

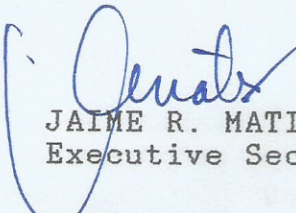
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FOR: ALL MACEA MEMBERS

Transmitted herewith is a copy of the speech delivered by MaCEA Gov. Fernando Zobel de Ayala at the Makati Business Club meeting on April 15, 1996.


JAIME R. MATIAS
Executive Secretary

BREAKING THE TRAFFIC GRIDLOCK

Address of Mr. Fernando Zobel de Ayala
Makati Business Club
Hotel Intercontinental Manila
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Thank you for this rare opportunity that you have given me to speak to a joint session of MBC, FINEX and MAP. But I must also say that I am daunted by the task that you have given me.

The challenge of breaking the traffic gridlock in Makati is daunting because only on paper are solutions easy to come by. In the real world in which you and I live and work, traffic congestion is pervasive and constant. And it seems only to grow in severity as our country gets more earnest about becoming a newly-industrialized country.

Fortunately, I am joined here by a panel in addressing the issue before us. With me this afternoon are Mr. Francisco Licuanan, President of Ayala Land or ALI and Mr. Cesar Campos, President of Makati Commercial Estates Association or MACEA. They will help in answering the many questions that must be in your minds this afternoon.

To many of us, the traffic problem is like a long, lightless tunnel, with poor prospects for a way out. Yet I hope that by the end of this session, you will agree with me that there is a glimmer of light in the horizon.

The very fact that traffic has risen to monumental dimensions is concentrating the attention of Government, the private sector and the community on the urgent need for solutions. Today, as never before, efforts -- both public and private -- are finally converging and meshing into a concerted, large-scale effort to solve the traffic problems of Makati in particular and the metropolis in general.

Relief, of course, will not happen overnight. Indeed, things will probably get worse before they get better. But there is this significant difference today: as innovative solutions are put in place, we can look to a time when "traffic" will mean again what it is defined in the dictionary -- as the efficient and safe passage of people, goods and vehicles between points, instead of their virtual immobility on city streets.

Let me begin by placing in perspective the nature of the beast we are desperately trying to tame.

Makati is experiencing today major traffic congestion because it is our country's primary central business district or CBD. It was not so 50 years ago when much of this area was mere swampland, or 25 years ago when companies started to move here in earnest. Today, it is home to most of the country's major corporations. And it is the center of an urban economy that accounts for a third of the country's gross domestic output.

The transformations that have taken place in the CBD over the last quarter century are unprecedented in the country. Horizontally and vertically, new structures have risen reflecting the thrust of the economy. Land values have reached levels that none of us could imagine several decades ago.

Such centrality and growth naturally generate a large amount of traffic -- to and from the core of the district. And during the past six years, traffic demand has greatly outpaced infrastructure supply.

Essentially, there are two prongs to the traffic gridlock. At one end, we face a problem in bringing people in and out of the CBD. At the other, there is a problem of internal circulation -- that is to say, moving people within the district.

From our studies of the regional and local aspects of the gridlock, we have identified five key factors leading to congestion.

First, the access routes to the CBD have become more congested as a result of the recovery and upsurge of the economy. The two main arteries -- EDSA and the South Expressway -- literally strain from the large number of vehicles struggling to pass through to get to different parts of Manila including Makati.

Second, movement within the CBD is constrained by the number of vehicles, indiscipline among drivers, and the lack of viable alternatives for internal circulation.

Third, although buildings within the district are required to provide 25 percent more parking slots than required by the National Building Code, there is still a lack of parking facilities to meet ever rising demand.

Fourth, a lot of traffic that does not need to pass through Makati passes through it or along its perimeter. This is because the road network of Metro Manila was designed for a time when the primary business district was in Manila.¹ Today, the road system funnels traffic from both north, south and west into Makati, and does not provide² for bypass routes.

¹Metro Manila Road Network

²Traffic Volume

³Finally, the number of vehicles in Metro Manila has been growing by about 10 to 15 percent annually -- and many of them wind up in Makati.

All this tells us that Makati's traffic problem is inseparable from that of Metro Manila as a whole. The answers to our woes here are umbilically linked to answers in the larger metropolis. Whatever we do in isolation can only provide momentary relief. There is no long-term relief without a synergy of solutions. And we need to see the problems afresh.

FINDING SOLUTIONS

It is striking that urban planners see traffic flow as analogous to the human body's circulation system. By this metaphor, a traffic system is healthy when passenger and vehicular traffic pass through its road arteries efficiently and safely. On the other hand, congestion occurs when the number of trips exceeds the capacity of the circulation system.

Traffic snags are as old as Roman times. And they have been a challenge to cities from ancient times to the present. Cities go through many evolutions. In the course of these transitions, requirements add up incrementally. The infrastructure planned for a given time is eventually overtaken by new needs as cities and districts develop. The essential challenge therefore to urban planners and traffic managers is how to manage a situation where demand for roads perpetually tends to outstrip supply.

One set of responses to traffic problems consists of expanding the capacity of roads to handle more vehicles. This includes widening existing roads; building new roads, grade separated interchanges and flyovers; and creating more efficient one-way routes.

A second set of responses deals with providing alternatives to cars. This includes building a mass transport system to reduce reliance on motor vehicles, and establishing a pedestrian system for local movement.

A third set of responses involves managing or controlling traffic demand. This includes measures such as land use and density controls and road-pricing.

No modern city today, let alone the megacities of our time, can do without a combination of all three responses in addressing its traffic headaches.

³Vehicle Growth

In 1992, MACEA and ALI with the active participation of the city government, embarked on the preparation of a Makati CBD Strategic Plan. In drafting the plan, we specifically sought to address the challenge of traffic management in the district. Completed in 1993, the strategic plan included a computer-based traffic simulation model of the CBD and its surrounding areas. Various proposed road projects and related proposals were inputted into the model to determine their impact on the district.

The plan envisioned a modern traffic system designed to cope not just with current problems, but also future demands arising from continued growth.

Let us consider its key components one by one.

ROAD NETWORK

The first component is the expansion of the road network capacity serving the CBD and the larger metropolis.

The strategic plan identified two kinds of projects that would directly benefit the traffic situation within the district. The first consists of government road building and road improvement projects, and these include the following:

First, ⁴**the EDSA-Ayala-Pasay Road Interchange**. Construction of this interchange will start in June and will be completed in 1998. Express EDSA lanes will be depressed as in the Shaw Boulevard and Cubao interchanges, allowing free movement across Ayala Avenue and Pasay Road. We were happy to note during a recent presentation by the Japanese consultants of the DPWH that most of the issues raised by the business and residential community regarding this project have been properly addressed. There will be significant attempts to minimize the disruption of traffic.

Second, ⁵**the Skyway**. A project of the PNCC and PT Citra of Indonesia, the Skyway is an elevated, six-lane toll road that will connect the South Expressway to the North Expressway. Construction of the first phase -- from Bicutan to Buendia -- started earlier this month and was launched by President Ramos. When completed in 1998, this phase will provide additional and faster access between the southern part of Metro Manila and Luzon and the CBD.

Third, ⁶**the R-4 Expressway**. This road project is part of the proposed DPWH urban expressway system. It is designed as a toll road running along the

⁴Edsa-Ayala-Pasay Road Interchange

⁵Metro Manila Skyway

⁶R-4 Expressway

banks of the Pasig River. It will connect C-5 with the Skyway at Quirino Avenue thereby providing an additional access to and from Makati.

Fourth, ⁷**Circumferential Road-3**. C-3 is one of several circumferential roads designed for Metro Manila, but which, because of right-of-way problems have not yet been completed. The proposed alignment of C-3 runs from Buendia through Ayala Avenue extension and crosses the Pasig River into Mandaluyong thereby creating another connection to the North.

While the EDSA-Ayala Interchange and the Skyway are about to be built, start-up and completion dates for the R-4 Expressway and C-3 have yet to be firmed up. I believe this is one opportunity for the business sector, along with the rest of the Makati community, to help in lobbying the national government for implementation of these projects.

The second group of road network projects involves road improvements within the CBD. This consists of the following:

First, **Road Widening**s. Various road widenings are needed to increase capacities at key areas of the CBD road network and to make more efficient use of existing roads and road connections. The principal projects involve the widening of Amorsolo Street, sections of Pasay Road, Paseo de Roxas, Gamboa, Herrera, and Dela Rosa Streets. They will be implemented incrementally to complement the construction of major road projects.

Second, **New Road Connections**. A new road connection between Amorsolo and Benavidez Street is proposed under the strategic plan. It is designed to relieve congestion at Legazpi Village.

Third, **Traffic Signal Improvement**. Proposals to improve traffic signal synchronization in the CBD include reducing signal phases and the installation of a demand-responsive traffic signal system for the district. The system will be installed after the Ayala-Pasay Road Interchange has been built, in order to accommodate changes in traffic patterns caused by the interchange.

Besides looking to improvements of the road network system, the strategic plan seeks to address the parking situation in the CBD. There is a mistaken belief that a CBD should keep on providing parking facilities in response to growing demand. In fact, in other central business districts in the world today, parking supply is intentionally limited or even reduced in order to curb the entry of more vehicles and to encourage the use of transit alternatives. This we must address in the long term. But for the present, in the absence of the

⁷Circumferential Road 3 (C-3)

more efficient transit alternatives, our strategic plan envisions the provision of additional parking facilities -- specifically offsite parking facilities.

At present, building developers plan and place their parking requirements within their individual properties, thus contributing to traffic congestion during peak hours. Offsite parking facilities are intended to relieve traffic by allowing building developers to place part of their required parking facilities in less congested areas. ⁸We have already identified one site in Legazpi Village. We are looking for additional sites to serve other areas of the district.

To dramatically improve the traffic situation in Makati, however, improving the road system will not suffice. We must also find part of the answer in viable alternatives to cars for moving to and within the CBD -- as has been the experience of modern cities in the world today.

One important lesson from other countries is the futility of relying solely on road-based solutions to traffic problems. The principal objective, let us always remember, is to move **people not cars**.

Even cities that have invested heavily on road infrastructure like Los Angeles, are now considering alternatives to cars in addressing present and future transportation needs. In large cities where traffic is well-managed -- such as Singapore, Tokyo, Hong Kong and New York -- there are now significant alternatives to road-based transportation.

Metro Manila needs such alternatives to cars because the number of vehicles relative to number of roads is so large that any improvement arising from increased road capacity will only be temporary. ⁹In fact, believe it or not, compared to other cities in Southeast Asia, Metro Manila has a higher road density or more roads per capita than Jakarta or Hong Kong. Yet average vehicle speeds in these two cities are faster than in Metro Manila.

Two alternatives are specially relevant to Metro Manila's needs today: mass transit on a regional and local scale, and pedestrianization for high density business districts like Makati. Let me discuss each one in more detail.

First, **Mass Transit**. We cannot stress enough the importance of mass transit in breaking the traffic gridlock in our metropolis, where ¹⁰70 percent of those who travel within it are public transportation commuters. One LRT track handles 10 times the passenger capacity of one road lane. Similarly, one

⁸Offsite Parking Facilities

⁹Chart of Road Density and Travel Speeds in Selected Asian Countries

¹⁰Transportation Demand

commuter rail track can handle seven times the passenger capacity of a single road lane.

Two proposed rail-based mass transit systems have the potential of providing high capacity transit service to and from the CBD: the MRT (formerly known as LRT 3) and the PNR commuter rail.

-- ¹¹**The MRT** is the proposed rail system along EDSA. Ayala Land is a member of the consortium building the system. When completed, the mass transit system will have 14 stations and will be able to handle the bulk of commuters from the northern and eastern parts of the metropolis. It will be operational by 1998, and will be capable of handling 700,000 passengers daily.

-- ¹²**The PNR Commuter Rail** is at present running a nominal service between Calamba and Meycauayan, handling about 10,000 passengers daily. And it is in a sorry state. ALI recently signed an MOU with the PNR to conduct a feasibility study for the total rehabilitation and operation of the southern commuter rail. If found feasible and built, the PNR commuter rail could increase in capacity to up to 250,000 passengers daily.

It is also desirable for a mass transit system to serve the CBD internally, providing for a seamless connection with the transit stations of the regional rail systems. Through the initiative of the Mayor of Makati, such a service is now under study. By way of contributing to this effort, ALI has commissioned a team of consultants to look into the feasibility of a people mover or LRT service that would connect the EDSA MRT¹³ with the ¹⁴PNR commuter rail and provide transit links ¹⁵between the CBD and the old town of Makati.

¹⁶When completed, these rail-based services will add to the transit spokes of the CBD and allow for more efficient movement within the city.

Second is **Pedestrianization**. Just as significant as mass transit in providing transit alternatives to the car is pedestrianization. Briefly, this means enabling commuters to walk to their destinations from transit stations and allowing them to walk short distances within the CBD.

A pedestrianization plan forms part of the Makati CBD Strategic Plan. It envisions three components:

¹¹Edsa Metro Rail Transit (MRT)

¹²PNR Commuter Rail

¹³MCBD Mass Transit Loop Phase 1

¹⁴Edsa MRT + MCBD Transit Loop

¹⁵Edsa MRT + MCBD Transit Loop + PNR Commuter Rail

¹⁶Edsa MRT + MCBD Transit Loop Phase 1 + PNR Commuter Rail + MCBD Transit Loop Phase 2

¹⁷First, **traffic segregation along major roads** so as to reduce conflicts between pedestrians and vehicles. Traffic segregation involves the placement of guide rails along sidewalks near intersections to ensure pedestrian safety and to limit loading and unloading by buses and jeepneys to designated areas. The first phase of traffic segregation has been completed at Ayala Avenue from the Makati Avenue intersection to Buendia Avenue.

¹⁸Second, the pedestrianization plan calls for the construction of **grade-separated pedestrian crossings**. The first of these crossings -- under Ayala Avenue and fronting Legazpi Street -- was completed and inaugurated early this year. Two more are scheduled to be built this year at the Paseo de Roxas and Herrera intersections of Ayala Avenue.

¹⁹Third, the pedestrianization scheme envisions the construction of **elevated walkways**. The walkways are designed as a network of sheltered, second-level pedestrian routes throughout the CBD. The first stage will connect buildings along the Legazpi Village side of Ayala Avenue to the Ayala Center. Construction will begin in June and will be completed and opened to the public within seven months. ²⁰Subsequent stages will be built continuously, until sheltered and unimpeded pedestrian movement is fully possible from EDSA to Buendia through Legazpi and Salcedo villages. This will be fully completed within the next two and a half years.

When completed, the elevated walkways could reduce internal vehicle use in the district by 30 percent. But this is assuming that our people -- (hopefully including many of us in the business community) -- will be willing to use our legs, as we do when we visit Hong Kong and other modern cities.

MANAGING TRAFFIC DEMAND

Road network improvement, mass transit and pedestrianization will go far in relieving the traffic woes of Makati and the rest of Metro Manila. But they will not be nearly enough to cope with traffic volume in the future, given a scenario where the Philippines and Metro Manila will continue to grow dynamically. We must continue to face up to the challenge of managing or even reducing traffic demand.

As a recent World Bank paper points out: "Without some form of restraint, the future of Asian cities...looks bleak -- even for those countries which think they can afford the massive resources necessary for the scale of infrastructure to

¹⁷Traffic Segregation (Ayala Avenue)

¹⁸Grade-Separated Pedestrian Crossings

¹⁹Elevated Walkways (Legazpi / Ayala)

²⁰Elevated Walkways (Future Phase)

meet anticipated demand. The more compelling argument in favor of restraint is that not only does congestion become manageable but also the scale of investment in road infrastructure is less. This should allow for investment in public transport which should be more cost effective in moving people than cars."

One common but unappreciated way of managing demand is through land use planning and density control. Local measures to control and manage future development will be even more important in the future as the volume of traffic increases. If properly formulated or implemented, these measures will help reduce or limit demand wherever it cannot be supported by the circulation system, and allow for more efficient use of existing infrastructure.

Since the 1950s, Ayala has used deed restrictions to limit the use and density of most lots in the CBD based on access, location, urban design and historical factors. These restrictions pioneered the use of floor area ratios, which are now standard control measures in large cities of the world, as a means of prescribing density limits in the Philippines. These restrictions held the ground in the development of the district during the moderate growth of the economy during the 60's and 70's. Since the 80's however, these restrictions have been heavily challenged by developers, as they sought optimum development of their properties. Many of you may still remember the rather bitter fight that took place between ALI and MACEA defending the restrictions on one side and a group of developers on the other demanding a relaxation of restrictions. A majority of the MACEA members in 1990 voted to ease the restrictions.

On the other hand, Makati residents have opposed the lifting or relaxation of restrictions as detrimental to the environment, traffic, and quality of life.

These conflicting claims have placed Ayala in a very difficult situation, where either way we turn, we are at fault. At this stage of the development of the Makati CBD, Ayala can no longer play the role of arbiter in reconciling the conflicting claims of developers and residents. Today, these concerns must be properly embodied in government zoning standards and density limits, and their compliance must be enforced by the public authorities.

Other demand management measures like road pricing have also been implemented in other parts of the world. However, in most cases it was only successful when backed by a mass transit system. For then, government could marshal the political will to overcome popular resistance to what could be seen as restrictions on personal mobility.

In the future therefore, with mass transit in place, we should consider modern traffic restraints such as road pricing, CBD licensing schemes and parking restrictions in order to prevent further congestion.

CONCLUSION : MAKING IT HAPPEN

Here then, in outline is a broad perspective of what is required to break the traffic gridlock in the Makati Central Business District, and by extension in the surrounding metropolis.

Just as our traffic problems in the district arise from local and regional factors, so the comprehensive solution requires a synergy of answers at local and regional level.

The strategic plan calls for the energetic action of both government and the private sector -- especially in the implementation of major projects that can result in change. In this, we in Ayala recognize our role as catalysts in breaking the traffic gridlock.

In conclusion, let me just stress two final points that are vital to making solutions happen.

First, the solutions are costly. The projects so necessary to change must be backed up by adequate financing. Government cannot do this alone. Others must share the burden particularly the private sector.

Part of the burden, let me say now, ought to be shared by us in this community who benefit from the high land values that accrue with the dynamic development of our city and our district.

I am also happy to note that our city government has shown its readiness to join in financing and building some of the solutions to our traffic problems.

Second, I will underscore the role of the community in breaking the traffic gridlock. The community's concerns, its involvement, and its support are in every way vital to the future of the district, as quality of life issues encounter the thrust toward more development.

As we meet here today, a construction boom is literally changing our cityscape. Twenty-four new office buildings are underway, and another 23 condominium buildings are set to rise in our midst. And many residents worry about their impact upon the equation of basic services and infrastructure within this district.

Clearly, we must find an acceptable balance between the desire for continued growth and the kind of life quality that the district can realistically sustain. There are economic needs; there are also human and social needs.

Without adequate and sound planning, our future could become hostage to chaos.

As I see it, we must find this balance in what is truly in the public interest. And we should determine this through a process of consensus-building among the various groups or sectors with a clear interest in the sound and healthy development of the CBD.

And then, we must entrust to government our scheme for maintaining this balance so that it would have the force of law.

From our experience of the past 10 years, all of us -- Government, business and the general public -- know enough to see that without proper planning and care, development can become a nightmare from which we all suffer. And without working together, solutions will wither in the vine.

In the last analysis, to break the traffic gridlock is really to transform this place where we live and work into a more livable and hospitable city.

Let us therefore make it happen.

Thank you very much for the privilege of this forum.
