

PRESIDENTIAL COMMUNICATIONS OFFICE
News and Information Bureau

2023 POST-SONA DISCUSSIONS:
INFRASTRUCTURE DEVELOPMENT AND CONNECTIVITY
JULY 25, 2023

MS. OSEÑA-PAEZ: Magandang hapon po sa ating lahat and welcome to the 2023 Post-SONA Discussions.

After a successful State of the Nation Address by President Marcos Jr., let us continue to dive deeper into his message as we tackle specific issues in our cluster panel discussions. Pag-usapan po natin ang napakahalagang usapin ng infrastructure development and connectivity; this is of course is an essential cluster when we talk about modern, progressive and connected Philippines or as the President introduced – Ang Bagong Pilipinas.

With us this afternoon are members of Infrastructure Development and Connectivity Cluster: Secretary Manuel M. Bonoan, Department of Public Works and Highways; Secretary Arsenio M. Balisacan, National Economic and Development Authority; Secretary Ivan John Uy, Department of Information and Communications Technology; Secretary Jaime J. Bautista, Department of Transportation; Secretary Raphael Lotilla, Department of Energy; Secretary Jose Rizalino L. Acuzar, Department of Human Settlements and Urban Development; Secretary Christina Garcia Frasco, Department of Tourism; and, Undersecretary Mercedita Sombilla, Department of Agriculture.

Good afternoon, Cabinet Secretaries. Let's get started with our discussion on infrastructure development and connectivity, and of course we shall start with Department of Public Works and Highways.

Sir, yesterday was the SONA, ang sinabi ng Presidente, "*Hindi lamang natin ipinagpapatuloy ang mga nasimulan nang proyekto – lalo pa nating pinapalawak. Kaya naman, ang isang daan at dalawampu't tatlong proyekto dito sa ating Build Better More Program ay bago. As of June this year, we have constructed, maintained and upgraded more than 4,000 kilometers of roads and around 500 bridges across the country.*" Pakikuwento po sa ating mga kababayan ang mga naglalakihang proyekto na naipatupad ninyo ngayong taon—nakaraang taon.

DPWH SEC. BONOAN: Maraming, maraming salamat po and good afternoon po sa ating lahat.

Well, we are very happy that the President, binanggit niya kung ano iyong nagawa namin for 2023—I mean, so far, from July 2022 to May 2023 po iyon. Simula pa lang iyon po kasi that's only about 4,000 kilometers that we have maintained, upgraded and constructed – the roads and about 497 bridges actually.

Well, we have to understand that we only came in about July last year, and well of course, the momentum is now gaining actually noong—pinapaspasan na po namin dito. With the approval of the flagship projects and iyong medium-term development plan, so naka-laid out na lahat iyong plano.

So, the Department of Public Works and Highways will be on a fast mode starting this—I mean continue to be on a fast mode now. Marami po kaming mga malalaking projects as the President has mentioned yesterday in his SONA speech, na kailangan ho natin iyong mga connectivity, kailangan ho nating i-address iyong traffic congestion kasi traffic congestion is one of the main problems that we have now in our trunk lines especially itong kuwan natin sa mga national roads natin... eh siyempre nagkaroon na ho ng—marami na hong activities, economic activities, population growth, vehicles – marami na po.

So we have to address this because sa ngayon po actually the Philippines has the most expensive transport goods and services. So this is one of the priority areas. Ngayon po, I'll just make mention of some of the major projects that the President has mentioned kagaya po nito, iyong connectivity natin. We are going to start the construction of a major, major project – actually, this is the Cavite to Bataan Interlink Bridge. This is going to be 32-kilometer bay bridge and it will be the second longest bridge in the world kaya malaki po itong proyektong ito but we are now in the process of finalizing our... iyong mga financing agreements namin with the Asian Development Bank. So, we are hoping that by next year, we can have some start on this project.

Nabanggit din kasi ni Presidente that we have also to interconnect some of the islands, major islands in the country. Ito po iyong—we are going to interconnect actually Panay Island, Guimaras and Negros. This is—well, the total length of the project will be about 37 kilometers pero dalawa hong segment iyan. And again... there again, this is going to be a major undertaking of the Department of Public Works and Highways. Inaayos na rin po namin with, of course, with the assistance of the National Economic Development Authority and Department of Finance, iyong financing agreements namin with the Korean Eximbank. So again, iyong detailed engineering po nito is... will be carried out in a short while and we also expect that by next year, baka kako makapagsimula rin kami nito.

Marami pa kaming bridges so to speak... of course mayroon pa kaming isang bridge sa Cebu, doon kay Secretary Frasco – the fourth bridge that will interconnect Mandaue to Lapu-Lapu. And ganoon din po iyon, mayroon din po kaming... iyong Panguil Bay Bridge is one of the... it's a bridge project that was started by last administration but we will completing it by next year. This is going to be a bridge that will interconnect Lanao del Norte and Misamis Occidental – that will cut travel along that peninsula in a very short time.

Marami pa po kami... I think the other thing that I want to emphasize also is that actually, one of the major projects that we want to undertake is actually the upgrading and rehabilitation of the Maharlika Highway from Cagayan all the way to Davao kasi marami na pong congested areas ng Maharlika Highway and this is impeding actually the travel. We want to convert

Maharlika Highway into a seamless trunk line road para dire-diretso lang po iyong travel natin doon. And there's going to be substantial... may malalaking projects pa doon like, for example we are planning to undertake a six-kilometer tunnel dito sa may Dalton Pass, eh malaki po iyon.

And then, of course, we will rehabilitate iyong mga segments in Mindanao – iyong Agusan to Davao and of course dito sa may Samar area, from Samar to Tacloban – iyon ang mga segments na malalaki po and of course, all the other roads that we are talking about, marami po kasing projects.

This year, we have a total budget yata of about 890 billion pesos and we are hoping that we will have the same investment again next year. As the President says, we are going to infuse iyong infrastructure program by 5 to 6 percent of GDP, so malaking trabaho po iyong ginagampanan namin.

Maraming salamat po, for now.

MS. OSEÑA-PAEZ: Thank you, Secretary Bonoan; ang dami talagang proyekto at babalikan namin kayo in a little while. Of course none of that will be possible without NEDA – Secretary Balisacan who is right beside me. Ang sabi ng Pangulo, *“The underlying logic to our infrastructure development is economic efficiency. We are opening up all gateways to mobilize goods and services at less cost and in less time and ultimately, to drive the economy.”*

Would you please describe more the economic progress that's brought about by infrastructure projects especially in the past year – recovering from the pandemic? Why are infra projects an essential driver of the economy?

NEDA SEC. BALISACAN: Thank you. I guess, let's start with the big picture. Construction represents about 12% of GDP last year and about 5.5% of that—percentage point of that is from public construction and the remaining ones are private construction.

Okay. In all public discussions, forums and doing business in the Philippines, one of the foremost concerns raised is the poor quality, the lack of infrastructure in our country in relation to other economies in our region. So, we can think of infrastructure development as the spinal cord of the economy. It's that essential.

And with good infrastructure, you can address all the major problems that the business community often raised. The ease of doing business will be facilitated, will be promoted. The cost, in particular, of doing business in this country will be much reduced. And as a result, investments will grow. And with more investment, you can have more opportunities open up for our population.

In the SONA of the President, he raised about the expansion of employment, right, and the reaction of some people that we have seen after that is “But where are the jobs?” Of course,

what this thrust to address these basic constraints to investment is precisely to raise the quality of jobs. With investment, we'll be able to elevate the opportunities of our workers for higher quality, more remunerative jobs.

And so, with rapid growth fueled partly by infrastructure development, we can expand economic pie; we can increase incomes; we can produce a lot of employment opportunities, and that will allow us to achieve what we have called the inclusive growth. And with the inclusive growth we'll be able to reduce poverty to single-digit level, and that is in the Philippine Development Plan for 2023 to 2028 – that's a bigger picture, at least.

MS. DAPHNE OSEÑA-PAEZ: Thank you so much, Secretary Balisacan. We also just recently signed the Maharlika Bill signed into law, how can the Maharlika Fund be of help to our big ticket infrastructure projects?

NEDA SEC. BALISACAN: As we have said and the President has mentioned in the SONA, the Maharlika Fund is another avenue, another pillar for raising investments. Through the Maharlika, we could channel low productivity or government assets, financial assets that are out there, that are earning but not as high as we could expect otherwise. For example, in our estimates, we find that these financial assets of some of our public financial institutions are earning four or so percent returns. But with productive, highly remunerative, high impact projects like the ones by our DOTr Secretary and DPWH and even Department of Health, we could raise those earnings to eight percent.

And so you could—you can imagine that you can—expanding the options for the future because the fund will expand, but at the same time, we are able to bring in more resources for high impact projects. And that is I think very important especially when we become already or we join the ranks of upper middle-income countries 'no by 2025 because by then, we will lose our access to concessional funds, concessional loans. And that means that we won't get any more soft loans, from ADB or from World Bank, but we'll be competing with, you know, market rate funds for our infrastructure. And so, this is an additional avenue for us to access development funds.

MS. DAPHNE OSEÑA-PAEZ: Okay. Thank you, Secretary Balisacan.

Now, when we talk about physical connectivity, we also talk about internet network connectivity, okay. So we have with us, Department of Information and Communications Technology. Sir, Secretary Ivan Uy, ibinida ng Pangulo ang ating progress sa internet speed sa global rankings. What did DICT do to achieve this? And what other internet infrastructure projects can we expect? What other wins in terms of connectivity have we achieved this year?

DICT SECRETARY UY: Thank you, Daphne.

Well, actually, what has really pushed our digital infrastructure and digital connectivity was the ease of doing business 'no. In partnership with ARTA and with our telco private sector

partners, we work on liberalizing and making it easier for them to do, to deploy their common tower infrastructure. And actually, the recent executive order that was signed by the President emphasizes this.

So because of the easier, lesser red tape in applying for all the permits and licenses in order to set up the common towers all over the country, it's now more economical and faster for all our telco partners to be able to deploy connectivity across the country.

At the same time, with the digital infrastructure, we're seeing that today, more and more data are actually being generated. And as they all say, data is the new oil today. And with all that data, we're expecting an increase, a rapid increase in the capacity of the data centers. In fact, in the next two years, we project at least a five hundred percent increase in data center capacity within the country, at 500%. Why? Because the hyperscalers are really looking at the Philippines being an ideal location for them to host it.

And once these large data centers are deployed, a lot of the data will be stored there, then what will now be the engine that will drive all this oil? It will be artificial intelligence. As we use more AI, and in the business process outsourcing in many of applications, that engine will now be fueled by all these data and we will be able to cater to our foreign clients in the business process management outsourcing community. But at the same time, also provide good data for governance. Because with our integrated eGov platforms, we will be integrating a lot of public services into that platform, and that will allow us to make data-driven decisions that will be focused and there will be no guesswork that has been plaguing normally government decisions because of the lack of data and the right information to do so.

So that's what in store and that's what's been happening in the digital connectivity and digital infrastructure side.

MS. DAPHNE OSEÑA-PAEZ: Thank you. So data to be used for policy-making and future projects, that's great.

Let's move on to the transportation department. Sir, the President said, inter-modal connectivity will be a primary consideration. Roads, bridges and mass transport systems will be interconnected. This network will provide access and passage to vital and bustling economic markets such as agriculture hubs, tourism sites and key business districts. Would you please expound on more on this plans, its direct benefits to the people, what are the challenges in its execution? Secretary Bautista?

DOTr SEC. BAUTISTA: Thank you, Daphne, and good afternoon to everyone. Inter-modal connectivity is very important for all of us who travel by land, by air, by sea or by rail. And the Department of Transportation is working very hard to see to it that we implement all the programs that we have planned.

For the airport, you know, there are around 90 airports in the country but only 45 are on commercial operations. And the Department of Transportation, together with its attached agencies, the Civil Aviation Authority of the Philippines, continue to upgrade the airports 'no. We are upgrading airports of, for example, the Bicol International Airport, the regional airports in Palawan, in Dipolog and all other small airports.

So, CAAP together with DOTr continues to upgrade all these airports. But one major project that the Department of Transportation will implement this year is the modernization and upgrading of the Manila International Airport.

The NEDA Board approved a few weeks ago a proposal to have a solicited bidding so that many interested parties can participate in the modernization of the Manila International Airport. We're expecting that by early August we will be able to publish the terms of reference so that we can invite prospective bidders and with that we're hoping that by end of October or early November we will be able to accept proposals and by the end of the year we can already award the project to the winning bidder, and a few months later after financial closing the concession agreement can be started.

So, this is one project for the airport that we think will be implemented soon, this will result to increased capacity of the Manila International Airport considering that this airport is already congested with only a capacity of 32 million passengers per year but now handling a more than 40 million. In fact, today the airport is now handling around 140,000 passengers a day compared with a 115,000 a year ago – so that's a big increase in the demand and increase in the number of passengers that passed through Metro Manila. So, we think that this project is very important and with the support of the other government agencies we will be able to implement this project.

Another important project that we are implementing is the rail sector projects. We have this North-South Commuter Railway which is a 147 kilometer railway from Clark Airport to Calamba, Laguna and we're hoping that we should be able to complete this by 2028. We have awarded almost all the contract packages. I think, except for two contract packages, all contract packages were already awarded and construction is in full swing.

We have also started the actual boring of the tunnel for the Metro Manila Subway. February 9 when the President inaugurated the first operations of the tunnel boring machine and we're expecting that the tunnel from Valenzuela to Quirino Avenue will be completed by end of the year. We're taking delivery of more tunnel boring machines which will operate simultaneously so that we'll be able to complete this project 2028 and hope that this will again provide additional service to our riding public.

We're also expecting to complete the extension of LRT 1 – five additional stations from Baclaran to Sucat. We're expecting that this will be completed by September of next year. This will reduce travel time from Baclaran to Sucat with just 10 minutes from 45 minutes to one hour.

Another rail project that we will complete in two years is MRT 7. This is a rail system from North Avenue, EDSA to San Jose del Monte. It will reduce travel time by one and a half hours because right now travel time from that place going to Manila is two hours and with the new train system it will be reduced to just 30 to 35 minutes.

We are also in the process of finalizing the feasibility study for new railways. The President mentioned about a 1,000 kilometer railway in his SONA and we already have the fund to do the feasibility study for the rail system from Clark to Ilocos and Clark to Cagayan Valley; we also have the fund to support the feasibility study for the Panay railway and also for the Northern Mindanao railway from the airport to the city of Cagayan de Oro.

We're also in the process of finalizing the financing for the Clark to Subic freight railway. So, we hope that we will be able to start working on this.

On the maritime sector, we are improving many ports through the Philippine Ports Authority.

In the road sector, we are in the process of building more bike lanes to support the active transport.

We're also in the process of finalizing construction or finalizing the project for the Taguig Integrated Terminal Exchange which is similar to PITX that we have here in Parañaque.

There are other airport projects that we will start and hopefully, we will be able to have some of these completed within the next two years.

Bulacan Airport for one is very promising. We visited the site a few months ago and the land development is almost 70% complete and we're hoping that by next year, San Miguel Corporation can start constructing passenger terminal building and runway.

So, there are so many projects that we'll work with DPWH also about toll ways and we will work closely with them so that we can complete all these projects.

MS. OSEÑA-PAEZ: Okay. I could see Secretary Garcia Frasco nodding a lot getting very excited over these projects under your department, Secretary Bautista. So, let me jump to you, Secretary Frasco.

The Department of Tourism is partnering with the DPWH and DOTr; of course you're all working together, all of government in improving roads, railways, airports and the like. Would you like to tell us more about this impact of this in our tourist destinations and your plans for that?

DOT SEC. FRASCO: Thank you very much. Magandang hapon po sa inyong lahat. Og sa tanan natong kaiguun sa Kabisayaan og sa Mindanao, maayong adlaw. Love the Philippines.

I'm smiling from ear to ear because with all of the projects and infrastructure and transportation that have been lined up, implemented and are continuing under then Marcos administration, this is truly reflective of what our President articulated very early on last year and that is the tourism is a priority. Applying not only a whole-of-government but a whole-of-nation approach towards reviving this most promising sector.

Because of the prioritization of the Marcos administration especially in terms of strengthening the essential pillars of tourism development that include infrastructure and transportation we have seen a robust growth in the industry post-pandemic.

Last year we exceeded all of our targets in terms of international arrivals by nearly a million, garnering in for the country over 1.87 trillion pesos in combined spending of international and domestic tourism with over 102 million domestic trips been taken by our fellow Filipinos – all of these translated to over 5.35 million jobs for Filipinos. And if you multiply that by the average number of members per family, that's over 25 million Filipinos that have benefited from tourism.

Specific to infrastructure through our continuing partnership with the DPWH, there have been over 158 kilometers of roads leading to tourist destinations that have been constructed and are ongoing. And we are very optimistic that in the coming year, investments and tourism roads will continue so that we can continue to expand countrywide development as far as tourism is concerned. So, we fulfill the President's vision that no one is left behind as far as the local government units to benefit from tourism development.

We are also very happy to note that through our partnership with the Department of Transportation, wherein the DoT together with its attached agency, TIEZA, presented its proposals to the DOTr for the improvement of our gateways. You can now readily see and feel the warmth of the Filipino love and hospitality when you land in NAIA Terminal II. As there is Filipino-made furniture, improvements in the interiors, plants, solar panels, charging stations and the like in this particular airport. This effort we hope to be able to expand as well in partnership with the DOTr and the Davao International Airport as well as the Cebu City Port and many other gateways in the Philippines recognizing that our gateways are the first and last impression of our tourists.

With regard to the secondary gateways of the country, we have also made efforts to converge with fellow government agencies, especially in terms of resuming pre-pandemic flights and adding two more flights to our secondary destinations in order to encourage connectivity. And with this, we are seeing additional flights to Clark International Airport, so that we can fully maximize the capacity of this airport. Of course, Cebu, which has been awarded the best airport in Asia under the 5 million category, continues to grow in terms of the number of flights going to other domestic destinations. We have also seen new flights into Palawan, which has been declared by Wander-Lush in the UK, as one of the most desirable islands in the rest of the world.

And so all of these investments that the Marcos administration has made in infrastructure development and connectivity have readily resulted in this growth in the tourism sector that we can only see to grow further as we are very optimistic in not only meeting but also exceeding our targets this year of 4.8 million international arrivals. Since as of this day, we already have over 3.1 million international visitors having come into the Philippines, translating to over 215 billion visitor receipts thus far.

MS. DAPHNE OSEÑA-PAEZ: Thank you so much, Secretary Garcia-Frasco. Wow! We will get back to you shortly. Let's move on to energy, of course, Secretary Lotilla. The President said renewable energy is the way forward. The government recently allowed full foreign ownership in renewable energy projects, to boost foreign investment in the sector. Aside from this, what are the DOE's efforts to attract investments in the renewable energy sector, especially in streamlining the application for implementation of new energy projects?

DOE SEC. LOTILLA: Thank you, Daphne. The President has stressed the need to diversify our sources of power and energy and renewable energy is the key because then, this is indigenous and therefore readily available for us not subject to the volatilities of the external market. But as you know, the power and energy sector in the Philippines is in private hands. And therefore the role of government has been to support the initiatives of the private sector.

And so far, the department has approved 126 service contracts in renewable energy service contracts in the one year of the Marcos administration. And this represents a potential of around 31,000 megawatts. Just for context, by 2028, the peak demand of the Philippines will be at around 25,000 megawatts, up from our current 17,000 megawatts peak demand. And to be able to meet that demand, we will have to make available more than 8,000 megawatts of new capacity.

Under the vision of the President, 43% of that should at least be from renewable energy. But renewable energy as you know is site-specific and therefore connectivity is at the core of renewable energy. We have got to connect the source to the markets and transmission is key. So, we need to improve for example on the system impact studies. Because this has to be addressed upfront rather than later. And the system impact studies unfortunately are rather delayed, a number of you in the sector have been complaining of delays from one and a half to two years in the system impact study alone.

So, these are the things that we want to be able to address so that the RE developers will be able to focus on the rollout of their projects. The other is of course the energy virtual one-stop shop, which imposes the law that imposes timelines on the delivery of permits or the approval of permits by the different agencies. And the Executive Secretary is chairing this one and so by the next meeting for example, we will be looking at how the transmission concessionaire, the NGCP, is going to specify the 60-day requirement for approval of just the system impact studies.

So, all of these we need to connect and we will be challenged by the needs for example of the transport sector which Secretary Bautista pointed out. Most of this land transport for instance will be electricity dependent and of course, it's cleaner and more convenient for our people. But then, we need to be able to deliver that demand and we are working with a private sector and we commit ourselves to deliver on those. Thank you.

MS. DAPHNE OSEÑA-PAEZ: Thank you. You have your work cut out for you, but you seem to be on the right track, and with all the agencies helping each other, that's great.

Now, let's move on to Human Settlements and Urban Development, Secretary Acuzar. Ibinida ng Pangulo kahapon sa SONA ang tagumpay ng ating Pambansang Pabahay Para sa Pilipino Housing Program or 4PH. How is the 4PH Program going to be funded? Who are the beneficiaries of the 4PH program and who should be identifying the beneficiaries? Gaano kaabot-kaya ang pabahay mula sa 4PH Program, sir?

DHSUD SEC. ACUZAR: Good afternoon. Iyon pong programa po ng ating mahal na Pangulo na Pambansang Pabahay para sa Pilipino, ito po ay pangkalahatan, hindi lang po pang-mahirap. Ang una pong tina-target nito ay iyong mga urban poor. Kaya po mapapansin na po ninyo ngayon at nakikisama na po iyong mga urban poor sa aming mga programa. Like, mayroon kaming ginagawa din na isang project dito po sa Lupang Arenda. Ang lupang Arenda ay one of the biggest slum area here in Metro Manila.

So, ang program po ng pambansang pabahay, pangkalahatan ito ah, kahit iyong mga drivers, iyong mga waiters, lahat po iyan kasali hindi lang po iyong squatters. Pero may mga [unclear] projects po iyang pambansang pabahay. Iyong pondo po na pinanggagamitan, the funds are coming from the private sectors. Ang hiningi lang po namin dito is the funds for the interest subsidy. Kapag kumuha po kami ng interest subsidy, kami po ay kukuha ng pondo sa private sector. Iyong dati pong traditional housing program of the government, getting the funds from the governments, hindi po kakayanin ng gobyerno, hindi po matatapos ang backlog ng housing. Kasi po ang ginagamit po natin dito ay government funds.

Sa ibang bansa po, ang gamit talaga private funds when it comes to housing. Kapag ang housing po ay nanggaling sa private funds, even in the banks. Kapag sa banks po nanggagaling ang pondo, simple lang po: Ang developers utang sa bangko, ang developers magbebenta sa beneficiaries – ang beneficiaries naman po, utang din sa bangko – ang beneficiaries magbabayad sa developers – ang developers magbabayad sa bangko. By doing that system, hindi po mawawala ang pondo.

Ang gawa lang ng gobyerno dito ay iyong interest subsidy, kasi the interest subsidy instead na pambayad ng 6%, 1% na lang po. Pero kung hindi kaya ng mga squatters ang resettlement, sabihin natin hindi kukulangin kasi dati po iyong bayad po ng 6% sa ordinary projects na ginagawa ho namin sa DHSUD is about 8 to 10 thousand. With the interest subsidy and other systems na ginagawa po namin ay bumaba pa ho ng 2,000 to 3,000. Kung hindi pa rin kaya mayroon din po kaming system na graduated amortization.

So, in other words everything here in the country kasali po sa housing program ng DHSUD. Thank you.

OSMEÑA-PAEZ: Thank you Secretary Acuzar, for explaining the 4PH Program. Very exciting po.

Let's move on to the Department of Agriculture. Usec. Sombilla, an additional 600 kilometer of farm to market roads have been built this past year in the various area of the country. How has this helped our farmers, and what other directives has the President laid down to ensure easier, faster and more comfortable transport of farm goods?

DA USEC SOMBILLO: Thank you very much and good afternoon to all. Actually, it's 662.67 kilometer of road to be exact, and that is a combined accomplishments of the regular programs of the Department of Agriculture iyong sa sugar, SRA (Sugar Regulatory Administration) natin, sa SIDA (Sugarcane Industry Development Act) Law. And of course iyong project na Philippine Rural Development Project 'no.

And in addition to that, mayroon din tayong nagawa na 670 linear meters of bridges. Napakaimportante po nito, nabanggit na po iyong connectivity na kailangang-kailangan natin lalo na sa mga rural areas na talagang medyo malayo sa mga urban cities at sa mga consumers kung saan kailangan talaga iyong produkto 'no. So to farmers, this would mean you know, easier for them to transport their produce which will give them you know, encourage them to diversify their production, lalo na iyong sa mga kailangan natin na perishable because it's going to be easier now for these products to reach the consumers in the urban areas or in the cities or even the town center 'no, and that will give a greater variety of food in the local markets.

You know for health reason 'no, so more diversified, less cost in traveling in moving these produce to the market centers will mean greater incomes to the farmers 'no, that's very one reason for the importance of really putting up this farm to market roads.

The second, is that it will connect them also to processing centers, even to the ports for export goods na talagang exportable natin. So, again you know that will again lead to—result to higher income, greater business opportunities to farmers, more livelihood for them. Because then, agri-business related industries can grow and it means more employment also to the rural areas.

So, hindi lang po iyong mga farmers and fisherfolk ang mabibenepisyuhan, pati po iyong mga tao na nakatira doon sa rural areas kasi it will be easier for them to access health services, other social services at faster time and lesser cost. So, it really means the whole welfare of the society will be benefited by this enhanced connectivity.

So, kaya noong very first meetings ni President with the agriculture sector, with the Department of Agriculture, ang una niyang instruction is to come up with a farm to market network plan. And I think that was done, and we already have that plan. It's going to be the master plan for all farm to market road that's going to be constructed in the next you know, hopefully matatapos—kasi ang kailangan pa po nating farm to market roads is about 64,155 kilometers. That's how much more kilometers of farm to market roads we need for the next and, ang gusto ni Presidente ay tatapusin natin lahat iyon. So, it's going to be a big challenge.

So, in addition to—so meaning to say iyong farm to market roads ay for rural empowerment talaga, rural community empowerment. So, without this talaga ay magiging isolated ang mga iba nito. So, I think it's really very important.

Aside from that, mayroon din pong ginagawa ngayon iyong tinatawag na, together with ADB, Philippine Food Chain Logistics Master Plan. So, that will identify the specific interventions that are going to be needed to really enhance the agricultural sector, saan po itong mga logistics and facilities are going to be strategically provided at saka saan po tayo kukuha ng investments to make all of these things to happen. So, medyo talagang the President has been really looking at the agriculture sector, talagang inaano niya na ang agriculture is still a backbone, one of the backbone of the economy. So, iyon.

OSMEÑA-PAEZ: Thank you. Usec. Sombillo, very important work you are doing there.

Let's bring it back to Public Works and Highway Secretary Bonoan. Considering the country's vulnerability to various forms of natural disaster such as flooding, what are the DPWH's big ticket flood control projects that are nearing completion? And how is the DPWH ensuring the timely completion of these projects?

DPWH SEC BONOAN: Well, this is another sector that we are trying to face several challenges actually, iyong flood control program ng department. Kasi sabi nga ni Presidente, "I think you have to construct now a flood control projects that are more resilient and sustainable because of climate changes and things like this."

So, technology will tell us kung ano naman iyong pupuwede nating gagawin. But in the meantime, I think let me start with some of the projects that we are undertaking, kasi we will continue to build flood control structures, but this will now be integrated in the water resource management, water resource development management principle. And, iyong hindi na patse-patse siguro iyong gagawin namin dito because we will address it on a river basin program, para mas malaki iyong lawak ng masasakupan and I think this will be more effective in many areas for flood control in many parts of the country 'no. There are many projects that are ongoing right now, there are 18 major river basins in the country, some of the biggest river basins like Cagayan, Cagayan River Basin, dito sa Panay and many, many more.

In Metro Manila, let me just expound. In Metro Manila kasi siyempre binabaha ang Metro Manila, and for now we will soon complete actually iyong rehabilitation ng mga pumping

stations in Metro Manila. I think there are 20 of these that are being upgraded and rehabilitated pumping stations in Metro Manila. And we are constructing another 10 new pumping stations in Metro Manila to facilitate iyong kuwan ng flood—iyong waters in Metro Manila. We are also constructing actually iyong mga booster pumps dito sa mga channels para mas mabilis iyong pagpunta ng tubig papunta doon sa mga pumping stations. All these we expect that, I think in a very short time, I think we're just about to finish actually iyong rehabilitation nga ng mga pumping stations.

But again in Metro Manila, I think one of the biggest challenges is actually solid waste disposal 'no. And we are coordinating with to Metropolitan Development Authority actually to look into this, kasi kahit na gaano ka-efficient din iyong ano mo, kung maraming basura iyong pumunta sa iyo then it will just impede the flow of water and anything. This is going to be a challenge to everybody.

In the same manner, as iyong mga kuwan din sa mga major river basins, siyempre iyong mga encroachment in the river basins, iyong mga structures and all these will have to be, well, relocated siguro and find out how we can best actually accommodate them so that they would be free from iyong inundation once we construct actually iyong mga flood control measures namin. And find out how we can best actually accommodate them so that they would be free from iyong inundation once we construct actually iyong mga flood control measures namin and I think it will be good. So, thank you.

MS. OSEÑA-PAEZ: Yeah. Thank you so much, Secretary Bonoan. Flood control and solid waste disposal – lot of projects.

Let's move on. Secretary Ivan Uy. Please tell us about the success of the Broadband ng Masa Program.

DICTIONARY SEC. UY: Well, the Broadband ng Masa Program is a comprehensive program that integrates our national broadband together with our free Wi-Fi project. And so with respect to the national broadband aspect we're actually already been able to connect Baler from Aurora to Poro Point in La Union. So, that will be live in probably by next month; then the Luzon connection from the north, from Ilocos down to Quezon City – we're projecting that by the end of the year that should also be live. That provides about two terabits of capacity to our current capacity.

In the meantime, with our deployment on the free Wi-Fi, what's good is today we have more options. In the past connecting the remote islands and the remote mountainous communities have been rather difficult because most of the modalities that would be required to provide the additional transport is expensive and it requires the construction of either towers which could be affected by adverse weather, or submarine cables to connect the remote islands. But today with satellite technology the cost of satellite technology coming down significantly and the quality going up, we now have more options in our deployment to the remote areas or what we call the GIDA areas – the geographically isolated and disadvantaged areas.

So, because of the wider options of technology that's available and because of policy and regulatory changes that we've implemented, we do look forward to an increased ability to be able to deploy this connectivity at a much lower cost and at a much better reliability and quality across all our islands. And one of those that we are prioritizing of course is the Department of Tourism's tourism areas that have been identified early on.

So, we're working with the Department of Tourism as well as of course Department of Transportation to identify the ports and the areas where there will be a need to improve digital connectivity especially for our tourism areas visitors coming in – our airports, seaports and transport terminals.

Thank you, Daphne.

MS. OSEÑA-PAEZ: Okay. Thank you, Secretary Uy.

Secretary Bautista, one of the efforts of the DOTr in addressing transport-related problems is through the public utility vehicle modernization program. What progress have we achieved so far in this field?

DOTr SEC. BAUTISTA: The public utility modernization program started in 2017 during the time of President Duterte and there are four major components of the PUV modernization program. One is the industry consolidation which we are now implementing. Under the Omnibus Franchising Guideline we want the operators, the jeepney drivers to join cooperatives. It is important that they join a cooperative or a corporation so that they can work together not compete with each other and at the same time they can operate as if they are a legitimate business by employing a professional mechanics who will maintain their vehicles, they will have the right dispatching of vehicles so that there is a timely available vehicles in different stations.

Right now, the consolidation is around almost 70% 'no. There are more consolidation happening in Visayas and Mindanao. We are working with the Office of the Transport Cooperative to continue to encourage those who have not consolidated to consolidate because the deadline for consolidation is December 31 of this year.

Another component of the PUV modernization program is the route management. We are working with local government in preparing what we call local transport route plan. In terms of this preparation, we have already attained almost 60% from the local government units.

Another component is the fleet modernization program. This is a very contentious issue right now. In fact, this is one of the reasons why this small group is declaring tigil-pasada yesterday and until today, but I understand that they will not continue it anymore because this group don't want the old jeepneys to be replaced by the modern jeepney. They want to keep the iconic jeepneys. And we told them that it is okay to keep the iconic jeepney as long as these

are road-worthy and they can still provide convenient and safe transport experience to our passengers. But we're working with them; we will allow replacement of these iconic jeepneys with almost the same type but conforming to Philippine National Standards.

The Philippine National Standard requires that the door is on the right side, with a comfortable seats, with more fuel efficient engine – Euro 4 or Euro 5 engine – or electric vehicles. Right now, out of around 180,000 jeepneys in the Philippines, there are only around 7,000 modernized equipment. So it will take some time for the industry to be able to implement the fleet modernization program.

But government is helping the transport sector by providing an equity subsidy. We have given equity subsidies to all those who have modernized their vehicles. And we are looking at the possibility of increasing the subsidy. So we'll ask for more budget so that we can implement the fleet modernization program.

Another important component of the Public Utility Modernization Program is the social impact on those who will be affected. So we're working with the TESDA and with the Department of Labor to give them training so that those who will not be driving their jeepneys anymore will have options, will have the right training for them to be able to earn a different living. Thank you.

MS. DAPHNE OSEÑA-PAEZ: Thank you so much, Secretary Bautista, for all the updates regarding the jeepney modernization program.

Okay, back to the Department of Energy. Aside from ensuring sufficient energy supply and a healthy energy mix, the need to improve and expand the country's energy transmission system is critical to ensure the efficient delivery of power. Noting the delays in the implementation of key transmission projects, what is the status of the performance audit of the NGCP?

DOE SEC. LOTILLA: Thank you, Daph. As the President has mentioned, the audit, the comprehensive review of the National Grid Corporation of the Philippines as the private concessionaire of our transmission system is ongoing. And with the Energy Regulatory Commission, the Department of Energy is set to start this soonest.

The importance of speeding this up is obvious, because for the last fourteen years that the NGCP has had the franchise for the transmission system, the Energy Regulatory Commission has reported that the lead of the transmission system in the Philippines has increased only by 8% in terms of circuit kilometers and that pre-pandemic, the average increase has only been 1.05%. And the delays have even exceeded eight years in some projects.

Therefore, there is a need to speed this up because the country can't wait for 8 to 10 years for a project to be finished. And the... we want to be forward-looking here and clarify what is the exact nature of the problem, what are the obstacles that are facing us so that we can work

on them. If the obstacle is one of financing or inability or difficulties of the country's biggest monopoly to carry out, then let's find alternative ways of rolling out the transmission construction in the country.

So this is what we look forward to do; not simply to find fault but precisely to find the appropriate solutions for what the country faces.

MS. OSEÑA-PAEZ: Okay. Thank you, Secretary Lotilla.

Department of Tourism, we note that among the DOT's flagship project is the establishment of tourist rest areas nationwide – for the tourists' convenience. Secretary Garcia Frasco, please provide details about this program.

DOT SEC. FRASCO: At the start of the Marcos administration, the instruction of the President was to ensure that we enhance the overall tourist experience whether it's for international or domestic tourists. In line with this, we also conducted listening tours across our regions and the demand was clear – we need a convenient place for our tourists to stopover from one destination to another, and most importantly, clean and decent public restrooms.

So important is this priority that even the ASEAN has come up with public toilet awards for countries recognizing that this basic human need must be addressed when travelling – as it is not just the destination but also the journey. In line with that, we wasted no time and broke ground right away on ten tourist rest areas across the country, namely: in Pagudpud, Ilocos Norte, in Baguio City, several in Cebu, in Bohol, in Manolo Fortich in Bukidnon, as well as in Samal Island in Davao. We have already inaugurated one in Cebu and we'll be inaugurating several more this month and in the coming months.

We are also breaking ground on 15 other tourist rest areas across Luzon, Visayas and Mindanao. These tourist rest areas have a convenient lounge for our travelers, a pasalubong center to help our small and medium enterprises sell their local goods as well as the artisanal products of our local communities; it also has, of course, rest rooms, PWD facilities and even a breastfeeding room for our mothers traveling with their babies. In addition to these, these TRA has been implemented in partnership with our infrastructure arm, the TIEZA, as well as our local government units all over the county.

Tourists' convenience is among the top priorities of the Marcos administration and that is why in line with that, we have also come up with another flagship project of the Marcos administration – and that is the very first Philippines' Hop-On Hop-Off Bus Tours here in Metro Manila. This brings the Philippines shoulder-to-shoulder with other major key cities around the world that have hop-on hop-off bus tours. At the convenience of our fingertips, you can download an application for Philippine's Hop-On Hop-Off and purchase your ticket and be able to go around the various beautiful destinations of key cities in Metro Manila.

We've launched so far in the City of Makati, as well as in the City of Manila and launching soon in other cities in the metro. We hope to be able to benchmark this as well in other key cities in the country.

MS. OSEÑA-PAEZ: Thank you so much, Secretary Garcia-Frasco.

And maraming salamat po sa ating mga panelists – mapa-land, water or air transportation, housing, energy or internet, ang Infrastructure Development and Connectivity Cluster ng ating pamahalaan ay patuloy na nagtutulungan para sa maunlad at progresibong bagong Pilipinas!

And in just a short while, we will have our Food Security Cluster. Please do join us here in Facebook via Radio Television Malacañang and other agencies of the Presidential Communications Office.

This has been Daphne Oseña-Paez. Thank you for joining us this afternoon in the 2023 Post-SONA Discussions.

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News and Information Bureau – Transcription Section