

REGULATION OF MINISTER OF COMMUNICATIONS AND INFORMATICS

NUMBER: 01/PER/M.KOMINFO/01/2010

ON

TELECOMMUNICATIONS NETWORK OPERATIONS

BY THE GRACE OF THE ONE AND ALMIGHTY GOD

MINISTER OF COMMUNICATIONS AND INFORMATICS

OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that the provisions on telecommunications network operations as stipulated in Decision of Minister of Transportation Number: KM.20 of 2001 on Telecommunications Network Operations as amended lastly by Regulation of Minister of Communications and Informatics Number: 30/PER/M.Kominfo/09/2008 are deemed no longer relevant with the developments of telecommunications network operations; therefore, they shall be superseded;
 - b. that based on the consideration as referred to in letter a, it is necessary to re-establish a Regulation of Minister of Communications and Informatics on Telecommunications Network Operations;

- Noting :
1. Law Number 36 of 1999 on Telecommunications (State Gazette of the Republic of Indonesia Year 1999 Number 154, Supplement to State Gazette of the Republic of Indonesia Number 3881);
 2. Government Regulation Number: 52 of 2000 on Telecommunications Operations (State Gazette Year 2000 Number: 107, Supplement to State Gazette Number: 3980);
 3. Government Regulation Number: 53 of 2000 on Use of Radio Frequency Spectrum and Satellite Orbit (State Gazette Year 2000 Number: 108, Supplement to State Gazette Number 3981);
 4. Government Regulation of the Republic of Indonesia Number: 7 of 2009 on Types and Tariffs for Types of Non-Tax State Revenues Applicable in Department of

Communications and Informatics (State Gazette Year 2009 Number: 20, Supplement to State Gazette Number: 4974);

5. Presidential Regulation of the Republic of Indonesia Number: 10 of 2005 on Organizational Units and Tasks of Echelon I of State Ministries of the Republic of Indonesia as amended by Presidential Regulation Number: 50 of 2008;
6. Presidential Regulation of the Republic of Indonesia Number: 47 of 2009 on Establishment and Organization of State Ministries;
7. Decision of Minister of Transportation Number: KM. 4 of 2001 on Determination of the National Fundamental Technical Plan 2000 for the Development National Telecommunications as amended by Regulation of Minister of Communications and Informatics Number: 3A/PER/M.KOMINFO/04/2008;
8. Decision of Minister of Transportation Number: KM. 21 of 2001 on Telecommunications Service Operations as has been amended, and was last amended by Regulation of Minister of Communications and Informatics Number: 31/PER/M.KOMINFO/09/2008;
9. Regulation of Minister of Communications and Informatics Number: 03/P/M.KOMINFO/5/2005 on Adjustment to Nomenclatures in Decisions/Regulations of Minister of Transportation which Regulate Special Contents in the Field of Posts and Telecommunications;
10. Regulation of Minister of Communications and Informatics Number: 13/P/M.KOMINFO/8/2005 on Telecommunications Operations Using Satellite as amended by Regulation of Minister of Communications and Informatics Number: 37/P/M.KOMINFO/12/2006;
11. Regulation of Minister of Communications and Informatics Number: 08/PER/M.KOMINFO/02/2006 on Interconnection;

12. Regulation of Minister of Communications and Informatics Number: 03/PER/M.KOMINFO/1/2007 on Networks Lease;
13. Regulation of Minister of Communications and Informatics Number: 25/P/M.KOMINFO/7/2008 on Organization and Work Procedure of Department of Communications and Informatics;

HAS DECIDED:

To establish : REGULATION OF MINISTER OF COMMUNICATIONS AND INFORMATICS ON TELECOMMUNICATIONS NETWORK OPERATIONS.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Ministerial Regulation:

1. Telecommunications means any emission, transmission, and/or reception of information in the forms of signs, signals, texts, images, voices, and sounds through wire, optic, radio, or other electromagnetic systems;
2. Telecommunications devices mean any instrument used in telecommunications;
3. Telecommunications equipment means a set of telecommunications devices that enable telecommunications;
4. Telecommunications networks mean a set of telecommunications equipment and its paraphernalia used in telecommunications;
5. Telecommunications services mean telecommunications services to meet telecommunications needs by using telecommunications networks;
6. Telecommunications operators mean individuals, cooperatives, regional government-owned enterprises (BUMD), state-owned enterprises (BUMN), private enterprises, government institutions, and state security and defense institutions;
7. Telecommunications operations mean provision and facilitation of telecommunications services that enable telecommunications operations;

8. Telecommunications network operations mean provision and/or facilitation of telecommunications network services that enable telecommunications operations;
9. Special telecommunications operations mean telecommunications operations that have special characteristics, objective, and operations;
10. Fixed networks operations mean telecommunications network operations for fixed telecommunications services;
11. Mobile networks operations mean network operations for mobile telecommunications;
12. Basic telephony service operations mean telephone service operations using circuit-switched technology or other technologies in the forms of telephone, facsimile, telex, telegraph and data services;
13. Roaming means capability of mobile cellular network that enables consumers¹ to use a service in unserved areas by any mobile cellular network operators by using networks owned by other mobile cellular network operators;
14. National roaming means roaming operated between 2 (two) mobile cellular network operators with national coverage;
15. Closed fixed network operations mean networks operations that provide networks for lease;
16. Interconnection means a connection between telecommunications networks from different telecommunications operators;
17. Operation worthiness test means a technical testing conducted by an accredited institution or a team established by the Director General with the task of carrying out technical and operational system testing process;
18. Operation worthiness test institution means an institution authorized to conduct operation worthiness tests and accredited from an institution that has the authority to grant accreditation;
19. Universal service obligation means obligations imposed on telecommunications operations and/or telecommunications services to provide accessibility for areas or parts of society uncovered by telecommunications network and/or service operations;
20. Fundamental technical plan means technical provisions that shall be followed in deploying and providing telecommunications networks to ensure connection of one network to other networks;

¹ Translators' Note: The original document/source text should be "consumers/*pengguna*" instead of "consumption/*penggunaan*". This note is written due to mistype in the original document/source text.

21. Landing rights means rights granted by the Minister to telecommunications network operators, telecommunications service operators, or subscription-based broadcasting institutions in order to cooperate with foreign telecommunications operators;
22. Minister means the Minister whose scope of duties and responsibilities are in the telecommunications field;
23. Director General means the Director General of Posts and Telecommunications;
24. Directorate General means the Directorate General of Posts and Telecommunications.

CHAPTER II

TELECOMMUNICATIONS NETWORK OPERATIONS

Article 2

- (1) Telecommunications network operations may be conducted by juristic persons established for specific purposes in accordance with the prevailing laws and regulations, comprising:
 - a. state-owned Enterprises (BUMN);
 - b. regional government-owned enterprises (BUMD);
 - c. private enterprises;
 - d. cooperatives.
- (2) Telecommunications network operations as referred to in paragraph (1) must obtain a license.

Article 3

- (1) Telecommunications network operations as referred to in Article 2 shall comprise:
 - a. fixed network operations;
 - b. mobile network operations.
- (2) The fixed network operations as referred to in paragraph (1) letter a shall comprise:
 - a. local fixed network operations;
 - b. long distance direct dialing fixed network operations;
 - c. international dialing fixed network operations;
 - d. closed fixed network operations.

- (3) The mobile network operations as referred to in paragraph (1) letter b shall be divided into:
 - a. terrestrial mobile network operations;
 - b. cellular mobile network operations;
 - c. satellite mobile network operations.

Article 4

- (1) For telecommunications network operations requiring allocation of certain radio frequency spectrum and/or requiring network access codes, the number of operators shall be limited.
- (2) For telecommunications network operations of which the number of operators is limited as referred to in paragraph (1), the licensing procedure shall be carried out through a selection process.
- (3) Provision on the selection process as referred to in paragraph (2) shall not apply to telecommunications network operations to be operated by telecommunications network operators that obtain a license to use network access codes and intend to operate other types of telecommunications network operations:
 - a. differing from the types of telecommunications network operations they have operated;
 - b. using the radio frequency spectrum allocation according to the radio frequency spectrum license they have owned; and
 - c. requiring new network access codes.
- (4) The licensing procedure for telecommunications network operations as referred to in paragraph (3) shall be fulfilled through an evaluation process.

Article 5

- (1) For telecommunications network operations that do not require allocation of certain radio frequency spectrum and/or do not require network access codes, the number of operators shall not be limited.
- (2) For telecommunications network operations with an unlimited number of operators, the licensing procedure shall be fulfilled through an evaluation process.

Article 6

- (1) In the telecommunications network operations as referred to in Article 3 paragraph (2) and paragraph (3), telecommunications network operators must deploy and/or provide telecommunications networks.
- (2) In deploying and/or providing the telecommunications networks as referred to in paragraph (1), telecommunications network operators must follow technical provisions in the fundamental technical plan stipulated by the Minister.

Article 7

Telecommunications network operators must:

- a. provide all telecommunications facilities to ensure telecommunications network services in accordance with quality of service standards;
- b. provide the same service to telecommunications network users;
- c. set terms and conditions for subscribing to telecommunications networks;
- d. publicly announce the availability of telecommunications networks.

Article 8

- (1) Telecommunications network operators must guarantee the operations of telecommunications through the networks they operate.
- (2) Telecommunications network operators are obliged to separate their service components (unbundling) in order to provide services required by telecommunications operators.
- (3) The components as referred to in paragraph (2) shall comprise:
 - a. local networks;
 - b. interface device;
 - c. central (connection center);
 - d. transmission; and
 - e. support system for operations, services, and additional devices.

Article 9

- (1) Any telecommunications network operators must fulfill universal service obligations in the form of contributions to universal service obligations.
- (2) Procedures for fulfilling universal service obligations as referred to in paragraph (1) shall be regulated in a separate Ministerial Regulation.

Article 10

- (1) Any telecommunications network operators must pay fees for telecommunications operation rights which constitute Non-Tax State Revenues (PNBP).
- (2) Procedures for paying the fees for telecommunications operation rights as referred to in paragraph (1) shall be fulfilled in accordance with the laws and regulations.

Article 11

- (1) Any telecommunications network operators using radio frequency spectrum and satellite orbit must pay fees for the rights of radio frequency spectrum and satellite orbit uses which constitute Non-Tax State Revenues (PNBP).
- (2) Procedures for paying the fees for the rights of radio frequency spectrum and satellite orbit uses as referred to in paragraph (1) shall be fulfilled in accordance with the laws and regulations.

Article 12

- (1) Any telecommunications network operators must ensure the availability of interconnection.
- (2) Any telecommunications network operators are entitled to receive interconnection from other network operators.
- (3) Implementation of the interconnection as referred to in paragraph (1) and paragraph (2) must follow the provisions in the fundamental technical plan stipulated by the Minister.

Article 13

Provision of the interconnection as referred to in Article 12 shall at least comply with the following principles, which are:

- a. transparency;
- b. non-discrimination in quality and cost;
- c. short time;
- d. cost-based orientation;
- e. request-based provision.

Article 14

- (1) Interconnection between telecommunications networks shall be carried out at points of interconnection.
- (2) The points of interconnection as referred to in paragraph (1) shall be a demarcation point of responsibility for telecommunications network managements.
- (3) Defining points of interconnection shall be regulated in a separate provision on the fundamental technical plan stipulated by the Minister.

Article 15

In the event that costs and/or interface device are required in the implementation of interconnection, the provision of such fees and/or device shall become the responsibility of the network operators that require it.

Article 16

The Director General shall determine the numbering including the access code number for telecommunications network operations based on the provisions of the fundamental technical plan stipulated by the Minister.

Article 17

- (1) Any telecommunications network operators must erect signage indicating the presence of telecommunications networks.
- (2) Procedures for erecting signage indicating the presence of the networks as referred to in paragraph (1) shall be stipulated by a Regulation of the Director General.

Article 18

Telecommunications devices and/or equipment the telecommunications network operators use must meet the technical requirements stipulated by and holding a certificate from the Director General.

CHAPTER III

FIXED NETWORK OPERATIONS

Part One

Local Fixed Network Operations

Article 19

Local fixed network operations shall comprise operations of circuit-switched and packet-switched local fixed networks.

Article 20

- (1) Operators of circuit-switched local fixed networks must deploy and/or provide circuit-switched local fixed networks and network for customer access in a location using 1 (one) local central (connection center) or more.
- (2) The location as referred to in paragraph (1) shall cover one or several regencies and/or cities stipulated by the Minister or proposed by the Director General.
- (3) Any location as referred to in paragraph (1) shall obtain an area code determined by the Director General based on the fundamental technical plan stipulated by the Minister.

Article 21

Operators of circuit-switched local fixed networks may deploy and/or provide packet-switched local fixed networks.

Article 22

- (1) Operators of circuit-switched local fixed networks or other technologies shall provide basic telephony services for local direct dialing.
- (2) Operators of circuit-switched local fixed networks or other technologies may lease their networks to operators of local call basic telephony services, long distance direct dialing basic telephony services, and international dialing basic telephony services in the form of leased circuits.
- (3) Operators of circuit-switched local fixed networks may provide local leased circuits.

Article 23

- (1) Operators of circuit-switched local fixed networks must provide access to public telephone.
- (2) The access to public telephone as referred to in paragraph (1) shall account for a minimum of 3% (three percent) of the installed network capacity.

Article 24

- (1) Operators of circuit-switched local fixed networks may provide cross-border telecommunications services and networks that directly connect two locations in two countries sharing borders.
- (2) The cross-border telecommunications services and networks as referred to in paragraph (1) shall be operated at locations with social and economic interests.
- (3) Operations of cross-border telecommunications services and networks shall be determined at the following locations:
 - a. Nunukan – Tawao;
 - b. Manado – Davao;
 - c. Jayapura – Lae.
- (4) The locations of cross-border telecommunications other than those referred to in paragraph (3) shall be further regulated by a Regulation of the Director General with due regard to bilateral agreements.

Article 25

- (1) Operators of packet-switched local fixed networks must deploy and/or provide transport networks that connect between nodes and access networks for customers connected to the nodes.
- (2) Areas for packet-switched local fixed network operations shall cover local and national areas. of the Republic of Indonesia.

Article 26

- (1) Operators of packet-switched local fixed networks may provide multimedia services.
- (2) In providing the multimedia services as referred to in paragraph (1), the operators of packet-switched local fixed networks must obtain a license from the Director General.
- (3) Operators of packet-switched local fixed networks may lease their networks to telecommunications network operators, telecommunications service operators, and/or subscription-based broadcasting institutions.

Part Two
Operations of Long Distance Direct Dialing Fixed Networks

Article 27

Operators of long distance direct dialing fixed networks must deploy and/or provide fixed networks to connect local fixed network operators.

Article 28

Operators of long distance direct dialing fixed networks must deploy and/or provide long distance central (central trunk) and networks that connect long distance centrals (central trunks).

Article 29

- (1) Operators of long-distance direct dialing fixed networks shall provide basic telephony services for long distance direct dialing.
- (2) Operators of long-distance direct dialing fixed networks may lease their networks to operators of long-distance direct dialing basic telephony services and international dialing basic telephony services in the form of leased circuits.
- (3) Operators of long-distance direct dialing fixed networks may provide long distance leased circuits.

Part Three

Operations of International Dialing Fixed Networks

Article 30

Operators of international dialing fixed networks must deploy and/or provide fixed networks to connect domestic networks with international networks.

Article 31

- (1) Operators of international dialing fixed networks must deploy and/or provide international gateways and networks that connect international gateways.
- (2) Operators of international dialing fixed networks must connect their international gateways.

Article 32

- (1) Operators of international dialing fixed networks shall provide basic telephony services for international dialing.
- (2) Operators of international dialing fixed networks may lease their networks to operators of international dialing basic telephony services in the form of leased circuits.
- (3) Operators of international dialing fixed networks may operate international leased circuits.

Part Four

Operations of Closed Fixed Networks

Article 33

- (1) Operators of closed fixed networks must deploy networks for lease.
- (2) Use of networks leased by telecommunications network operators and/or telecommunications service operators shall be in accordance with its objectives.
- (3) Use of networks leased by special telecommunications operators and non-telecommunications operator users shall be for self-purposes.
- (4) The use of networks for self-purposes as referred to in paragraph (3) shall be the use of networks for closed user group.

Article 34

Operators of closed fixed networks providing networks for telecommunications operations shall be prohibited to connect to other networks.

Article 35

- (1) Operators of closed fixed networks may lease their networks to users located outside the territory of the Republic of Indonesia.
- (2) Foreign operators of closed fixed networks may lease their networks to Indonesian telecommunications operators and/or non-telecommunications operator users.
- (3) In the event that foreign operators of closed fixed networks lease networks to non-telecommunications operator users in the territory of the Republic

of Indonesia, they must cooperate with Indonesian closed fixed network operators.

CHAPTER IV MOBILE NETWORK OPERATIONS

Part One

Terrestrial Mobile Network Operations

Article 36

Operators of terrestrial mobile networks must deploy and/or provide terrestrial mobile networks for subscribers' access in one location or more.

Article 37

- (1) Operations of terrestrial mobile networks shall comprise:
 - a. terrestrial trunked radio mobile network operations;
 - b. radio paging for public (RPUU) terrestrial mobile network operations.
- (2) Operations of terrestrial mobile networks other than those referred to in paragraph (1) shall be determined by the Director General.

Article 38

Operations of terrestrial trunked radio mobile network shall be carried out covering:

- a. a regency or municipality;
- b. several regencies and municipalities.

Article 39

Terrestrial trunked radio mobile networks with coverage of several regencies and municipalities may have no connection with each other.

Article 40

Operators of terrestrial trunked radio mobile networks deploy and/or provide terrestrial trunked radio mobile networks.

Article 41

- (1) Terrestrial trunked radio mobile networks may be connected to other telecommunications networks.
- (2) Implementation of the connection to other telecommunications networks as referred to in paragraph (1) must follow the technical provisions in the fundamental technical plan stipulated by the Minister.
- (3) In the event terrestrial trunked radio mobile networks are connected to other telecommunications networks, the provisions as referred to in the operations of cellular mobile telecommunications networks shall apply.

Article 42

The operation of terrestrial trunked radio mobile networks shall use a radio frequency spectrum, the allocation of which is determined by the Director General.

Article 43

- (1) Subscribers to terrestrial trunked radio mobile networks may provide their own trunked radio terminal.
- (2) In the event that the subscribers are unable to provide their own terminal, the terrestrial trunked radio mobile network operators must provide a trunked radio terminal for their subscribers.

Article 44

- (1) Radio paging for public (RPUU) terrestrial mobile network operations shall cover:
 - a. a regency or a municipality;
 - b. several regencies and municipalities.
- (2) Radio paging for public (RPUU) terrestrial mobile networks covering several regencies and/or municipalities as referred to in paragraph (1) letter b must be connected with each other.

Article 45

Radio paging for public (RPUU) terrestrial mobile network operators must:

- a. provide a properly functioning receiver for subscribers use;
- b. deliver messages or calls to eligible subscribers;
- c. ensure the security of messages or information.

Part Two

Cellular Mobile Network Operations

Article 46

Cellular mobile network operators must deploy and/or provide cellular mobile networks for subscribers access.

Article 47

Cellular mobile network operators shall be divided into:

- a. cellular mobile network operators covering a province or several provinces;
- b. cellular mobile network operators with national coverage.

Article 48

- (1) Cellular mobile network operators must deploy and/or provide cellular mobile networks that are connected within their coverage area.
- (2) The deploying and/or provision of the networks as referred to in paragraph (1) may be carried out in stages.

Article 49

Cellular mobile network operators may lease their networks to other cellular mobile network operators.

Article 50

- (1) Cellular mobile network operators covering a province or several provinces must provide roaming services with cellular mobile network operators covering another province or several other provinces having the same radio frequency system and spectrum.
- (2) The provision of roaming services as referred to in paragraph (1) shall be carried out based on cooperation with other cellular mobile network operators as outlined in a written agreement.

Article 51

- (1) Cellular mobile network operators may provide national roaming services with other cellular mobile network operators.

- (2) The provision of national roaming services as referred to in paragraph (1) shall be carried out based on cooperation with other cellular mobile network operators as outlined in a written agreement.
- (3) The provision of national roaming services as referred to in paragraph (1) may only be carried out until such service is available to users using the network owned by the cellular mobile network operator itself.

Article 52

- (1) Cellular mobile network operators providing national roaming service cooperation must:
 - a. fulfill all obligations stated in their cellular mobile network operation licenses, including, but not limited to, fulfilling the obligation to deploy facilities and infrastructure as well as quality of service standards;
 - b. submit the national roaming service plan to the Director General;
 - c. submit annual national roaming service reports to the Director General, which at least comprise:
 - roaming area;
 - types of services.
- (2) The implementation of roaming service cooperation shall be evaluated periodically by the Director General.

Article 53

- (1) Cellular mobile network operators may provide international roaming services.
- (2) The provision of international roaming services as referred to in paragraph (1) shall be carried out based on cooperation with foreign cellular mobile network operators.

Article 54

Cellular mobile network operators must have standard service facilities of at least:

- a. automatic transfer between cells (handover);
- b. roaming service;
- c. protection from fraud (antifraud facility);
- d. calculation of conversation details (billing details);
- e. interconnection capability; and
- f. supervision and control.

Part Three

Mobile Satellite Network Operations

Article 55

Mobile satellite network operators must deploy and/or provide mobile satellite networks for subscribers access.

Article 56

- (1) Mobile satellite network operators must deploy and/or provide satellites, earth stations, central gateways, and connecting networks.
- (2) Mobile satellite network operators may use foreign satellites and must have landing rights.

Article 57

- (1) Mobile satellite network operators shall provide basic telephony services and may operate multimedia services.
- (2) In operating the multimedia services as referred to in paragraph (1), mobile satellite network operators must obtain a license from the Director General.
- (3) Mobile satellite network operators may lease their networks to basic telephony service operators and multimedia service operators.

Article 58

- (1) Mobile satellite network operators specifically designed for multimedia service operations may operate basic telephony services.
- (2) The operation of basic telephony services as referred to in paragraph (1) shall comply with the provisions for basic telephony service operations.

Article 59

- (1) In the event that global satellite mobile network operators provide basic telephony services in the territory of the Republic of Indonesia, they must cooperate with Indonesian juristic persons having a basic telephony service operation license.
- (2) In the event that global mobile satellite network operators provide multimedia services in the territory of the Republic of Indonesia, they

must cooperate with Indonesian juristic persons having a multimedia service operation license.

- (3) The basic telephony service operators or multimedia service operators as referred to in paragraph (1) and paragraph (2) must have landing rights.

Article 60

- (1) Mobile terminals used for the basic telephony service operations as referred to in Article 59 paragraph (1) shall be provided by relevant mobile satellite network agents or operators.
- (2) The agents as referred to in paragraph (1) shall be a national company designated by the terminal manufacturer.

CHAPTER V LICENSING PROCEDURES

Part One

Procedures for Selection of Telecommunications Network Operations

Article 61

- (1) The Minister shall determine the number of telecommunications network operators of which the number of operators is limited.
- (2) The determination as referred to in paragraph (1) shall be carried out at least once a year.
- (3) The determination as referred to in paragraph (1) shall be carried out based on considerations of resources and market conditions.

Article 62

- (1) The Minister shall publicly announce business opportunities to operate telecommunications networks.
- (2) The announcement as referred to in paragraph (1) for each type of telecommunications network operations shall be made at least once a year.
- (3) The provision as referred to in paragraph (1) shall not apply to the telecommunications operations as referred to in Article 4 paragraph (3) and to the closed fixed network operations that do not use a radio frequency spectrum.

Article 63

The announcement of business opportunities to operate telecommunications networks shall contain the following:

- a. types of operations;
- b. number of operators;
- c. locations and coverage of operations;
- d. requirements and procedures for license application;
- e. time and place of license application submission;
- f. payable fees including fee for final selection documents and bank guarantee;
- g. selection and evaluation criteria for determining prospective telecommunications operators.

Article 64

- (1) The Director General shall establish a selection team to carry out the selection process comprising technical, business, legal, planning, and administrative elements.
- (2) The selection team as referred to in paragraph (1) shall carry out the selection based on the selection criteria notified publicly to selection participants.
- (3) The selection team shall complete its task no later than 40 (forty) working days from the deadline for receiving applications for prospective operators.
- (4) The selection process shall be carried out in a transparent, objective, honest, and fair manner.

Article 65

- (1) The selection team shall refer to the selection documents in evaluating application documents.
- (2) The selection documents as referred to in paragraph (1) shall comprise:
 - a. administrative selection documents;
 - b. technical selection documents.
- (3) The administrative selection documents as referred to in paragraph (2) letter a shall comprise:
 - a. company's deed of establishment;
 - b. approval for the company establishment;
 - c. company profile;

- d. taxpayer identification number (NPWP);
 - e. company capital structure;
 - f. statement of ability to pay fees that must be paid;
 - g. proof of bank guarantee;
 - h. deadline for document submission.
- (4) The technical selection documents as referred to in paragraph (2) letter b shall comprise:
- a. business plan;
 - b. work plan and statement of ability to develop and/or provide networks;
 - c. technical data and network configuration;
 - d. statement of ability to use equipment that meets technical requirements;
 - e. application for the assignment of a radio frequency spectrum from the Directorate General for telecommunications network operations using a radio frequency spectrum and/or satellite orbit;
 - f. deadline for document submission.

Article 66

- (1) The Selection Team shall complete the administrative selection no later than 10 (ten) working days after the deadline for administrative selection document submission.
- (2) The selection team shall complete the technical selection no later than 30 (thirty) working days after the deadline for technical selection document submission.
- (3) Participants in the technical selection shall be participants who are declared to have passed the administrative selection announced publicly.
- (4) Determination of prospective operators shall be based on the best score order in accordance with the results of the selection made by the Selection Team and notified in writing to selection applicants/participants.

Part Two

Procedures for Evaluation of Telecommunications Network Operations

Article 67

- (1) Applications for telecommunications network operations principle licenses as referred to in Article 4 paragraph (3) and telecommunications network operations with an unlimited number of operators may be

submitted at any time and the licensing shall be made through an evaluation process.

- (2) The applications for principle licenses as referred to in paragraph (1) shall be submitted to the Minister.
- (3) The evaluation of the application as referred to in paragraph (1) shall be submitted by the Director General.

Article 68

- (1) The applications for principle licenses for telecommunications network operations with an unlimited number of operators² as referred to in Article 67 paragraph (1) shall enclose the following requirements:
 - a. company's deed of establishment and the approval of the competent authority;
 - b. amendment to company's deed of establishment and the acceptance of notice from the competent authority;
 - c. Taxpayer Identification Number (NPWP);
 - d. certificate of domicile;
 - e. business plan which contains:
 1. types of services in accordance with the operation applied;
 2. coverage of deployment areas and services to be deployed (roll out plan) for a five-year commitment;
 - f. bank statement of proof of funds of at a minimum of 5% (five percent) of the total investment for the development of telecommunications facilities and infrastructure for 5 (five) years as stated in the roll out plan;
 - g. technical data which comprise:
 1. system configuration and network technology to be deployed;
 2. network diagram, route, and map;
 3. the radio frequency spectrum proposed in the event that the prospective telecommunications network operators intend to use a radio frequency spectrum.
 - h. a statement explaining that the technical data, devices/equipment, telecommunications facilities and/or infrastructure to be deployed conform to telecommunication network technical requirements, configuration and hierarchy based on the fundamental technical plan;
 - i. tax clearance certificate from the tax office for existing companies;

² Translators' Note: The original document/source text should be "operators/*penyelenggara*" instead of "operations/*penyelenggaraan*". This note is written due to mistype in the original document/source text.

- j. a statement letter/report on the composition of direct company's share ownership up to 2 (two) levels above the applicant company, including the country of origin of the shareowners;
 - k. a statement explaining that the company's share ownership composition will not be changed during the validity period of the principle license;
 - l. a statement explaining that the share ownership composition will not be changed after obtaining a telecommunications operation license, before fulfilling the deployment obligations of at a minimum of 50% (fifty percent) of the total deployment obligations for 5 (five) years as stated in the telecommunications operation license;
 - m. a statement explaining that there is no affiliation with other companies (at the level of president director).
- (2) The requirements as referred to in paragraph (1) letter j and letter k shall not apply to public companies whose share exchange transactions are carried out on a domestic stock exchange.
 - (3) In the event that the requirements for the application for telecommunications network operations principle licenses as referred to in paragraph (1) are incomplete, the application shall be declared to have been canceled and the applicant may submit a new application.

Article 69

- (1) Evaluation of the application as referred to in Article 68 shall be completed no later than 60 (sixty) calendar days from the receipt of a complete application.
- (2) In the event that the application fails to meet the specified requirements, the Minister shall give a written denial providing grounds for denial.
- (3) If within the 60 (sixty) calendar days as referred to in paragraph (1) no principle license grant or denial determination is made, the application for principle license shall be deemed to have been approved.

Part Three

Licensing Procedures for Telecommunications Network Operations

Article 70

- (1) Based on the results of the selection as referred to in Article 66 paragraph (4) or based on the results of the evaluation as referred to in Article 69

paragraph (1), for those who meet the requirements, the Minister shall issue a principle license.

- (2) The principle license as referred to in paragraph (1) shall be valid for a maximum of:
 - a. 3 (three) years for operations with a limited number of operators;
 - b. 2 (two) years for operations with an unlimited number of operators.
- (3) The principle license as referred to in paragraph (2) may be extended if the principle license holder has invested in the preparation for the deployment of facilities and infrastructure according to the results of the assessment by the Team established by the Director General.
- (4) Principle licenses may be extended once with a maximum validity period of 1 (one) year for network operations with a limited number of operators, and 6 (six) months for those with an unlimited number of operators.
- (5) In the event that the application for the principle license extension as referred to in paragraph (3) is not determined within a period of 14 (fourteen) working days from the receipt of the application for principle license extension, the principle license shall be declared to have been extended.

Article 71

- (1) Principle license holders shall be prohibited from changing the composition of the company's share ownership.
- (2) The prohibition on the change as referred to in paragraph (1) shall not apply to public companies.

Article 72

- (1) Operation license holders shall be prohibited from changing the composition of the company's share ownership unless they have fulfilled the deployment obligations of at a minimum of 50% (fifty percent) of the total deployment obligations for 5 (five) years.
- (2) In the event that operation license holders intend to change the composition of the company's share ownership, they must report to the Minister.
- (3) The prohibition on making changes as referred to in paragraph (1) shall not apply to public companies whose share exchange transactions are carried out on a domestic stock exchange.

Article 73

- (1) Telecommunications network operation licenses shall be issued after principle license holders are declared to have passed the operation worthiness test and have applied for an operation license.
- (2) The telecommunication network operation licenses as referred to in paragraph (1) shall be issued no later than 14 (fourteen) working days from the issuance of the operation worthiness certificate.

Article 74

- (1) Telecommunications network operation licenses shall be valid without time limit and shall be evaluated comprehensively every 5 (five) years.
- (2) If the result of the evaluation as referred to in paragraph (1) declares failure to fulfil the provisions in the license, the operation license holder shall be subject to sanctions in accordance with the laws and regulations.

CHAPTER VI

PROCEDURES FOR IMPLEMENTING OPERATION WORTHINESS TESTS

Article 75

- (1) The principle license holders as referred to in Article 70 who are ready to operate a telecommunications network must submit an application for an operation worthiness test to the Director General.
- (2) The application for the operation worthiness test as referred to in paragraph (1) shall be submitted no later than 30 (thirty) working days prior to the expiration of the principle license.
- (3) The application for operation worthiness test and operation license as referred to in paragraph (1) shall be submitted in writing by attaching:
 - a. a copy of the principle license;
 - b. the site/digital map of the infrastructure deployed to be tested for operation worthiness in accordance with the principle license;
 - c. technical specifications of the telecommunications equipment deployed;
 - d. list of telecommunications equipment;
 - e. a copy of certificate of telecommunications devices and equipment used.

Article 76

- (1) The operation worthiness test shall be carried out by an operation worthiness testing agency obtaining accreditation from a competent authority.
- (2) In the event that the operation worthiness test cannot be carried out by the agency as referred to in paragraph (1), the Director General may establish an Operation Worthiness Test Team.

Article 77

- (1) The operation worthiness test shall be carried out no later than 14 (fourteen) working days from the receipt application for the operation worthiness test.
- (2) The Director General shall issue an operation worthiness certificate for facilities and infrastructure declared to have passed operation worthiness test based on the evaluation results of the operation worthiness test.
- (3) The operation worthiness certificate as referred to in paragraph (2) shall be issued no later than 14 (fourteen) working days from the receipt of evaluation results of the operation worthiness test.
- (4) In the event that the operation worthiness test is not carried out within 14 (fourteen) working days after the application for operation worthiness test, the principle license holder as referred to in Article 70 shall be eligible for operation worthiness certificate.

Article 78

- (1) The Agency or Team as referred to in Article 76 shall complete the evaluation of the results of the implementation of operation worthiness test within 14 (fourteen) working days at the latest from the receipt of the complete application.
- (2) The results of the evaluation as referred to in paragraph (1) shall be reported in writing to the Director General no later than 14 (fourteen) working days.

Article 79

- (1) If the results of the evaluation of the implementation of the operation worthiness test in facilities and infrastructure are declared not worthy for operation, the principle license holder shall be given an opportunity to improve the facilities and infrastructure no later than 30 (thirty) working days.

- (2) In the event that the improvement as referred to in paragraph (1) remains declared not worthy for operation, the principle license holder shall be given opportunity to improve the facilities and infrastructure at the maximum of 14 (fourteen) working days.

Article 80

In the event that the results of the evaluation of the implementation of the operation worthiness test in facilities and infrastructure as referred to in Article 79 paragraph (2) remain declared not worthy for operation, the principle license holder must adjust or replace the telecommunications network systems, facilities, and infrastructure.

Article 81

- (1) In the event that no other considerations need to be taken into account, the Minister shall issue an operation license no later than 14 (fourteen) working days from the issuance of operation worthiness certificate.
- (2) The considerations as referred to in paragraph (1) shall include, but not limited to, complaints from the public and alleged violations of the provisions of laws and regulations.

Article 82

- (1) Any capacity increase and site expansion or reallocation that undergo changes in technology must be subject to an operation worthiness test.
- (2) The changes in technology as referred to in paragraph (1) shall include:
 - a. changes in technology standards used based on international standards established by the International Telecommunication Union/ITU;
 - b. changes in the use of the radio frequency spectrum; and/or
 - c. changes in use of the system from analog to digital.
- (3) Operation worthiness test activities shall not apply to any capacity increase and site expansion or reallocations that do not undergo changes in technology.

CHAPTER VII

TARIFFS

Article 83

Provisions on telecommunications network operation tariffs shall be regulated in a separate Ministerial Regulation.

Article 84

Interconnection fees between telecommunications networks shall be regulated in a separate Ministerial Regulation.

CHAPTER VIII

MISCELLANEOUS PROVISIONS

Article 85

- (1) Facilities and infrastructure that may be used for telecommunications purposes owned by juristic persons which are not telecommunications operators prior to the stipulation of this Ministerial Regulation may be utilized by telecommunications network operators based on cooperation.
- (2) The cooperation as referred to in paragraph (1) shall be in the form of a management cooperation which at least contains the provisions that:
 - a. the management cooperation is exclusive in nature;
 - b. the management cooperation is free of charge.
- (3) The cooperation as referred to in paragraph (2) must be reported to the Minister prior to its implementation.

CHAPTER IX

SUPERVISION AND CONTROL

Article 86

The Director General shall perform supervision and control on the implementation of this Regulation.

CHAPTER X

CLOSING PROVISION

Article 87

As from the time at which this Ministerial Regulation comes into force, the Decision of Minister of Transportation Number: KM. 20 of 2001 along with all amendments thereto shall be repealed and declared ineffective.

Article 88

This Ministerial Regulation shall come into force from the date of its establishment.

For public cognizance, it is hereby ordered that this Ministerial Regulation be promulgated in the Official Gazette of the Republic of Indonesia.

Established in Jakarta

on 25 January 2010

MINISTER OF COMMUNICATIONS AND INFORMATICS,

signed

TIFATUL SEMBRING

This unofficial English translation is brought by the collaboration between Government translators from Ministry of Communications and Informatics and Cabinet Secretariat: Andhika Widyarani, Aulia Astagina Ramadhani, Chrisna Harimurti, Cintami Agnes Selviani, Erik Limantara, Ivan Atmanagara, Muhammad Ersan Pamungkas, Muhardi, Penni Patmawati Rusman, and Siti Chodijah.