

The Postcode Address File (PAF) and International Examples

ODUG (Open Data User Group)

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This paper represents the views of the Open Data User Group, on behalf of the Open Data Community. The views contained are independent of government bodies.

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1. Addressing as core-reference data

Address datasets are fundamental core-reference data, defined in the June 2012 Open Data White Paper – Unleashing the Potential¹ as: *“Authoritative or definitive data necessary to use other information produced by the public sector as a service in itself due to its high importance and value”*.

National addresses, including the postcode, are the single most fundamental set of core-reference data we can identify. There is a strong case that a national address dataset should be delivered under government’s Open Data policy. The production of one common national address dataset supports the three key elements of this policy: *holding government to account through transparency, driving choice and improvements in public services and inspiring innovation and enterprise that spurs social and economic growth*.

ODUG has recommended² that the emphasis needs to shift from creating competition in the creation of addresses to one of creating opportunity in the exploitation, enhancement and innovation in the use of addresses. A national address dataset should be set up in a central data repository, as open data, with the data available under the Open Government Licence to all users.

Address data is a natural monopoly which should not be privatised. ODUG has recommended that the Royal Mail should be relieved of its ‘ownership’ of the PAF prior to any forthcoming privatisation, and that the delivery and maintenance of the PAF should be carried out by a single body with responsibility for delivering and maintaining a national address dataset as open core-reference data.

2. ODUG recommendation on the Postcode Address File (PAF)²

Royal Mail should make the Postcode Address File (PAF) available as open data under an Open Government Licence. We argue that paid for PAF licensing should be removed in its entirety because the current PAF licensing regime is over-complex, costly to manage, an unnecessary administrative burden across the public sector and both a burden and a barrier to private sector innovation.

¹Cm8353 June 2012

²The Case for an Open National Address Dataset – ODUG, November 2012

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The current PAF licensing regime restricts growth and innovation. Making the PAF open data would reduce one (relatively small) area of Royal Mail operating costs and would not have any significant impact on Royal Mail revenue or profits. Royal Mail would have equal access to the open data PAF, alongside all other users. There would be no detriment to their core business.

Similar conclusions have been drawn in other European countries, most notably the Netherlands, where the government sold their equivalent of the PAF to the new private owner of their Post Office and in 2012 were required to fight an EU court case³ to enable them to buy it back in order to complete their now fully open national address and buildings register.

The Danish Government evaluated the advantages and disadvantages of different ownership models for address data and concluded that a publicly owned free to use address data set served their national interest best; free-of-charge address data was released in 2002.

3. The Dutch Case

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Overall Timeline at Annex A

The Dutch government has been working on a system of core-reference datasets for a number of years. One of these datasets is the BAG, holding addresses and buildings (Basisregistraties Adressen en Gebouwen). Aside from postcode data the data held in this registry were already available for re-use (including commercial use) for some years. From 1 February 2012 onwards, the postcodes were also made available for any type of use. PostNL, the holder of the postcode database, tried to prevent this in court, but the court decided that the postcodes should be made available for external commercial re-

³www.prlog.org/11794884-dutch-data-from-the-key-register-of-addresses-and-buildings-bag-now-available-for-re-use.html

⁴<http://epsiplatform.eu/content/dutch-postcodes-open-data>

⁵<http://epsiplatform.eu/content/dutch-postcodes-case>

use. The data is charged for but at a minimal cost – it can be evaluated for free or purchased on-line for fees ranging from less than \$15 to a few hundred EUR^{6 7}.

The process to reach this point was a costly and painful affair for the Dutch government who announced the end of TNT's monopoly on postcodes in January 2011 after recognising that TNT was demanding too high a price to maintain postcodes; and that the costs incurred for creating postcodes were not transparent enough.⁸

The Dutch government was then required to fight PostNL (the former subsidiary of TNT which became independent on May 2011) in the courts.

The court paid a lot of attention to the fact that the Dutch postcode file (compiled at a similar time as ours) was produced as a public task by a public body so that the bulk of the data was Public Sector Information. They considered that on-going maintenance did not give postNL database rights in the whole file and found in favour of the government delivering a verdict which, *"fits well with the national policy and December 2011 European Commission proposals on Open Data"*⁹. (These are the proposals which led to the current review of the EU PSI Directive.)

The repatriation of the BAG from PostNL (formally TNT) took two years to achieve and involved a lengthy, and presumably costly, court case.

Background

- The BAG dataset of addresses and buildings (BAG) is maintained by the Dutch Cadastre and holds the complete, updated and uniform list of addresses in the Netherlands, including the coordinates and information on the purpose, surface area and date of construction of the buildings. Every building and address has a unique identifier. The BAG is now fully open for re-use by third parties. Decades ago, the system of the postcodes was set up by the PTT, the (at that time) state owned Postal Service. However, in the 1980s, this service was privatised and the postcodes were held by a separate public company, PostNL (previously TNT). A Covenant between PostNL and the Dutch government allowed postcodes to be provided by the government to third parties, but prevented them from being used or disseminated for commercial purposes.

⁶http://www.softwaregeek.com/download/dutch_postcodes.html

⁷<http://www.postcode.nl/index/198/2/0/the-dutch-postcode-database.html>

⁸<http://epsiplatform.eu/content/tnt-loose-dutch-postcode-monopoly>

⁹<http://epsiplatform.eu/content/european-open-data-strategy-announced>

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- In 2010 to make PSI available in an easy and cheap manner to citizens and companies, whatever their intended use of the data might be the Dutch government proposed a change to the Covenant with PostNL which would allow the dissemination of the postcode database for commercial use. PostNL refused this change in April 2010 and then demanded an annual fee of 750.000 euro for the use of the postcode data within the BAG. The government did not accept this fee, and terminated the Covenant in January 2011 with a one year notice period.

- PostNL started proceedings (together with Cendris B.V., a commercial licensee of postcode data) demanding that the state should not be allowed to disseminate postcodes in bulk to third parties via the BAG claiming that:

- a. The government had infringed its database rights, but the court found no infringement, because the government showed that it obtained the postcodes from the local authorities (who get the postcodes from PostNL on the basis of the Covenant) and that it did not use the postcode database, so there was no extraction or re-utilization of the whole or of a substantial part of the database.

- b. The termination of the Covenant was unlawful. No unlawful termination was proven, although the Court did find that by making postcodes available to a software developer for commercial use before the Covenant had officially ended, the government violated the Covenant and should compensate PostNL for damages.

- c. The government competed unfairly and acted irresponsibly by making the postcode data from the BAG available to third parties. The Court found that there was no unfair competition, *because the government acted in accordance with the law on the BAG, with the principles of the PSI directive, and with the principles of the new legislation on market activities of the state (which had not entered into force yet)*. In addition, the government had given PostNL sufficient notice of its intentions and PostNL's interests were sufficiently protected by the notice period foreseen in the Covenant. Therefore, there was no reason for the government to find the objective of making the data available disproportionate to the negative consequences this would cause.

1. The Canadian Case

*European Public Sector Information Platform*¹⁰

Canada Post¹¹ is currently taking legal proceedings against a postcode database user having filed a complaint against Geolytica, who have compiled a postal code database using crowdsourcing techniques, claiming infringement of Canada Post's copyright on its Canadian postcodes database.

Geolytica's defence includes claims of public interest since copyright restrictions on the use of postal codes by Canadians for sending letters, creating databases of customers and members, and helping others find their address using online mapping services have very negative consequences for the public interest. In addition, Geolytica argues that Canada Post misuses its copyright to assert an anti-competitive monopoly over the Canadian postal codes. "Canada Post Corporation's over-broad copyright claims demonstrate its practice of anti-competitively asserting monopoly over Canada's postal code system".

Depending on the final decision of the court, the postcodes database will become freely available for re-use, or the use of postcodes may become problematic for many Canadian businesses.

2. The Danish View

Denmark made their address data free of charge in 2002 and estimate that in 2010 the social benefits from the agreement will be about EUR 14 million, while costs will total about EUR 0.2 million. Around 30% of the benefits will be in the public sector and around 70% will be in the private sector.

Building on this, from 1st January 2013, individuals, public authorities and private businesses in Denmark will have free access to retrieve and use what is termed *basic data*. Basic data is the fundamental information that is used by government for day to day administration. It includes data about people, companies, addresses, land/properties and administrative geographic data, such as administrative and electoral boundaries¹².

It is estimated that by making basic data open and freely accessible, government administration will be improved. In particular the cost of buying data from other

¹⁰<http://epsiplatform.eu/content/postcode-saga-continues-geocoderca-sued-canada-post> also <http://www.michaelgeist.ca/content/view/6415/125/>

¹¹Moya Green, current CEO of Royal Mail, was President and Chief Executive Officer here from 2005-2009

¹²Personal data that is included in Danish basic data is protected by the Act on Processing of Personal Data

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government organizations will be reduced and it is estimated that this could save the Danish government a further DKK 260 million (\$45 million) per year from 2020.

3. Finland

*European Public Sector Information Platform*¹³

Finland has set up a working group to assess whether it would be appropriate to transfer the maintenance of the postal zip code system away from the publicly owned postal company to the Communications Regulatory Authority and the financial implications and necessary legislative actions of such change. The working group will make proposals on how to improve the transparency of the postal and address registries and propose related legislative and other necessary actions.

¹³<http://epsiplatform.eu/content/finnish-working-group-postcodes-address-data-seeks-input>

Annex A – Dutch Timeline

Date	Event	Source
24 th Jan 2008 2010	Law passed to establish the authoritative Building Address Gazetteer (BAG) Government proposes change in agreement with PostNL on use of postcodes	http://epsiplatform.eu/content/dutch-postcodes-case http://epsiplatform.eu/content/dutch-postcodes-case
April 2010	PostNL refuses change	http://epsiplatform.eu/content/dutch-postcodes-case
Dec 2010	PostNL demand an annual fee of € 750,000 for use of postcodes in BAG	http://epsiplatform.eu/content/dutch-postcodes-case
26 th Jan 2011	Letter from Ministry of Infrastructure and Environment to TNT terminated agreement to pay TNT for postcoding the National Building Address Gazetteer (BAG). Deemed that the costs incurred for creating postcodes were not transparent enough and refusing to pay	http://epsiplatform.eu/content/tnt-loose-dutch-postcode-monopoly
4 th April 2011	Court proceedings commenced in case of Post NL versus Dutch Government Ministry of Infrastructure and Environments	http://zoeken.rechtspraak.nl/detailpage.aspx?ljn=BU9147
1st July 2011	Use of BAG data made mandatory for all public sector bodies	http://epsiplatform.eu/content/dutch-postcodes-open-data
12 th Dec 2011	Court decision no government breach of database rights no abuse of power	http://zoeken.rechtspraak.nl/detailpage.aspx?ljn=BU9147
21 st Dec 2011	Court ruling against PostNL	http://bag.vrom.nl/over_bag/nieuws/gegevens_bag_ook_open_vo_or_commerciele_doeleinden
1 st Feb 2012	All data from BAG to be made Open.	http://epsiplatform.eu/content/dutch-postcodes-open-data