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Barriers to Subsea Cable Connectivity in Indonesia

Background and Introduction

Subsea fiber optic cables form the backbone of the modern internet and enable trillions of dollars in digital commerce each year. For U.S. technology companies, reliable access to international subsea cable infrastructure is essential for delivering cloud-enabled services, supporting global communications networks, and connecting digital markets across regions.

In few places are the stakes higher than in Indonesia, which plays a critical role in the global subsea cable network due to its strategic location and unique geography spanning more than 17,000 islands. Positioned along key maritime routes connecting East Asia, Southeast Asia, Australia, and the United States, many cables linking Southeast Asia to global markets pass through or land in Indonesian waters, making the country both a major transit point and an important market for U.S. digital services.

Indonesia is also home to Southeast Asia's largest and fastest-growing digital economy. Indonesia's digital sector is projected to exceed \$130 billion in value in 2025¹ and could reach \$210-\$360 billion by 2030,² with digital activities already accounting for 8.4% percent of national GDP,³ aiming to grow to 12-13% by 2029.⁴ More than 99 percent of Indonesia's internet traffic depends on subsea cables, and as demand for cloud computing, AI, streaming, and e-commerce grows, reliable subsea connectivity will be essential for Indonesia's economic development.⁵ However, regulatory barriers to deploying, maintaining, and repairing those cables raise costs, slow deployment, and constrain the very infrastructure on which that growth depends, costs ultimately borne by Indonesian consumers and businesses as well as the U.S. operators serving the market.

The consequences are also visible in Indonesia's international connectivity rankings. As of February 2026, Indonesia ranked 115th out of 154 countries for fixed broadband speeds on the Speedtest Global Index, placing it in the lower-middle tier of Southeast Asia and well behind regional peers such as Singapore, Malaysia, and Vietnam. Absent reforms to the regulatory environment governing subsea cables, that gap will be difficult to close.

CCIA has consistently identified Indonesia's maritime cabotage framework as one of the most significant constraints facing subsea cable operators and a major barrier to the deployment and operation of digital infrastructure.⁶⁷ CCIA finds that maintaining the current cabotage and permitting regime would cost Indonesia about USD \$100 billion by 2030 under two distinct

¹ <https://www.trade.gov/country-commercial-guides/indonesia-digital-economy>

² <https://setkab.go.id/en/president-jokowi-indonesias-digital-economy-has-potential-to-reach-rp5800-trillion-by-2030/>

³ <https://prasasticer.com/en/insights/digital-sector-gains-ground-in-indonesia>

⁴ <https://en.antaraneews.com/news/417632/govt-strives-improve-digital-economys-contribution-to-gdp>

⁵ <https://isis.washington.edu/news/limitations-in-current-u-s-security-frameworks-for-the-subsea-cable-industry/>

⁶ <https://ccianet.org/wp-content/uploads/2025/10/Indonesia-Barriers-to-U.S.-Digital-Service-Suppliers.pdf>

⁷ <https://ccianet.org/wp-content/uploads/2025/10/CCIA-Comments-for-the-2026-USTR-National-Trade-Estimate-Report-1.pdf#page=131>

modeling approaches. Recent developments, including commitments secured in the U.S.–Indonesia Agreement on Reciprocal Trade (ART),⁸ providing for a waiver of cabotage restrictions, represent promising steps forward. However, the ART commitment, even if extended beyond installation to repair, does not resolve the fundamental issue that prevents timely and efficient work on cables: a waiver process that grants effective veto power over whether an exemption is granted to the Indonesian National Shipowners' Association (INSA), the domestic vessel-owner's association that benefits from restricted options, even if they delay critical work. This paper surveys the principal barriers and concludes with a set of targeted recommendations for U.S. and Indonesian policymakers.

Barriers to Subsea Cable Operations

Cabotage Restrictions on Foreign-Flagged Vessels

Under Indonesia's cabotage rules (Law No. 17 of 2008 on Shipping, or the Indonesian Shipping Law),⁹ only Indonesian-flagged vessels are permitted to conduct certain maritime activities within the country's territorial waters. For subsea cables, this requirement has been interpreted to mean that survey, installation, and repair operations must be conducted by Indonesian-flagged vessels.

In practice, this restriction severely limits the availability of suitable ships capable of performing highly specialized cable work. The global fleet of cable-laying and repair vessels is relatively small and typically operates on a regional basis. However, the fleet is on standby and typically ready to mobilize within a 24-hour period, meaning that, absent regulatory friction, repairs could begin almost immediately after a fault is detected.¹⁰ Given the potentially severe economic impacts of faults, to both the cable owner and businesses dependent on connectivity, fast repairs are critical to the resiliency and reliability of this infrastructure.

According to the International Cable Protection Committee (ICPC), the global fleet conducts approximately 190 repair operations per year, equivalent to a cable fault somewhere in the world every 36-48 hours. In 2025 alone, 178 repairs were carried out across 137 jurisdictions, with 52 percent classified as service-affecting. Even under normal conditions, the average time from fault notification to vessel departure was 23.4 days, with an average transit time of 7.7 days; the longest single repair delay recorded was 947 days.¹¹ Indonesia's standard subsea cable repair time exceeds 30 days, one of the slowest in the world and a clear outlier among ASEAN peers, where repair times average 20 days in the Philippines, 19 days in Singapore, and 12 days in Vietnam.¹² Thus, restricting operations to Indonesian-flagged vessels dramatically reduces the pool of available ships and introduces delays when maintenance or emergency repairs are required. Because specialized repair vessels operate across the region on a rotating basis, permitting delays in one jurisdiction have cascading effects: a ship held up awaiting Indonesian clearance is a ship unavailable to address a fault in Taiwan, Singapore, or elsewhere along the same regional route. Only a very limited number of Indonesian-flagged

⁸<https://ustr.gov/sites/default/files/files/Press/Releases/2026/02.19.26%20US-IDN%20ART%20Full%20Agreement%20-%20US%20Final%20for%20Website%20sanitized.pdf>

⁹<https://natlex.ilo.org/dyn/natlex2/natex2/files/download/80281/IDN80281%20Idn.pdf>

¹⁰ <https://www2.telegeography.com/future-submarine-cable-maintenance-report>

¹¹ <https://www.iscpc.org/events/2026-plenary-meeting/>

¹² <https://foreignpolicy.com/2023/08/31/indonesia-submarine-cable-internet-meta-google-us-china-competition/>

vessels currently possess the capabilities needed to conduct these highly specialized operations.

Gaps in the ART Cabotage Commitment

The U.S.–Indonesia Agreement on Reciprocal Trade (ART)¹³ includes a commitment to grant exceptions to Indonesia’s cabotage policy for foreign-flagged vessels involved in installing subsea cables (Annex III, Article 2.4). Two gaps limit the practical value of this commitment.

First, the ART commitment extends only to installation. Installation, like repair, remains subject to Indonesia's existing cabotage framework; The difference is that the ART obliges Indonesia to grant waivers for installation work, while repair operations enjoy no equivalent commitment and must rely on Indonesia’s discretionary domestic exemption process. Indonesian authorities have also indicated that cabotage rules continue to require a right of first refusal for Indonesian-flagged vessels, despite questions within industry as to whether those vessels possess the specialized capabilities required for cable survey and repair work.

Second, and more fundamentally the underlying exemption process itself imposes structural barriers that limit the ART commitment’s practical value. Under current Indonesian practice, an applicant seeking a foreign-vessel exemption must (i) publish a tender notice in a national newspaper, with no defined required duration;¹⁴ (ii) obtain a written response from INSA confirming that no member vessel is available to perform the work; and (iii) demonstrate vessel “unavailability” rather than technical “suitability.” INSA, as the representative body for domestic vessel owners who stand to lose work if an exemption is granted, has little incentive to certify that its members cannot perform a given project, creating a structural conflict at the most critical gating step in the process. As a result, although Ministry of Transportation Regulation No. 2 of 2021¹⁵ formally provides an exemption pathway, in practice the process is rarely used; many qualified applicants decline to attempt it, defaulting instead to the small Indonesian-flagged fleet and absorbing the resulting delay. The work ultimately gets done, but weeks or months late, as the repair-time data and case examples in our Economic Costs section document.

Local Partnership and Ownership Requirements

Beyond cabotage restrictions, several additional policies further complicate subsea cable investment and operations. Indonesia requires foreign cable operators to partner with a domestic telecommunications company that has been operational for at least five years and to include that partner in the cable consortium with at least a five percent ownership stake in order to land cables in the country, as established under Minister of Communications and Informatics Regulation No. 5 of 2021 on Telecommunications.¹⁶ These requirements significantly limit commercial flexibility for international investors and may discourage participation in new cable systems. Holding a cable hostage to such a stake, when domestic operators may have no commercial interest in a particular cable, makes little sense.

¹³<https://ustr.gov/sites/default/files/files/Press/Releases/2026/02.19.26%20US-IDN%20ART%20Full%20Agreement%20-%20US%20Final%20for%20Website%20sanitized.pdf>

¹⁴ <https://hubla.dephub.go.id/home/informasi-prosedur-pelayanan/734/izin-penggunaan-kapal-asing-ipka>

¹⁵ <https://hubla.dephub.go.id/storage/portal/documents/post/734/PERMENHUB-PM-2-2021.pdf>

¹⁶https://jdih.komdigi.go.id/produk_hukum/unduhTerjemahan/id/768/t/peraturan+menteri+komunikasi+dan+informatika+nomor+5+tahun+2021

Regulatory Fragmentation and Permitting Delays

Regulatory fragmentation also contributes to lengthy and uncertain approval processes. Subsea cable projects often require licenses and approvals from numerous ministries and agencies, resulting in permitting processes that can involve more than 20 distinct steps and take between 18 and 40 months—and in some cases exceed seven years—to complete.¹⁷ Although Indonesia has recently introduced an interagency coordination mechanism and an online permitting platform intended to improve transparency and allow operators to track project approvals, industry stakeholders report that additional clarity is still needed regarding timelines, documentation requirements, and interagency coordination to ensure that the system meaningfully reduces delays. The absence of defined maximum decision timelines is a recurring theme across both permitting and cabotage exemption processes, and addressing it would substantially reduce uncertainty for operators planning multi-year, capital-intensive deployments.

Permitting delays are not only an issue for new cable deployment; they are now the single largest constraint on repair timeframes globally. In an industry survey conducted for the TeleGeography and Infra-Analytics report on submarine cable maintenance, 76 percent of respondents identified permit acquisition as the primary challenge to optimizing repair timeframes.¹⁸ The report notes that the requirement to secure repair permits within territorial or Exclusive Economic Zone (EEZ) waters is often "burdensome and significantly delay[s] the start of repair operations."

Restrictive Cable Corridors and Landing Points

Operational challenges further compound these regulatory barriers. Government Decree No. 14 of 2021¹⁹ mandates narrow subsea cable corridors and specifies limited landing points, reducing route flexibility and increasing engineering and cost constraints for cable developers. Amendments to these provisions are currently under review by Indonesia's National Team for the Acceleration of Digital Infrastructure Development (TIMNAS), with industry input under consideration.

Lack of Formal Cable Protection Zones

At the same time, subsea cables face significant risks from fishing activities; more than 150,000 fishing devices are estimated to overlap with cable routes annually. Given that more than half of global cable repairs are service-affecting and average response times already exceed three weeks before transit, jurisdictions without protection zones or expedited repair-vessel access face disproportionately high exposure to extended outages. Because Indonesia—like its ASEAN neighbors, but unlike Australia²⁰ and New Zealand,²¹ which have maintained legislated cable protection zones for two decades—has not yet established formal subsea cable protection zones, cables remain vulnerable to damage from fishing gear and anchoring activities.²² Industry stakeholders, including the International Cable Protection

¹⁷ <https://jdih.kkp.go.id/Homedev/DetailPeraturan/6687>

¹⁸ <https://www2.telegeography.com/future-submarine-cable-maintenance-report>

¹⁹ <https://jdih.kkp.go.id/Homedev/DetailPeraturan/3006>

²⁰ https://classic.austlii.edu.au/au/legis/cth/consol_act/ta1997214/sch3a.html

²¹ <https://www.legislation.govt.nz/act/public/1996/22/en/latest/#DLM375803>

²² <https://thediplomat.com/2021/06/the-security-challenges-facing-indonesias-submarine-cable-communication-system/>

Committee (ICPC), have been advocating for the establishment of designated protection zones and improved maritime coordination mechanisms.

Economic Costs to Indonesia

The regulatory barriers described above impose concrete, quantifiable costs on Indonesia's economy, arising through both direct and indirect effects: degraded network resilience that lengthens outage durations; stranded or deterred investment in cables that would otherwise land in Indonesia; and a slower trajectory for Indonesia's digital economy than the country's geographic and demographic position would otherwise support.

The principal driver of Indonesia's slow subsea cable repair time is the cabotage rule: Of the 63 cable ships operating globally, only four are registered in Indonesia and none are owned by Indonesian entities.²³ These four ships are nominally available to service 217 cable segments spanning more than 115,000 kilometers of seabed. Of these four ships, only three are capable of repairs,²⁴ and while all four are listed as being able to conduct installation, industry stakeholders report that only two of the four vessels are operationally capable of conducting installations, and that the available fleet includes vessels several decades old. Another critical challenge is that these vessels lack the equipment to repair cables in shallow waters with deep burial requirements (e.g., 3m depths).²⁵ This capacity gap is further compounded by the Third Amendment to Indonesia's Shipping Law (Law No. 66 of 2024),²⁶ enacted in October 2024, which raised the vessel ownership threshold for venture companies (including foreign joint ventures in non-shipping sectors that operate vessels for their own purposes) from 5,000 to 50,000 gross tonnage. Subsea cable vessels typically fall well below this threshold (generally under 20,000 tons), creating a structural mismatch between the operational realities of the sector and the licensing regime applicable to those who would invest in domestic capacity.²⁷

A 2022 fault on the Sulawesi Maluku Papua Cable System (SMPCS)²⁸ sat unrepaired for two months while the sole qualified Indonesian-flagged vessel finished prior work and then refueled and sailed nearly 3,000 nautical miles to the fault location. Similarly, when the SEA-ME-WE 5 cable was damaged in the Strait of Malacca in April 2024, an initial repair estimate of two to three days extended to roughly two months once vessel-flagging requirements were applied, and the resulting outage reduced Bangladesh's international internet capacity by approximately one-third.²⁹ With per-fault repair costs of USD 1-3 million before rerouting,³⁰ and with subsea cables carrying more than USD 10 trillion in global financial transactions each day,³¹ every additional week of outage represents material economic loss for users in Indonesia and across the wider region that depends on cables transiting Indonesian

²³ <https://www.iscpc.org/information/cables-ships-of-the-world/?page=2&items=10>

²⁴ <https://fulcrum.sg/improving-indonesias-submarine-cable-resilience/>

²⁵ <https://www.iscpc.org/information/cables-ships-of-the-world/?page=2&items=10> and

<https://fulcrum.sg/improving-indonesias-submarine-cable-resilience/>

²⁶ <https://peraturan.bpk.go.id/Details/306526/uu-no-66-tahun-2024>

²⁷ Comparatively, analogous offshore oil, gas, and construction industries “generally do not require 50,000 GT vessels, but instead employ smaller, more specialized high-tech vessels,” meaning the amendment has narrowed rather than expanded the practical pool of eligible domestic operators. See

<https://www.abnrlaw.com/news/new-rules-introduce-further-barriers-to-foreign-direct-investment-in-domestic-shipping-sector>

²⁸ <https://foreignpolicy.com/2023/08/31/indonesia-submarine-cable-internet-meta-google-us-china-competition/>

²⁹ <https://capacityglobal.com/news/indonesian-policy-delays-sea-me-we-5s-repair/>

³⁰ <https://www.iscpc.org/documents/?id=201>

³¹ <https://docs.fcc.gov/public/attachments/FCC-25-49A1.pdf#page=107>

waters. At Indonesia's 2025 digital-economy scale, each day of full disruption would place on the order of USD 270 million in gross merchandise value at risk (USD 99 billion in annual GMV³² divided by 365 days).

The investment at stake is substantial, as Indonesia stood to add approximately USD 59 billion to GDP between 2023 and 2025 from the aforementioned projects alone.³³ Trans-Pacific cables of this scale typically cost USD 400 million or more to construct,³⁴ and route decisions, including whether to land in Indonesia at all, or to bypass it via Singapore or Malaysia, are heavily influenced by permitting predictability, corridor flexibility, and local partnership requirements. Each additional layer of regulatory friction reduces the expected return on Indonesia-landed projects relative to alternatives, placing future investments of comparable scale at risk.

Recent regional experience demonstrates that cable route decisions respond to cabotage policy within a single investment cycle. After Malaysia revoked its cabotage exemption for cable ships in November 2020, it was bypassed by the Bifrost and Apricot systems, both of which landed in Indonesia instead, and major technology companies publicly warned that they would review planned cable investments in Malaysia. Following the reinstatement of a blanket exemption covering installation, maintenance, and repair effective June 2024, Malaysia was included in Meta's new Candle system, announced in October 2025. The lesson cuts in both directions for Indonesia: restrictive vessel rules divert landings to neighboring jurisdictions, and credible reform attracts them back.³⁵

The digital economy contributes approximately 6.8 percent of Indonesian GDP today, with the government targeting 12-13 percent by 2029.³⁶ The World Bank's December 2025 Indonesia Economic Prospects report directly links shortfalls in this trajectory to subsea cable policy, noting that "restrictions on where new international submarine cables may land deter global cloud providers and carriers from investing, and excluding Jakarta reinforces a single-corridor dependency on the Singapore-Batam route for most international bandwidth."³⁷ According to Google, Temasek, and Bain's e-Conomy SEA Report, Indonesia's digital economy gross merchandise value reached approximately USD 99 billion in 2025 and is projected to grow to between USD 180 billion and USD 340 billion by 2030, with the upper end of that range contingent on continued expansion of digital infrastructure and adoption.³⁸ The significant gap between these scenarios is, in significant part, a function of the physical connectivity infrastructure, including subsea cables and the regulatory regime governing them, that supports digital service quality and adoption across the archipelago.

³² Google, Temasek & Bain, e-Conomy SEA 2025,

https://services.google.com/fh/files/misc/e_conomy_sea_2025_report_combined.pdf

³³https://www.analysysmason.com/contentassets/0c7320380f594f59885246a8918a2fce/analysys_mason_meta_submarine_cable_asia_study.pdf

³⁴ <https://resources.telegeography.com/the-economics-of-submarine-cables>

³⁵ On the Bifrost and Apricot systems bypassing Malaysia following the November 2020 revocation, see

<https://www.marketing-interactive.com/malaysia-again-excluded-from-new-google-and-facebook-subsea-cable/>; on the

reinstated exemption effective June 1, 2024, see

<https://www.submarinenetworks.com/en/nv/news/malaysia-reinstates-cabotage-exemption-for-subsea-cable-ships/>; on the

Candle system (Japan, Taiwan, the Philippines, Indonesia, Malaysia, Singapore), see

<https://engineering.fb.com/2025/10/05/connectivity/introducing-the-candle-subsea-cable-updates-to-our-asia-pacific-connectivity-projects/>

³⁶ <https://en.antaranews.com/news/417632/govt-strives-improve-digital-economys-contribution-to-gdp>

³⁷ <https://openknowledge.worldbank.org/entities/publication/2181f2fe-62c4-4a7c-b38d-d940dd673530>

³⁸ https://services.google.com/fh/files/misc/e_conomy_sea_2025_report_combined.pdf

Empirical work focused on Indonesia itself makes the connection between subsea cable capacity and macroeconomic performance directly: an RTI International study estimates that the cohort of subsea cables landing in Indonesia in 2012 catalyzed a 5.4 percent increase in GDP by 2017, relative to a counterfactual without those landings.³⁹ Broader cross-country work by the ITU corroborates the relationship, indicating that a ten-percentage-point increase in broadband penetration is associated with additional GDP growth in the range of 0.25-1.38%.⁴⁰ Additionally, a study in the American Economic Review examining the staggered arrival of submarine cables in Africa found that the resulting access to fast internet increased the probability of employment by between 4.4-10%, with gains concentrated in higher-skill occupations and accompanied by increased firm entry, productivity, and exports.⁴¹ These data points underscore that subsea cable capacity is not merely a sectoral concern but a macroeconomic one.⁴²

For perspective on the scale of these costs, analogous permitting friction has been studied in the U.S. context. A 2026 Analysys Mason report estimates that delayed and denied subsea cable approvals have produced USD 500 million to USD 1 billion in stranded costs from three abandoned U.S. projects (HKA, PLCN, and BtoBE), and that persistent friction could reduce cumulative U.S. GDP by USD 151-301 billion between 2031 and 2035.⁴³ While the United States and Indonesia differ in economic structure and in the specific regulatory mechanisms at issue, the Analysys Mason analysis illustrates that the economic costs of subsea cable permitting friction are measured in the hundreds of billions of dollars even in mature markets, and that those costs accrue first to stranded capital and degraded resilience, and ultimately to foregone digital economy growth.

These figures suggest that the barriers described in the previous section are not merely operational inconveniences for foreign cable operators. They represent a meaningful drag on Indonesia's own digital economy ambitions, on the resilience of the regional internet, and on the ability of U.S. companies to deliver reliable digital services into one of the world's fastest-growing markets.

Extrapolating these regulatory barriers over a five-year horizon (2026-2030) reveals a compounding macroeconomic threat that far exceeds localized operational friction. Based on current growth trajectories, the divergence between an infrastructure-optimized digital economy and one constrained by persistent regulatory friction represents a cumulative Gross Merchandise Value (GMV) deficit of up to USD 383.3 billion by 2030. Even under a conservative 25% attribution model strictly isolating subsea cable policy, this infrastructure bottleneck accounts for nearly USD 96 billion in foregone digital growth. An independent, GDP-denominated benchmark points to impacts of the same order of magnitude: RTI International's causal estimate that the 2012 cable cohort raised Indonesian GDP by 5.4

³⁹ Alan C. O'Connor, B. Anderson, A. Brower & S.E. Lawrence, Economic Impacts of Submarine Fiber Optic Cables and Broadband Connectivity in Indonesia, Working Paper 0214363.202.8 (RTI International, Dec. 2020), <https://www.rti.org/publication/economic-impacts-submarine-fiber-optic-cables-broadband-connectivity-indonesia/fulltext.pdf>

⁴⁰ https://www.itu.int/ITU-D/treg/broadband/ITU-BB-Reports_Impact-of-Broadband-on-the-Economy.pdf

⁴¹ <https://www.aeaweb.org/articles?id=10.1257/aer.20161385>

⁴² https://www.itu.int/ITU-D/treg/broadband/ITU-BB-Reports_Impact-of-Broadband-on-the-Economy.pdf

⁴³ https://www.analysismason.com/contentassets/c4e2912102504762b8212b9be67edcb5/analysys_mason_submarine_cable_permmitting_us_technology_leadership_apr2026.pdf#page=4

percent within five years is a plausible sanity check.⁴⁴ Applying the GDP impact to a scenario in which regulatory barriers fully deter a comparable cohort of landings over 2026-2030 implies cumulative foregone GDP of up to about USD 227 billion against a USD 1.4 trillion economy, or about USD 113 billion if only half the cohort is deterred, with Analysys Mason's estimate of USD 59 billion in GDP contribution over 2023 to 2025 providing a reasonable floor for the value of a single cohort of landings. These two approaches measure distinct concepts, namely gross merchandise value and value added; both, however, indicate that the cost to Indonesia of maintaining the current regime is plausibly measured at about one hundred billion dollars over five years. Consequently, maintaining the current cabotage and permitting regime effectively penalizes national development, transforming an infrastructure bottleneck into a hundred-billion-dollar drag on Indonesia's overarching economic ambitions.

Recommendations

The recommendations below are organized around a single long-term goal, a standing cabotage waiver for subsea cable vessels, followed by interim reforms to the exemption process that would deliver relief until that goal is achieved, and parallel reforms that are needed regardless of how cabotage policy evolves:

Long-Term Goal

1. **Adopt an automatic, sector-wide cabotage waiver for subsea cable installation, maintenance, and repair vessels.** Regulation No. 2 of 2021 already grants a prevailing exemption for offshore oil and gas operations, which face analogous specialized-vessel constraints and fall within the same regulatory category as subsea cables. A blanket waiver for cable vessels, modeled on Malaysia's approach,⁴⁵ which TIMNAS has already referenced in domestic policy discussions, would eliminate the case-by-case exemption process entirely, rendering the interim reforms below unnecessary. Securing this outcome, and anchoring it as a binding commitment in the ART framework should be the central objective.

Interim Reforms to the Exemption Process

Until a standing waiver is in place, three reforms would make the existing case-by-case process more workable:

2. **Move cabotage waiver decision authority from industry to the Ministry of Transportation, under published criteria and a fixed decision timeline.** Current practice treats a written confirmation from INSA as satisfying the unavailability test. This should be replaced with a Ministry determination made against published technical, suitability, and mobilization-window criteria, within a maximum decision

⁴⁴ Alan C. O'Connor, B. Anderson, A. Brower & S.E. Lawrence, Economic Impacts of Submarine Fiber Optic Cables and Broadband Connectivity in Indonesia, Working Paper 0214363.202.8 (RTI International, Dec. 2020), <https://www.rti.org/publication/economic-impacts-submarine-fiber-optic-cables-broadband-connectivity-indonesia/fulltext.pdf>.

⁴⁵<https://ustr.gov/sites/default/files/files/agreements/ARTs/MALAYSIA%20ART%20Text%20Final%20Clean%20treaty%20size%20with%20Schedules%20rev.pdf#page=474>

timeline (such as 14 days), with exemptions granted by default if the Ministry does not act within that period. INSA may serve as a consultative party, not the gatekeeper. This would help give practical effect to Indonesia's ART commitment, which currently grants a right to seek an exemption but does not specify how decisions are made.

3. **Replace the "availability" threshold with an "availability and suitability" standard, with the burden on vessels claiming capability.** The current process treats the existence of any Indonesian-flagged vessel as dispositive, regardless of whether it can technically perform the work within the operator's required timeframe. Where an operator has issued a public tender against defined technical specifications, the burden should rest with any Indonesian-flagged vessel claiming capability to demonstrate it can meet those specifications within the operator's required mobilization window.
4. **Extend the ART exemption commitment to repair and maintenance, not solely installation.** The ART commitment covers only installation, leaving repair, where time-to-mobilization is most critical, and where outages most directly affect Indonesian users, subject to existing constraints. Extending coverage to repair, paired with an expedited permitting pathway in Indonesian territorial waters and the EEZ, would directly reduce outage durations.

Parallel Reforms Needed Irrespective of Cabotage Policy

The remaining barriers operate independently of the cabotage framework and would persist even under a full waiver:

5. **Revisit the 50,000 GT threshold under Law No. 66 of 2024 as applied to specialized vessels.** An implementing carve-out for specialized-vessel sectors (subsea cable, offshore construction, offshore renewable energy) would address the mismatch without disturbing the amendment's broader intent.
6. **Streamline permitting and revisit local partnership requirements.** Reducing the number of distinct permitting steps, publishing maximum timelines per step, clarifying interagency coordination through the online permitting platform, and revisiting the five-year/five-percent local partner requirement under Minister of Communications and Informatics Regulation No. 5 of 2021 would meaningfully improve the operating environment without legislative change.
7. **Establish formal subsea cable protection zones.** Indonesia has not yet designated protection zones, leaving more than 115,000 kilometers of seabed exposed to damage from fishing gear and anchoring. Designated zones combined with improved maritime coordination would reduce fault volume and reinforce the exemption-process reforms above.