

Minutes of the 69th Port Operations Committee Meeting

Date: 16 May 2018 (Wednesday)

Time: 11:00 a.m.

Venue: Room A, 24/F, MD Headquarters

Present	Ms. Maisie CHENG	Chair
	Mr. C.K. WAN	Cross-boundary High Speed Ferry Operators (CBHSFO)
	Mr. Michael LAU	Cruise Terminal Operators (CTO)
	Mr. K.S. WU	Dockyard and Harbour Tug Operators (DHTO)
	Mr. T.K. CHEUNG	HK & Kowloon Motor Boats & Tug Boats Association (HKMBTA)
	Mr. Franco NING	HK Container Terminal Operators Association (HKCTOA)
	Ms. Kimmy TO	HK Liner Shipping Association (HKLSA)
	Mr. Carven NG <i>(on behalf of Mr. Sunny CHEUNG)</i>	HK Mid-Stream Operators Association (HKMSOA)
	Mr. Marso LAW	HK Pilots Association (HKPA)
	Mr. Jacky JIAO <i>(on behalf of Mr. W. ZHOU)</i>	HK Shipowners Association (HKSA)
	Mr. Ron CHAN	HK Shippers' Council (HKSC)
	Mr. Eddie HO	Oil Industry Representative Committee (OIRC)
	Dr. T.L. YIP	Individual

(Draft)

Mr. Ivan SHUEN <i>(on behalf of Ms. Angela LEE)</i>	Transport & Housing Bureau (THB)
Mr. C.Y. WONG <i>(on behalf of Mr. Ricky WONG)</i>	Civil Engineering and Development Department (CEDD)
Mr. C.T. LAI	Marine Department (MD)
Mr. Simon HO	Secretariat

In Attendance

Mr. Alan CHAN	Agriculture, Fisheries and Conservation Department (AFCD)
Dr. Jasmine NG	Environmental Resources Management (ERM)
Mr. J. HUANG	MD
Mr. G.F. JIANG	MD
Mr. Rico CHAN	MD
Mr. H.B. CHAN	MD
Mr. Patrick YIU	MD
Mr. M.Y. CHAN	MD
Ms. C.W. WAN	Notes-taker, MD

Absent with Apologies

Mr. H.Y. YIM	HK Cargo Vessel Traders' Association (HKCVTA)
Mr. Anacin KUM	HK General Chamber of Commerce's Shipping & Transport Committee (HKGCC)

1. Opening

1.1 **The Chair** welcomed all to the 69th meeting of the Port Operations Committee (POC).

2. Confirmation of the Minutes of Last Meeting

2.1 As no comments had been received, the minutes of the last meeting held on 24 January 2017 were confirmed without amendments.

3. Matters Arising from the 68th Meeting

3.1 POC Paper No. 1/2018

Update on the Establishment and Rearrangement of Principal Fairways and the Revision to Vessel Traffic Services

3.1.1 **Mr. J. HUANG** (MD) provided an update on the progress of the following POC Papers in related to vessel traffic services –

- (a) POC Paper No. 5/2013 – Establishment of Principal Fairways in the Waters North of Lantau Island;
- (b) POC Paper No. 2/2015 – Rearrangement of Principal Fairways and Anchorages in the Western Harbour; and
- (c) POC Paper No. 4/2016 – Revision to Vessel Traffic Services Procedures and Re-delineation of Very High Frequency Sectors.

He said that the legislative amendments to implement the proposals (a) & (b) above had been consolidated into a single exercise. The amendment legislations had been tabled at the LegCo on 25 October 2017 for negative vetting and had been passed without amendment. The establishment of the new principal fairways in the waters north of Lantau Island as well as the rearrangement of principal fairways and anchorages in the Western Harbour had come into effect on 1 February 2018. After implementation, the marine traffic in the new fairways at the waters north of Lantau had become more predictable and the dense traffic situation in the Western Harbour had also been noticeably alleviated. As for the revision to Vessel Traffic Services (VTS) procedures and re-delineation of Very High Frequency sectors, it had come into effect on 1 March 2018 and the revisions had been made known to the shipping industry by different means. A soft launch of the revision had been arranged starting from 13 February 2018 until the official commencement on 1 March 2018. It was observed that the revised VTS reporting procedures and demarcation of VHF Sectors had been implemented and adopted by port users smoothly.

- 3.1.2 **Mr. Marso LAW** (HKPA) responded that the concerned marine traffic was improved and streamlined reporting procedures were good.
 - 3.1.3 **Mr. C.K. WAN** (CBHSFO) pointed out that there was an arrangement with the Airport Authority for the high speed ferries to use a specific route in the area with a view to conserving dolphins. Under such circumstance, there might be difficulties for the high speed ferries to cross the channel at right angles to the general direction of traffic flow according to the International Regulations for Preventing Collisions at Sea 1972 (ColRegs) issued by the International Maritime Organization (IMO). **The Chair** said that IMO ColRegs had to be strictly followed while MD would continue to keep in view the situation.
- 3.2 **Dredging for Kwai Tsing Container Basin (KTCB) and Approach Channel**

3.2.1 **Mr. C.Y. WONG** (CEDD) reported that the dredging works in KTCB and the Northern Fairway and Western Fairway had been substantially completed in April 2016. The outstanding rock excavation works at the seabed at the north-eastern end of the container basin were in progress. As a significant increase in the amount of seabed rock requiring removal was identified during the rock breaking operation, CEDD was reviewing the arrangement in order to complete the remaining work as soon as possible. The Contractor and his marine traffic consultants would continue to carefully plan their works and closely liaise and coordinate with the relevant terminal operators and stakeholders for discussing the arrangements.

3.2.2 **Mr. Franco NING** (HKCTOA) enquired whether there would be an official announcement on the completion of the project. **Mr. Ivan SHUEN** (THB) replied that as the project had been substantially completed, the relevant Hong Kong nautical charts were recently provided with the latest soundings of the container basin to keep navigators and port users updated. An appropriate announcement would be made when the whole project was completed, which was estimated to be in 2019.

[Post-meeting note: THB advised that according to CEDD's latest estimation, the project would be completed in 2020.]

3.2.3 **Mr. Marso LAW** (HKPA) suggested that a Marine Department Notice be issued to inform port users of the update made to the relevant nautical charts on the depths of the container basin. **The Chair** responded that MD would consider appropriate measure to address Members' concern.

[Post-meeting note: After the meeting, Dr. T.L. YIP declared conflict of interest and indicated that he had been appointed as an Independent Checking Engineer by the contractor China International Water & Electric Corp for the dredging works where his contract was ended in November 2017.]

3.3 **POC Paper No.3/2016**

Implementation of the SOLAS Chapter VI, Regulation 2 – Verification of Gross Mass (VGM) of a Container with Cargo Packed in Hong Kong

3.3.1 As the VGM requirement had been running smoothly for a period of time, the Chair said there was no further update on this item and suggested this item be shelved for the time being.

3.4 POC Paper No. 1/2017

Amendment of the Fifth Schedule to the Shipping and Port Control Regulations (Cap. 313A) Restricted Areas around the Hong Kong International Airport

3.4.1 The Chair reported that the gazette notice for the amendment had been issued and the regulation had come into effect on 1 August 2017.

3.5 Evacuation Arrangement of Working Barges under the Airport Third Runway Reclamation Project during the Approach of Typhoon

3.5.1 The Chair reported that, to dovetail with the Airport Third Runway Reclamation Project, MD had attended regular meetings with the Airport Authority Hong Kong (AAHK) and relevant stakeholders to discuss the evacuation arrangement of working barges during the approach of typhoon. The evacuation plan had been adopted during the typhoon season in 2017. The finalized evacuation plan was circulated to Members in December 2017 and received no comments from Members. It was observed that the evacuation plan could be implemented smoothly and effectively, therefore the plan should continue to be used this year.

3.6 POC Paper No. 2/2017

Establishment of Traffic Separation Schemes (TSSs) and Pilot Boarding Stations (PBSs) in Mirs Bay

- 3.6.1 **Mr. J. HUANG** (MD) provided an update on the progress of the establishment of a set of TSSs and three pilot PBSs in Mirs Bay. Regarding the establishment of TSSs, he reported that the Expert Group had submitted a report to the China Maritime Safety Administration (MSA) for approval in January 2017. However, as advised by the Shenzhen MSA, approval for the proposed TSSs within Shenzhen waters was still pending and hence the process of establishing TSSs was suspended. As regards the establishment of three PBSs, MD had proposed legislative amendment to the Pilotage Ordinance (Cap 84) and Pilotage (Dues) Order (Cap 84D) together with an amendment to the pilotage dues after consultation with the Pilotage Advisory Committee (PAC) on 13 December 2017. It was anticipated that the legislative amendment exercise would be completed in the second half of 2018.
- 3.6.2 In response to **Mr. Marso LAW** (HKPA)'s enquiry, **the Chair** indicated that the proposed legislative amendment was pending discussion by the Economic Development Panel and the POC Secretariat would keep Members informed of the progress once available from subject officer.

4. New Items

4.1 POC Paper No. 2/2018

Installation of Boundary Buoys for the Proposed Southwest Lantau Marine Park (SWLMP)

- 4.1.1 **Mr. Alan CHAN** (AFCD) presented the paper and **Dr. Jasmine NG** (ERM) gave a presentation to Members on the installation of boundary buoys for the proposed SWLMP and its project background, with the aid of the PowerPoint at **Annex A**. In gist, AFCD proposed that, for effective management and enforcement of the marine park, a minimum of three light buoys be laid for the demarcation of the boundaries of SWLMP. Consultation with relevant stakeholders had been conducted and some marine operators had expressed concern about the potential hazards imposed by the boundary buoys, amongst which the boundary buoy at the southeast corner of SWLMP had provoked the strongest concern as it was in close proximity to the proposed TSSs south of Lantau which was the main route for high speed ferries. Subsequent to further consultation, it had been proposed to relocate the boundary buoy at 700m away from the original proposed location. Members' comments and support on the proposal were sought.

- 4.1.2 **Mr. C.K. WAN** (CBHSFO) enquired whether the boundary buoys were equipped with any special facility, e.g. radar beacon and automatic identification system (AIS). **Dr. Jasmine NG** (ERM) replied that the boundary buoys were light buoys which were around 10m in height and bright yellow in colour, and they would be shown in nautical charts. **Mr. WAN** commented that the buoys should be easily spotted in low visibility conditions and it would be better if the buoys were equipped with aforesaid facility.

[Post-meeting note: Mr. C.K. WAN advised in a post-meeting email that the boundary light buoy around 10m in height equipped with automatic identification system (AIS) is quite enough in poor visibility.]

- 4.1.3 No further comment was raised and **the Chair** concluded that AFCD should take into account the view expressed by Member in implementing the proposal.

4.2 **POC Paper No. 4/2018**

Revision in Port Dues and Fees

- 4.2.1 **Mr. H.B. CHAN** (MD) and **Mr. M.Y. CHAN** (MD) gave a brief presentation on the proposed revision in port dues and fees. In short, the items with proposed fee increase included port facilities and light dues and permit to remain fees, while the items with proposed fee reduction included fees for registration of ships, various examinations for certificates of competency and various services provided by the Mercantile Marine Office.
- 4.2.2 **The Chair** emphasised that the proposed revision was in line with the user-pay principle that fees and charges were in general set at a level sufficient to recover the full cost for providing the service. She pointed out that MD conducted regular reviews on the marine-related fees and charges with respect to their related costs which might lead to increase, decrease or no change to the fees, and that no revision to the fees and charges had been made for a substantial period of time despite the increase of costs over the years.

- 4.2.3 **Ms. Kimmy TO** (HKLSA) opined that, while it was understandable to revise fees and charges according to the user-pay principle, it was also important to maintain Hong Kong's competitiveness as a transshipment hub port, especially when other hub ports in Southern China were providing incentives to attract shipping companies to use their ports. **Mr. Franco NING** (HKCTOA) concurred with **Ms. TO**'s opinion and added that the Government should consider subsidizing shipping companies given its financial surplus instead of increasing fees in order to maintain Hong Kong's competitiveness. **Mr. Carven NG** (HKMSOA) also agreed with **Ms. TO** and **Mr. NING** and further pointed out that the fees increase would add burden to shipping companies which might lead them to give up using Hong Kong's port services.
- 4.2.4 **Dr. T.L. YIP** (Individual) suggested that an annual rebate be provided to shipping companies if the fees were increased. Also, the Government could consider recovering the items with increased cost with the revenue from the items that had room for fee reduction, e.g. the cost for registration of ships, such that no revision in fees was required. Furthermore, **Mr. C.K. WAN** (CBHSFO) suggested that the duration for port clearance permit could be extended from 15 days to, for instance, one month such that the administrative cost could be lowered.
- 4.2.5 **Mr. C.T. LAI** (MD) reiterated that no revision had been made to the fees and charges for many years as MD did not wish to affect the trade as far as possible. However, the latest review indicated that it was necessary to revise certain fees and charges to improve the cost recovery rate to uphold the Government's fiscal policy. He indicated that MD had considered and weighed all relevant factors in devising the fee increase/reduction proposal in the hope of balancing the interests of all parties.
- 4.2.6 **The Chair** supplemented that, as a matter of fact, MD had gone through many rounds of discussion with the Financial Services and the Treasury Bureau (FSTB) on this issue where all relevant factors, including the importance to maintain Hong Kong's competitiveness as a hub port as mentioned by Members, had been expressed. Nonetheless, MD had to adhere to the financial management principles set by FSTB. In response to **Dr. T.L. YIP**'s suggestion to subsidize the items with increased cost by using the revenue from the items that had room for fee reduction, **the Chair** pointed out that it would not be fair to all parties as

the users were different and therefore could not satisfy the user-pay principle. She further commented that the revision in fees and charges, and the means to enhance Hong Kong's competitiveness should be treated as two separate issues as it was the responsibility of the Hong Kong Maritime and Port Board to devise strategies to attract shipping companies and to enhance Hong Kong's competitiveness as a transshipment hub port. This notwithstanding, **the Chair** very much welcomed suggestions on exploring administrative measures to advance the interests of the trade, like the one as suggested by **Mr. C.K. WAN** to extend the duration for port clearance permit, and MD could discuss with the trade and explore the feasibility separately. As this fee revision proposal had to be discussed by a number of advisory committees, MD would listen to views as far as possible before taking the way forward.

5. Any Other Business

5.1 Renewal of POC Membership

- 5.1.1 **The Chair** informed Members that this term of POC membership would expire in mid-August 2018 and the renewal of membership for next term would commence in due course.

6. Date of Next Meeting

The date of next meeting would be announced in due course.

7. Closing

The meeting adjourned at 12:15 p.m.

The minutes of the meeting were confirmed on _____.