

December 18, 2013

H.E. Tifatul Sembiring
Minister of Communication and Information
Ministry of Communication and Information
Jl. Medan Merdeka Barat No. 9
Jakarta, 10110 Indonesia

Dear Minister Sembiring:

The undersigned organizations, representing a wide array of companies from various industries operating in Indonesia, are grateful for the opportunity to engage the Indonesian government on the draft implementing regulations for PP 82 and respectfully request the opportunity to continue to provide input. We appreciate and share Indonesia's commitment to promoting an innovative economy while increasing consumer protections. The digital economy is a true driver of global prosperity and innovation; it serves as an equalizer allowing companies who offer the best products to thrive regardless of location and size. The development of clear and precise rules is critical to allowing consumers, business, and governments to safely realize these benefits.

In today's global economy, Indonesia relies on and benefits from the seamless flow of information into and out of the country. E-Commerce and global data flows are essential not only for technology and "Internet companies", but for manufacturers, banks and financial services, retailers, logistics and transportation companies, research and development centers, and small and medium businesses in every sector. Data flows are crucial to creating valuable products and services, enhancing productivity, combating fraud, protecting consumers, and fostering economic growth, innovation and jobs.

Modern businesses, particularly SMEs, participate in some form of e-commerce or digital innovation. As Indonesia works towards a final regulation it is important to provide a flexible solution that accommodates a wide range of sectors. SMEs in Indonesia can be the engine of innovation and jobs, if the regulatory environment allows Indonesia's innovators to unleash their potential.

We recognize the legitimate concerns the government of Indonesia has and believe that the current engagement with the private sector will result in a solution that meets your government's needs as well as those of the Indonesian businesses and consumers. Our main concern is that, as drafted, the new requirements on commercial actors, including in-country requirements for servers and data storage, will not resolve the underlying policy concerns. The new requirements will result in higher

costs to consumers and the inability to take advantage of the best available technology. It could also result in poorer service, less innovation, and slower growth of advanced industries that provide higher wage incomes. For this reason, we appreciate your willingness to consider changes.

Given that in-country data requirements impact such a wide range of the Indonesian economy, we respectfully urge the Ministry of Communication and Information to continue engagement with domestic and foreign companies and to carefully consider the technical impacts of any proposal before finalizing any new requirements. Please consider the undersigned groups to be resources and partners to you in that effort.

We greatly appreciate the collaborative discussions on how to meet your policy goals and hope that the below signed group of international actors can continue to engage with the Ministry of Communications and Information in addressing this important proposal.

Very truly yours,

Signatory Associations

AmCham Indonesia
American Council of Life Insurers
American Indonesian Chamber of Commerce
Asia Internet Coalition
BSA | The Software Alliance
Coalition of Services Industries (CSI)
DIGITALEUROPE
Emergency Committee for American Trade (ECAT)
Information Technology Industry Council (ITI)
National Association of Manufacturers
National Foreign Trade Council
TechAmerica
TheCityUK
US-ASEAN Business Council
U.S. Chamber of Commerce
United States Council for International Business

cc: Sofjan Wanandi, Indonesian Employers Association (APINDO)
Suryo Bambang Sulisto, Indonesia Chamber of Commerce & Industry (KADIN)