

14/6/97

CMB misses deadline for franchise

Battle set for right to run Island buses

12-13

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The Government is poised to open bus routes on Hong Kong Island for tender after China Motor Bus Company (CMB) failed to apply for an extension of its franchise in time.

Secretary for Transport Gordon Siu Kwing-chue told legislators at the transport panel yesterday a decision would be made by August.

"We do not rule out taking a series of actions. For example, we may invite all companies, including those outside Hong Kong, to tender. CMB can also take part, to give them a fair chance."

The current CMB franchise is due to expire in August next year. The company must file an application for an extension 15 months in advance.

Mr Siu made the remarks as legislators criticised the Government for tolerating CMB's poor performance.

Democrat Lee Wing-tat urged the administration not to renew the franchise. "The



Gordon Siu

Transport Branch seems to be forced to accept them and even begs them to apply for a new franchise because there would be insufficient buses running if CMB doesn't operate," he said.

Colleague Albert Chan Wai-yip said: "No one is really satisfied with CMB's service and yet the Government seems even more worried that CMB does not want the franchise."

Chan Kam-lam from the Democratic Alliance for the Betterment of Hong Kong called for improved monitor-

ing and fewer buses. Mr Siu said the Government would handle the franchise issue in accordance with the legal provisions.

"Now that they haven't acted, the Government has a lot of options," he said.

Mr Siu said a thorough review of CMB's performance in the past two years was being made.

In a statement last night, CMB denied not applying for the franchise.

The firm said it had been considering setting up a new company under the CMB banner aimed at focusing on franchised services. The company had been in continuous negotiations with the Government.

A spokesman said it was not the first time CMB had failed to apply for a franchise extension on time.

Meanwhile, Mr Siu said a new 10-year franchise term for Kowloon Motor Bus would be recommended to Exco, but the profit-control scheme and exclusivity of routes would be cancelled.