

Guide for Special Railway Permit in Indonesia

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Special Railway in Indonesia is specifically intended for supporting the main business of a company in the mining, industry, plantation, or other industrial sector, and is restricted to be used for public purposes without consent from the government.

This brief guide provides the stages for procuring the necessary licenses to construct and operate a Special Railway in Indonesia.

Stages of Licensing:

1. Principle Approval for Special Railway Construction;
2. Special Railway Construction Permit;
3. Special Railway Operating Permit.

Principle Approval for Special Railway Construction

Valid for a period of 5 years and can be extended 2 (two) times for a period of 3 (three) years at the request of the Principle Approval holder.

If within a period of 2 (two) years since the Principle Approval is granted, the holder does not perform the technical planning, environmental impact analysis or UKL and UPL, and land acquisition, the Principle Approval shall be revoked.

Principle Approval is given by:

- a. Minister, for organizing the network of tracks across provincial boundaries and / or state boundaries;
- b. governor, for organizing the network of tracks across the boundaries of the district / city in the province after the approval of the Minister; and
- c. regent / mayor, for organizing the network of tracks in the district / municipal governor after a recommendation and approval of the Minister.

Application for Principle Approval should be filed along with the following documents:

- a. deed of establishment of company;
- b. taxpayer number;
- c. Business License;
- d. domicile of the company;
- e. map the location of special railway infrastructure, which at least contain:
 - i. pre-alignment rail (original plan stipulated by the Minister, Governors, Regents / Mayors, according its authorities);
 - ii. plan of land requirement;
 - iii. initial survey plan of the railway line, and
 - iv. topographic maps.
- f. review of the match between the needs of particular railways and principal activities, which shall at least contain:
 - i. economic feasibility and / or financially to illustrate the effectiveness and efficiency when conducting a special railroad;
 - ii. integration of intra and inter-mode transportation;
 - iii. economic growth and social progress resulting from an increase in specific activity of the railway administration;
 - iv. the accessibility to the principal activity and / or supporting areas;
 - v. plan of railway infrastructure and facilities needs.
- g. Documents related to the support area (stockpile, port, processing, etc.), namely:

- i. proof of ownership, proof of possession and / or evidence of land management and / or buildings in the support area or showing that the ownership, control, and / or management is carried out by another entity affiliated with the company;
- ii. a statement letter mentioning that the support area is used only to support the main activities;
- iii. action plans in the support area concerned.

Process (for organizing the network of tracks across the boundaries of the district / city in the province):

1. Application for Principle Approval for the construction of a network of tracks across the boundaries of the district / city in the province, should be submitted to the governor along with the required documents as mentioned above.
2. Based on the application, governor shall conduct an evaluation not later than 60 (sixty) working days after receiving the complete document as evidenced by a receipt.
3. In conducting the evaluation, the governor should consider:
 - a. provincial railways master plan;
 - b. national spatial plan, and
 - c. provincial spatial plan.
4. Based on the evaluation, the governor gives:
 - a. letter of recommendation for Principle Approval; or
 - b. rejection letter stating the reasons.
5. Based on the letter of recommendation for Principle Approval, the governor shall submit an application for approval to the Minister accompanied by the required documents and the recommendation from of the governor.
6. Minister shall undertake an evaluation based on the application for approval not later than 30 (thirty) working days after receiving the complete document as evidenced by a receipt.
7. In conducting the evaluation, the Minister must consider:
 - a. national railway master plan;
 - b. provincial railways master plan;
 - c. national spatial plan, and
 - d. provincial spatial plan.
8. Based on the evaluation, the Minister shall give the approval to the governor to provide the Principle Approval for construction.
9. Approval from the Minister may be accompanied by specific terms of additional administrative and technical requirements to be met by the applicant.
10. In the event that certain conditions referred to in paragraph (9) have been met by the applicant, the governor issued a decree of Principal Approval for construction.

Holder of Principal Approval prior to applying for Special Railway Construction Permit, should perform the following activities:

- a. technical planning, which should include the planning stages of development which include:
 - i. predesigned;
 - ii. design, including special alignment of the railway line:
 - (1). coordinate points;
 - (2). station location;
 - (3). land requirements plan, and
 - (4). scale images.
 The design must be approved by the Director-General.
 - iii. construction, and
 - iv. post-construction.

- b. environmental impact analysis or UKL and UPL; and
- c. land acquisition.

Special Railway Construction Permit

Special Railway Construction Permit holder should perform procurement and construction of infrastructure and facilities at the latest 2 (two) years from the issued date of permit. The Construction Permit is valid for 5 (five) years and may be extended as needed.

Construction Permit is issued by:

- a. Director-General, for organizing the network of tracks across provincial boundaries and / or state boundaries;
- b. Governor, for organizing the network of tracks across the boundaries of the district / city in the province after the approval of the Director-General; and
- c. Regent / Mayor, for organizing the network of tracks within the county / city after a recommendation from the governor and approval of the Director-General.

Construction Permit application must be accompanied by the following required documents:

- a. letter of Principle Approval for Construction;
- b. design which are made based on calculations, which includes:
 - i. planning;
 - ii. design;
 - iii. technical calculations of materials and components
- c. technical drawings, design drawings containing the layout of railway lines, stations, railway operations and special facilities to be built (floor plan, footprint, and pieces) of known coordinates and scale drawings. The drawings must be approved by the Director-General.
- d. field data;
- e. implementation schedule;
- f. technical specifications, which include:
 - i. systems and components of roads, bridges, tunnels to be built;
 - ii. systems and components of special railway station to be built;
 - iii. systems and components of railway signaling equipment to be built;
 - iv. systems and components of telecommunications equipment to be built;
 - v. installation of electrical systems and components to be built;
 - vi. components and construction, special railway facilities to be constructed;
 - vii. size, performance, and technical drawing of facilities to be built.These technical specifications must be approved by the Director-General.
- g. environmental impact analysis or UKL and UPL;
- h. methods of implementation, at least containing:
 - i. scope of work to be performed;
 - ii. execution of the work which includes the preparation phase, implementation phase and completion phase;
 - iii. security system used in the execution of the work;
 - iv. equipment used in the execution of the work;
 - v. number and qualification of human resources who will perform the construction.
- i. building permits, which among others are:
 - i. building permits for each support area, and
 - ii. building permits for special railway station
- j. other permit in accordance with the provisions of the legislation, for example, permit for the use of forest area and licenses related to the special terminal, terminal for own interests, special airport;

- k. recommendation of the regents / mayors of the region that will be crossed by the railway line, and
- l. attach proof of land acquisition at least 10 (ten) percent of the total land needed.

Process (for organizing the network of tracks across the boundaries of the district / city in the province):

1. Construction permit application for network which path crosses district / city in the province, shall be submitted by the holder of Principle Approval from Governor along with the required documents as mentioned above.
2. Based on the application, governor shall perform the evaluation not later than 90 (ninety) days after the document is received in full as evidenced by a receipt.
3. Based on the evaluation referred to in paragraph (2), the governor gives:
 - a. letter of recommendation for approval of construction; or
 - b. rejection letter stating the reasons.
4. Based on the letter of recommendation for approval of construction referred to in paragraph (3), the governor submit an application for approval to the Director General along with the required documents and recommendation from the governor.
5. Director-General based on the application referred to in paragraph (4) shall perform an evaluation at the latest 60 (sixty) working days after receiving the complete document as evidenced by a receipt.
6. Evaluation of the construction permit documents referred to in paragraph (5) shall be conducted by the Director-General by involving related work units.
7. Based on the evaluation referred to in paragraph (6), the Director-General shall give approval to the governor to grant the construction permit.
8. Approval of the Director-General as referred to in paragraph (7) can be accompanied by specific terms of additional administrative and technical requirements to be met by the applicant.
9. In the event that the certain conditions referred to in paragraph (8) have been met by the applicant, the governor shall issue the construction permit.

Construction Permit holder shall:

- a. perform infrastructure construction and procurement of facilities at the latest 2 (two) years from the date of the permit, which includes among others:
 - i. special railway line (rail roads, bridges, tunnels, etc.);
 - ii. construction of a special railway station;
 - iii. construction of the facility operating trains (signaling equipment, telecommunication equipment and electrical installations).
 - iv. procurement of locomotives;
 - v. procurement of carriage and / or train;
 - vi. procurement of special equipment.
- b. responsible for environmental impacts that arise during the implementation of infrastructure development, and
- c. report the development activities on a regular basis every 6 (six) months to the government official issuing the permit.

Special Railway Operating Permit

Operating permit issued by:

- a. Minister, for the operation of the network path crossing provincial boundaries and / or state boundaries;
- b. governor, for the operation of the network path crossing district / city in the province after the approval of the Minister; and
- c. regent / mayor, for the operation of the network path in the district / city after a recommendation from the governor and approved by the Minister.

Operating Permit application must be completed along with the following requirements:

- a. certificate of worthiness of the infrastructure and facilities to be operated;

- b. systems and operating procedures, inspection, and maintenance of infrastructure;
- c. systems and operating procedures, inspection, and maintenance facilities;
- d. availability of competent officers and crew for the operation of infrastructure and facilities as required and proven by competency certificate;
- e. availability of inspectors and maintenance personnel for the infrastructure and facilities possessing the required certificate of expertise.

Operating Permit Application process (network path across the city / county in the province)

1. Application for Operating Permit for network of tracks across the boundaries of the district / city in one province has to be applied to the governor.
2. Based on the application referred to in paragraph (1), governor shall conduct evaluation not later than 20 (twenty) working days after receipt of the complete document as evidenced by a receipt.
3. Based on the evaluation referred to in paragraph (2), the governor gives:
 - a. letter of recommendation for approval of the Operating Permit;
 - b. rejection letter stating the reasons.
4. Based on the Letter of recommendation for approval as stated in paragraph (3), the governor shall submit completed application for approval to the Minister along with the required documents and the governor's letter of recommendation.
5. The Minister through the Director-General, based on the application referred to in paragraph (4), shall conduct and evaluation at the maximum of 20 (twenty) working days after receipt of the complete document as evidenced by a receipt.
6. Evaluation of the operating permit requirements as referred to in paragraph (5) shall be conducted by the Ministry through the Directorate-General and relevant work units.
7. Based on the evaluation referred to in paragraph (6), the Minister shall give approval to the governor to issue the Operating Permit.
8. Approval of the Minister as referred to in paragraph (7) can be accompanied by specific terms of additional administrative and technical requirements to be met by the applicant/construction permit holder.
9. In the event that certain conditions referred to in paragraph (8) have been met by the applicant/construction permit holder, the governor shall issue the Operating Permit.

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