

**JTTRI International Seminar on
"Railway and Area Development in Manila"**

Mr. Magno's speech

Secretary, sir, good morning, sir. Chairman Shukuri, and Executive Director Okuda, good morning. Thank you for inviting us over. I also want to acknowledge our fellow civil servants, especially undersecretary TJ Batan and undersecretary Lontoc, ma'am, good morning. Distinguished guests, observant from industries, industry practitioners, members from academia, and everybody who spare the time and attended this seminar.

My remarks are actually involving on, would give you, a view on how do we deal with projects, as a project director and a program manager of the Metro Manila Subway. Secretary reserved Metro Manila Subway for me. And what he has mentioned during his speech, the North-South Commuter Railway. We would like to give you a view of what we think and what we do, and that is our purpose and that is how we would start the discussion on the railways. Let me just suggest this really quick.

One, national growth in Asian building always starts with national policies. We will not just do everything because it feels right, no. We will implement this because of the national policies and that is, the Department of Transportation especially the Philippines National Railways have to embrace those national policies with the correct time, efforts and resources. And the transport sector, incumbent upon us, to translate these national policies and implement it, using a strategy. Now, let me just remind what is our national policies. Just to be clear which everyone is on the same page. Our national policy is set by NEDA (The National Economic and Development Authority). It is actually pretty simple. It requires secure, reliable, efficient, integrated, inter-modal, affordable, cost-effective, environmentally sustainable, and people-oriented national transportation system, that ensures improved quality of life to our people. That is our policy.

The nucleus of Philippines National Railway and railway transport strategy, is actually pretty simple. It is to expand the economic activities of Metro Manila and transform that into Greater Capital Region (GCR) so we could achieve the GDP

that we are aspired. As dictated by our national policy, it can be 7%, it can be 8%. It doesn't matter, our job is to provide that landscape to grow the economy. To that, Metro Manila, to GCR, it is challenge, because it is 4-5 times bigger than what Metro Manila is.

Now, compound that with the aspiration of our citizens and our fellow countrymen. According to a NEDA survey, 73% of Filipinos, they just want to earn enough to keep their family healthy, feed them, send his kids to school, and let his kids finish college, that is the 73% of our countrymen. 61% wants to own a medium-size affordable houses, with reasonable distance from his place of work and earn enough for their daily needs, and insulate them from small and huge economic upheaval. The other one is 30%, this is the key critical one. 30% of our fellowmen, in the Philippines, wants to spend their extra time with family and friends. I mean they want extra time to be with their family, not just working and commuting. And 21% wants to travel outside the national border, and feels the fruit of their personal prosperity. I think those are very simple aspiration and pretty modest. However, it can be observed that the aspiration of our people is pretty simple, however they have one implicit component inside that aspiration, have a house, spend time with family, send their kid to education, implicit to that is actually transportation. So those are aspirations for them to tame quality of life and comfortable life. Transportation is the key implicit part for what they want to achieve aspiration.

So, when we came into power, however, we will be honest, we can barely provide something satisfactory to our citizens, in terms of transport quality. As the matter of fact, our citizens mire transportation related burdens. For example, the past 4-5 years, before we came into power, Filipinos are spending 5 hours per day commuting between their place of occupation and where they live. In the lower income strata, they even spend more than 6.5 hours a day, from where they live to their office, and then back to where they live. So if you calculate that, it is 18% of his life spend in his motor transportation. Just imagine that if you remove the sleep time, in this waking moment, that is 27% of the waking moment of the average Filipino spend inside transportation system. And his waking moment is mire with difficulties. He will be inside slow jeepney, or inside the bus, with the long trip because the traffic. They will have multiple transfers and no guarantee of prompt connection between modes of their transports. So that is the challenges

what our citizens is on. So these challenges, and our aspirations, if they mix together, us, government, we cannot provide those aspirations unless we resolve the transport issues that we face.

With that, let me borrow the quote from our secretary. The centerpiece of our strategy, it is not only to satisfy the national transport policy, it also has to satisfy the primary attributes of personal aspiration of our citizens. With that, we use the strategy what we call the comfortable life strategy. This is what the president communicated, directed, to the secretary, and that is what we implement. Comfortable life strategy is really simple. It has several attribute. One, if we decide on something within our projects, we give back precious time to our citizens. We want to lower the commute time from 6 hours to 2.5 hours. That is a huge 60% removal of the wait time and transport time, and that is our objective. We want to give the best possible comfortable commuting, and provide optimal means and options of transport. That means also mass transport system. We want to reduce the wait time and delays, and remove, this is very important, improperability in the system. With that, if we satisfy those attributes, then we comply with the secretary's comfortable life strategy.

Aside from that, complementary to the comfortable life strategy, we also, have been directed, to have a fast and ensure strategy, the secretary mentioned earlier. It mandates that the project should have a commitment to deliver the comfortable life in the shortest amount of time. Not just to deliver in the shortest amount of time, but comfortable of life and shortest amount of time. So what are the attribute of those strategies. One, our project has to be viable, to be fast. To be viable, it has to be fast and ensure. If it is not fast and ensure, it is not even viable. We have to implement it and put attributes in our execution of the project that has to be fast and ensure before it is even viable for us. Second, it leverages the best practices, to deliver the project in the timely and orderly manner. We do not want to reinvent everything. We want to know the best practices in the industries and from Japan, and we wish to embrace them. So it would allow us to be much more successful. Again, as mentioned by the secretary, the work should be in parallel and it should be in 24 by 7. Project should have partial operability. If it is not partially operable, then it does not comply with the fast and ensure strategy. Other thing that is not inherent in past project are this last two things, the fast and ensure strategy. The government apparatus, is align with our goal meanings. NHA (National Housing

Authority) and several other agencies, DPWH (Department of Public Works and Highways), they have individual projects as DOTr. But as much as possible, the secretary, told us, “No, work with them. Align them together to our projects. Meet them as much as possible, and align their budgets, align their tasks, align their objectives with ours. So we have one common project.” So that is why “Build Build Build” is not just a project goal. It is actually the method of coordination among agencies, to implement these projects. And very important of all, this key component that was introduced by the secretary, we get a direct executive attention from the executive branch, from the cabinet. If we encounter an obstacle, especially in the bureaucracy, our project so far, have been really successful, because most of the time the secretary would allow us to call for executive intervention which requires the direct intervention of the secretary and the cabinet members.

Lastly, to further test the viability of our projects, and complementary to the previously mentioned strategies, we have, what we call a temporal objective strategy. Our projects are usually, is determined based on the locations, space and other dimension. But as country mature, as we see in Japan, time, or the temporal domain, is actually more valuable to the citizens and the passengers than money or infrastructure project itself. So now we include the temporal domain in the process of validation and determination of viability of projects. We took upon ourselves, to put the temporal objective, let me explain what is the temporal objective. Temporal objective is really simple, in our language, is simply, what we call door-to-door objective, from your home to your place of work, and vice versa. We exact upon ourselves, that at least, if we validate it, it will be 55 minutes away from where you step out and you step in. If our objective is 2.5 hours, at least you have 30 minutes to walk and take another mode of transport. But the key mass transport system should deliver our passenger within 55 minutes. Now, if a location is within 55-minute boundary, then we consider that as a traffic center of gravity. What do we mean traffic center of gravity? It is where people starts to compromise their temporal objective. That means people would start to talk and meet with their family and everything. Within the temporal strategy of 55 minutes, this is the direction where we put our candidate for transit-oriented development and that would be a candidate for land value capture. That is why I mentioned our temporal objective.

This is our guideline in implementing all these projects. This is delicate to us, the strategy how we implement the projects. Let us give the secretary a big hand for giving us these objectives, please. [Applause] Thank you, sir. Again, this is what we use to implement the NSCR (North-South Commuter Railway) and the Metro Manila Subway or Mega Manila Subway project. So with that, ladies and gentlemen, thank you for inviting us. And we wish that the discussion today be fruitful and productive to all stakeholder in the railway industry.

Thank you very much and good morning.