

POWERCLUB

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Jaime Bautista
*President and Chief
Operating Officer
Philippine Airlines*

Transportation and Travel

*On land and in the air, find out where
Philippine transportation is headed.*

DECLOGGING THE CITY

*ADB analyzes the costs and
consequences of Metro Manila's
commuter congestion*

HEAVY GROWTH AHEAD

*Steel manufacturers
ride tourism's
building boom*

BATTERIES INCLUDED

*PhUV's electric
vehicles spark a quiet
revolution*

STACKED IN ITS FAVOR

*ICTSI counts on local
ingenuity to achieve global
expansion*



TRAVELING TO PROSPERITY

In Hong Kong, where I lived and worked during my PLDT Global days, I noticed that even car owners preferred taking the MTR, as it continues to be the most efficient mode of transport; fast, clean, safe, and very convenient.

In contrast, I often hear horror stories of people spending two hours or more just to commute to work via the MRT or using public utility vehicles. This is time that could be more productively used for work, or as quality time with the family. To sustain our economic growth, we should have better options for public transportation.

The Manila Electric Co. (Meralco) is working with both government and private institutions to solve our country's transportation issues. We have partnered with manufacturers like the Philippine Utility Vehicle Inc. to develop quiet and energy-efficient electric vehicles. We are also in regular dialogue with the Light Rail Transit Authority (LRTA) to help speed up its operational improvements and expansions. We consult regularly with the LRTA, conducting frequent inspections and maintenance work on Meralco facilities that power the trains.

Our light rail network is just one component of the travel infrastructure we need to improve. These improvements can accelerate the growth of our tourism industry, providing more opportunities for millions of Filipinos in far-flung areas while encouraging the private sector to build more malls, hotels, casinos, and resorts. This boom, in turn, will benefit other allied industries such as steel manufacturing and construction services. Our government needs to match this momentum, by continuing to add new roads, bridges, airports and other important links to complete the whole picture.

Meralco continues to support this ever-growing demand by working hand-in-hand with both the government and private sectors. Together, we will travel to prosperity.

Alfredo S. Panlilio

Senior Vice President and Head
of Customer Retail Services and
Corporate Communications

BRINGING BACK A GOLDEN AGE

Growing up in the '70s and '80s, I witnessed the golden age of Philippine Airlines (PAL), back when PAL was the gold standard for start-ups like Singapore Airlines, Cathay Pacific, and Malaysia Airlines. It was heartbreaking to see Asia's first airline decline in reputation and grow embattled, given the many roles it has played: providing vital passenger and cargo services after World War 2, airlifting overseas Filipino workers out of war-torn countries, and flying Pope Francis back to Rome as Shepherd One.

PAL's troubles reflect much wider issues affecting our national transportation system, which is trying to keep pace with the booming economy. It's heartening to see that private companies are pitching in to alleviate the problem.

Air charter services, for instance, are expanding, spurred by our tourism industry's success in attracting more sophisticated and upscale travelers. These small, independent carriers cater to those who value time and an enhanced travel experience above expense, and provide a needed boost to the economies of the country's remote areas.

The growth in tourism is itself generating both opportunities and problems, straining existing transport facilities while driving the building of new ones. Feeding this construction boom benefits many industries, including steel, cement, and plastic manufacturing.

I'm also excited about alternative transportation concepts, such as the eJeepneys being used at the Ateneo de Manila University campus in Katipunan. Developed in cooperation with Meralco and MServ, Ateneo's eJeepney system is a step towards reducing both traffic congestion and air pollution.

These efforts, along with PAL's eventual renaissance, will do much to boost our country's image and make our economic growth more inclusive to all Filipinos.

Victor S. Genuino

Vice President and Head,
Corporate Business Group





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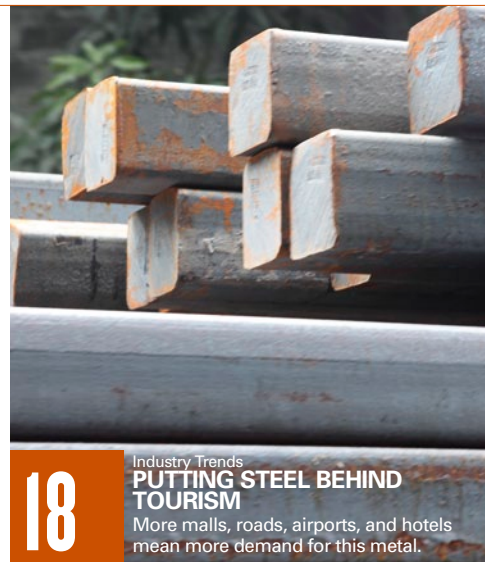
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Private institutions pioneer electric vehicle systems, with the help of MServ and Meralco.



As protests continue over the recent Metro Rail Transit (MRT) fare hike, the issue all sides agree on is the urgent need to halt – and reverse – the deterioration of the rail system.

Lloyd Wright, senior transport specialist at the Asian Development Bank's (ADB)'s Regional and Sustainable Development Department, thinks increased financing for the MRT isn't the sole solution to commuter nightmares. The success of a mass transit line depends on factors that include geography, topography, population density, and the distances commuters travel everyday.

Wright sees the fare hike as the tip of the iceberg. He proposes the use of financing innovations such as those implemented in Hong Kong, Singapore, and London. The governments in the mass transit lines in these locations use congestion charges and parking fees from car owners, as well as transit fares, to sustain the line.

Alternatives to government subsidy

He agrees that increasing fares is one way to reduce government subsidies in transport systems. The

'Successful mass transit systems overseas often involve encouraging alternative modes of transport.'

More Greenways, Fewer Transfers, and Two-Wheeled Travel

ADB's Lloyd Wright offers solutions to improve Metro Manila's public transport system.

By Cai Ordinario

country's own jeepney and bus systems receive no government subsidies, yet these systems work.

Wright says this is why some sectors in the Philippines favor a fare increase. These sectors are critical of a transportation budget that focuses on the needs of 10 million Metro Manila residents yet ignores the rest of the country.

"Is it fair that Manila gets the lion's share of this national investment versus the needs of other cities?" Wright asks. "You can debate, 'Yes Manila is the economic hub, it's important,' but there are some 100 million people in other regions and they all have mobility needs."

In other countries, governments have the public directly support the mass transport systems. "[What] Singapore does...for every kilometer you travel on the road or the time you are using the roads as a motorist, there's a device that records that and you get charged for a fee. Other cities use parking fees. So in

fact there are some public transport systems in the world where the public transport system is free, zero cost, and it's all being paid for by parking fees to cars."

Decrepitude aside, he views overcrowding and the lack of interconnectedness as similarly pressing challenges.

More transfers mean unproductive workers

The congestion on the MRT-Line 3, which traverses Edsa, he describes as "off the charts," reaching up to 12 persons per square meter. This is three times denser than what the ADB recommends as "good human space" in mass transit lines.

Overcrowding in these rail lines makes them unattractive to the public, and creates great discontent among commuters who must muscle their way in and out of the trains everyday.

"We've found no other city even comparable to this," Wright discloses. "The closest is probably Beijing,

where one of their lines probably operates at about eight persons per square meter. What we would recommend as good, transport-friendly human space would be about four, and certainly no more than five, persons per square meter of standing space.

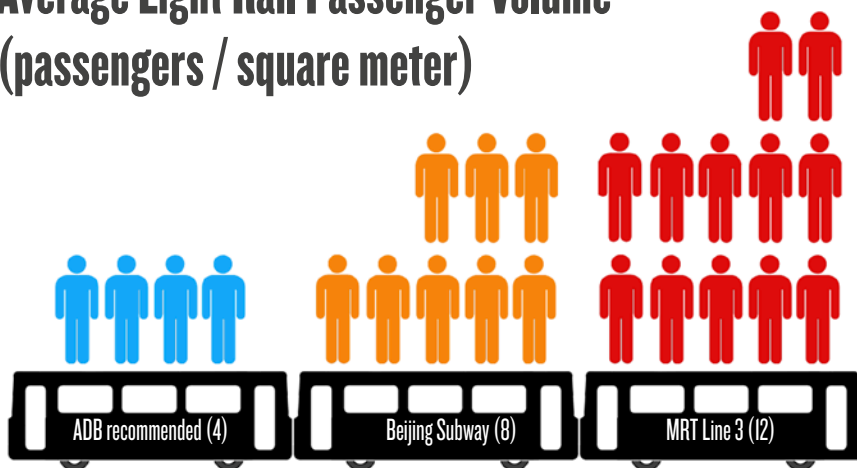
"Crowding is a huge issue," he stresses.

The lack of connections between rail lines, on the other hand, increases the transfers required of commuters just to go to and from work. It takes commuters 20 minutes to walk from one station to another, time that is often unproductive.

Sometimes, the location for rail connections and stations is determined by the presence of shopping malls and other retail establishments. Some commuters may find this convenient, but not everyone appreciates it.

Wright says these unnecessary "transfers" make public transport more unappealing to many. The

Average Light Rail Passenger Volume (passengers / square meter)



long walks and additional jeepney, tricycle, and bus rides to and from railways turn some commuters into motorists who take their own cars or motorbikes.

This may partly explain the exponential increase in private vehicles. Philippine Statistics Authority (PSA) data reveal that 6.42 million out of about 7.46 million vehicles registered in 2012 are privately owned.

"We know internationally that, on average, every transfer probably costs you about 25 percent of your discretionary ridership," Wright notes. "For every transfer, you're losing a quarter of your potential ridership because by the time you have four or five (transfers), anyone who can afford a motorcycle or car (will ride one). There's no doubt about it."

The ADB expert praises the set-up at Guangzhou, China for having eliminated transfers. Neighborhood vehicles take commuters directly to the public transport network, including the city's world-famous Bus Rapid Transit (BRT) system.

'Car-competitive' public transport systems

Government agencies such as the Department of Transportation and Communication, the Department of Public Works and Highways, and the Metro Manila Development Authority

have made great strides at providing a variety of transport solutions, yet Wright indicates that the lack of network integration effort remains a serious problem.

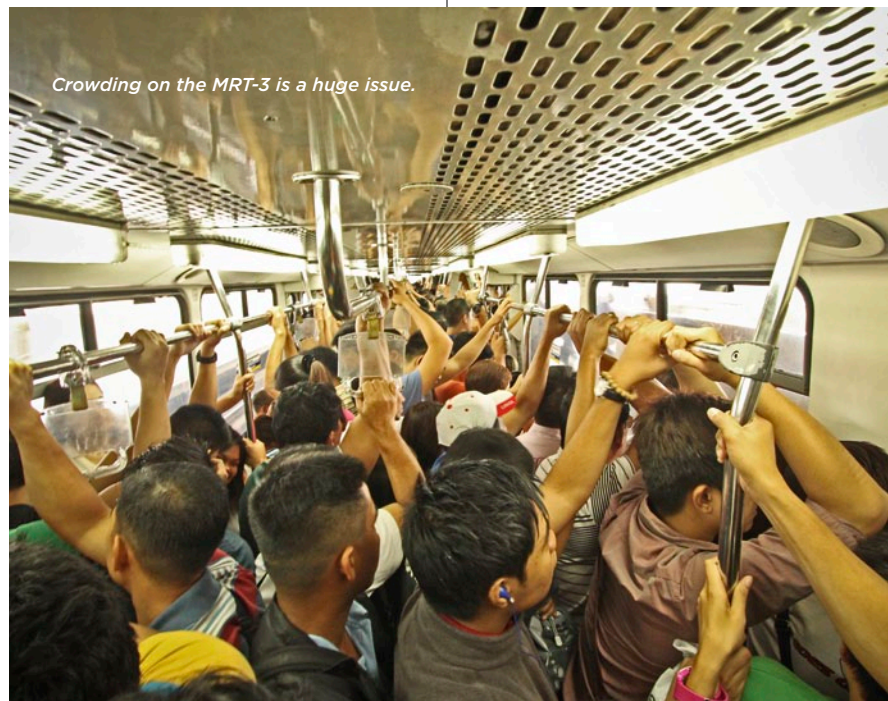
Current government projects include the P378.33-billion Mass Transit System Loop project, to connect Bonifacio Global City, the Makati Central Business District, and the Mall of Asia area in Pasay City. It is also eyeing a BRT system along Quezon Ave.

The Manila Electric Co. (Meralco)

is looking to step into the light rail business, through its direct subsidiary, Meralco Rail (MRail). In doing so, Meralco will be putting the "R" back in its name, harking back to when the company was originally called Manila Electric Railroad and Light Co., having had the sole franchise to operate the electric *tranvia* system in Manila.

Headed by Ferdinand Inacay, president and chief executive officer, MRail is negotiating to maintain the P65-billion LRT-Line 1 South Extension project with the winning bidder, Light Rail Manila, a consortium led by the Metro Pacific Investments Corp. and Ayala Corp. The largest awarded concession under the government's Public-Private Partnership program, the extension project will run from the existing Baclaran Station to the planned Niyog Station in Bacoor, Cavite, a distance of some 11.7 kilometers. It will add an extra 260,000 passengers to the current average weekday volume of 560,000.*

Wright underscores that all these public transport solutions must be connected. He urges the government to eliminate transfers as much as possible to make these public transportation lines "car-competitive."



* Learn more about MRail's present and future plans in the second quarter 2015 issue of the Meralco Power Club.

"Anybody in this city should be able to go to any major area without a transfer," Wright insists. "Economically, you can't provide every combination, but you can do a lot better; and when you do have a transfer, it should take place just on a platform and not (walking) through a shopping mall or (crossing) a dangerous street."

Another way government can ease congestion and improve interconnection in Metro Manila's railway lines is to explore innovations with technology and system access.

Wright reveals that successful mass transit systems overseas often involve the creation of greenways and encouraging alternative modes of transport such as bicycles. An avid biker, he knows sharing the road with both pedestrians and

MRail President and CEO Ferdinand Inacay plans to put the 'R' back in Meralco's name.



poools, fountains and ponds, for a picturesque stroll or an outdoor workout.

In the footsteps of these cities, the ADB is working with local stakeholders to transform the banks of the Pasig River and the Marikina River into a pedestrian and bicycle superhighway. They take their cues from cities such as Iloilo, which recently pedestrianized a riverside roadway, turning it into their version of a greenway.

"I often tell decision makers: yes, giving public space to our sustainable transport does seem risky, and it's much safer just to continue existing policies which we know aren't really working," Wright declares. "However, the benefits and the rewards (of) actually doing something so spectacular like that should not be overlooked."

He adds that these innovations would also be more welcome if they were designed to cater to the needs of the most vulnerable: the disabled, the elderly, and the young.

Countries, and cities, can formulate many innovative solutions to the riddle of mass transit. Wright concedes there is no singular solution to transport problems in Metro Manila, but stresses that the most important thing is to have the will to change for the better. Only when we have this willpower can we begin to unravel the gridlock in our streets. 🚲

Successful mass transit systems in China encourage bicycle use



cars ease congestion, improve interconnectedness, and make for a better commute for all city dwellers.

Greenways and bike lanes

In Guangzhou, for example, 2,000 kilometers of greenways doubly work as a pedestrian path and bicycle superhighway. People may also use the greenways as communal areas with installation art, miniature

Over at Seoul, South Korea lies the historical Cheonggyecheon river around which the city was founded. When urbanization and modernization turned the river into an eight-lane elevated highway, ex-Seoul mayor and former President Lee Myung-Bak stripped the highway and restored the Cheonggyecheon. Wright says the river now annually attracts around 20 million tourists.



‘Our vision is to be one of the world’s best airlines, and the airline of choice in the markets that we serve.’

Photography by **Albert Labrador** Grooming by **Arlene Adto**

Carrying the Flag Carrier

**JAIME BAUTISTA
RETURNS TO PILOT
PAL TO PROFIT
AND PRESTIGE**

By Veronica Uy and
Ma. Stella F. Arnaldo

In its 74-year history, Philippine Airlines (PAL) bore witness to trials and triumphs, calamities and victories, coups and prosperity. It weathered budget-airline challenges, spikes in fuel prices, political upheavals, labor unrest, economic woes, and changes in ownership.

A shining moment in its recent history was the rare privilege of carrying the Supreme Pontiff of the

Roman Catholic Church. When Pope Francis landed at the Villamor Airbase last January 15, the chosen few to greet him included PAL President and Chief Operating Officer (COO) Jaime Bautista, who later accompanied the Pope back to Rome.

Flying with His Holiness on a special flight, dubbed "Shepherd One," was an unexpected blessing for Bautista, who months earlier had been extremely reluctant to return and pilot the airline. Semi-retired, Bautista was preoccupied with golf, leisure travels with his wife,

and doting on his two grandchildren.

And yet, he was persuaded to take the helm of the company for a second time after tycoon Lucio Tan (LT) regained full control of PAL in October 2014.

Not just a finance guy anymore

Bautista, 58, intimates that he never imagined he would end up managing an airline. He began working for the LT Group in 1980 as an accountant, then moved to PAL in 1993 as its vice president-comptroller. In 2004, he

was appointed president and COO – a position he held until he first stepped down in 2012.

“As an accountant, you just look at the numbers. When you become chief finance officer, you get involved in strategy and other operations: marketing, human resources, catering, ground handling, etc.”

Always smiling and cool under pressure, Bautista admits the most difficult part of the job were the labor issues. He’s had to handle several labor strikes, oversee downsizing programs, and negotiate numerous collective bargaining agreements with PAL’s militant employees unions.

The labor situation is “more manageable now,” as the workforce is down to 6,000 from 14,000 in 1993 for both PAL and PAL Express (formerly Air Philippines). Accounting systems are now computerized and many services, such as maintenance and engineering, have been outsourced.

A half-decade of low industry margins

Bautista reveals that today’s deregulated airline business is “complicated, risky and not as profitable” as it once was.

Data from the International Civil Aviation Organization and the International Air Transport Association show global airline operating margins below 5 percent and net margins at just 3.3 percent from 2010 to 2014. In particular, airlines in Asia make an average profit of only US\$4.30 per passenger. Given the present downtrend in fuel prices, the aviation industry “will improve in profitability, but not by as much as the airline owners would like.”

Some of the main reasons for legacy carriers’ lower profit margins include increasing competition from low-cost carriers and heavily subsidized Middle East carriers, high fuel costs, landing fees, and rising aircraft prices.

Bautista reveals that PAL and its budget arm PAL Express actually racked up losses amounting to US\$500 million (P22.4 billion) in the last two years.

AIRLINES IN ASIA MAKE AN
AVERAGE PROFIT OF ONLY
US\$4.30
PER PASSENGER

Moreover, the carrier’s liabilities ballooned to over US\$1.5 billion (P67.16 billion). This is due to the massive refueling program undertaken by San Miguel Corp. (SMC) which purchased a 49-percent stake in PAL and had been managing the airline since April 2012.

SMC’s president, Ramon S. Ang – himself a trained pilot and mechanical engineer – had been expected to turn around the carrier’s moribund finances. The refueling program involved purchasing 45 A321s and 15 A330-300s from Airbus, for delivery between 2013 and 2019.

Bautista believes SMC had “good intentions” in implementing this program, but insists, “it was far too much. Instead of flying 12 hours a day, [the excess planes] are flying for only six hours.” Idle planes earn no revenue and incur parking and leasing charges.

He is hesitant to estimate the losses for fiscal year 2014, pending further studies on charges, tickets sold, passenger loads, and fuel costs, among other data.

Soaring toward consumer satisfaction

For all its complications, why did Tan want PAL back? “For the last 20 years, this is his favorite business. He has invested so much already. He fell in love with [it],” confides Bautista.

(As majority stakeholder of PR Holdings Inc., the taipan became chairman and chief executive officer of PAL for the first time in January 1995, benefitting from then President Ramos’



THE NEW PLANES ARE MORE FUEL EFFICIENT, PROVIDING MUCH-NEEDED SAVINGS IN OPERATING AND MAINTENANCE COSTS. THEY ALSO ALLOW PAL TO REDUCE ITS CARBON FOOTPRINT AND LESSEN THE PLANES’ IMPACT ON THE ENVIRONMENT.



The long-range Boeing 777-300ER can fly non-stop from Manila to Vancouver, San Francisco or Los Angeles.

liberalization of the aviation sector.)

Dissatisfied with the direction of the refueling program, Tan finally decided to buy back SMC's stake, amounting to US\$1.3 billion (P58.2 billion) in September 2014. A month later, Bautista was re-elected PAL president.

Bautista says while the refueling program may drag on the cashflow of PAL, it does have its merits.

The new planes are more fuel efficient, providing much-needed savings in operating and maintenance costs. They also allow PAL to reduce its carbon footprint and lessen the planes' impact on the environment.

He is proud that the carrier has already discredited the chestnut that PAL stands for "plane always late." PAL



Engine Servicing at Lufthansa Technik Philippines.

still has the "best on time performance among all the airlines," he says, but adds that there is still room to improve this further.

Technology has helped PAL improve

its safety record and services across the board. Pilot performance is now accurately measured with systems that compile data on in-flight decisions and on responses to various conditions.



**THE PIONEERING
FLAG CARRIER
IS COMMITTED
TO MAINTAIN
STANDARDS THAT
BEST REPRESENT
PHILIPPINE CULTURE
AND HOSPITALITY.**



Even before he left in 2012, Bautista had already set up an integrated passenger service system, encompassing customer touch points like booking or reserving a flight, getting the ticket, checking-in, baggage handling, until boarding. "We will take advantage of technology [to improve customer satisfaction]."

The pioneering flag carrier is committed to maintain standards that best represent Philippine culture and hospitality. This means giving passengers the amenities associated with regular airline travel, like one free checked-in baggage, chef-designed inflight meals, and web check-in. The latest convenience – a mobile check-in

system – was launched in December 2014 to help passengers avoid long queues.

Power partnership to keep PAL airborne

One of PAL's keys to keeping its operability and safety standards aloft is Lufthansa Technik Philippines (LTP) which repairs and maintains its planes. LTP is a joint venture between Lufthansa Technik AG and the Tan-led MacroAsia Corp.

The Manila Electric Co. (Meralco) is an essential partner in helping LTP keep PAL flying. "A steady supply of electricity is very important to us, because we operate 24/7," declares

Edison M. Que, senior vice president for finance of LTP. "Our maintenance operations are recorded and tracked in our IT system, which requires dependable power."

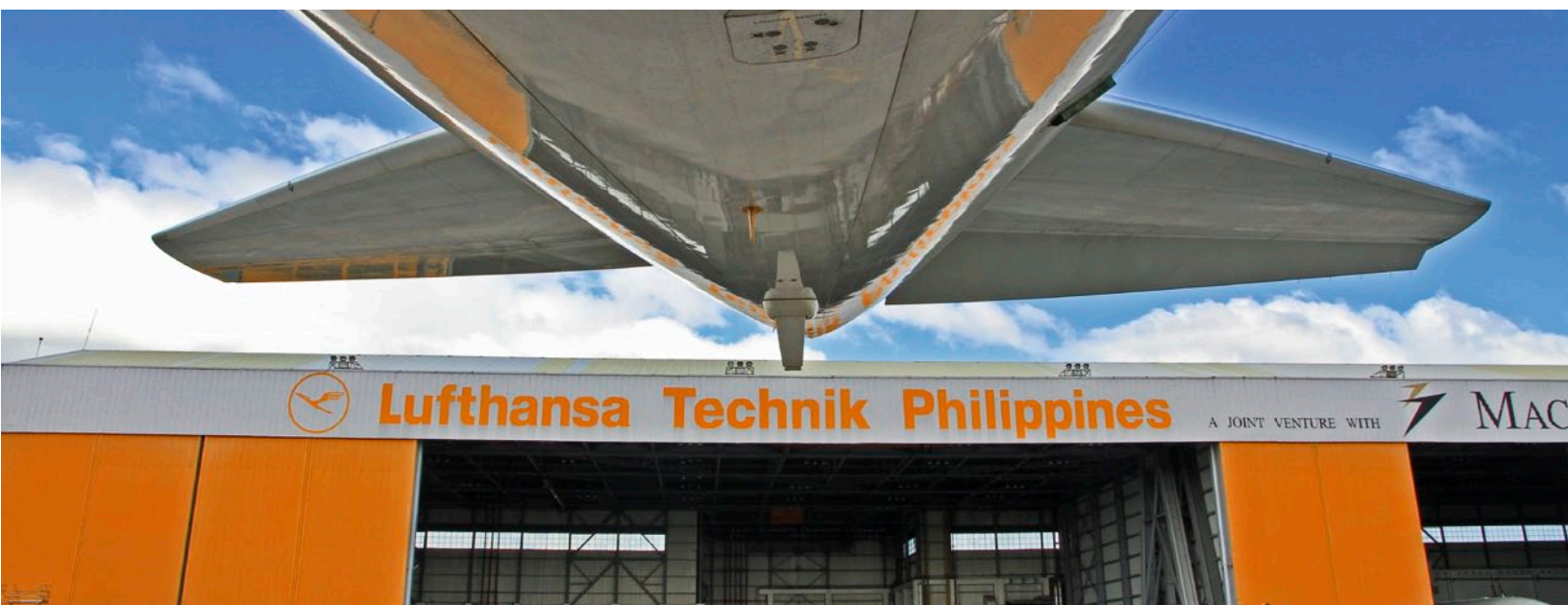
Holding down costs is also vital, given the airline industry's slim margins. By providing regular energy conservation seminars and technical consultations, Meralco has assisted LTP transition to more energy-efficient equipment and use of LED lighting.

"With Meralco's help, we've been able to save some P2 million a month over the last two years!" exclaims Que. "From 2013 to 2014, LTP's power consumption went down by 409,000 kilowatt hours."

Hanging tough in a competitive market

Bautista has high hopes for 2015: "With the new fleet, lower price of fuel, and proper airline management, we are very hopeful that PAL will report profits this year. We will improve our product offering, which will allow us to have a bigger share of the market, particularly those who are willing to spend more for better service."

While Airbus has agreed to PAL's request to defer the deliveries of the new planes to over 10 years, Bautista plans to optimize the already acquired aircraft over the next couple of years, targeting destinations with higher passenger traffic in North America and some Asian Pacific cities.



‘With Meralco’s help, we’ve been able to save some P2 million a month over the last two years.’

- Edison M. Que, LTP Senior Vice President for Finance



Recently, new flights to New York were launched, along with increased frequencies to San Francisco, Los Angeles, Vancouver, Guam, and Honolulu.

“China is also a very promising market,” he adds. “We’re receiving a lot of interest for charters.” PAL currently offers charter services from Taipei and Incheon to Kalibo, and plans to provide scheduled international flights from China and Taipei to Caticlan, the gateway to Boracay.

PAL will also be restoring its Cebu hub and mounting flights from there to Bacolod, Davao, and Puerto Princesa.

Instead of expanding routes in the Middle East, PAL will use its code-sharing agreements with some of the region’s local carriers, bringing passengers from Manila to Doha, Abu

Dhabi, Dubai, and Saudi Arabia, and back.

“Our code-share agreements will allow us to have presence in places where we do not fly,” Bautista elaborates, “and to use each other’s lounges and mileage programs.”

He remains confident of the airline’s other advantages: “We have one of the youngest fleets in Asia, with an average age of three years. Aside from affordable fares, we offer attractive flight schedules, especially in our North American destinations. We also have well-trained flight deck and cabin crew.”

Bautista is aware, however, that PAL needs to do more than restore its profitability. It must also fulfill the country’s expectations by being a source of national pride.

“Our vision is to be one of the world’s best airlines and the airline of choice in the markets that we serve. We are the airline of choice because we are a full service carrier,” he stresses. 🍷

‘With the new fleet, lower price of fuel, and proper airline management, we are very hopeful that PAL will report profits this year.’

- Jaime Bautista, PAL President and COO

TAXIS OF THE SKY

INCREASINGLY POPULAR CHARTERED FLIGHTS EXTEND THEIR SCENIC REACH

By Lenie Lectura

Air travel makes the world more accessible, yet there remain remote islands, mountain villages, and out-of-the-way beaches too far from big airports, or not regularly served by mainstream carriers.

Air-taxi services answer this clamor for greater inter-island access. Some chartered flights are also supplemental, “to complement regular commercial flights especially during peak seasons,” explains Carmelo Arcilla, executive director of the Civil Aeronautics Board (CAB). The CAB is an attached agency of the Department of Transportation and Communication tasked to oversee and regulate the operations of the Philippine aviation sector and allied services.

This service also buys convenience, speed, and privacy for tour groups and families attending social events, such as destination weddings and honeymoons.

For licensed pilot and flight instructor Captain Ramon Guico III, owner of WCC Aviation Co., “no other tourist spot is more beautiful than Palawan.” The most popular destinations for air charter services are Boracay and Palawan, frequented by local and foreign tourists, *balikbayans* (returning Filipinos), and businessmen.

PLAYING A VITAL ROLE

WCC operates as Sky Pasada, one of 27 active air-taxi operators licensed by CAB to conduct chartered services.

CAB data also show that the number of passengers who flew via chartered services grew by some 51 percent to 96,013 in 2013 from 63,764 in 2005. As of

presstime, the CAB was still completing the data for 2014.

Even with large carriers such as Cebu Pacific or Philippine Airlines (PAL), Arcilla insists on the need for air charter services. “There are places even budget carriers cannot reach,” he says, “because of limited infrastructure or low passenger volume.”

“Some charter services that operated in Clark and Kalibo eventually developed their operations to become full-service carriers.



A Seair-I Dornier 328 is prepped for another flight.

PIONEERING NEW DESTINATIONS

Veteran pilot, Captain Jose Mari “Joy” Roa, owner of Air Safari and host of the TV series “Asian Air Safari,” concurs that the air charter sector deserves more attention.

“The government thinks it’s a small industry, but that mentality must change to create a bigger industry for the whole community. However,” he warns, “we can’t increase flights because of limited runways, and this continues to hinder growth in aviation.”

For its part, the Manila Electric Co. (Meralco) is ensuring that passenger terminals – especially at the Ninoy Aquino International Airport (Naia) – are properly

supplied with the power needed to keep up with the increasing passenger flow. It quickly helped provide a 5-Mega Volt Ampere (MVA) transformer last December, replacing a burnt-out 26.6 MVA transformer that serviced Terminals 1 and 2. Meralco also assisted the Manila International Airport Authority in cleaning the transformer vault of Terminal 3 to optimize its operations.

As joint operator of Clark Electric Distribution Corp., Meralco is also involved in energizing the Clark International Airport in Pampanga.

Air charters are often the first to service areas where new airstrips have just been completed. “We were the first to fly to El Nido,” Roa claims, saying larger carriers added some destinations after air charter companies pioneered the routes.

A key organizer of the Philippine International Hot Air Balloon Fiesta, he urges people to visit the country’s many islands. “For our safari package, we send them to

Amanpulo, then to Coron and El Nido, in one go.”

Sharing the wonders of air travel is his passion. “I no longer fly aircraft just for money. I do this to promote the joy of flying. We are successful because we love what we are doing.”

COMFORTABLY PROFITABLE

The air-charter business can be lucrative, asserts South East Asian Airlines International (Seair-I) President Avelino Zapanta. This former PAL president believes it depends on how an operator maximizes its resources.

“Regulations mandate commercial airlines to fly an aircraft for all scheduled



WCC offers a selection of aircraft for business or holiday travel.

flights,” he explains, “even without passengers on board. Most charter-service operators partner with travel agencies and the corporate sector to ensure full seats flying in and flying out.”

He adds that a chartered flight on a 32-seater Dornier 328 turboprop to El Nido or Busuanga in Palawan can earn up to P500 million per round trip.

Seair-I offers charter flights to destinations such as Balesin, Palawan, Boracay, and Vigan. Zapanta reveals flights are scheduled “only when the charterer wants it.”

SPREADING OUT TO NEW ROUTES

Air-taxi operators licensed to operate international charter services transported more than 2.8 million passengers from 2004 to 2012. In that period, passenger traffic rose 88 percent, with China and South Korea among the most chartered routes.

South Korea, the Philippines’ largest tourist source, provided 1.18 million visitors in 2014, and accounted for P61.02 billion (33 percent) of international tourism receipts.

Zapanta discloses Seair-I’s plan

to charter Airbus A320 flights from Kalibo, Aklan to Seoul, South Korea and potentially “generate millions of pesos in revenue,” and to offer China flights this year or in 2016.

The author of “100 Years of Philippine Aviation, 1909-2009,” Zapanta urges air-taxi operators to be more aggressive and creative: “Operators should take advantage of international destinations.”

There are also local destinations still untapped by charter services. Zapanta ticks off Bohol, Tawi-Tawi, and Cagayan

de Oro. “Bohol is underrated,” he declares, and “until the peace and order situation [stabilizes] in Mindanao, we can’t do business there. There is so much more to explore.”

Arcilla stands by the charter-flight industry. “It may not be by leaps and bounds, but there is growth,” he notes, “and the traffic increases over the years. It caters to a market sometimes not served by scheduled flights, and we encourage operators to continue this service.” 📌



Air Safari’s helicopters can reach destinations that lack airports.



Taking air charter services to new heights: (from left) CAB Executive Director **Carmelo Arcilla**, WCC Aviation Co. owner Captain **Ramon Guico III**, Seair-I President **Avelino Zapanta**, and Air Safari owner Captain **Joy Roa**

Putting Steel Behind. Tourism

*New bars being extruded
at SteelAsia's Bulacan mill.*

**THE FRANTIC
SCRAMBLE
FOR LEISURE
BODES WELL
FOR THIS
ESSENTIAL
BUILDING
ELEMENT.**

By Jing Lejano

Photography by Dakila Angeles and Jun Pinzon, SteelAsia, and Pag-as Steel. Grooming by Arlene Adto

DANGER

ONGOING TESTING

16 MERALCO POWERCLUB

Perhaps it's the Philippines' spectacular economic performance in 2014 and the anticipated continued growth for 2015. Maybe it's the rising demand for leisure facilities by an expanding middle class. It may also be that the Department of Tourism's "It's More Fun in the Philippines" campaign is effective. Whatever the driving factors, it's clear the boom in tourism and travel has a positive impact on the construction industry and on the companies that feed it.

Banking on PPP power

"The Philippines is in a wonderful situation," says Benjamin O. Yao, president of SteelAsia Manufacturing Corp., the country's largest steel manufacturer. The private sector continues to undertake various commercial and industrial projects. Significantly, the government has committed to reinvigorate the country's infrastructure through the Public-Private Partnership (PPP) program. Since 2010, the program has awarded nine projects worth P130 billion, with a further P256 billion in road and railway projects planned.

The demand for steel emboldened SteelAsia to open a P3-billion steel plant in Davao City in December 2014. This brings the company's total factories to six: three in Luzon, one in the Visayas, and two in Mindanao. This boosts its annual collective capacity to 2 million metric tons (MT), more than half of the 3.6-million-ton annual capacity of the entire rebar industry.

Yao anticipates that SteelAsia sales will reach 1.8 million MT this year, up 38.5 percent from 1.3 million MT in 2014, due to rising construction demands.

SteelAsia Vice President for Corporate Development Rafael C. Hidalgo says the 2015 projected sales represents a dramatic 600-percent increase over its 2007 output of 270,000 MT.

SteelAsia supplied its products for projects such as the SLEX (South Luzon Expressway) TR 3, Stage 2 of the South



Steel Asia VP for Corporate Development **Rafael C. Hidalgo** (left), and President **Benjamin O. Yao** see wonderful times ahead for the steel industry.

Metro Manila Skyway, the Masbate Power Plant, and the Subic Shipyard. It also provided steel for tourism-oriented developments such as Solaire Resort and Casino, the Greenbelt 5 mall, Fairmont Hotel and Raffles Suites and Residences, as well as new projects such as the City of Dreams, the Marriot Hotel, and Shangri-la Hotel at the Fort.

Infrastructure projects feed growth

Robert Cola, president of the Philippine Iron and Steel Institute (Pisi), confirms the entire industry is truly on an upswing. Including other construction supplies like roofing, nails, and wire, it has grown a compounded 60 percent from 2011 to 2014.

However, he pegs the share of the tourism and travel sectors in that growth

at less than five percent. "Infrastructure accounts for some 18 percent of usage," he explains, "with a big chunk from residential and commercial projects. On-going reconstruction efforts in the Visayas following Typhoon Yolanda and the 2013 earthquake also contribute to the demand."

Meanwhile, Pag-asa Steel Works Inc. General Manager Gabriel Y. Tong attests that the spike in tourism projects alone hiked the rebar demand from his company by at least 10 percent.

Pag-asa Steel is a major supplier of rebars used in foundations, high-rise buildings, highway pylons, roads, bridges, and airports, as well as dams and power stations, hospitals, and houses. It remains the only Philippine mill pre-qualified by the US Nuclear

Regulatory Commission, and pioneered the production of high-grade PNS Gr415 / ASTM Gr60 steel in the country. This high-grade steel is used to build skyscrapers like the PBCOM Tower and GT Tower. Previous projects include the Philippine International Convention Center, the Ninoy Aquino International Airport (Naia) Terminals 1 and 3, Ayala 6750, and Essensa East Forbes, among many others.

Pag-asa Steel currently produces 250,000 MT of rebars every year, and the sharp rise in construction – including tourism-related development

– prompted its investment in a new bar mill. This will triple the company's total annual capacity to 800,000 MT when it goes online this year.

Some of this output is earmarked for infrastructure projects such as the Naia Expressway, the Skyway Extension, and the rail networks at the Light Rail Transit 1 and 2. Their expanded production will also be used for new hotels, malls and entertainment centers, and residential condominiums.

Efficiency and energetic expansion

Steel manufacture requires iron,

carbon and an abundance of energy, and this last ingredient accounts for a significant portion of production costs.

In 2013, the steel industry consumed 398,164,972 kilowatt-hours (kWh) of electricity, accounting for 2.52 percent of the Manila Electric Co.'s (Meralco's) energy sales. This jumped by 12 percent to 447,133,074 kWh in 2014. This increase upped the industry's portion of Meralco's energy sales to 2.71 percent for the same year.

This rising demand makes it vital for steel manufacturers to forge close ties with their power source, Meralco.

Pag-asa Steel enrolled in Meralco's Peak/Off-Peak rate, a program that allows customers to avail of lower rates during designated off-peak hours. The savings can translate into competitively priced products, or be plowed back into plant improvement or expansion.

Meralco provides Pag-asa Steel with regular updates, assistance on equipment installation, and other improvements and advice to further enhance its energy use. This collaboration has enabled Pag-asa Steel to win the Don Emilio Abello Energy Efficiency Award, given by the Department of Energy, six times in



THE RISING DEMAND FOR STEEL HIKED THE TOTAL INDUSTRY'S POWER CONSUMPTION FROM 398,164,972 KWH IN 2013, TO 447,133,074 KWH IN 2014, OR AN INCREASE OF 12 PERCENT.

Pag-asa Steel General Manager **Gabriel Y. Tong** credits the 10-percent increase in rebar demand from his company to the spike in tourism projects.

PAG-ASA STEEL'S NEW BAR MILL
WILL PRODUCE

800,000

METRIC TONS ANNUALLY



the past 10 years. Currently, Pag-asa Steel is updating its process controls, investing in cleaner, more energy-efficient facilities such as a cutting-edge reheating furnace.

SteelAsia consults with Meralco to streamline its facilities, to be as operationally efficient as possible. It employs the latest in manufacturing technology to reduce energy usage, including a closed lubrication system that results in zero oil seepage. It switched to LED lighting and will explore renewable-energy options, allowing it to focus more of its power consumption on manufacturing.

Exercising ironclad political will

Pisi's Cola concedes that the upsurge in tourism and travel investment will eventually play a significant role in the growth of his industry.

Despite missing its 6.8-million visitor target, the Department of Tourism reports inbound tourism in 2014 earned the country some P215 billion in receipts, 15 percent higher than 2013, and exceeding its P163-billion revenue target for the year.

The arrivals figures are still well behind Thailand's 37 million annual visitors, Malaysia's 30 million, and even Vietnam's seven million. But competition is bound to grow more keen with the entry of new budget airlines and greater borderless travel due to the economic integration of the Association of Southeast Asian Nations by yearend.

"If the Philippine government and the private sector just want to match the tourism figures of Vietnam," says Cola, "it needs to vastly improve our travel infrastructure and interconnectivity, and airports."

There's no denying the uptrend in steel demand, and both Yao and Tong remain bullish on the industry's growth prospects, particularly if all the PPP projects push through on time. Should more roads, bridges, airports, hotels and malls be built – the essential infrastructure to nurture tourism and travel – then the future of steel manufacturing in the Philippines will truly be golden. 🏗️

Raw bars await forming at the Pag-asa Steel mill.



Philippine Iron and Steel Institute President **Robert Cola** believes an upsurge in tourism and travel investment can be significant to the growth of his industry.



Meralco rehabilitates the Botocan-Caliraya power line

To help address the projected power supply deficiency this summer, the Manila Electric Co. (Meralco) completed the rehabilitation of the Botocan-Caliraya 115 kilo-volt (kV)

subtransmission line on November 14, 2014. This line traverses 17 kilometers (km) of mountainous terrain across Majayjay and Caliraya, Laguna, adding 21 megawatts from the Botocan hydro-electric power plant to the grid.

The 10-week-long rehabilitation involved the replacement of phase conductors, particularly those previously stolen from a 3.1-km segment of the Botocan substation. A steel tower toppled by typhoon Glenda on July 16, 2014 was also repaired.

To further ensure the reliable operation of this very vital line, the existing electro-mechanical relays were replaced with a microprocessor upgrade, and new equipment for the Scada (supervisory control and data acquisition) operating system were installed.

The newly-rebuilt line will significantly boost the country's efforts to maximize all existing power-generating plants in order to prevent the anticipated power supply shortfall. 

'Electricity is cheaper than diesel,' declares PhUV Vice President Rommel Juan, standing in front of an eJeepney.

by Jing Lejano

eDREAMS ON ROAD

An icon of Philippine transportation gets a new-millennium makeover

The jeepney endures as a symbol of Philippine creativity and resourcefulness. Transforming the Willys jeeps of World War II into a colorful means of public transportation took a great deal of imagination.

Yet this noisy and ubiquitous public vehicle remains a smoke-belching, fuel-inefficient beast. Paint jobs and body-design changes aside, it remains the same creature born after the war; an amalgam of surplus parts. Only recently was a serious attempt made to re-imagine the jeepney.

Tech comes to the rescue

In 2006, established members of the automotive-parts manufacturing industry sought to develop a truly local

Filipino vehicle. Through sheer luck, they came upon a non-government organization project of the Institute for Climate and Sustainable Cities (ICSC), which planned to have a fleet of electric vehicles (EVs) on hand.

From this glimpse of the future, the auto-parts group formed the Philippine Utility Vehicle Inc. (PhUV) to build and supply EVs for the Makati Green Route, which covers the Legaspi and Salcedo Villages, and the Glorietta Center.

PhUV is the local organizational pioneer in the design, fabrication, assembly and launch of an electric jeepney (eJeepney) in the country. It has also supplied eJeepneys to the House of Representatives, the Ateneo de Manila University, and the Filinvest City 360 Eco Loop in Alabang.

Outside of Metro Manila, PhUV's

eJeepneys also ply the Plantation Bay in Cebu, and the Cavite campus of De La Salle for its Ikot route.

"Economically, it is cheaper to maintain an electric vehicle," points out PHuV Vice President Rommel Juan, who sees this is an important advantage apart from the absence of noise and exhaust. "Electricity is also cheaper than diesel."

The eJeepney has a maximum speed of 40 kilometers per hour. It runs on a bank of standard, 12-volt lead-acid batteries that takes about eight hours for a full charge. It seats 14 passengers and easily covers 65 kilometers on a single charge. This makes it ideal for short-haul transportation within enclosed complexes such as resorts, campuses, country clubs, and industrial parks.

The eJeepney is available in several



THE ELECTRIC, HYBRID AND OTHER ALTERNATIVE FUEL VEHICLES INCENTIVES ACT OF 2011 PROVIDES INCENTIVES TO ELECTRIC VEHICLE INDUSTRY PLAYERS AND END-USERS.

configurations (side entry or rear entry, front-facing seats for center-facing seats, with or without transmission), and in 5-kilowatt (kW), 72-volt or 7-kW, 84-volt electric-motor options. It is the first EV licensed to operate on Philippine roads by the Land Transportation Office, and is assigned a distinctive orange license plate.

Slow acceptance for city use

PhUV made quite a splash among some local government units and a few private institutions, yet thus far, there is no rush among operators to have fleets of eJeepneys ply the city streets. There are concerns regarding battery range, recharging times and the availability of charging stations.

Juan thinks the high per-unit cost is the major obstacle to a full acceptance of eJeepneys. A brand new eJeepney costs about P1.3 million, while a secondhand unit is P600,000.

"It's not that jeepney operators cannot afford an electric jeepney," he shrugs, "they cannot afford a new jeepney at all."

New technology often needs time to gain public acceptance, and this is why Juan never tires of advocating the

viability of the eJeepney. He assures that battery swapping as well as the availability of more charging stations will successfully overcome reservations among skeptics.

As to concerns regarding affordability, the passage of legislation may just be what is needed to prompt that purchase decision.

A key development to the widespread use of eJeepneys was the Senate's approval of the Electric, Hybrid and other Alternative Fuel Vehicles Incentives Act of 2011 (Senate Bill 2856), on January 28, 2013. The bill seeks to provide fiscal and non-fiscal incentives to electric vehicle industry players and end users.

Within its scope are not only pure EVs, but also hybrid forms of transport as well as those powered by alternative sources of energy such as solar, wind, hydrogen fuel cells, compressed natural gas, and liquefied natural gas.

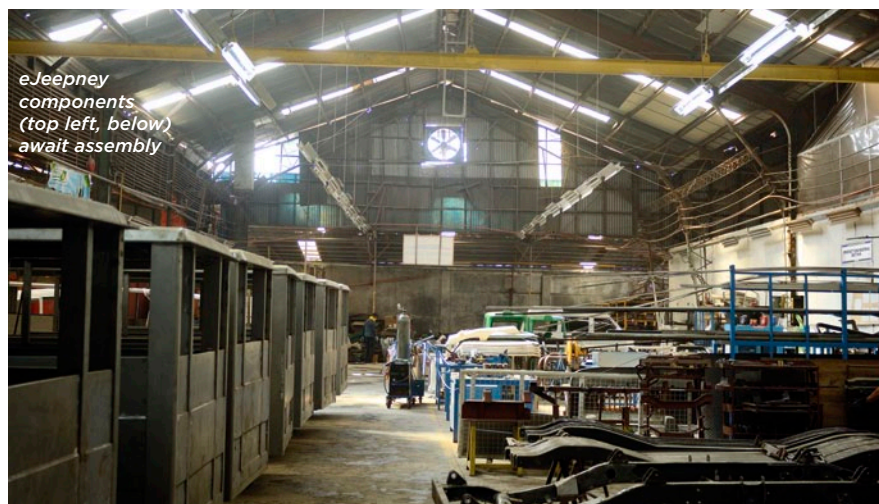
The bill's provisions call for temporary exemptions from excise

conference committee with the House of Representatives, which also passed its own version in 2012.)

The government is not alone in promoting the use of electric vehicles; Juan also applauds the generous support of the Manila Electric Co. (Meralco) for PhUV.

"Meralco is a great ally," he declares, "and has been very supportive from the start." He views Meralco's collaboration, in co-developing the technology and infrastructure, vital to make a city-wide EV environment a viable reality (see *"Going Green For Bluer Skies"* on page 30).

Last February, the power company hosted the 4th Philippine Electric Vehicle Summit at the Meralco Multipurpose Hall in Pasig City. The summit enabled business professionals, government officials and vehicle-industry experts to learn about the latest advances in EV technology. It also served as a venue for local and international players to network and exchange ideas about EV



taxes and duties, and the suspension of the imposition of value-added taxes.

A groundswell of support

Juan explains the implementation of S.B. 2856 can slash the cost of an eJeepney by 20 to 30 percent. Coupled with the savings in fuel and maintenance, this should make the EV a more attractive proposition to jeepney operators. (The bill has yet to be approved in a bicameral

technology and sustainable mobility.

Although the general public still regards the eJeepney as a novelty, "EVs are a long-term solution to all the issues plaguing the current transportation system," stresses Juan. "This includes its dependence on imported fossil fuels."

It may take considerable time, patience and perseverance to fulfill this promise, but both Juan and PhUV are confident the eJeepney will soon have its rightful place on our streets. 🚗

ICTSI Vice President
Christian Razon Gonzalez
watches over the Manila
International Cargo
Terminal.

by Jing Lejano

A U D A C I T Y CALCULATED

Buoyed by the brisk business climate, ICTSI forges ahead with port projects and container terminals in lucrative markets.

Photography by Jun Pinzon Grooming by Arlene Adto

The drive to the head office of the International Container Terminal Services, Inc. (ICTSI) at North Harbor, Manila is an exercise in patience and anger management, as lines of cargo trucks snake back to Bonifacio Drive and beyond.

The congestion grows more sluggish near the terminal, and once past the gates, frenzy breaks out as horns blare and tempers flare. A traffic coordinator yells encouragement and invectives over a public-address system to organize queues and chastise wayward truck drivers.

The cacophony and bedlam is all sweet music to the ears of Christian Razon Gonzalez, vice president and head of Asia Pacific Region of ICTSI.

In 2014, its net income grew 6 percent to US\$182 million (P7.75 billion), buoyed primarily by its foreign port operations.

Container throughput was up 18 percent to 7.4 million twenty-foot equivalent units (TEUs), 70 percent of which was accounted for by its seven key terminal operations in Manila, Brazil, Poland, Madagascar, China, Ecuador and Pakistan, which grew by four percent.

An intrepid move

ICTSI began in December 1987, in the aftermath of the previous year's People Power I revolution. Taking part in the government's privatization of the Manila International Container Terminal (MICT), the company made substantial and strategic investments in the woefully underdeveloped asset. Few thought the project viable and some skeptics felt the ICTSI folks were fools. "When they saw what we had committed to here, they laughed," Gonzalez recalls.

ICTSI's gamble paid off handsomely and paved the way for the development of a truly multinational Filipino corporation. Today, more than 25 years later, ICTSI is a leading global developer, manager and operator of container terminals in the 50,000-to-2.5 million TEU-per-year range, with marine terminals and port projects in 19

countries around the world. Gonzalez reckons ICTSI will soon be the biggest terminal operator in Latin America.

In the Philippines, ICTSI handles over 65 percent of the cargo moving through the Port of Manila. Its other operations are in Subic, Zambales; Bauan, Batangas; Sasa Wharf, Davao City; Makar Wharf, General Santos City in South Cotabato; the Mindanao Container Port, Misamis Oriental; and Hijo International Port, Tagum City, Davao del Norte.

An empire built on trust

Gonzalez says ICTSI's success stems from a corporate culture built on respect, trust, a derring-do appetite for risk, and finding the right partners.

"You get the right people, you trust those people, and you'll make more successful ventures than wrong ones,"

capital, but it's your business. There's a lot of trust."

Making the right partnerships

Teaming up with the right partners for its numerous ventures is another ingredient to ICTSI's success. The Manila Electric Co. (Meralco), Gonzalez declares, is, "one of the unsung heroes of the trade growth you've seen come through the port of Manila."

He remembers the various emergencies and calamities the Manila ports have had to endure, "during the power crisis in the early '90s, the many major typhoons, even the coups in President Cory (Aquino)'s time. There was never really any blip in our operations, since Meralco was extremely keen to support us."

The power company has been upgrading the facilities that serve ICTSI,

employing circuit rerouting and redundancy to ensure continuous power in case of line damage. This is necessary in the Port Area, where foreign object damage due to gunshots, birds, kites, laundry, and firecrackers is common.

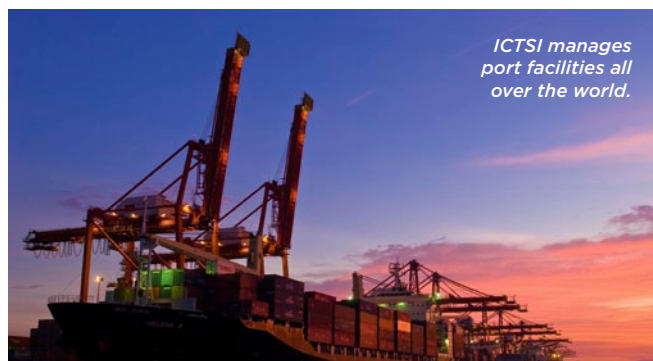
Along with power, Meralco also provides advice and assistance in ICTSI's expansion projects, such as the new shipping yard at Berth 6.

Exporting Philippine savvy

ICTSI certainly has no plans to stand still for the next 25 years. Aside from developing four hectares of new yard space in MICT, it is also enhancing its operational systems with an updated online container-tracking system.

The company looks overseas for new ventures, to Australia, West Africa, Nigeria and the Congo. "No place is off limits," Gonzalez avows, "as long as there's demand for containers."

His other motivation for global expansion? "It's been very, very important for us to expand the Philippine brand. Enlarging ICTSI abroad – beyond bringing growth – will also heighten knowledge of the Philippines, and take Philippine entrepreneurship, ingenuity, and skills around the world." 🌐



he points out. "Every venture has a risk; it's important how the organization manages these risks and exercises due diligence."

This culture of trust allows ICTSI to go where no port operator has gone before. It is always the first to establish ports in unlikely places, from South America to East Africa, even Iraq.

"In a place like Madagascar or Ecuador, it's a minute-by-minute business that goes on 24/7," Gonzalez discloses. "You can't go around telling people, 'wait, I have to call Manila to get approval.' You need to be able to make the decisions locally."

All ICTSI subsidiaries are run like local companies. "It's fun for someone like me to run a terminal because you're effectively given capital to run your own business. You hire the people, dictate the domestic strategy and are ultimately responsible for making a return on the

THE POWER BEHIND THE POPE

by Karen Capino

Energizing an historic apostolic visit



At the Aloha Hotel along Roxas Blvd., uniformed men gathered in a conference chamber dubbed "The War Room." These people represented various government agencies, including the Armed Forces of the Philippines, the Philippine National Police, the Metropolitan Manila Development Authority, and the Presidential Security Group (PSG).

The group was feverishly finalizing security arrangements just three days away from the January 15 arrival of His Holiness, Pope Francis. Joining the meeting were two men who carried neither badge nor weapon, but whose contributions were considered vital: Aquilino V. Santiago III and Emmanuel V. Avena, relationship managers of the Corporate Business Group - Public Sector Relationship Management of the Manila Electric Co. (Meralco).

Simulations and safety measures

The Meralco Management Committee hand-picked Avena and Santiago for their seniority and crisis-management experience. Santiago is a 26-year Meralco veteran while Avena has worked in the company since 1987.

The two engineers acted as the nexus between national government agencies, local government units and several Meralco teams. The latter included the Central and South Distribution Services (Manila, Pasig and Parañaque Sectors); the Power System Protection / System Control (Delta) unit; the Substation group; the Corporate Information Technology group; and their counterpart relationship managers handling non-government accounts.

Avena and Santiago worked closely with the Parañaque, Manila, and Pasig city sectors of the power utility to prepare key routes and areas ahead of the Pope's five-day Philippine visit. Teams trimmed tree branches at the Villamor Air Base to keep power lines clear. Its public advisories warned against releasing balloons, poppers, confetti, or live birds that could brush up against electrical cables and cause

power outages. Loadside troubles were simulated to test emergency protocols.

Meralco relocated electrical poles, transformers and power cables away from the Plaza Roma fronting the Manila Cathedral in Intramuros, clearing the area for the January 16 Mass there. It ensured that the January 18 Papal Mass at the Quirino Grandstand – lights, speakers, closed-circuit television (CCTV) cameras, and large video screens – would be properly powered and monitored.

One of the biggest challenges was acquiring 185 security passes from an increasingly overwhelmed PSG. “Passes are important,” Avena recalls. “Our composite teams needed access to important locations,” such as the Villamor Air Base, the Apostolic Nunciature, Malacañang, the University of Santo Tomas (UST), the Mall of Asia Arena, and Rizal Park.

“Earlier that week, a person claiming to be from Meralco called PSG and asked for passes,” Santiago reveals. “It became more difficult to get passes.”

Challenges and more restrictions

Stringent security measures meant Meralco teams could not be present during events at venues such as the Quirino Grandstand and UST, so parts and equipment were pre-positioned on these sites for emergencies. About 15 pick-up trucks, 17 basket trucks, nine stake trucks, three sports utility vehicles, and nine motorcycles were on standby for deployment.

The sheer scope of the demands before and during the event kept Avena and Santiago occupied 24/7 and unable to go home. Both engineers often woke at 5 a.m. and worked until 1 a.m. of the following day. They initially couldn’t find lodgings, and planned to snooze at the ward of Ospital ng Maynila, and park their cars near the morgue.

“Pope Francis’ entourage, including the media, were about 4,000 people,” Santiago points out, and all hotels in the area were fully booked months in advance.

“It was divine providence, perhaps, when Aloha Hotel told us a guest



had checked out,” Avena recounts. “We grabbed that single available room.” Santiago agrees: “Imagine our luck, getting a room at our base of operations!”

A higher power

Both engineers experienced power of a very different kind during the papal visit, attributing a special aura to the pontiff’s presence.

“When the papal plane landed and the Pope walked out, everyone at the operation center stopped what they were doing and looked at the TV,” Avena remembers, adding that the sound of cheering “(indicated that) the Pope was nearby.”

“It was incredible to see the surge of people,” Santiago narrates, and describes the frenetic wave of devotees

AQUILINO V. SANTIAGO III (FAR LEFT) AND EMMANUEL V. AVENA (FAR RIGHT) WORKED CLOSELY WITH GOVERNMENT SECURITY OFFICERS LIKE ARMY MAJOR JOEL REYES JUGARAP OF THE PSG.

filling the streets.

Both men highly praise the government agencies’ handling of the visit, and saw first-hand the extreme difficulties in organizing an event that turned out to involve more than five million people.

Thanks to its extensive preparations, the Meralco teams experienced very few glitches during Pope Francis’ first state and pastoral visit. A bird hit a wire and caused a momentary power interruption near the Papal Nunciature on Taft Ave. “We had our men fix that immediately,” Avena says. “It took us two hours because there were a lot of people in the area.”

There was also that time when a CCTV camera in Baclaran lost power. “Government security asked us to see to it quickly,” he says. “They could not let the Pope pass unless they could monitor the area by CCTV.”

Avena and Santiago take great pride in the way Meralco teams carried out their tasks. One could attribute this to the special affection Filipinos have for the Holy Father, but Avena has a more down-to-earth explanation. “We did this because it’s part of our job,” he declares. “We did not find the process difficult to execute because this is what we do everyday.” 🌀



MEETING THE POPE'S

The highlight of Pope Francis' apostolic journey to the Philippines on January 15 to 19 was a clarion call for "mercy and compassion," with an emphasis on ending "scandalous poverty," especially in the peripheries. In a speech to government officials and foreign diplomats gathered at the Malacañan Palace, the 78-year-old head of the Roman Catholic Church said all efforts must "ensure the inclusion of every man and woman and child in the life of the community."

"Pope Francis' message is one that transcends religion," says Jeffrey Tarayao, president of One Meralco Foundation (OMF), the social development arm of the Manila Electric Co. (Meralco). "It is a universal call for all of us to do our share in ensuring that no one is left behind in our country's journey to progress."

Leyte chapels repaired

To prepare for the papal visit, OMF worked closely with Catholic charity Caritas Manila to rehabilitate chapels destroyed by Super typhoon Yolanda (codename Haiyan) in Leyte. The

rebuilt chapels were turned over to their respective communities in a simple ceremony last December.

OMF also distributed bags of rice and *noche buena* (Christmas-Eve feast) packages to the affected communities. The rice packs were donated by employees of Meralco and its subsidiaries through the Meralco Rice Bucket Challenge, where each employee was challenged to donate at least a bucket's worth (5 kilograms) of rice or its monetary equivalent. The project raised 28,550 kilograms of rice, a portion of which will also be donated to Caritas Manila's "Hapag-Asa" food



MERALCO SENIOR VICE PRESIDENT ALFREDO PANLILIO (LEFT) AND OMF PRESIDENT JEFFREY TARAYAO DISTRIBUTE NOCHE BUENA PACKS TO YOLANDA SURVIVORS. MERALCO ALSO HELPED REPAIR MANY CHURCHES DAMAGED BY THE SUPERTYPHOON.



CHALLENGE

One Meralco Foundation 'spreads the light' to peripheries in 2015

program for poor families in Metro Manila and to the Pope Francis Center for the Poor in Palo, Leyte.

School power

Before the end of 2014, OMF also completed the turnover of 18 new classroom buildings, funded by donations from Meralco employees, to affected schools in provinces worst hit by Yolanda, including Leyte, Iloilo, Aklan, and Capiz.

"Meralco capitalizes on its core competency – electrification – to improve the lives of poor school children and their families," Tarayao

elaborates.

The foundation's School Electrification Program has a mission to energize remote public schools through solar power. With this core advocacy, it is set to improve learning conditions for at least 21,000 students in 50 remote schools throughout the country.

Since 2011, the program has already assisted 70 schools, located mostly in mountainous provinces such as Rizal, South Cotabato, and Sarangani, and in isolated islands in the Visayan regions.

This year, the foundation plans

to further its advocacy initiatives to improve the lives of marginalized communities within and outside of the Meralco franchise area.

In Metro Manila, the heart of Meralco's service area, the foundation works with local government units and Meralco Business Centers to provide low-income families with safe and reliable access to electricity towards increasing their productivity. OMF's Household Electrification Program energized more than 5,000 families in 2014 and targets more beneficiaries this year. 🌟

Going Green for Bluer Skies

by Bubbles Salvador

Meralco launches e-vehicles and a charging station to provide clean transportation while helping decongest traffic.

Anyone who lives and works in Metro Manila will have opinions on its traffic, much of it unprintable. About the time wasted, fuel misspent, choking fumes and tempers on edge. Go out, come home and repeat, day after day.

Certainly, there is no shortage of ideas to solve “carmageddon,” but it takes a certain degree of ingenuity, effort and sheer, dogged determination just to get one going.

Novelty, batteries included

At the Ateneo de Manila University, one such idea became reality. The university addressed gridlock and air-quality issues with its own eJEEPney shuttle system. Students and teachers park their private cars elsewhere and

then take electric jeepneys to get around campus.

Working with Ateneo to make the program fully operable is the Manila Electric Co. (Meralco), through its energy-solutions subsidiary, MServ. “Ateneo is a strong advocate of environmental protection, including renewable and green energy, and both Meralco and MServ fully support this,” says Joy Mendoza, Meralco Corporate Business Group relationship manager overseeing the Ateneo.

Four eJEEPneys, each seating 14 to 18 people, have been plying the Ateneo route since October 1, 2014, docking at the Ateneo-Meralco EV Power Station to recharge.

Mendoza says a full eJEEPney recharge takes about six to eight hours for a range of roughly 60 kilometers (km).

The Ateneo community’s response

is overwhelmingly positive. Mendoza recalls people found the novelty of the experience particularly appealing. “The commuters are excited to ride the Ateneo eJEEPney, and some have shared it on social media.”

The university has said it has plans to add more eJEEPneys this year.

A lengthy list of advantages

The environmental benefit is built into EV projects such as this, reports Tonichi Agoncillo, Meralco customer solutions manager and EV project lead: “Every gasoline-powered bus, jeep, tricycle, and motorcycle we replace helps cut down on pollution.”

The eJEEPneys produce zero emissions, and can be powered by renewable-energy sources. The operating cost is a paltry P5 per kilometer, about 30 percent more economical than that of a gasoline



Celebrating the launch of the eJeepney system are Meralco VP and Head-Corporate Business Group **Victor Genuino**; Quezon City Administrator **Aldrin Cuna**; Ateneo de Manila University President Fr. Jett Villarin SJ; and **Joy Mendoza**, Meralco Relationship Manager.



Electric Vehicle Charging Station
located in front of
Ateneo Blue Eagle Gym

vehicle. EVs also have fewer main components, making them easier and cheaper to maintain.

"EVs are also more energy-efficient," Mendoza adds. "Less energy is wasted when converting stored energy to propulsion, and no energy is used when the EV is not in motion." In fact, EVs generate energy when stopping; regenerative technology recharges the batteries when the brakes are applied.

The Ateneo-Meralco EV Power Station within the campus completes the system. "Internationally, EV charging station specifications have not yet been standardized," Agoncillo admits. "As such, we designed our EV charging pods to be able to accommodate as many types of EVs as possible, from eBikes, eTrikes, eShuttles, and yes, the eJeepneys.

"In Ateneo, we have four of these EV charging pods, each with an electric meter, to let users see how much energy their EV has consumed in kilowatt-hours and peso equivalent."

Making EVs more mainstream

Outside of Meralco, Ateneo is the first private institution to avail of MServ's complete EV managed services.

Formulated for easy replication, the EV program covers the entire ecosystem, from EV procurement, operation and maintenance, to the construction of the EV charging stations.

The vehicle design can be adapted to specifications. The Ateneo eJeepneys had to be slightly raised to accommodate the high speed tables

that mark the roads within the campus. Likewise, the eJeepneys were

equipped with larger 7-kW motors to be able to traverse the steep roads within the Ateneo College area leading to the Jesuit seminary.

This partnership with Ateneo reflects Meralco's vision to make electric vehicles available as a mainstream form of transportation. "We are in discussions with companies, particularly schools, business districts and industrial parks that are interested in deploying EVs in their respective locale" reveals Agoncillo.

At the Net Lima building in Bonifacio Global City, Taguig, a Meralco EV Power Station was inaugurated in November 2014, the first of its kind in the business district. To promote the use of EVs, the power station will be available to the general public free of charge for the first year. Net Lima is the country's first certified green building under the local rating system developed by the Philippine Green Building Council.

Any type of EV can be charged at a Meralco EV Power Station as long as the vehicle is equipped with an onboard charger. These chargers can then plug into the EV charging pods that have a twist-lock feature for added electrical safety.

"The Net Group is an important partner of Meralco and MServ in promoting green alternative modes of transportation," Mendoza notes. "They help increase awareness, and also enable and incentivize the public to use EVs through the provisioning of the necessary support infrastructure."

The system is achieving maturity, as

seen in the growing use of EVs: from Mandaluyong's eTrikes to the Comet eJeepneys in Quezon City, as well as the Filinvest eLoop and Makati City Loop eJeepneys (see "eDreams on the Road" on page 22).

By providing sustainable and economically viable services and the required infrastructure, Meralco makes its greatest contribution to the expansion of EV use.

"Our ultimate goal is to make EVs and other green transportation systems available for the general public's daily use," vows Mendoza. "With all the talk on climate change and sustainability, we believe alternative transportation is critical in achieving a greener Philippines, while at the same time providing a lower total cost of ownership for its users." 🌱

'Every gasoline-powered vehicle we replace helps cut down on pollution.'

- Tonichi Agoncillo, EV project lead





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