traffic congestion would help reduce lost trips, achieve more reliable journey time, enhance the attractiveness of bus service and lower the operating costs. It was pointed out that if the Pilot Scheme was not implemented, its effectiveness would never be known. Moreover, the overall effectiveness of the Pilot Scheme would depend on how the traffic demand could be controlled by the charging levels and time periods.
- (iv) Even if the patronage and profits of the bus companies would be increased upon the implementation of the Pilot Scheme, bus companies would be required to return the additional profits to passengers under the established mechanism as agreed with the Government. As such, it could not be said that the Pilot Scheme would benefit the bus companies.

**Summary of views on the Pilot Scheme collected from
the focus group meeting – academics (26 January 2016)**

Present:

**ACE Centre for Business and Economic
Research**

Dr. Andy KWAN Cheuk-chiu

**Chu Hai College of Higher Education
The Chinese University of Hong Kong
The City University of Hong Kong**

Prof. Alan WONG Wing-gun

Prof. HUANG Bo

Dr. CHAN Yan-chong

Dr. Jason NI Meng-cheng

Dr. ZHI Ning

The Hong Kong Polytechnic University

Dr. HUNG Wing-tat

Prof. William LAM Hing-keung

Dr. LENG Zhen

The University of Hong Kong

Dr. Timothy D HAU

Dr. NG Cho-nam

Dr. James WANG Jixian

Prof. WONG Sze-chun

**The University of Science and
Technology**

Prof. LO Hong-kam

Major views on six basic elements

(1) Charging area

- (i) The charging area should not be too complicated and should only cover several major strategic routes in Central without extending to the Mid-levels. An additional charging point could be set up along the strategic routes within the charging area for charging motorists circulating within the charging area.

- (ii) If the charging area was too large, there would be vehicles circulating within it but only charged once; if it was too small, vehicles might be charged several times for the repeated entries and exits.
- (iii) A charging point should be set up at each congestion point in the charging area so as to reduce the number of vehicles circulating in the charging area.
- (iv) The design concept of the ERP charging area in Singapore was dynamic in nature. Their government would install additional ERP gantries at places where traffic congestion aggravated while some gantries would be dismantled when congestion had eased off.

(2) Charging mechanism

- (i) Some academics agreed that the area-based mechanism should be adopted, but there should not be too many charging points within the charging area.
- (ii) For the first generation ERP system in Singapore, vehicles were charged every time they passed through the ERP gantries, and after that, they did not need to pay again even if they stayed in the charging area for a prolonged period of time. However, there were cases in which some motorists were unfamiliar with the system, crossed the cordon of the charging area for several times, thus passing through the gantries for four or five times and incurring charges four or five times.
- (iii) If charges were imposed on those “chauffeur-driven vehicles”, their “owners” might let the “drivers” to park the vehicles inside car parks to take a break instead of having the vehicles circulating the roads within the charging area. This might not only contribute to the alleviation of traffic congestion but would also benefit those “drivers”.

(3) Charging Period

- (i) It is undesirable to pre-set a charging period. Instead, the definition of “traffic congestion” should be first drawn up, for example, using

traffic speed, so that charges could be imposed according to different degrees of congestion. If a charging period is set, some motorists may be tempted to speed up to enter the charging area when the charging period is about to start, thereby causing congestion during the transition period.

(4) Charging level

- (i) Changing the charging level according to the degree of congestion will be the most effective approach because everyone can observe the actual traffic speed, thus leaving little room for argument.
- (ii) While the charging levels should be set according to the degrees of congestion, the charges should not be set too high at the initial stage. It is because there would be less resistance against the implementation of a scheme with a low charging level. For instance, when traffic speed exceeds 20 km/h, no charge should be imposed, but when traffic speed falls below 20 km/h, charges ranging from \$10 to \$50 should be imposed on the basis that the lower the traffic speed, the higher the charge.
- (iii) Charge level should be set based on the quantification of traffic demand in monetary terms, and the charges may be determined according to motorists' values of time. As the income levels in Hong Kong and Singapore are quite similar, reference can be made to the charging levels set in Singapore.
- (iv) With a concentration of major economic activities, some motorists are required to go in or out of the Central District. As such, the charging level should be carefully set to bring about a change in the motorists' travel behaviour.

(5) Exemption and concession

- (i) Granting exemption should be avoided as far as possible. Theoretically speaking, the ERP scheme should not offer any

exemption or concession since all vehicles, regardless of their types, would contribute to traffic congestion. However, on the premise that the resistance to the implementation of the Pilot Scheme could be reduced as much as possible to increase the chance of its successful implementation. It was suggested that public transport modes should be granted exemption to minimise the resistance to the implementation of the Pilot Scheme.

- (ii) As regards whether taxis should be granted exemption, the foremost matter would be to address the taxi drivers' concern over the possible dwindling effect on business because, without exemption, the taxi drivers would not want to enter the charging area to ply for hire, for fear that they might not be able to pick up any passenger and then they had to bear the ERP charge themselves. This would lead to the problem of insufficient supply of empty taxis in the Central District. As such, the Government should examine whether technologies could be deployed to allow exemption from paying ERP charge to "vacant taxis" for entering the charging area.
- (iii) Some academics noted that some taxi drivers opposed to the Pilot Scheme because they worried that their business would decline upon the implementation of the Pilot Scheme. The taxi drivers' worries ought to be addressed. Some academics pointed out that the taxi drivers might not absolutely oppose to the Pilot Scheme because serious road traffic congestion would adversely affect their income.
- (iv) Some academics considered that there should not be a problem to taxi drivers even if taxis were not given exemption, because the income of taxi drivers could be increased because they could do one or two hired trips with a reduction in road traffic congestion.
- (v) Drivers of "vacant taxis" would be more willing to enter the charging area to ply for hire if taxi passengers were required to pay the ERP charge to the taxi drivers when boarding in the charging area.

- (vi) Whether taxis should be exempted is the most contentious issue. Granting exemption to taxis at the initial stage may be a key to the successful implementation of the Pilot Scheme.
- (vii) Goods vehicles should not be granted exemption because there would still be other alternatives, such as scheduling deliveries at night or during other uncongested periods.
- (viii) Goods vehicle trade operates with an eye on economic benefits. Upon implementation of the Pilot Scheme, goods vehicle trade would definitely make operation adjustments in response, such as scheduling deliveries at night or during non-charging periods, or some shops requiring frequent delivery activities would be relocated away from the Central District. In the long run, the number of goods vehicle movements in the Central District would reduce.
- (ix) It was worried that the Pilot Scheme could fall in the political process because too many transport trades requested exemptions, turning the Pilot Scheme into a “toothless tiger”. Therefore, discussions on the Pilot Scheme should not be dominated by the transport trades, motorists or District Council members.

(6) Technology

- (i) The Government could consider adopting the charging technology using global positioning system (“GPS”) as it could allow charging the vehicles according to their duration of stay within the charging area. Even vehicles were kept circulating on roads in the charging area, they would be charged according to their duration of stay rather than being charged only when they went in or out the charging area. Besides, the GPS could be flexibly applied and its application would not be constrained by the locations of charging gantries. For example, if Kowloon would become congested in future, the boundary of the charging area could be flexibly and swiftly adjusted using GPS. But there are problems in using GPS, in particular, it is

capable of keeping track of vehicle movements and satellite signals may be blocked by high rise buildings in Hong Kong.

- (ii) Singapore is now developing the second generation charging system using GPS. Vehicles could then be detected for any movement within the charging area and be charged according to the duration of stay in the charging area.
- (iii) As the size of Central District is small, the use of GPS might not be necessary. The use of cordon-based mechanism with appropriate equipment could record the time that vehicles entering or leaving the charging area. Besides, GPS technology would be costly and might take a long time to implement. The problem of poor signal reception might also occur.
- (iv) As technology is advancing rapidly, the Government should prepare for future technological development apart from making reference to the past data and experience.

Major views on the three pertinent issues

(1) Privacy concerns

- (i) Privacy concerns can now be resolved. For example, the charging technology adopted in Singapore does not require the retention of personal data and thus does not give rise to privacy issue.
- (ii) The use of the “Automatic Number Plate Recognition” (ANPR) technology is not supported because motorists’ movements could be easily traced and engendering privacy issue. As a matter of fact, the “Autotoll” electronic toll collection system currently used in Hong Kong is quite successful.

(2) Effectiveness

- (i) The effectiveness of the Pilot Scheme should be reviewed on a regular basis. If vehicle speed is used as an indicator to evaluate the effectiveness of the Pilot Scheme, the effectiveness is deemed to be achieved once the vehicle speed is raised to the target level; otherwise the target cannot be met and the charging level will need to be adjusted. The scheme effectiveness and charging level are linked.
- (ii) Taking reference from the London case, a series of review reports should be compiled on a half-yearly or quarterly basis during the initial implementation stage of the Pilot Scheme. The issues to be reviewed may include the improvements in vehicle speeds within and outside the charging area, changes in levels of roadside air pollutant emissions, impacts on retail consumption, etc. Relevant data should be collected prior to the implementation of the Pilot Scheme for comparison purpose.
- (iii) The long-term effectiveness of the Pilot Scheme should be considered carefully and incessant increases in ERP charges as a means to alleviate road traffic congestion should be avoided
- (iv) Increases in ERP charges under the Pilot Scheme would be unavoidable. With the existence of inflation, there was no point in hoodwinking the public by saying that the ERP charges would never be raised.

(3) Complementary measures

- (i) The Government ought to better manage the traffic in the Central District. For example, rampant illegal parking could be found, yet the Police had not taken stringent enforcement actions. While the Government had not doing its job of managing the traffic well enough, it still proceeded to levy ERP charges on the public. The Government should first fulfill its responsibility in enforcing the law strictly against traffic offences before it could convince the public on the implementation of the Pilot Scheme.

- (ii) There were concerns over insufficient parking spaces.
- (iii) Along with the implementation of the Pilot Scheme, more footways, buses and convenient public transport services should be provided in the Central District.
- (iv) Related publicity should be launched for tourists before implementing the Pilot Scheme.

Other views

- (i) An authority, which can be named as “the ERP Authority”, should be established to ensure that the revenue generated from the Pilot Scheme would be specifically used on transport-related matters instead of being transferred to the Treasury. In this way, the revenue generated from the Pilot Scheme could be re-allocated for dedicated purposes, such as reducing annual licence fee of vehicles which did not enter the Central District, lowering first registration tax, establishing a subsidy mechanism to reduce the fares of buses and MTR routes serving the Central District, etc. The foregoing measures would benefit the majority of the community, instead of just facilitating the smoother access to the charging area for the “chauffeur-driven vehicles” which had paid the ERP charges. The purpose of “revenue re-allocation” is to bring more stakeholders’ supporting views to the Government side and encourage more supporters to come forward with their views. Otherwise, only the views of opponents would be heard.
- (ii) The revenue generated from the Pilot Scheme should be used to subsidise the public transport users. Those who prefer to drive had to pay more while those who use public transport could save some money. This would help muster support in political terms.

- (iii) The revenue generated from the Pilot Scheme should be ploughed back to solve traffic problems at district level, such as making improvements to traffic signalling or public transport services.
- (iv) “The use of the revenue generated from the Pilot Scheme” should be highlighted for discussion at the next PE exercise. It is hoped that the Government would be sincere in implementing the Pilot Scheme for improving traffic congestion and air quality rather than for collecting tax.
- (v) The revenue generated from the “dedicated-fund-for-dedicated-use” approach could be used to reduce annual vehicle licence fee, but this might require an approval from the Financial Secretary. In fact, the annual vehicle licence fee in Hong Kong is very high, which is ranked only after Singapore, and there is room for reducing such a fee in Hong Kong.
- (vi) There was a suggestion of injecting the revenue generated from the “dedicated-fund-for-dedicated-use” approach into a fund which can be named as “Octopus Fund”. The fund so established would only provide subsidy to Hong Kong Identity Card holders aged 11 or above, with conditions stipulating that the subsidy could only be used for paying fares of public transport. The subsidy would be provided to the eligible persons but not a particular bus company or the MTR. The general public should regard this “Octopus Fund” a very practical subsidy to them, by returning wealth to the people.
- (vii) In the British tradition, the “dedicated-fund-for-dedicated-use” approach had not been adopted, and all their government revenues could only be allocated for “non-designated use”. Other places, such as Stockholm, Oslo, Bergen, etc., have however adopted the “dedicated-fund-for-dedicated-use” approach in improving public transport, infrastructure, the environment, etc. with a view to winning support from stakeholders and convincing the community that the implementation of ERP would be beneficial, not just to the “well-off people”, but also the general public. In fact, the ERP

scheme implemented in London also provided for the dedicated use of revenue for improving public transport, such as bus procurement.

- (viii) Some academics agreed that the Pilot Scheme should be implemented as soon as possible. They considered that the Government need not fear the Pilot Scheme would be challenged by others as long as it can provide justifications and work under the principle of fairness and impartiality.
- (ix) Some academics pointed out that while they support the Pilot Scheme, they are not convinced that the Government is sincere in taking it forward as the Government is still deliberating on how best to implement the Pilot Scheme by a desktop study. The academics opined that the report of the first ERP study as compiled 30 years ago was actually the best one in which it had covered various aspects such as legal, social, and economic issues, etc. That was a view considering that the Pilot Scheme should be implemented now, without the need to conduct further feasibility study. Some academics considered that as the current study is the fourth of its kind, if the Pilot Scheme still cannot be implemented, the Government will be accused of “crying wolf”.
- (x) Some academics wondered why the Pilot Scheme would take five to ten years to complete and they were disappointed by such a long completion time. The Government should press ahead with the Pilot Scheme as soon as possible.
- (xi) When the second ERP study was conducted, Hong Kong was experiencing an economic downturn and therefore the Government decided not implementing the Pilot Scheme. At that time, the Government pointed out that the ERP should be revisited when the annual growth rate of private cars exceeded 3%. At present, the annual growth rate of private cars has reached 5%.
- (xii) The Central – Wan Chai Bypass project was once a controversial project, and the report compiled by the relevant expert panel

mentioned that the commissioning of the Central – Wan Chai Bypass would provide a good opportunity for introducing ERP scheme in parallel at the same time. If the implementation of the Pilot Scheme will be deferred several years after the commissioning of Central – Wan Chai Bypass, then by that time the public will request the Government to provide an additional alternative route as they will no longer regard the Central – Wan Chai Bypass as an alternative route but only part of the traffic network. However, in reality it is impossible to provide any other alternative route bypassing the Central District.

- (xiii) The Council for Sustainable Development once conducted a survey on environmental protection, in which public views were sought on whether the implementation of the ERP scheme would be supported. It was recalled that the majority of the respondents expressed support for the implementation of the ERP scheme.
- (xiv) In some overseas places, it was common that quite a considerable number of people objected to the ERP scheme before its implementation, but more people gradually became receptive to the scheme after it was implemented.
- (xv) Building roads is the worst option in terms of traffic management. Apparently, building roads can help reduce road traffic congestion, but in effect, it encourages more people to own cars.
- (xvi) If no further action is to be taken to regulate the land use planning of the Central District, the ERP charges will only keep rising in the long run, thus giving rise to opposition and resentment.
- (xvii) The Government should first figure out the capacity of the road traffic system in the Central District.
- (xviii) It is wrong to say that only “well-off people” could access the charging area because “less well-off people” could also choose to take buses and MTR, which are very convenient and sometimes even faster than those using private cars.

- (xix) It is disagreed that the congestion problem of the Central District can be readily solved by strengthening the enforcement actions conducted by the police. The police actions to disperse the illegally parked vehicles at one end of the street would only force those vehicles to move and illegally park at another end of the street.
- (xx) The ERP scheme could possibly address people's aspirations for owning and using cars at the same time. Even when there would be larger numbers of people owning cars, it would be possible for cars accessing to appropriate places at appropriate times where the road traffic system could still accommodate through the implementation of the ERP scheme.
- (xxi) One of the objectives of the Pilot Scheme is to let the public understand that the number of private cars could not increase indefinitely.
- (xxii) Some aspects of the Pilot Scheme should be handled by experts and need not consult the public.
- (xxiii) The Pilot Scheme should not be treated as a district matter because although the scheme is to be implemented in the Central District, it will affect all the people entering or leaving the Central District of whom a large proportion do not live there. As such, the Government should win the support of those who go in or out the Central District but do not live there.
- (xxiv) It is vital to specifically address the stakeholders' concern. The Government should, taking reference from the experience gained in the past three studies, identify those stakeholders who are inclined to take the opposing views. The Government should deal with stakeholders' concerns carefully, e.g. the rental issue in the Central District, whether it will cause inconvenience to people accessing to the Central District, the costs to be incurred when entering the Central District, etc.

- (xxv) In the future PE exercise of the Pilot Scheme, the Government should get well prepared for packing the Pilot Scheme as well as for the publicity work to facilitate dissemination of the messages to young people who might come out to voice their opinions.
- (xxvi) Attempts should be made to persuade the public in supporting the Pilot Scheme from the environmental protection's viewpoint. For example, the Government should let the public know the extent to which exhaust emissions could be reduced or how many degrees the temperature of the Central District would be lowered upon the implementation of the Pilot Scheme. Apart from environmental improvement, the Government should also evaluate the economic benefits because the economic losses caused by road traffic congestion could be quite substantial.

**Summary of views on the Pilot Scheme collected from
the school bus operators trade conference (30 January 2016)**

Names of representatives and their respective organisations are in Chinese only and are set out in the Chinese version of the Report.

Major views on six basic elements

(1) Charging area

- (i) The traffic congestion problem that might appear in the free-of-charge alternate routes (e.g. the Central – Wan Chai Bypass) after the implementation of the Pilot Scheme should be kept in view.

(2) Charging mechanism

- (i) No comment had been made.

(3) Charging period

- (i) No comment had been made.

(4) Charging level

- (i) “A unified charge for all vehicle types” was not supported because the contribution of school buses to the traffic congestion problem in the Central District was small. The contribution of private cars to the problem was much bigger. School buses would not go to the Central District unless really necessary.
- (ii) Concerns were raised over whether automatic, monthly or weekly payment would be accepted for the payment of ERP charges.

(5) Exemption and concession

- (i) All school bus trade representatives requested exemption or concession to school bus.

(6) Technology

- (i) Concerns were raised over whether in-vehicle units must be installed in the newly registered vehicles or in the existing vehicles upon their renewal of vehicle licence.

Major views on three pertinent issues

(1) Privacy concerns

- (i) No comment had been made.

(2) Effectiveness

- (i) No comment had been made.

(3) Complementary measures

- (i) The road traffic congestion in the Central District was caused by the excessive number of franchised buses. The Government should redress the situation of excessive number of buses running in the district.

Other views

- (i) An enquiry was made on whether the Central – Wan Chai Bypass would have any slip road leading to the Central District.
- (ii) The planning of the Pilot Scheme should be deferred until one to two years after the commissioning of the Central – Wan Chai Bypass.

**Summary of views on the Pilot Scheme collected from
the District Council forum (2 February 2016)**

Present:

Central and Western District Council	Mr. Joseph Chan Ho-lim Mr. Hui Chi-fung
Eastern District Council	Mr. Chiu Chi-keung
Islands District Council	Mr. Wong Man-hon
Kowloon City District Council	Mr. Kwan Ho-yeung Mr. Ting Kin-wa
Kwun Tong District Council	Ms. So Lai-chun
North District Council	Mr. Chan Shung-fai Mr. George Pang Chun-sing
Sha Tin District Council	Mr. Michael Yung Ming-chau
Southern District Council	Mr. Paul Zimmerman
Tai Po District Council	Mr. Lau Yung-wai
Tsuen Wan District Council	Mr. Lo Siu-kit Mr. Wong Ka-wa
Tuen Mun District Council	Mr. Kam Man-fung Mr. So Shiu-shing Mr. Yip Man-pan
Wan Chai District Council	Mr. Wind, Anson Lam Wai-man Ms. Kenny Lee Kwun-yee
Wong Tai Sin District Council	Ms. Wendy Lui Kai-lin Mr. Wu Chi-kin Mr. Yuen Kwok-keung
Yau Tsim Mong District Council	Ms. Kwan Sau-ling Ms. Michelle Tang Ming-sum
Yuen Long District Council	Mr. Leung Ming-kin Mr. Mak Ip-sing

Major views on six basic elements

(1) Charging area

- (i) ERP charges should be levied in Sheung Wan, Central, Wan Chai and Causeway Bay.
- (ii) The Pilot Scheme could be implemented outside the Central.
- (iii) The ERP should be implemented at more places of Hong Kong (e.g. Yuen Long, Tin Hau and Causeway Bay) in a timely and sustained manner.
- (iv) The charging area should cover only the busiest roads.
- (v) It was worried that the Pilot Scheme would shift the traffic congestion problem to other areas, but roads in the areas adjoining the charging area could not accommodate the additional traffic flow.

(2) Charging mechanism

- (i) The area-based mechanism should be adopted.
- (ii) It was worried that vehicles would still stay in the charging area after paying ERP charges and would not be parked inside car parks without any incentives. As a result, traffic congestion in the charging area could not be reduced. Consideration should be given to charging vehicles according to their time spent on using the roads in the charging area (no charges should be imposed if parked), and to putting in place a progressive charging mechanism.
- (iii) Consideration should be given to increasing the cost for vehicles circulating in the charging area, and by doing so, the associated problem of “chauffeur-driven vehicles” might be addressed to a certain extent.

(3) Charging period

- (i) The charging period should cover only the busiest periods.

- (ii) Charges should only be levied during morning and afternoon peak hours.
- (iii) The Government should formulate plans to cater for people working in the Central District, but vehicles passing through Central District on Sundays should not be affected.
- (iv) Charges should not be levied on public holidays.

(4) Charging level

- (i) It was worried that if the charging level was set too high, then it might affect people's travel behaviour.
- (ii) The setting of charges should take account of the vehicle's length, carrying capacity and emission levels as well as whether the vehicle is electric.
- (iii) Cross-boundary vehicles should pay double. Otherwise, methods should be deployed to control their right of using roads.

(5) Exemption and concession

- (i) Exemption or concession should be granted to public transport modes (e.g. buses, residents' service buses and green minibuses), and this could encourage their use.
- (ii) Consideration should be given to granting exemption to commercial vehicles or arranging for them to carry out loading and unloading activities during off-peak hours.
- (iii) Electric vehicles, low-emission vehicles or Euro V vehicles should be granted exemption or concession for the sake of environmental protection.
- (iv) Concerns were raised on whether residents living in the charging area would be granted concession.

- (v) Consideration should be given to granting exemption or concession to vehicles for the disabled.

(6) Technology

- (i) Whichever technology is adopted, the future ERP system should be compatible with the existing tunnel toll system. It is also suggested that the testing of charging technologies can start now at the existing tolled tunnels without waiting.
- (ii) There were views suggested adopting the global positioning system technology.
- (iii) Concerns were raised about how the technology deployed to capture the images of vehicle's licence number plates could confirm the identities of drivers.
- (iv) An enquiry was made on whether the Government had already decided on what technology would be adopted and which company would be involved.

Major views on the three pertinent issues

(1) Privacy concerns

- (i) Some were worried that their privacy would be infringed or their movement records might be stolen as a result of the implementation of the Pilot Scheme.

(2) Effectiveness

- (i) Concerns were raised on whether there would be a timetable for increasing the ERP charges.

(3) Complementary measures

- (i) In tackling illegal parking problem, the Police should carry out resolute enforcement actions without giving prior verbal warning.

Additional police officers and traffic wardens should be deployed for enforcement duties.

- (ii) An enquiry was made on whether measures to increase the fixed penalty for illegal parking or to deploy additional traffic wardens in the Central District could be taken first as part of the Pilot Scheme.
- (iii) To combat illegal parking, consideration should be given to installing kerbside railings at appropriate locations to make it less convenient for “chauffeur-driven vehicles” to pick up / drop off passengers.
- (iv) Park-and-ride facilities should be provided at suitable locations.
- (v) Consideration should be given to rationalising the traffic distribution among the three road harbour crossings and making use of the Central – Wan Chai Bypass to resolve the traffic congestion problem of the Central District.
- (vi) Sufficient parking and loading/unloading facilities should be provided in the areas adjoining the charging area. It was pointed out that some car parks in the Central District during daytime were often full.
- (vii) Real-time information on parking vacancies should be provided so as to reduce the number of vehicles circulating on roads searching for a parking space in the Central District.
- (viii) The Government should first ensure that good public transport service could be provided, and if this could be done, the number of motorists would drop correspondingly.
- (ix) To address the overlapping of some bus routes entering into busy areas that caused road traffic congestion, consideration should be given to providing more convenient public transport interchange facilities.

- (x) The North Island Line should be implemented as soon as possible for enhancement of public transport network.
- (xi) The Government should formulate measures to clearly inform those who do not go to Central frequently (such as tourists) about the charging arrangements.

Other views

- (i) In London of the United Kingdom, the revenue generated from their ERP scheme was allocated to investments in public transport modes. An enquiry was made on whether the revenue generated from the Pilot Scheme in Hong Kong would be well spent.
- (ii) It would be easier to acquire public support if the revenue generated from the Pilot Scheme would be allocated to investments in transport infrastructure or improvement of public transport.
- (iii) Concerns were raised about whether the revenue generated from the Pilot Scheme could be partly used for improving air quality of the Central District.
- (iv) Some participants supported the Pilot Scheme and opined that the Government had to introduce the ERP sooner or later. As Hong Kong has limited space and its vehicle fleet size has been growing, traffic congestion occurs frequently. If traffic conditions in some of the districts could be improved upon the implementation of the Pilot Scheme, society would benefit.
- (v) Some participants supported the Pilot Scheme because the implementation of ERP schemes in many overseas places had positive effects.
- (vi) The foremost task is to lay down the objectives of the Pilot Scheme, which should not only alleviate traffic congestion but also to improve the air quality of the Central District. As such, it is

suggested that Pilot Scheme should be studied in conjunction with the Environment Bureau and the Environmental Protection Department.

- (vii) There was a worry that the traffic congestion problem could be solved even after the implementation of the Pilot Scheme.
- (viii) The effectiveness of the Pilot Scheme might not sustain in the long run. The Government should not solely rely on the ERP to solve the traffic congestion problem and the long-term solution should lie in increasing the transport resources of the city.
- (ix) The Government should formulate a number of options and evaluate their effectiveness with the quantified data on traffic flows, time savings and environmental improvements.
- (x) There was a worry that the Central – Wan Chai Bypass could not accommodate the vehicles that would bypass the central business district.
- (xi) In view of traffic condition will be improved after the commissioning of the Central – Wan Chai Bypass, it is suggested that the ERP scheme should be considered later in light of the traffic condition in the Central District after the Central – Wan Chai Bypass has been commissioned.
- (xii) At present, the major cause of traffic congestion in the Central District is illegal parking. Along Queen's Road Central and Chater Road, at least two of the three traffic lanes are occupied by illegally parked vehicles. As for Ice House Street, Duddell Street, Pottinger Street, etc., one of the two lanes is also occupied by illegally parked vehicles. The Police's current practice of handling the illegal parking problem by issuing verbal warnings needs to be changed. In light of this, enforcement actions against illegal parking should be stepped up first before a discussion can be made on the need of implementing the ERP.

- (xiii) Measures like stepping up enforcement actions and making use of technology to speed up the issuance of fixed penalty tickets against traffic offences should be implemented first. However, there is no need to object to the implementation of the Pilot Scheme right now.
- (xiv) The traffic congestion problem of the Central District is not as serious as that of the Cross Harbour Tunnel. The more pressing task is to solve the congestion problem of the Cross Harbour Tunnel.
- (xv) The ERP has been implemented successfully in overseas cities because these places have roads with sufficient capacity. It was worried that if the implementation of the ERP Scheme, even together with the provision of park-and-ride facilities, were not complemented by the enhancement of public transport services, traffic conditions in Wan Chai would be affected.
- (xvi) There was a view stating that the Pilot Scheme will penalise those living in the Peak area, as the public transport services in that area are inadequate and the residents need to rely on their cars or taxis for commuting.
- (xvii) It was worried that many road users in the Central District would be affected if buses and goods vehicles were subject to ERP charges.
- (xviii) It was worried that the Pilot Scheme would increase the operating costs of motorists and public transport services, and such costs would be passed on to consumers.
- (xix) “Chauffeur-driven vehicles” is the major cause of traffic congestion in the Central District. If the Police can take stringent enforcement actions against offending “chauffeur-driven vehicles”, the traffic congestion will be eased.

- (xx) The issue of inequality arising from the Pilot Scheme should be handled with care because some people may get the impression that only the well-off people can go to the Central District after the Pilot Scheme is implemented. In light of this, suitable measures should be taken to improve the pedestrian facilities in the district so that the low-income people will benefit and non-motorists will find it easier to move around in the district and access to the public transport facilities more quickly.
- (xxi) The costs of implementing the Pilot Scheme could be exorbitant.
- (xxii) Concerns were raised on whether there should be designated time periods for delivery of goods by goods vehicles. It was hoped that through the implementation of the Pilot Scheme, the travel patterns of goods vehicles in carrying out the loading/unloading activities could be changed, and the goods vehicles would access to the Central District only during off-peak hours.
- (xxiii) It was suggested that the Government should explore whether there are any better economic incentives for fine-tuning the options of the Pilot Scheme.
- (xxiv) It was suggested that for the ERP Scheme to achieve its intended effectiveness, the Government should first ascertain the types of vehicles that should be charged so as to reduce their number entering the charging area and the types of vehicles that should be exempted.
- (xxv) Consideration should be given to the impacts of the Pilot Scheme on retail sectors in the charging area and their customers.
- (xxvi) An enquiry was made on the volume to capacity (v/c) ratio of certain road sections in the Central District. If traffic volume of the roads had not exceeded their capacity, the roads still had spare capacity to accommodate more vehicles although some vehicles might get stuck along the roads.

(xxvii) An enquiry was made on the implementation timetable.

(xxviii) An enquiry was made on whether contingency measures would be put in place to cope with some special situations, such as terrorist attack and snow storm.

**Summary of views on the Pilot Scheme collected from
the focus group meeting - professional bodies (3 February 2016)**

Present:

Association of Engineering Professionals in Society	Mr. C M Chan
Intelligent Transportation Systems - Hong Kong	Mr. Steven Liu Mr. C Y So
The Association of Consulting Engineers of Hong Kong	Mr. Francis W C Kung Mr. Francis Sootoo
The Chartered Institute of Logistics and Transport in Hong Kong	Mr. Sam M S Chow Mr. Ricky S B Lam Mr. W H Tsang
The Chartered Institution of Highways & Transportation - Hong Kong Branch	Mr. Kelvin Man Mr. Alan M F Tam
The Hong Kong Institute of Architects	Mr. Ivan M Y Ho Mr. Andy K M Leung
The Hong Kong Institute of Surveyors	Mr. Conrad H W Tang
The Hong Kong Institute of Urban Design	Mr. P Y Tam
The Hong Kong Institution of Engineers - Electronics Division	Mr. Andy Lam Mr. K F Tsang
The Hong Kong Institution of Engineers - Logistics & Transportation Division	Mr. Charles H T So Mr. Victor C M Wong
The Hong Kong Institution of Highways and Transportation	Mr. Derrick Y P Pang
The Institute of Electrical and Electronics Engineers (Hong Kong Section Office)	Mr. George H K Lau Mr. Y W Liu
The Institution of Civil Engineers – Hong Kong Association	Mr. Louis Wong

Major views on six basic elements

(1) Charging area

- (i) The coverage of the area should be kept to a minimum so that the effectiveness of the scheme can be ascertained.
- (ii) To avoid wastage in resource, the Government may consider launching the Pilot Scheme on a trial basis in the Kowloon East Development. The place to implement ERP may not necessarily be in the Central District.
- (iii) An enquiry was raised on whether the Government had any long-term plans to extend the ERP to cover other areas of Hong Kong.

(2) Charging mechanism

- (i) The cordon-based mechanism is suitable to be used in the Central District because the area is not large and is linked with strategic roads. “Charging per pass” mechanism is more preferable to “charging per day” mechanism as the former will discourage vehicles to enter the charging area repeatedly.
- (ii) A specific duration of stay (which may be just two hours or even a shorter period of time) should be set as the charging basis because vehicles parking in the charging area would be the main cause for traffic congestion. If vehicles will be charged according to the duration of stay in the charging area, the Government will need to technically differentiate the time period that vehicles circulating in the charging area, parking by the kerbside, or parking in car parks.
- (iii) The Government needs to conduct a large-scale survey to analyse the traffic patterns of vehicles going in or out the Central District (e.g. duration of stay, numbers and times of entries and exits) before formulating the detailed charging mechanism.

(3) Charging period

- (i) No comment had been made.

(4) Charging level

- (i) Setting a low charge (e.g. \$30/\$40) may not have much effect on most of the private car owners who are well off.
- (ii) The charging level for taxis should be set higher than those of other public transport modes because taxis contribute to traffic congestion as private cars do. A higher charging level for taxis can encourage the public to make use of high-capacity public transport modes such as minibuses and buses.
- (iii) Taxis could be charged according to the numbers of passengers they carry. The total charges to be imposed on taxis would reduce with the number of passengers carried. If this suggestion would be adopted, the fare meter of taxi ought to be modified so that taxi driver could input the number of passengers into the meter for calculation of fare.
- (iv) Charging levels should vary according to different degrees of congestion and the levels should be defined using more objective indicators, such as volume/capacity ratio or journey time.
- (v) Charging levels should vary according to the time of a day, vehicle type and traffic situation, having regard to real-time congestion and emission data.
- (vi) Consideration could be given to linking the charging level to the Air Pollution Index. For example, if the Air Pollution Index of the Central District exceeds a certain level, the charges imposed on that day will be doubled, and at the same time, the fares of public transport may be cut by half to encourage and attract the public to make use of public transport services.

- (vii) Given that the process from conducting the feasibility study to implementing the scheme would take several years, it is suggested that the charging level (after factoring in inflation) should be carefully assessed to ensure that it would be accepted by the public.

(5) Exemption/concession

- (i) Exemption and concession should be kept to a minimum to make the system simple.
- (ii) While it would be fairer to grant fewer exemptions, there was support for granting exemption to public transport modes.
- (iii) Public transport modes, which are the most effective road users, should be granted exemption or the most favourable concession to avoid the charges being passed on to passengers.
- (iv) Consideration should be given to granting exemption to buses, green minibuses, vehicles carrying the disabled and emergency vehicles.
- (v) Taxi is a type of public transport but also belongs to a personalised transport mode. It is doubtful whether they should be granted exemption.
- (vi) Goods vehicles should be charged.
- (vii) Consideration should be given to granting concession to residents living in the charging area.
- (viii) Low-emission vehicles should be granted concession.

(6) Technology

- (i) The “Automatic Number Plate Recognition” (ANPR) technology and “Dedicated Short-range Radio Communication” (DSRC) technology have their own advantages and disadvantages. The ANPR technology will likely give rise to privacy concerns and accuracy issue. The DSRC technology will require the installation of in-vehicle units (IVUs) and may entail considerable manpower and

financial resources. In light of this, concerns were raised on whether the Government would consider any other charging technologies.

- (ii) Several technologies could be deployed for implementing ERP. Global positioning system had made substantial headway and many ancillary packages were available for application. Yet, it was considered that the ANPR technology was probably the simplest as it would not require the installation of IVUs and thus the overall capital cost might be lower.
- (iii) Consideration can be given to adopting Wireless Fidelity (WIFI) technology and using the existing street lamp posts as WIFI hotspots for detecting the locations and numbers of vehicles.
- (iv) A mature automatic toll collection system such as “Autotoll” could be adopted so that the existing users of “Autotoll” could be spared the need of installing additional IVUs.
- (v) It was worried that as the ANPR technology would require manual cross-checking of images of licence number plates, thus incurring high operating costs. Beside, errors might occur which could lead to unfairness.
- (vi) Supercomputers could be used to collect data and study could be conducted on the development of a territory-wide smart city system.
- (vii) Universities should be invited to conduct research on the technologies.

Major views on three pertinent issues

(1) Privacy concerns

- (i) The implementation of the ERP will not give rise to privacy issue and it is believed that the Government will address the privacy issue in a safe and fair manner.

- (ii) The existing automatic toll collection system does not have privacy problem, and it is suggested that the Government should enact legislation to restrict the use of the data collected under the Pilot Scheme.
- (iii) If the ERP technology is similar to that for collecting data of the existing closed circuit television system, it is envisaged that severe privacy problem will not arise.
- (iv) ANPR technology is being used by the Police as well. It is understood that the data collected will be erased upon completion of each operation, and this way of handling data will suffice for meeting the requirements of the existing Personal Data (Privacy) Ordinance. As such, it is considered that there would not be any concerning privacy issue.

(2) Effectiveness

- (i) Charging level should be adjusted every few months based on the congestion level.

(3) Complementary measures

- (i) Park-and-ride facilities should be provided outside the charging area.
- (ii) Consideration could be given to deploying shuttle minibuses/medium-sized buses to carry passengers to/from the park-and-ride facilities outside the charging area. Such public transport modes would be more flexible than the MTR and could provide access to the local streets in the area.
- (iii) More car parks should be provided so that vehicles do not need to circulate for searching parking spaces.
- (iv) More public transport priority schemes should be implemented, such as designing more spacious bus stops with convenient access.

- (v) Pick-up/drop-off points should be provided outside the charging area to allow alighting passengers to walk to the Central District.
- (vi) Redeveloped buildings should be set back and more covered pedestrian walkways and green spaces should be provided.
- (vii) Concerns were raised about whether the data collected under ERP can be used by the traffic control and surveillance systems so as to provide drivers with more information for better trip-planning. Apart from traffic-related purposes, it was suggested conducting studies to examine whether such data can be used for other purposes such as matters related to our daily life or consumption.
- (viii) Given that the Central District has limited space for building new roads and implementation of more draconian traffic management measures in Hong Kong is difficult, ERP is considered an effective tool in controlling the number of vehicles going in/out of the Central District, but it should be accompanied by comprehensive complementary measures.

Other views

- (i) Whether the use of revenue generated from the Pilot Scheme is agreeable to the public is of utmost importance. The Government should clearly explain how the revenue will be used.
- (ii) The revenue generated from the Pilot Scheme could be used to subsidise public transport serving the Central District. Separate funding sources should even be obtained to subsidise public transport.
- (iii) The revenue generated from the Pilot Scheme could be used for enhancing the pedestrian accessibility.
- (iv) The revenue generated could be ploughed back into the Pilot Scheme itself.

- (v) Some participants supported the Pilot Scheme and urged for its early implementation.
- (vi) Publicity activities could emphasise on the beneficiaries of the ERP scheme would largely be public transport passengers.
- (vii) ERP is fair in that those who do not want to pay can adjust their trips according to their needs while motorists who are willing to pay can choose to pay the ERP charges and benefit from shorter journey time.
- (viii) The Pilot Scheme can help mitigate traffic congestion but a multi-pronged approach should be adopted if the problem is to be holistically solved.
- (ix) Comments could not be made until the Government came up with a comprehensive Pilot Scheme (together with various complementary measures).
- (x) If the Pilot Scheme is to go ahead, comprehensive information should be provided in the next stage to convince those who need to pay that the charges are reasonable.
- (xi) The Government should provide analytical data to enhance the understanding of the public. It should also make known to the public on the findings of past ERP studies.
- (xii) The Government could install cameras and computer systems at major road junctions to detect the times of vehicles entering and leaving the Central District and the data collected could be used for designing the Pilot Scheme.
- (xiii) The Government must take cost-effectiveness into consideration.
- (xiv) There are several causes of traffic congestion in the Central District, including rampant illegal parking, tailback of traffic queues from the Cross Harbour Tunnel and Wan Chai to the Central District, excessive number of bus routes and large number of vehicles of

“well-off people” simultaneously travelling along some roads before and after office hours.

- (xv) The traffic congestion problem of the Central District may be eased upon the commissioning of the Central – Wan Chai Bypass, so there is no need to implement the Pilot Scheme.
- (xvi) It was worried that bus fares would have to be raised after the implementation of the ERP Scheme, thus causing unfairness to public transport passengers. The Government should examine the impacts on the public transport fares upon the implementation of the Pilot Scheme.
- (xvii) Given that people who need to drive to the Central District are not for entertainment or recreational purposes but for work purposes, it is envisaged that the implementation of the ERP scheme may undermine the economic vitality of Hong Kong.
- (xviii) It was doubtful whether ERP would be effective in reducing the number of vehicles because many people had the need to drive to the Central District, such as the elderly going to clinics and people carrying infants.
- (xix) The implementation of ERP would create social contradiction as only people who could afford to pay the charges can drive to/from the charging area.
- (xx) The initial investment into the Pilot Scheme should be kept to a minimum.
- (xxi) It was worried that the implementation of the Pilot Scheme would become a norm and be extended to different places. The result would be that charging areas gradually becoming places where only people who could afford the charges could enter and live, thereby creating social problems.
- (xxii) It was suggested that advisory letters could be issued to habitual motorists via the car owners to urge them not to drive to the Central

District as far as possible. Rewards could be offered to the car owners who had reduced the use of roads in the charging area during designated periods.

- (xxiii) The charging system should be led by the Government to avoid criticism about collusion between the business sector and the Government.
- (xxiv) As the major cause of traffic congestion in the Central District is rampant loading/unloading activities and parking along the kerbside which occupy some of the traffic lanes, it is considered that the Government should first strengthen enforcement actions through issuing fixed penalty tickets instantly when illegal parking is found. It is also suggested that enforcement actions should be strengthened during peak hours.
- (xxv) Concerns were raised over how the pedestrian facilities in the charging area could be improved (e.g. providing more covered pedestrian walkways, enhancing the greening environment, widening the footpath).
- (xxvi) The Pilot Scheme is expected to improve the pedestrian environment. For example, consideration could be given to designating Des Voeux Road Central as a pedestrian or tram precinct.
- (xxvii) Other measures, such as controlling vehicle ownership, adjusting tax rates, etc. should be considered to discourage the public from driving.

**Summary of views on the Pilot Scheme collected from
the public bus operators (non-franchised bus) trade conference
(17 February 2016)**

Names of representatives and their respective organisations are in Chinese only and are set out in the Chinese version of the Report.

Major views on six basic elements

(1) Charging area

- (i) No comment had been made.

(2) Charging mechanism

- (i) The area-based charging mechanism which involves charging per day, will be easier to administer in the Central District which is a small area, as compared to the cordon-based charging mechanism which involves charging per pass.
- (ii) The cordon-based charging mechanism which involves charging per pass, will be more likely to give rise to disputes for cases of taxi passengers suspecting taxi drivers of not using the most direct route.

(3) Charging period

- (i) It is reasonable to set the charging period from 7 a.m. to 8 p.m.
- (ii) Passenger transport is time specific while goods delivery to the Central District may be scheduled to non-peak hours at night as far as practicable. In places like Beijing, Europe and Australia, goods vehicles are only allowed to make deliveries at night. Besides, the noise from delivery operations in the Central District at night will not cause much nuisance.

(4) Charging level

- (i) Vehicles in the Central District are mostly driven by chauffeurs waiting for orders. Many of these car owners will not be affected by any high charges.
- (ii) The Pilot Scheme should operate based on the principle of fairness and a unified charge should be applied to all vehicle types. It is inappropriate to grant exemption to franchised buses but not to non-franchised buses.
- (iii) Goods vehicles accessing to the Central District during off peak hours at night should be exempted. However, they should be charged more when accessing to the Central District during the charging period.

(5) Exemption and concession

- (i) Some trade representatives, while supporting the Pilot Scheme, pointed out that even if non-franchised buses were not given exemption, non-franchised bus operators would still need to arrange their buses to enter the Central District, and the charges incurred would be passed on to passengers.
- (ii) Non-franchised buses are also mass carriers serving the public. It was requested that they should be granted exemption.
- (iii) Since the Electronic Road Pricing charge does not exist, it would be unreasonable to exempt certain types of vehicles while those not exempted would be required to pay more, unless the Pilot Scheme aimed to recover its capital costs or even to make money.

(6) Technology

- (i) When deciding on the technology to be adopted, the Government should consider its compatibility with the “Autotoll”, which is the automatic toll collection system currently used by tolled

tunnels/bridges, so that there is no need to install two different in-vehicle units for charging purpose.

- (ii) The cost of in-vehicle units should be borne by the Government.

Major views on three pertinent issues

(1) Privacy concerns

- (i) No comment had been made.

(2) Effectiveness

- (i) No comment had been made.

(3) Complementary measures

- (i) The Police should strengthen enforcement actions in the Central District to ensure smooth traffic operation.
- (ii) Pick-up/drop-off points should be provided in the areas adjoining the charging area to encourage access to the charging area on foot.

Other views

- (i) Upon completion of the Central – Wan Chai Bypass, it is likely that a large number of vehicles can bypass the Central District without entering it. If this brings about a substantial drop in traffic volume, there will be no need to implement the Pilot Scheme.
- (ii) The massive number of franchised buses, particularly during morning and evening peak hours, is the cause of traffic congestion in Central and Wan Chai.
- (iii) Before implementing the Pilot Scheme, the Government should first consider introducing a rationing scheme to restrict the number of

vehicles on roads, such as only allowing vehicles with car plates ending an odd or even number to access to the Central District on alternate days.

**Summary of views on the Pilot Scheme collected from
the focus group meeting - green groups (18 February 2016)**

Present:

Business Environment Council	Ms. Gentiane Gastaldi
	Ms. Maya de Souza
Civic Exchange	Mr. Sunny Lam
Clean Air Network	Mr. T W Loong
	Ms. Winnie W L Tse
EarthCare	Ms. Andrea W Y Ng
Friends of the Earth (Hong Kong)	Dr. Jeffery Hung
	Dr. Francis Kee
Green Technology Consortium	Ms. Patricia Chung
	Mr. Billy Lee
	Mr. Andrew Yung
The Conservancy Association	Mr. K Y So
World Green Organisation	Mr. Sunny Cheng

Major views on six basic elements

(1) Charging area

- (i) It was concerned that the roads outside the charging area would become congested after the implementation of the Pilot Scheme. The Government was suggested studying if the roads along the boundary of the charging area would have adequate traffic capacity after the implementation of the Pilot Scheme.

(2) Charging mechanism

- (i) No comment had been made.

(3) Charging period

- (i) No comment had been made.

(4) Charging level

- (i) The Government should consider adopting a charging approach that would link the charging level to vehicle emission rate.
- (ii) The Government was suggested considering air pollution issues when setting the charging level so that car owners will be made to bear the social costs incurred by vehicle emissions directly, including impacts on public health and additional expenses on public healthcare system.
- (iii) Consideration should be given to setting the charging level for “zero-emission” vehicles.
- (iv) It is inappropriate for setting the charging levels of goods vehicles according to their passenger-carrying capacities.

(5) Exemption/concession

- (i) Exemptions should be granted to more environmental-friendly and low-emission rate vehicles, such as Euro IV or higher buses.
- (ii) If the charging area of the Pilot Scheme overlaps with the existing designated “low emission zone”, it was suggested exempting those buses that have been permitted to operate in the “low emission zone” because they are environmental-friendly, efficient and mass carrier.

(6) Technology

- (i) No comment had been made.

Major views on three pertinent issues

(1) Privacy concerns

- (i) A representative strongly opposed to the Pilot Scheme, saying that it should be shelved indefinitely until the protection of basic human rights, the rule of law and privacy could be clearly seen. The social environment in overseas places like London and Sweden are different from Hong Kong. These two places are more mature in terms of freedom, democracy, human rights and political systems and their privacy awareness is also very high. Even if the charging technology adopts the encryption feature, it still cannot fully address the privacy issue.

(2) Effectiveness

- (i) No comment had been made.

(3) Complementary measures

- (i) It was suggested that the Government should introduce the concept of “low emission zone” through the implementation of the Pilot Scheme. Reference could be made to the experience of London in introducing “low emission zone”, and further discussion with the Environment Bureau on the concept would be necessary.
- (ii) If the Pilot Scheme could effectively reduce the traffic volume of the charging area, the Government should seize the opportunity to introduce a “car-free zone”. The “car-free zone” would not necessarily cover the whole of the charging area. Instead, the zone may only be a part of the charging zone or may be designated during certain periods (such as Sundays) in order to promote the concept of “walkability”.
- (iii) Given that there are inadequate parking spaces outside the Central District, the Government should examine whether the shortage of parking spaces will cause road traffic congestion outside the charging area.

- (iv) It was suggested that the Government should make a fundamental change to the people's travel habit of using private cars to go to/from the Central District. For example, the traffic congestion in the Central District can be radically alleviated by enhancing the planning of pedestrian precinct and cycle tracks.
- (v) The Government should examine the complementary measures that could be put in place together with the implementation of the Pilot Scheme.

Other views

- (i) The Government should consider using the revenue generated from the Pilot Scheme to subsidise public transport users by way of fare reduction, thereby encouraging the public to make wider use of public transport and attracting more private car users to switch to more environmental-friendly public transport.
- (ii) The Pilot Scheme could be treated as one of the measures for solving traffic congestion.
- (iii) The Government should provide more data on the reduction in pollution and emissions upon the implementation of the Pilot Scheme.
- (iv) The ultimate aim of the Pilot Scheme should be to change the travel habits of the public and not to levy charges for the Government.
- (v) More comprehensive review should be conducted on the overall transport policies. For example, consideration should be given to implementing a rationing scheme to allow vehicles with car plates ending in odd or even numbers to travel on alternate days, increasing the annual vehicle licence fee and controlling the size of private car fleet in a holistic manner.
- (vi) There were concerns on whether the Pilot Scheme could effectively enhance the air quality in the charging area.

- (vii) The Pilot Scheme could only improve air quality at local level. The Government should address the territory-wide air pollution problem by implementing other policy initiatives.
- (viii) The Government was urged to present a complete picture to illustrate how the Pilot Scheme could complement other policies or the other eleven measures as recommended by the Transport Advisory Committee to tackle road traffic congestion.
- (ix) It was worried that after the implementation of the Pilot Scheme, only “chauffeur-driven vehicles” could use the roads in the charging area while the areas outside the charging area became congested. This would indirectly lead to social division.
- (x) The traffic congestion problem plaguing the Central District does not occur all the time, but is particularly serious at some bottleneck road junctions. The main causes of the congestion are loading/unloading activities and illegal parking of “chauffeur-driven vehicles”.