

**THE SIDOARJO MUDFLOW SETTLEMENT BOARD**  
(Presidential Regulation No. 14/2007 dated April 8, 2007)

BY THE GRACE OF GOD ALMIGHTY,

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that since the impact of mudflow in Sidoarjo is so broad on living aspects of surrounding communities, a more comprehensive national policy is needed;
- b. that in the framework of continuing efforts to rescue the communities, overcome social and infrastructural problems, it is necessary to enhance the settlement of the problems by counting the smallest environmental risk;
- c. that based on the considerations as meant in letters a and b, and following the expiration of the tenure of the National Team for Overcoming Mudflow in Sidoarjo, it is deemed necessary to establish Sidoarjo Mudflow Settlement Board;

In view of:

1. Article 4 paragraph (1) of the Constitution of 1945 (**BN No. 7152 pages 14A-23A**);
2. Law No. 24/1992 (**BN No. 5331 pages 2A-8A and so on**) on Layout (Statute Book of 1992 No. 115, Supplement to Statute Book No. 3501);
3. Law No. 23/1997 (**BN No. 6092 pages 19A-21A and so on**) on Environmental Management (Statute Book of 1997 No. 68, Supplement to Statute Book No. 3699)
4. Law No. 22/2001 (**BN No. 6696 pages 16A-27A and so on**) on Petroleum and Natural Gas (Statute Book of 2001 No. 136, Supplement to Statute Book No. 4152) as already amended by Decision of the Court of Constitution No. 002/PUU-I/2003 on December 21, 2004 (State Gazette No. 1/2005);
5. Law No. 32/2004 (**BN No. 7183 pages 1A-11A**

**and so on**) on Regional Administration (Statute Book of 2004 No. 125, Supplement to Statute Book No. 4437) as already amended by Law No. 8/2005 on Stipulation of Government Regulation In Lieu of Law No. 3/2005 regarding the Amendment to Law No. 32/2004 on Regional Administration (Statute Book of 2005 No. 108, Supplement to Statute Book No. 4548);

D E C I D E S :

To stipulate:

THE PRESIDENTIAL REGULATION ON THE SIDOARJO  
MUDFLOW SETTLEMENT BOARD

Article 1

- (1) The Sidoarjo Mudflow Settlement Board, hereinafter called the Settlement Board shall be established by this presidential regulation.
- (2) The Settlement Board shall be assigned to manage efforts to overcome mudflow, treat mudflow, overcome social and infrastructural problems attributable to mudflow in Sidoarjo by observing the smallest environmental risk.
- (3) The Settlement Board shall report the implementation of the tasks to the President.

Article 2

The Settlement Board shall consist of:

1. The Steering Council; and
2. The Executive Board.

Article 3

- (1) The Steering Council shall be assigned to direct, foster and supervise the implementation of efforts to overcome mudflow, treat mudflow, overcome social and infrastructural problems arising from mudflow in Sidoarjo, which are executed by the Executive Board.
- (2) The Steering Council shall consist of:

- a. Chairman concurrently: The Minister of Public member Works;
- b. Vice Chairman : The Minister of Social concurrently member Affairs
- c. Members : 1. The Minister of Finance  
2. The Minister of Energy and Mineral Resources;  
3. The Minister of Home Affairs;  
4. The Minister of Marine and Fishery;  
5. The Minister of Transportation;  
6. The State Minister for National Development Planning/Head of the National Development Planning Board;  
7. The State Minister for Environmental Affairs;  
8. The Head of the National Land Affairs Agency;  
9. The Governor of the East Java Province;  
10. The Regional Military Commander V/Brawijaya  
11. The Head of the East Java Provincial Police;  
12. The Regent of Sidoarjo Regency

#### Article 4

The Steering Council can set up secretariat assigned to provide administrative support for activities of the Council.

#### Article 5

The organizational composition of the Executive Board shall be composed of:

- a. Head of the Executive Board;
- b. Vice Head of the Executive Board;
- c. Secretary to the Executive Board;
- d. Deputy for Operation Affairs
- e. Deputy for Social Affairs;
- f. Deputy for Infrastructure.

#### Article 6

The executive board shall be responsible to the Steering Council.

#### Article 7

(1) The Head of the Executive Board shall be assigned to lead the executive board in overcoming mudflow as well as social and infrastructural problems arising from mudflow in Sidoarjo.

(2) The Vice Head of the Executive Board shall be assigned to represent and help the Head of the Executive Board implement day-to-day tasks.

#### Article 8

The Secretary to the Executive Board shall perform the following tasks:

- a. undertaking general administration to ensure the smooth execution of tasks of the executive board;
- b. managing employees working planning, funding, working apparatuses, documentation, legal affairs, public relations and security as well as information system of the executive board;
- c. undertaking working mechanism and relations of the executive board in administrative affairs with related institutions;
- d. executing other tasks assigned by the Head of the Executive Board.

#### Article 9

Deputy for Operational Affairs shall be assigned:

- a. to coordinate operation of efforts to overcome and treat mudflow;
- b. to formulate strategies and technical operational plans for overcoming and treating mudflow;
- c. to control operation of efforts to overcome mudflow executed by PT Lapindo Brantas;
- d. to treat mudflow;
- e. to evaluate and report the operation of efforts to overcome and treat mudflow.

#### Article 10

Deputy for Social Affairs shall be assigned:

- a. to coordinate the settlement of social issues;
- b. to formulate strategies and plans for the settlement of social issues;
- c. to provide assistance and protection as well as social restoration;
- d. to supervise the settlement of social issues executed by PT Lapindo Brantas;

- e. to evaluate and report the settlement of social issues arising from mudflow.

Article 11

Deputy for Infrastructural Affairs shall be assigned:

- a. to coordinate the settlement of infrastructural affairs;
- b. to formulate strategies and plans for settlement of infrastructural affairs;
- c. to realize the development of infrastructure constructions, including infrastructure to overcome mudflow;
- d. to maintain and secure infrastructure;
- e. to evaluate and report the settlement of infrastructural problems attributable to mudflow.

Article 12

Within the Secretariat of the Executive Board and Deputies for the Executive Board, ad hoc groups stipulated by the Head of the Executive Board shall be established.

Article 13

- (1) Working arrangement of the Settlement Board shall be regulated further by the Chairman of the Steering Council.
- (2) Details of organization and mechanism of execution of tasks of the Executive Board shall be regulated further by the Head of the Executive Board.
- (3) The Head of the Executive Board shall formulate report on the implementation of tasks periodically or at anytime to the Steering Council.

Article 14

- (1) The administrative costs of the Settlement Board shall be funded by the State Budget of Revenue and Expenditure (APBN).
- (2) Remuneration of employees of the Executive Board shall be stipulated by the Head of the Executive Board after securing approval from the Minister of Finance.

Article 15

- (1) In the framework of settling social issues, PT Lapindo

Brantas shall purchase land and buildings belonging to the people affected by Sidoarjo mudflow in phases, according to the map of the affected area dated March 22, 2007 by transaction deed of land ownership evidence mentioning the size of land and location ratified by the government.

- (2) The gradual payment, like what was approved and implemented in areas coming into the map of the affected area on December 4, 2004 shall be realized in advance as high as 20 (twenty percent) and the remainder is paid in not later than one month before the two-year house contract expires.
- (3) The cost of social issues outside the map of the affected area on March 22, 2007 shall be borne by the State Budget of Revenue and Expenditure (APBN) following the signing of this presidential regulation.
- (4) The map of the affected area as meant in paragraphs (1) and (3) shall be as contained in the attachment to this presidential regulation.
- (5) The cost of settlement of mudflow, including the handling of the primary embankment as far as the Porong River shall be borne by PT Lapindo Brantas.
- (6) The cost needed for handling infrastructural affairs, including infrastructure to handle mudflow in Sidoarjo shall be borne by APBN and other legitimate financial sources.

Article 16

- (1) The Head, Vice Head, Secretary, Deputies and groups within the Executive Board can come from Civil Servants (PNS), professionals and specialists.
- (2) PNS stationed in the executive board as meant in paragraph (1) shall have the seconded status.
- (3) The civil servants as meant in paragraph (2) shall be relieved of their organic positions in their principal institutions without losing status as civil servants.

14A

- (4) The ranking of the civil servants as meant in paragraph (2) shall be done the principal institutions in accordance with legislation.
- (5) The civil servants as meant in paragraph (2) shall have their rank promoted one grade higher without having bound by hierarchy of rank, in accordance with legislation.
- (6) The civil servants as meant in paragraph (2), who quit or have their tenure expired shall return to their principal institutions unless they reach mandatory retirement age.
- (7) The civil servants as meant in paragraph (2) shall be dismissed honorably from civil servants if they reached mandatory retirement age and they are given personnel rights according to legislation.

Article 17

- (1) The Head, Vice Head, Secretary, Deputies and groups within the Executive Board shall be appointed and relieved by the President.
- (2) The Head and Vice Head of the Executive Board shall be relieved of their positions by the President in the case of the relevant:
- being absent permanently;
  - based on performance appraisal, being unable to execute tasks properly;
  - being legally proven to commit corruption;
  - resigning.

Article 18

Formulation of the action plan and budget shall be managed by the Head of the Executive Board as Budget User within the Executive Board.

Article 19

With the enforcement of this presidential regulation, the implementation of tasks of the National Team for Overcoming Mudflow in Sidoarjo, which is established by Presidential Decree No. 13/2006 shall be continued by the Sidoarjo Mudflow Settlement Board established by this presidential regulation.

Article 20

Before organization of the Executive Board as meant in Article 2 is established, the tasks of the Executive Board shall be carried out by personnel of National Team for Overcoming Mudflow in Sidoarjo, which is established by Presidential Decree No. 13/2006 as already extended by Presidential Decree No. 5/2007.

Article 21

The presidential regulation shall come into force as from the date of stipulation.

Stipulated in Jakarta

On April 8, 2007

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Sgd

DR. H. SUSILO BAMBANG YUDHOYONO

—==( R )==—