



Airports in Indonesia: Legal Updates

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BAHAR & PARTNERS

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Background



- On Sunday, 28 December 2014, Indonesia Air Asia Flight 8501 crashed into the Java Sea during bad weather, killing all 155 passengers and 7 crews on board.
- The Ministry of Transportation (MoT) ordered the Directorate General of Civil Aviation (DGCA) to investigate the accident.
- According to the DGCA, for winter season Indonesia Air Asia Flight 8501 is only approved to operate on Monday, Tuesday, Thursday, and Saturday. However, at that time, Indonesia Air Asia Flight 8501 flew on Sunday.
- MoT said that in granting Air Asia a takeoff slot for the flight, head of Surabaya Airport used incorrect information.
- The accident of Indonesia Air Asia Flight 8501 accelerated the government's change of many of regulations related to airport and airline's operational standards. Until September 2015, MoT has issued 57 new MoT regulations out of 124 targeted new regulations for this year.

New Regulation Post

Economic Regulation

Tariff

Slot Regulation

Slot Coordination

Slot Manager

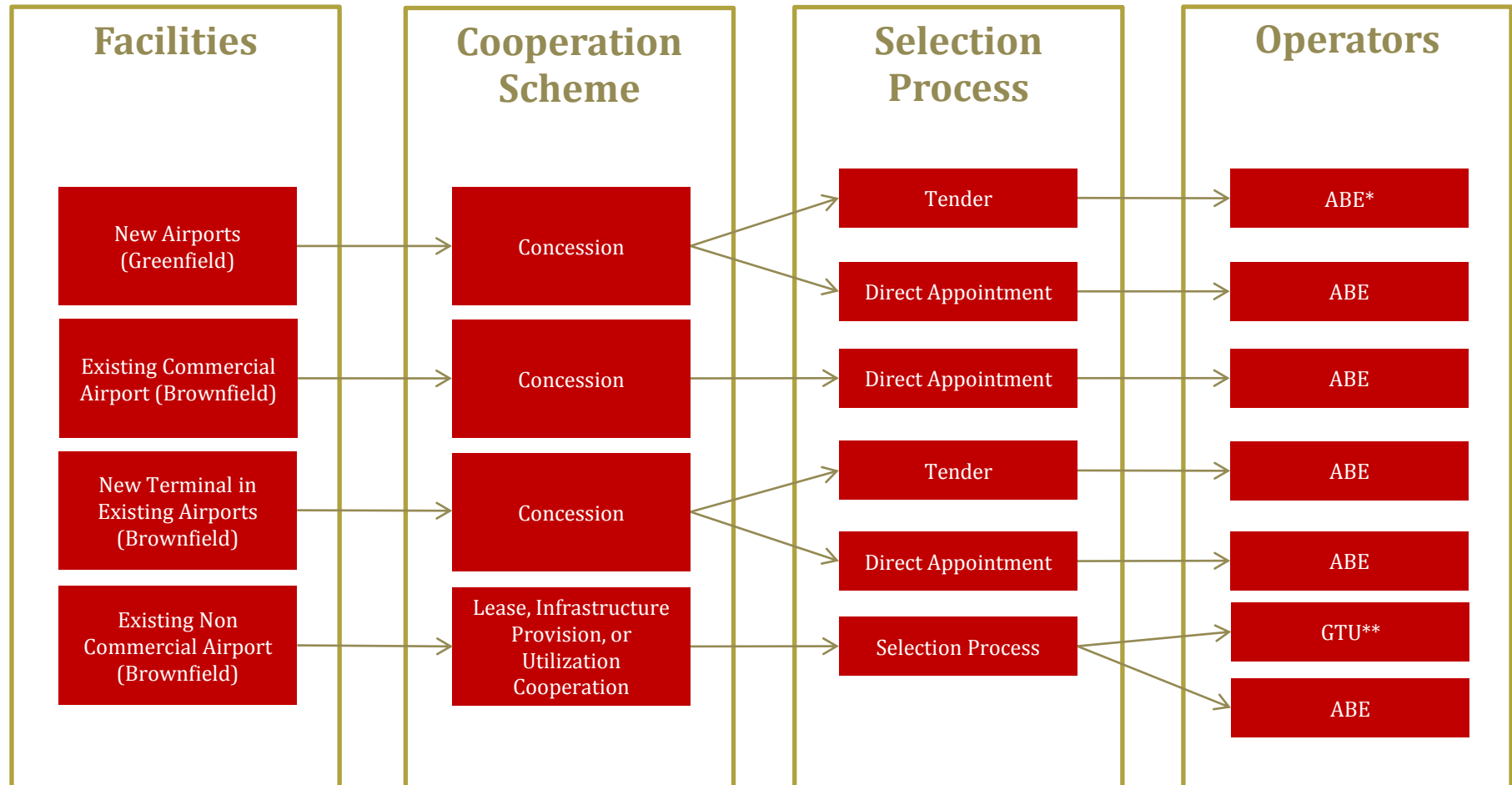
Safety & Security Regulation

Accident Reporting System

Upgrading Safety & Security Standards in every aspect

New Regulations on Airport Business

Source: MoT Regulation No. 43 of 2015 on Airport Concession and MoT Regulation No. 56 of 2015 on Airport Business Operation



***ABE** = Airport Business Entity (*Badan Usaha Bandar Udara* or BUBU), which is airport operator operating commercial airport.

****GTU** = Government Technical Unit (*Unit Pelaksana Bandar Udara* or UPBU), which is MoT unit operating non-commercial airport.

Volcanoes

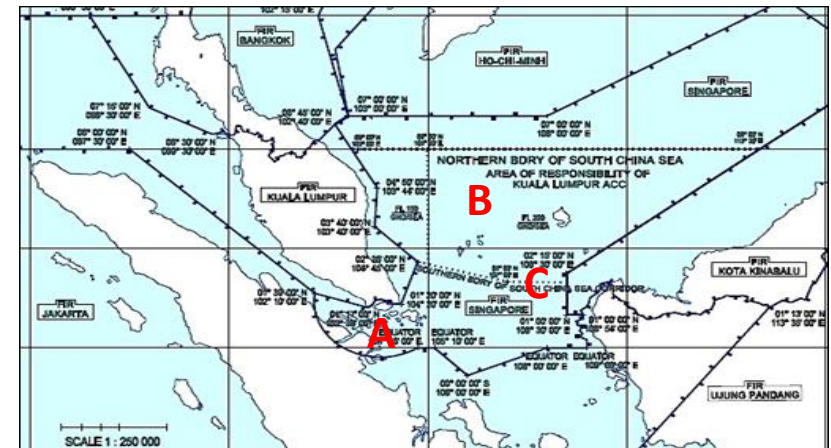
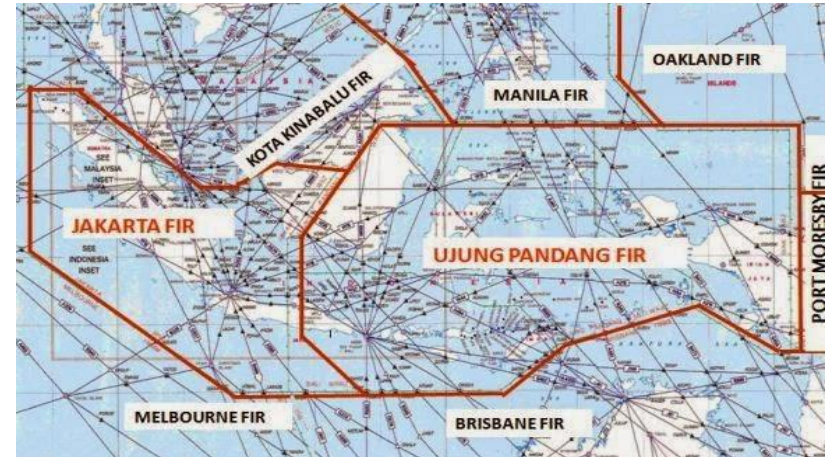


- Volcanic activities of Mt. Raung in East Java disrupted operation of several airports in Java, Lombok and Bali, such as Blimbingsari (Malang), Lombok, Jember, Surabaya and Bali Airports.
- Eruption of Mt. Gamalama in North Maluku Island shut Sultan Babullah Airport in Ternate. Activities of Mt. Sinabung some time ago have disrupted activities in Kualanam - Medan Airport, North Sumatra.
- Recently, Mt. Lokon volcanic activities have also disrupted activities in Sam Ratulangi Airport in Manado.
- During volcanic activities, lots of flights are delayed and even cancelled.
- Considering these events, the government has taken the following actions:
 - a. Temporarily ceasing the airside operation of several impacted airports;
 - b. Amending MoT Regulation No. 77 of 2011 on Air Carrier Liability, by MoT Regulation No. PM 89 of 2015. Under PM 89 of 2015, the air carrier is exempted from the obligation to pay compensation to passengers in the event of volcanic activities; and
 - c. Initiating and establishing intermoda transportation.



Air Navigation

- In 2012, the government established AirNav Indonesia, a state owned enterprise providing air navigation services in Indonesia. Previously, air navigation services in Indonesia was provided by airport operators, which are PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero).
- Currently, AirNav Indonesia manages 2 FIR (Flight Information Region) in Indonesia, which are Jakarta FIR and Ujungpandang (Makassar) FIR.
- As mandated by Aviation Law (in elucidation of Aviation Law), in 2024, AirNav Indonesia will also manage ABC sectors, airspace over Riau Island, which currently is managed by Singapore (A and C Sectors) and Malaysia (B Sector).





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