

S.A.M.P.

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\$21 m loss: blame 7-7 'unfair'

The Director of Engineering Development Department, Dr K.F. Nip, yesterday said it was unfair to blame his department for \$21 million in interest foregone due the delay in opening the airport tunnel.

Dr Nip was responding to the Director of Audit's report which stated that the interest foregone on capital investment on traffic facilities which remained idle because of the delay in opening the tunnel was about \$21 million.

He told the Public Accounts Committee that taking into account that the public could not use the tunnel until the completion of the San Shan interchange, the Kowloon Bay section of the East Kowloon Corridor and the Kun Tong waterfront road that the interest foregone on capital investments should be calculated from July 1981 to June 1982, instead of from August 1980.

"The more correct calculation for interest foregone should be \$8.5 million. Deducting the liquidated damages of \$3.8 million imposed on the contractors plus the saving in operational cost with the application of the traffic control and surveillance systems, although an estimate has yet to come out, we should have a positive saving in the bill," he said.