

AmCham Unveils Two New Committees

AmCham is introducing a new generation of businesspeople to the chamber via its Young Professionals Committee. Aside from diversifying our membership and policy perspectives, focused programming will help young adults build both a career and a life here in Indonesia.

Recognizing a growing need to address the multitude of environmental issues plaguing Indonesia as well as navigate the complex legal environment that serves to regulate the field, AmCham has established the Environmental Management and Protection Committee. Focused on policy advocacy and information dissemination, the committee will be of increasing importance as Indonesia attempts to gain back control of its deteriorating natural resources.

Young Professionals Committee



YPC Chair Scott Hanna

In an effort to diversify AmCham membership and bring into the fold the next generation of business leaders, AmCham has initiated a Young Professionals Committee (YPC). The organization is facilitating this new expansion by offering Special Member rates to young adults and encouraging these professionals to take advantage of

AmCham's networking, advocacy and business intelligence to help grow their careers.

Chaired by Scott Hanna of PT Freeport Indonesia, the YPC will be targeting programs at young business people and students in their last year of undergraduate or postgraduate studies. Programming is still being developed and core activities include YPC-specific networking events, professional development training, social events such as trips or tournaments, and collaboration with other professional societies operating in Indonesia. Young professionals are also invited to participate in general AmCham events and committee meetings. Their participation will introduce new energy and perspective to the Chamber as well as facilitate intergenerational exchanges in a business environment.

YPC is also considering initiating a Net Impact chapter to facilitate member involvement in social welfare and environmental sustainability projects. The group intends to provide pro-bono services to non-profit organizations and social entrepreneurs. This allows members to not only assist worthy organizations but to develop valuable, sector specific skills and take on project leadership roles. Net Impact also gives members access to a global network of professionals with similar interests and opportunities for participation in job forums, conferences, speednetworking events, and call-ins to hear international speakers discuss sustainability and social responsibility in business. Although Net Impact will be developed as an entity separate from AmCham, there will be strong collaboration between the two groups.

The committee will be hosting a launch party in June or July 2010. Members are encouraged to introduce

young professionals in their own companies to this new committee.

Environmental Management and Protection Committee



As the Government of Indonesia promulgates regulations to manage and protect the environment, industry finds itself in a unique position to engage in meaningful discussions related to definitions, intent and implementation. Environment Law 32/2009, Waste Management Law 18/2008, PROPER, and REDD are just a few examples of recent regulations and initiatives in this arena.

Conceptualized by Luiz E. Guimaraes, President Director of P.T. Environmental Resources Management Indonesia, the Environmental Management and Protection Committee (EMP) aims to be the focal point of discussions on environmental advocacy, regulatory development and implementation.

The Committee seeks to raise awareness of the interpretation and implementation issues associated with proposed and promulgated laws. Proposed activities include: hosting speakers; developing a reference desk with EMP laws, regulations and presentations; and supporting workshops on EMP-related issues.

By stimulating intercommittee communication, the committee will help identify synergies and leverage benefits from a unified voice. Direct requests for EMP information and involvement can be made through the EMP committee, which will direct members to appropriate resources. Committee members are encouraged to propose and organize EMP events and activities which cater to specific membership interests.

Finally, the committee endeavors

to facilitate membership participation in EMP advocacy by engaging civil society, industry and regulators at all levels, as well as sharing best management practices, tools and case studies. AmCham has already used one of its key advocacy tools – white papers – to respond to Environment Management and Protection Law 32/2009.

Environmental protection by definition is a multi-disciplinary activity that cuts across technical, social and financial arenas. While

characterizing physical, chemical and biological risks is a science, predicting, mitigating and managing the social impacts associated with environmental activities can be an art. AmCham members bring with them the expertise needed to appropriately address the environmental issues affecting Indonesia today. Members interested in pursuing these issues will find the new committee a breath of fresh air. ■

DRP Volunteers Event

The AmCham Disaster Response Plan leverages goods, services and donations from the private sector to alleviate the suffering caused by natural disasters in Indonesia. A key component of the plan is volunteerism – without the human resources to coordinate efforts and contribute time, energy and expertise on the ground, an effective DRP would be impossible. The DRP volunteer management structure includes Line Officer Groups for Communication, Financial Donations, Products & Services, Logistics & Transportation, and for Volunteers. Milind Gadre, President Director of Vision-Ease Asia, leads the DRP Volunteers group.

In February 2010, AmCham invited a group of the leading organizations in volunteer disaster response and relief from both the public and private sectors to orient participants to the critical role volunteers play in humanitarian relief. Presenters included the International Federation of the Red Cross and Red Crescent Societies (IFRC), American Red Cross, Palang Merah Indonesia (PMI) and PT HM Sampoerna. Facilitated by Corporate Citizenship Committee Chair and Director of Minaca Selaras, David Finneren, the event clarified the types of training programs and skill sets recommended by experienced providers and considered next steps

in realizing a 'mission-ready' volunteer group in the weeks ahead.

Wayne Ulrich, Disaster Management Coordinator of the IFRC, gave participants an overview of disaster response from the perspective of the IFRC. The IFRC prepares communities to cope with natural disasters and provides assistance during and after the event. The Federation works closely with the national Red Cross organizations, such as the American and Indonesian Red Crosses, in preparation for and in response to emergencies.

Tom Alcedo, Country Representative for the American Red Cross, described the organization's volunteer training programs in cooperation with the U.S. corporate sector and partnership with PMI in providing relief in Indonesia.

Dr. Biantoro Wanandi, Member of PMI's Board of Directors, opened the session on PMI and introduced attendees to Dheni Prasetyo, Head of the Volunteer Corps in the Youth & Volunteer Division of PMI. Mr. Prasetyo discussed PMI's new leadership, extensive experience, readiness to support corporate training programs, and expansive network, which covers the country from Aceh to Papua. PMI trains volunteers in preparedness; emergency, recovery and rehabilitation; and management and development. Its core

activities are focused on health and disaster management. Corporate training is developed and tailored to the availability of employees and emphasizes a company's technical focus and core competencies.

The final presentation was conducted by Santi Djiwandono, Manager of CSR Programs and Contributions at PT HM Sampoerna. Mr. Djiwandono shared his experiences in disaster response and relief participation from a corporate perspective. He elaborated on HM Sampoerna's experiences in initiating an in-house Sampoerna Rescue team in 2002 and how the team has evolved into a world-class support unit in times of national crises. The team has been active since 2005 when it was dispatched on a humanitarian mission to Aceh to provide tsunami-related relief. Today Sampoerna Rescue has provided awareness activities and disaster training to Indonesians in 45 regions; provided food and supplies to over 90,000 evacuees; and evacuation and medical services to 61,000 patients. Sampoerna's practical approach and commitment of resources have established it as a model of effective corporate volunteerism in Indonesia.

The event was the first in a series of sessions that address corporate disaster preparedness and response. ■

Economic Impacts PT Freeport Indonesia

In addition to providing jobs and tax revenues, our operations support broader economic development that extends beyond mining.

PT Freeport Indonesia (PTFI) provides substantial economic benefits for the central, provincial and local governments of Indonesia, and for the economies of Papua and the Indonesian nation as a whole. Direct benefits to the Republic of Indonesia include taxes, royalties, dividends, fees and other direct support. We are the largest employer in Papua and one of the nation's largest taxpayers. During 2008, PTFI's direct benefits totaled approximately \$1.2 billion. Since our current contract with the Indonesian government began in 1992, these direct benefits to Indonesia have totaled more than \$8 billion.

Indirect contributions to Indonesia include investment in infrastructure in Papua, such as towns, electricity generation, air and sea ports, roads, bridges, waste disposal facilities and modern communications systems. Social infrastructure provided by the company includes schools, dormitories, hospitals and clinics, places of worship, recreational facilities and the development of small and medium-sized businesses. PTFI has invested approximately \$6 billion in these projects over the life of the project.

Total value of domestic goods purchased locally was \$271 million in 2008, an increase of 43.8 percent from 2007; domestic goods comprised 21.3 percent of all goods purchased by PTFI.

PTFI purchased 80 percent of all services domestically with a total value of \$469 million. Of all services purchased domestically, 7 percent are sourced from companies based in Papua; and of all services purchased in Papua 28 percent are purchased from Papuan-owned businesses with a total value of more than \$9 million.

Based on research conducted by the Institute for Economics and Social Research, Faculty of Economics, University of Indonesia, PTFI accounted for 1.3 percent, 40 percent and 96 percent of the gross domestic product (GDP) for the country of Indonesia, Papua Province and Kabupaten Mimika respectively in 2008.

PT FREEPORT INDONESIA

Affiliate of Freeport-McMoRan Copper & Gold

At the end of 2008, PTFI directly employed 11,659 workers; of these, 3,353 (29 percent) were Papuans. Including contractor employees, a total of 21,053 workers were employed at PTFI operations at the end of 2008.

Under an MOU signed with the Governor of Papua, PTFI has committed to contribute tailings as construction material for infrastructure development in Papua, including roads and public facilities. PTFI has also committed \$400,000 a year for five years (starting in 2006) for Mimika Regency development projects.

PTFI committed \$34.6 million to the Freeport Partnership Fund for Community Development managed by the Amungme and Kamoro Community Development Organization (LPMK) in 2008. Out of this total, \$25 million was paid to the LPMK and the remaining \$9.6 million will be granted upon renewal of the organization's Memorandum of Understanding. The LPMK partners with local government, NGOs and community partners to support education, health and economic development in the local communities.

In addition to the Partnership Fund, PTFI contributed \$30.5 million to community investment initiatives, including \$2.4 in cash donations, \$25.6 in community programs and services directly managed by PTFI and \$2.5 million in infrastructure investments.

Benefits to Government of Indonesia \$ in millions

| Cash Basis | 2008 | 1992-2008 |
|--------------|-----------------|-----------------|
| Dividend | \$ 49 | \$ 702 |
| Royalty | \$ 121 | \$ 852 |
| Taxes | \$ 1,039 | \$ 6,557 |
| Total | \$ 1,209 | \$ 8,111 |

| Attributable Basis | 2008 | 1992-2008 |
|--------------------|---------------|-----------------|
| Dividend | \$ 49 | \$ 702 |
| Royalty | \$ 115 | \$ 879 |
| Taxes | \$ 484 | \$ 6,086 |
| Total | \$ 648 | \$ 7,667 |

AMCHAM FOCUS

AmCham Scholar Focused on a Bright, Clean Future for Indonesia

With the shrewd eye of the scientist balanced by the thoughtful care of the humanitarian, Siti "Yayah" Fauziyah Rahman examines her lecturer's research patch of biomass in a lab in Malang. After 5 months of testing, she observes that "If we could replicate this sustainably on a large scale, we could solve many of Indonesia's energy and waste disposal problems".

Recipient of a 2009 AmCham Indonesia scholarship via *Yayasan Goodwill* and fresh graduate of University of Indonesia's Chemical Engineering program, Yayah was an apt maths and sciences student in high school. She was steered into chemical engineering by her chemistry teacher as he knew the field could encompass Yayah's natural skills, incredible drive to learn, and personal passion for the physical environment. As a youth, Yayah was dismayed by news reports showing filthy river water being used for daily activities and bulging landfill sites blemishing the land. By the time she was in her first semester at one of Indonesia's premier universities, she realized she could use her powerful mental resources to do something about it.

When her hard-working father passed away suddenly in her third semester, leaving her widowed mother to support her four younger siblings, aged 7-19, on the living she eked out as a tailor, Yayah knew she had to help. But giving up her education was never an option, "My parents would NEVER have wanted me to stop my schooling - education has always been number one [in our home]. My parents graduated from elementary school and knew they didn't want us to have the same limited opportunities". Instead, she focused on tutoring to help make ends meet, and, to her great surprise, discovered a love of teaching. This calling, coupled with her interest in clean energy and Indonesian environmental issues, helped to cement her life's grand mission: "I plan to lecture in Chemical Engineering and I want to develop energy based on biotechnology because Indonesia has many potential sources. Indonesia is a rich country. If we use our resources effectively and efficiently, Indonesia



will solve Indonesia's problems, such as deficiencies in energy and employment opportunities, and environmental problems. I want to contribute to building the bio-energy industry and creating employment in Indonesia".

Receiving the AmCham scholarship enabled Yayah to round out her academic experience in her senior year; in addition to the incredible demands that study and her final project placed on her, she made the time to participate in several student organizations such as the UI Students' Chapter of the Society of Petroleum Engineers, and the Faculty of Engineering's Forum for Islamic Studies. She was also able to pay her tuition, buy her textbooks, and cover her daily expenses without draining her family's limited funds.





Having overcome incredible odds with strong family support and assistance from organizations like *Yayasan Goodwill* and AmCham Indonesia, Yayah graduated in January 2010 with her mother and siblings by her side. She is very modest of the fact that she is the first in her family to graduate from university. Yayah is now facing the next step towards her goal: graduate study at MIT or UC Berkeley. When asked why, she gently responds, "The U.S. has the best universities, professors and technology in my field- I want to study hard with the best so I can come back with that standard and share it with Indonesian researchers and students".

Yayasan Goodwill not only provides scholarships to serious students who, due to personal circumstances not of their own making, might not otherwise be able to continue their studies, but also delivers courses in valuable academic and life skills. Yayah found valuable lessons in the short courses *Yayasan Goodwill* delivered in Leadership, Time Management, Personal Marketing, and Goal Development. In particular, her Goal Development seminar motivated her not to give up on her dreams of the day when she will be addressing a lecture hall filled with young Indonesians eager to learn more about their environment and the science that affects it. ■

At the time of printing, Yayah is waiting on the results of a scholarship application for September 2011.

"If we use our resources effectively and efficiently, Indonesia will solve Indonesia's problems...I want to contribute to building the bio-energy industry and creating employment in Indonesia."

To request information on scholarships that help local young people continue their university studies, please contact:

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Website: <http://www.yayasan.info/>



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