



**The British
Chamber of Commerce
in Hong Kong**
香港英商會

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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

John Anthony

Consultation on Electronic Road Pricing Pilot Scheme

I enclose the British Chamber of Commerce in Hong Kong's response to the SAR Government's consultation, issued in December 2015, on a proposed Electronic Road Pricing Pilot Scheme in Hong Kong.

Yours sincerely

Andrew

Andrew Seaton
Executive Director

Cc: Andrew Weir – Chairman, British Chamber of Commerce in Hong Kong

Where business gets done

Electronic Road Pricing Pilot Scheme

Public Engagement Document – THB December 2015: British Chamber of Commerce Response

Overview

We refer to the Electronic Road Pricing Pilot Scheme Public Engagement Document issued by the Hong Kong SAR Government in December 2015. This letter forms the consolidated response from the British Chamber of Commerce in Hong Kong (The Chamber).

The Chamber recognises that the current and growing level of traffic congestion in the central and built up areas of Hong Kong has notable effects on business operations, road side air pollution and the health and amenity of Hong Kong residents. Reflecting this, the Chamber expresses its overall support for the implementation of the Electronic Road Pricing Pilot Scheme, but believes that the Government should recognise that this measure individually would not be sufficient to tackle the problem, and should be one element of an overarching strategy. This should include a more holistic approach to transport planning (including for example the rationalisation of bus routes), a more comprehensive review of traffic flows across the harbour and on the Kowloon peninsula, including the issue of balancing tunnel tolls, and far more vigorous law enforcement of parking and traffic rules, particularly where infringement of these rules contributes to congestion.

In addition, no specific time frame for when such a scheme could be introduced into Hong Kong is noted in the consultation documents. The Chamber urges the Government to expedite the release of more comprehensive information on the specifics of the scheme following consultation and its implementation programme. The Chamber would urge that the Government should set a target date for the Central District ERP Pilot Scheme to be implemented before the end of the next Chief Executive's term, that is, before early 2022.

Responses to the thirteen specific questions raised in the public engagement document are provided below based on a balance between environmental and business issues and focus.

Responses to Specific Questions

Question 1 - Do you have any views on how the boundary of the Central District ERP Pilot Scheme should be drawn up, and what are your reasons?

It is considered that the precise area of the initial pilot scheme in the Central District should be carefully defined, as the engagement document points out. This should be determined by detailed feasibility studies of traffic flows, driver behaviour and the availability of space for the installation of the charging technology at the roadside.

Question 2 - Do you think some neighbouring areas of Central, say some parts of Admiralty or Sheung Wan, should be covered in the Central District ERP Pilot Scheme? If so, which areas?

The Chamber suggests including feeder roads outside Central District into the scheme, as well as consideration of roads surrounding the Central cross-harbour tunnel (see also our response to Question 13 below), but consideration should be given to a different charge payable for these peripheral roads. This approach would be consistent with the Singapore and Gothenburg schemes and it is considered that an extension of the scheme area in this way would be facilitated by the use of a cordon-based approach.

Question 3 - Do you prefer an area-based or cordon-based charging mechanism for the Central District ERP Pilot Scheme? Why?

The Chamber would favour the introduction of a cordon-based mechanism (as per that in the Singapore and Gothenburg schemes) as we consider that this better allows for long-term flexibility, both in charging rate design and in extension to other geographic areas in future as required.

Question 4 - Do you agree that ERP charges for the Central District ERP Pilot Scheme should be imposed throughout the hours in a day when the traffic flow is high in the charging area?

This is the underlying principle of an ERP scheme and the Chamber agrees that it should be applied in Hong Kong. It is considered that a cordon-based approach would allow more flexibility in varying these charges across the day and the geographic area chosen for the pilot scheme, to allow better fine-tuning in the reduction of traffic congestion.

Question 5 - Do you agree that Sundays and public holidays should be excluded from the ERP charges for the Central District ERP Pilot Scheme? Do you have any other views on the charging period?

The ERP charging structure should be designed to reduce traffic at peak times, so The Chamber agrees that that Sundays and Public Holidays should be excluded or that charges are set at a much lower level for the Pilot Scheme.

Question 6 - Which charging approach do you prefer for the Central District ERP Pilot Scheme - a unified charge for all vehicles, differential charges based on vehicle sizes (i.e. larger vehicles to be charged more), or differential charges based on vehicle carrying capacity (i.e. vehicles with higher carrying capacity to be charged at lower levels)?

In order to achieve simplicity and better effectiveness, the Chamber would suggest that differential charges should be paid for vehicle types, based on the size of vehicle, with exemption for public transport vehicles (see Question 8 below). Charges should be lower for motor bikes and cars and higher for vans and trucks.

Question 7 - Do you have any suggestion on the range of ERP charges which you believe could induce motorists to adjust their travel behaviour when (a) ERP charge is levied on a per day basis; or (b) ERP charge is levied on a per pass basis (charging at each and every charging point)?

This would need to be subject to more detailed feasibility studies once the charging area and mechanism are defined. Experience in all three overseas ERP schemes studied suggests a comparable reduction in vehicle numbers of approximately 15% in the first year after introduction. The Chamber would advocate a cordon-based approach (as in Singapore and Gothenburg) to allow a flexible rate structure of different charges (for types of vehicle, time of day and exact charging point location) to be developed and designed with the aim of achieving at least a similar level of reduction in the Hong Kong context.

Question 8 - Do you support providing exemption/concession to vehicles other than emergency vehicles for the Central District ERP Pilot Scheme? If so, what are the type(s) of vehicles and why do you choose them?

Apart from emergency vehicles, the Chamber advocates that taxis, franchised buses and public light buses should be exempted, as the exponential growth in private cars has been the prime contributor to traffic congestion and a key initiative should be to lure people onto public transport. Disabled vehicles may also be exempted, as in London.

Question 9 - DSRC technology requires the installation of an IVU in each vehicle entering the charging area for ERP payment, while ANPR technology captures the license number plate of a vehicle every time when it enters/leaves/circulates in the charging area. On the whole, would you say that ANPR or DSRC is a more preferable technology for the Central District ERP Pilot Scheme?

Overall, the Chamber considers that the DSRC technology provides a more favourable technology, given that it has the capability to allow more flexible ERP charging rates and mechanisms and can ease potential privacy concerns for the community.

Question 10 - Do you have any concern over the protection of privacy in the Central District ERP Pilot Scheme? What are your concern(s) and how do you think it/they could be addressed?

In the engagement document, Government acknowledges that this has been a concern in past studies. Although technology has improved, The Chamber acknowledges that this may still be of concern to the public. A DSRC technology choice would mean that routinely photographing number plates is not needed (except for enforcement action) and payment for ERP fees could still be made anonymously, if the users chose to do so. The Government should also consider data security and ensure that the IT systems underpinning the Pilot Scheme should be robust and highly secure.

Question 11 - What indicators do you think we should use to evaluate the effectiveness of Central District ERP Pilot Scheme?

A range of measures could be considered, including the number and type of vehicles at each control point, at different times, the average travelling time, plus research into the uptake of alternative means of travel, as with the ridership of buses in the Gothenburg scheme.

Question 12 - Do you agree that the charging level shall be reviewed regularly and adjusted where necessary in order to maintain the effectiveness of the Central District ERP Pilot Scheme?

The Chamber suggests that charging levels should be reviewed at least annually to ensure the scheme remains effective. This would be in line with international best practice.

Question 13 - Do you have any suggestions on measures which could probably complement the implementation of the Central District ERP Pilot Scheme?

The Chamber would make a number of additional proposals:

- a) The very high growth in the registration of private cars over the last 10 years has contributed significantly to traffic congestion and slower journey times for all vehicles, while the number of public transport vehicles on the roads appears to have remained relatively static. Experience in Gothenburg suggests that the faster bus journey times brought about by the implementation of ERP, bus patronage will increase. However, it is considered that a review of private vehicle registration fees should be undertaken to slow the 43% increase in such vehicles over the last 10 years.
- b) In order to give travellers a better and flexible choice of transportation over that of the private car, continued investment in public transport must be made by Government and a more holistic and integrated approach into transport planning provided such that travellers have a range of options to follow, with a seamless transfer from one mode of transport to another as possible. This should cover not only the Central District but also all parts of Hong Kong.
- c) The Chamber considers it important that attention be given to the extension of the scheme to key road transport feeder routes into the Central District, including those linked to the central cross-harbour tunnel, as discussed below.

- d) In parallel to the ERP pilot scheme, reform of the level and charging system for the cross-harbour tunnels should be urgently reviewed and augmented to address the artificially low toll levels afforded at the Government-owned Central cross-harbour tunnel, resulting in significant traffic congestion on both sides of the harbour almost every day. Thus, the Chamber considers that ERP could be applied to feeder roads for the tunnel (say in Wan Chai, Causeway Bay or Kowloon) and the same technology chosen for the Central District ERP Pilot Scheme applied for the tunnel tolls.
- e) The revenue raised by the ERP scheme in Hong Kong should be specifically used for the improvement of public transport, as in the London and Gothenburg schemes. The Chamber believes this could be an important additional factor in securing wide public support for the scheme.