



Eyes on the Forest

June 2006 Investigative Report



<http://www.eyesontheforest.or.id/>

Walhi - **Jikalahari** - WWF

June, 2006

COC ID	Actor	Logging/ loading site	Forest block name	Starting date of logging	Logging area (Ha)	Truck(s) Wood capacity (m3)	Departure time/date/ license plate # of the truck(s)	Stopping sites /time/date /truck(s)	Final destination/ time/date/ truck(s)	Buyer	Likely violated laws
B2007	PT. Siak Raya Timber RMD Groups (5 Groups @ 5 People)	Logging Site : 101 56 19 E 00 50 46 N Loading Site : 101 56 50 E 00 50 52 N	Giam Siak Kecil Block	Januari 2006	-	-	Time/date : 10:05 AM 7/1/2006	Stoping Site : Sengoku River 101 57 33 E 00 48 46 N Time/date: 01:08 PM 7/2/2006	Final destination : 102 00 23 E 00 47 29 N Time/date: 8:15 PM 7/2/2006	PT. Siak Raya Timber	link to analys



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B1006	PT. Ruas Utama Jaya, PT. Arara Abadi.	<p>Loading Site : 101 02 53 E 01 37 21 N</p> <p>Loading Site : 101 02 53 E 01 37 22 N</p>	Sinepis Block	Maret 2006		25-30 ton	<p>Time/date part 1: 04:40 PM 6/30/2006</p> <p>License plate # B 8627 LF BM 8741 AU</p> <p>Time/date part 2: 02:05 PM 7/8/2006</p> <p>License plate # BM 8907 FD</p>	<p>Stopping Site 1 part 1: DURI — 101 11 47 E 01 16 05 N Time/date: 09:30 PM 6/30/2006</p> <p>License plate # BM 8741 AU</p> <p>Stopping Site 2 part 1 : Nasi Kapau Restaurant Muara Basung 101 16 46 E 01 08 27 N Time/date: 11:30 PM 6/30/2006</p> <p>License plate # B 8627 LF dan BM 8741 AU</p> <p>Stopping Site 3 part 1: Km 3 Perawang Minas by pass 101 28 13 E 00 42 26 N Time/date: 10:30 AM 7/1/2006</p> <p>License plate # B 8627 LF</p>	<p>Final destination part 1 : 101 36 42 E 00 41 33 N Time/date: 03:40 PM 7/1/2006</p> <p>License plate # B 8627 LF</p> <p>Time/date: 04.46 PM 7/1/2006</p> <p>License plate # BM 8741 AU</p> <p>Final destination part 2 : 101 36 42 E 00 41 33 N Time/date: 11.00 PM 7/8/2006</p> <p>License plate # BM 8907 AU</p>	IKPP	link to analys



COC ID	Actor	Logging/ loading site	Forest block name	Starting date of logging	Logging area (Ha)	Truck(s) Wood capacity (m3)	Departure time/date/ license plate # of the truck(s)	Stopping sites /time/date /truck(s)	Final destination/ time/date/ truck(s)	Buyer	Likely violated laws
								<p>Stoping Site 4 part 1: Km 13 Perawang Minas by pass 101 32 40 E 00 42 25 N Time/date: 11:54 AM 7/1/2006</p> <p>License plate # BM 8741 AU</p> <p>Stoping Site 1 part 2: Tiara Restaurant 101 14 03 E 00 54 48 N Time/date: 06:27 PM 7/8/2006</p> <p>License plate # BM 8907 FD</p> <p>Stoping Site 2 part 2 : KM 40 West Minas 101 23 46 E 00 47 07 N Time/date: 08:45 PM 7/8/2006</p> <p>License plate # BM 8907 FD</p>			

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B4009	PT. Bina Duta Laksana (sub kontraktor:PT Putra Khatulistiwa Jaya (PKJ), PT Mitra Citra Mandiri (MCM), PT SARINDO 16 Escavator Merk KOMATSU dan CAT + 4 speed + 5 Pompong + 20 ponton + 10 dump truck + 1 Kapal Tag Merk AKASIA 7 + 1 Ponton Kapal besi Merk Sinar Abadi)	Logging Site : 102 58 53 E 00 12 01 S Loading Site : 103 07 57 E 00 09 03 S Loading Site : 103 12 59 E 00 06 53 S	Kerumutan Block	01/06/2002	10.000Ha	1800 ton/ponton	Time/date : 01.00 PM 6/29/2006 License plate # Pontoon Sinar Abadi 2 Tug Boad Akasia 7	Stoping Site : Time/date: License plate #	Final destination : 101 38 08 N 00 40 20 N Time/date: 03:30 PM 7/4/2006 License plate # Pontoon Sinar Abadi 2 Tug Boad Akasia 7	IKPP	link to analys

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Giam Siak Kecil Block (B2007, Map 1)

Eyes on the Forest (EoF) Investigation in June 2006 inside Giam Siak Kecil forest block ([B2007, Map 1](#)) has found 1,400 cubic meter natural forest logs had been clearcut illegally by a group led by businessman **Rmd**. On July 1, EoF observed logging activities carried out without holding any license by **Rmd** and followed the wood from the logging sites until the receipt by plywood industry of **PT Siak Raya Timber**.

Based upon EoF's investigation, natural timbers clearcut by Rmd group is conducted illegally (illegal logging) due to it allegedly has no permit from the authorities. The group clearcut logs which have diameter more than 30 cm (log) inside the forest block. The illegal logging committed by 25 members of group Rmd inside Giam Siak Kecil forest block has been running over 7 months.

- PT Siak Raya Timber plywood mill, which based on license number 425/I/INDUSTRI/1998, dated 3 September 1998, has production capacity approximately 120,000 m³ per annum and required materials around 240,000 m³ per year. Previously plywood factory PT Siak Raya Timber obtained supply for materials also from its logging concession (HPH or IUPHHK-HA) located inside Tesso Nilo forest block.

Rmd group should not have started the operation in this concession and should therefore immediately stop its logging activities. PT Siak Raya Timber should stop sourcing timber from such activities until it has license from the authority.

In addition to the legal review by the MoF, President of Indonesia through a Presidential Decree (Inpres No. 4/2005 about Combating Illegal Logging and its Distribution in All Area in Indonesia issued on 18 March 2005) and Riau Governor's decree (No Kpts.472/X/2005 issued on 21 October 2005 about forming Curbing Illegal Logging Team to support the implementation of Presidential Decree in Riau Province) calls to examine operation licenses relating to timber forest concession and further cancellation of the licenses if they have been issued and do not comply with existing laws.

The logging site conducted by Rmd group overlaps with the following area, thus violate existing law:

- Natural forests which was still in good condition, as shown by Landsat Image for the area in 2005. Forestry Minister Decree Number 10/2000 in connection with 21/2001 stipulates that Timber Plantation Concession License (IUPHHK-HT) should not be granted for operation in natural forest, but should only be granted in barren land, grassland or bushes in production forest and that the area should not have vegetation of more than 10cm diameter trees for all kinds of species with potential timber density less than 5 m³ per hectare or number of sub-species of dominant species less than 200 trees per hectare.

PT Siak Raya Timber has purchased the timber from this forest block and therefore has violated [Forestry Law No. 41/1999](#) article 50 clause (3) point (f) in conjunction with article 78 clause (4) which prohibit anybody to receive, buy or sell, receive as an exchange, receive as an entrusted goods, keep or possess any forest products which were allegedly harvested from a forest area through an illegal way.

Rmd should respect the existing laws in Indonesia and stop the forest clearance in these concessions immediately. EoF also calls on PT. Siak Raya Timber to immediately stop sourcing wood originating from such operations.



Senepis Block (B1006, Map 2)

Eyes on the Forest (EoF) Investigation in June 2006 in Senepis forest block has found that natural forest had already been clearcut inside Timber Plantation Concession of **PT Ruas Utama Jaya** (B1006 Map 2; B1006 (1) Map 3; and B1006 (2) Map 4). EoF observed logging activities by PT Ruas Utama Jaya and then followed the wood from the logging sites until the receipt by PT. Indah Kiat Pulp & Paper (PT IKPP), a company belonging to **Asia Pulp & Paper (APP)**.

EoF's chain of custody investigation has successfully traced two pontoons named *Sinar Abadi 17* and *Sinar Abadi 19*—that pulled by tug boat KM Bintang Sejahtera—carried scores of trucks loading natural timber from log stockpiling station (TPK) or log pond of PT Ruas Utama Jaya in Tanah Putih village. The pilings of natural log were taken to a jetty in Ujung Tanjung by trucks with plate number of B 8627 LF and BM 8741 AU and BM 8907 FD toward PT IKPP pulp mill.

Based on EoF's investigation, the concession granted to PT Ruas Utama Jaya is issued by tentative decree of Ministry of Forestry through Letter of Ministry of Forestry and Plantation number 1179/Menhutbun-VI/99 dated 19 August 1999.

- The HTI license belongs to PT Ruas Utama Jaya is not a definitive decree issued by MoF, but it is merely an approval to proposal called "principal approval." The area size of the concession where logging is happening is 40,000 hectares.
- The definitive decree of HTI license will be granted by the Ministry if the company has conducted several activities as stipulated on article 14 of Ministry of Forestry's Decree Number 312/Kpts-II/1999 on Procedure to Granting Selective Logging Concession through Proposal.

PT Ruas Utama Jaya should not have started the operation in this concession and should therefore immediately stop its logging activities. PT. IKPP should stop sourcing timber from such activities until definitively legal license is issued by the MoF.

In addition to the legal review by the MoF, President of Indonesia through a Presidential Decree (Inpres No. 4/2005 about Combating Illegal Logging and its Distribution in All Area in Indonesia issued on 18 March 2005) and Riau Governor's decree (No Kpts.472/X/2005 issued on 21 October 2005 about forming Curbing Illegal Logging Team to support the implementation of Presidential Decree in Riau Province) order to examine operation licenses relating to timber forest concession and further cancellation of the licenses if they have been issued and do not comply with existing laws.

The concession PT Ruas Utama Jaya overlaps with the following areas, thus violate some existing laws:

- Natural forests which was still in good condition, as shown by Landsat Image for the area in 2005. Forestry Minister Decree Number 10/2000 in connection with Decree Number 21/2001 stipulates that Timber Plantation Concession License (IUPHHK-HT) should not be granted for operation in natural forest, but should only be granted in barren land, grassland or bushes in production forest and that the area should not have vegetation of more than 10cm diameter trees for all kinds of species with potential timber density less than 5 m³ per hectare or number of sub-species of dominant species less than 200 trees per hectare.
- Provincially protected "Protection Area" (Kawasan Lindung) as per the currently active Riau Land Use Planning (RTRWP 1994) should not be converted (Map 2).



- Peat soil depth of more than four meters (Wetlands International & Canadian International Development Agency 2003: Map of Area of Peatland Distribution and Carbon Content 2002 Riau Province). According to the Presidential Decree Number 32/1990, natural forests located on peat soil with depth of 3 meter or more situated in upstream and swamp should be maintained. ([Map 2](#))

PT IKPP of APP has purchased the timber from this concession and therefore has violated [Forestry Law No. 41/1999](#) article 50 clause (3) point (f) in conjunction with article 78 clause (4) which prohibit anybody to receive, buy or sell, receive as an exchange, receive as an entrusted goods, keep or possess any forest products which were allegedly harvested from a forest area through an illegal way.

PT Ruas Utama Jaya should respect the existing laws in Indonesia and stop the forest clearance in these concessions immediately. EoF also calls on PT. IKPP to immediately stop sourcing wood originating from such operations.

Block Kerumutan (B4009, Map 5)

Eyes on the Forest Investigation in June 2006 in Kerumutan forest block has found that around 10,000 hectares of natural forest had already been clearcut inside Timber Plantation Concession of timber company **PT Bina Duta Laksana** ([B4009 spatial planning Map 5 & B4009 CoC Map 6](#)). EoF observed logging activities by contractors of PT Bina Duta Laksana (BDL), PT Putra Khatulistiwa, PT Mitra Citra Mandiri and PT Sarindo on 29 June, then followed the wood from the logging sites until the receipt by **PT Indah Kiat Pulp & Paper (PT IKPP)**, a company belonging to **Asia Pulp & Paper (APP)**.

EoF investigation found that pontoon named *Sinar Abadi 2*, that pulled by tug boat *Akasia 7*, carried natural woods from the log stockpiling station (TPK) or log pond belongs to PT. Bina Duta Laksana in Bidai jetty, Blantak Raya village, before being taken to PT IKPP pulp mill.

Based upon EoF's investigation on [Investigative Report April 2005](#), the concession license in this area was issued by the Head of Indragiri Hilir District:

- PT Bina Duta Laksana has an IUPHHK-HT license (Industrial Timber Plantation License) by Decree No .17.A/TP/VI/2002, dated 3 June 2002. The area size of the extension of concession where logging is happening is 30,405 hectares. The Ministry of Forestry (MoF) is on the process of reviewing the validity of IUPHHK-HT licenses issued by Provincial Governors or Heads of Districts (Forestry Minister Decree No P.03/Menhut-II/2005 dated 18 January 2005). Since 25 July 2005, *Eyes on the Forest* has been calling on all companies that are clearcutting natural forests based on Industrial Timber Plantation Licenses (IUPHHK-HT) issued by Governors or Heads of Districts to immediately issue a moratorium on all such operations. The coalition also called on all companies sourcing timber from such activities to immediately stop all deliveries (see [EoF PR on 25 July 2005](#)).

PT Bina Duta Laksana and its contractors, PT Putra Khatulistiwa, PT Mitra Citra Mandiri and PT Sarindo, should not have started the operations in this concession and should therefore immediately stop their logging activities. PT. IKPP should stop sourcing timber from such activities until written legal verifications are issued by the MoF.

In addition to the legal review by the MoF, President of Indonesia through a Presidential Decree (Inpres No. 4/2005 about Combating Illegal Logging and its Distribution in All Area in Indonesia issued on 18 March 2005) and Riau Governor's decree (No Kpts.472/X/2005

issued on 21 October 2005 about forming Curbing Illegal Logging Team to support the implementation of Presidential Decree in Riau Province) order to examine operation licenses relating to timber forest concession and further cancellation of the licenses if they have been issued and do not comply with existing laws.

The concession of PT Bina Duta Laksana overlaps with the following areas, thus violate some existing laws:

- Natural forests which was still in good condition, as shown by Landsat Image for the area in 2005. Forestry Minister Decree Number 10/2000 in connection with 21/2001 stipulates that Timber Plantation Concession License (IUPHHK-HT) should not be granted for operation in natural forest, but should only be granted in barren land, grassland or bushes in production forest and that the area should not have vegetation of more than 10cm diameter trees for all kinds of species with potential timber density less than 5 m³ per hectare or number of sub-species of dominant species less than 200 trees per hectare.
- Peat soil depth of more than four meters (Wetlands International & Canadian International Development Agency 2003: Map of Area of Peatland Distribution and Carbon Content 2002 Riau Province). According to the Presidential Decree Number 32/1990, natural forests located on peat soil with depth of 3 meter or more situated in upstream and swamp should be maintained.

PT IKPP of APP has purchased the timber from this concession and therefore has violated [Forestry Law No. 41/1999](#) article 50 clause (3) point (f) in conjunction with article 78 clause (4) which prohibit anybody to receive, buy or sell, receive as an exchange, receive as an entrusted goods, keep or possess any forest products which were allegedly harvested from a forest area through an illegal way.

PT Bina Duta Laksana and its contractors, PT Putra Khatulistiwa, PT Mitra Citra Mandiri and PT Sarindo, should respect the existing laws in Indonesia and stop the forest clearance in this concession immediately. *EoF* also calls on PT. IKPP to immediately stop sourcing wood originating from such operation.

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