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For discussion on 16 January 2012

Revised Proposal for Controlling Emissions from Non-road Mobile Sources

PURPOSE

This paper briefs Members on our revised proposal to control the emissions of air pollutants from non-road mobile sources, and seeks Members' views on the proposed way forward.

BACKGROUND

2. We consulted the Council in June 2010 on a proposal to control emissions from non-road mobile sources, which included a wide range of mobile or transportable machinery powered by internal combustion engines. The proposal put forth for consultation then essentially centered around a system of *import control* on non-road mobile machinery (NRMM) to ensure that newly imported NRMM met certain emission standards before they could be placed on local market for sale.

3. The relevant trades were generally supportive of introducing emission control on NRMM. However, given that an estimated 90% of imported NRMMs were for re-export, they had concerns about requiring prior approval of all imports which would have major impact on the smooth operation of their businesses. In the light of the comments received, we have, without prejudice to the objective of putting in place an effective system to control emissions from NRMM, revised the proposal for further consultation with the stakeholders. The revised proposal put forth for consultation in June 2011 is at **Annex**.

REVISED PROPOSAL

4. In gist, we propose to replace the control on *import* by control on the *sale, lease and supply of NRMMs for local use*. All NRMMs to be sold or leased for use in Hong Kong must be approved by the Environmental Protection Department (EPD) and properly labelled in future. Existing NRMMs in use before the introduction of the control regime will be exempted from the new requirements but they will also be required to be properly labelled for easy identification. Operators of specified activities, which include specified processes stipulated in Schedule 1 of the Air Pollution Control Ordinance (Cap. 311), airport, port facilities, construction sites and designated waste disposal facilities, will also have a duty to ensure that all NRMMs used in their operations are approved by EPD and affixed with an approval label prescribed by EPD.

5. NRMMs already in local use before the introduction of the proposed control regime will be exempted from meeting the new emission standards. They will bear exemption labels, in the same manner as approved NRMMs will bear approval labels, for identification.

6. The emission standards for each category of NRMMs remain the same as those set out in the original proposal. They are compatible with the prevailing standards in the European Union, Japan and the United States.

CONSULTATION

7. We conducted a new round of consultation from June to September 2011 on the revised proposal. The stakeholders, including manufacturers and suppliers of NRMMs, the construction industry, operators of container terminals, operators of airport ground services and holders of specified process licences, welcome our incorporation of their earlier views and comments and in general support the revised proposal. They are also supportive of joining efforts to build a shared database of approved NRMMs for the trades' reference. Some have made the following suggestions-

- (a) creating, for easy identification, another type of approval labels for NRMMs granted *conditional approval*. These NRMMs may include those highly specialized equipment which do not meet the required emission standards;
- (b) providing special treatment for NRMMs deployed outside Hong Kong

throughout the application period for exemption labels, either by allowing late applications or by accepting applications regardless of the physical location of the NRMM at the time; and

- (c) allowing road vehicles previously licensed under the Road Traffic Ordinance (RTO) (Cap. 374) to be approved for off-road application without obtaining licences under the RTO or proving their compliance with the proposed emission standards for NRMMs.

8. In response to (a), we have already included in the revised proposal a third type of labels for NRMMs granted conditional approval. For identification purpose, such labels will be in a different colour and bear a statement indicating that the NRMMs are conditionally approved.

9. We, however, consider it inappropriate to take on board the last two suggestions. For (b), extending the transitional exemption arrangement to NRMMs deployed outside Hong Kong during the application period could provide an avenue to bring in NRMMs not in local use before the introduction of the proposed control regime. Moreover, (a) would allow specialist NRMMs that do not meet the required emission requirements to be brought into Hong Kong irrespective of their locations. Currently the road vehicles which operators use for their non-road applications are not required to fulfill any emission standards. However as the proposals which we now put forward is to tighten control emission from non-road mobile sources, we do not support (c), which would defeat the integrity of our proposal. We consider that these vehicles should meet the same emission standards as vehicles registered for on-road use even if they are turned into non-road use, and they should be subject to the same labelling requirement as NRMMs. In the same vein, the proposed exemption for in-use NRMMs should be applied to those vehicles already in non-road application locally before the control regime takes effect. Lifting this requirement would make off-road applications a dumping ground for old vehicles no longer road-worthy, thereby defeating our objective of reducing emissions from old vehicles.

WAY FORWARD

10. Subject to Members' views and comments, we aim to consult the Panel on Environmental Affairs of the Legislative Council in February 2012 on the revised proposal, and complete the legislative exercise in the 2012-13 legislative session.

ADVICE SOUGHT

11. Members are invited to offer views on the revised proposal as set out in paragraphs 4 to 6.

Environment Bureau/Environmental Protection Department
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