

Royal Mail Postcode Address File (PAF) Licensing Consultation Submission on behalf of the Open Data User Group (ODUG)

September 2013

1. Summary

- 1.1. The Open Data User Group (ODUG) is an independent advisory body appointed by the Chair of the Group and the Cabinet Office Minister. It receives some administrative support from staff in the Cabinet Office, but speaks independently on behalf of the data community. The views of ODUG should not be construed as representing the position of Her Majesty's Government.
- 1.2. This is a collective response from ODUG to the Royal Mail consultation on the 'Proposal on how to amend PAF licensing'.
- 1.3. Individual members of ODUG, or their employing organisations, may make separate responses.

2. ODUG's Response to Consultation Questions (numbered as in the Royal Mail Proposal)

1. Do you agree with the principles (para 21) underpinning PAF License simplification? Y/N – *IN PART* – specific comments below:

21.1) ODUG believes that reasonable terms for the external use of PAF data by third parties should be no more than the marginal cost of distribution, since PAF is essential to the provision of the Universal Postal Service (UPS) and Royal Mail's core delivery business, regardless of whether anyone else uses PAF data for other purposes.

21.2) ODUG asserts that the ambitions of this licensing simplification do not go far enough, given that this license requires separate End User Terms, and still sits alongside (at least) two other licenses: one for digital mapping applications and one for Public Sector bodies.

21.3 and 21.4) ODUG's view is that the Royal Mail has far too strong a focus on its Solution Provider customers, apparent in the structure and limitations of this consultation, and is not doing nearly enough to incentivise the widest possible use of PAF in other markets and sectors, for its own benefit and for the wider benefit of the UK economy and society.

21.8) ODUG supports the widest possible use of PAF data, in both public and private Sectors. The deployment of an Open PAF dataset would satisfy both sectors and all customers. ODUG does not support further taxpayer funds being paid to the Royal Mail to enable the Public Sector to use PAF data, which should be funded as an integral part of the provision of the UPS.

2. Are there other principles you believe should underpin the PAF license? If yes, what other principles do you believe should be included? Y/N – YES

The Royal Mail should consider how it can best make PAF the defacto-standard, in the best interests of its own business and for the wider benefit of the UK economy and society.

The Royal Mail should explicitly consider the benefits of making PAF data Open Data, available to all at the marginal cost of distribution or for a small flat fee.

The Royal Mail should also consider how it can make simplifications to PAF licensing to drive: (i) improved data quality; and, (ii) greater efficiency in the delivery and maintenance of the PAF data its own core business depends on. For example by encouraging the greatest possible use of PAF data by making it simple to license and deploy, and by introducing a feedback mechanism allowing users to report errors and inconsistencies in the data back to the Royal Mail.

3. Do you agree that these principles are an accurate reflection of market needs? Y/N – NO

The needs of Solution Providers, who currently provide the majority of the PAF revenues, are exaggerated, rather than there being full consideration of the potential wider market for PAF data.

Explicitly precluding any simplification to the licensing of PAF for the creation of digital maps from the simplification process is a severe failure of this consultation. Royal Mail has indicated in discussion that very few people use their data in this way. This is not a surprise given the cost and complexity of the PAF Digital Mapping Agreement. The combined Remote and Loaded Map License Fee for volume users is £700k per year (how does Ofcom decide this is 'reasonable'?) payable in advance, with a license document which is 49 pages long.

4. As part of Royal Mail's licence simplification programme, we are developing a separate licence that will enable registered public sector organisations to access PAF free at the point of use. Do you support the development of the PAF Public Sector License? Y/N – NO

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the Public Sector to use PAF data, which should be funded as an integral part of the provision of the UPS and made available to the Public Sector for free.

5. Is the emergence of 'Licensee by Usage' as a preferred model reasonable and practical when assessed against the principles, market needs and evaluation criteria? Y/N - *IN PART* – specific comments below:

License by usage is the fairest option across all licensees. However, the requirement to measure and audit PAF usage is a severe deterrent to the take-up and widest possible use of PAF data, particularly by small businesses.

6. Do you believe that a different model would better meet the principles that underpin license simplification? Y/N – *YES*

The deployment of an Open PAF dataset would satisfy all sectors and all customers, and would also be in the medium and long term interests of the Royal Mail's business.

ODUG asserts that the ambitions of this licensing simplification do not go far enough, given that this license requires separate End User Terms, and still sits alongside (at least) two other licenses; one for digital mapping applications and another for Public Sector bodies. A licensing sales and support infrastructure, including, for example, a slimmed down version of the current 'PAF Compliance Centre' will still be required to administer the simplified licensing regime.

We also anticipate that, once pricing and audit (usage) terms are added to this draft simplified license, and it has finally been agreed by lawyers its length and complexity will double from the current slimmed down draft to at least 15 pages; it might even approach the length of the accompanying Digital Mapping Agreement (49 pages).

An Open Government License (OGL) or its equivalent is a single sided document, which requires no legal interpretation, negotiation or support from the data holder. Royal Mail could implement such a licensing system overnight, at the marginal cost of distribution or for a small flat fee. ODUG predicts that if such a system were implemented the use of PAF data would be maximised very quickly; moving all those with the need for postcode data from the plethora of current datasets available to the single 'gold-standard'. This would make PAF data the defacto-standard Royal Mail should be seeking, to achieve maximum possible business efficiency and securely underpin its own business requirements for the future.

7. What are your views on a 'flat rate' payment model as set out in paras 28 and 30?

ODUGs view is that this only meets the needs of large Solutions Providers and would prohibit small, innovative businesses from using PAF data.

8. As we move towards a transactional model what variations, if any, could be considered to ensure a smooth implementation?

ODUG recommends as few variations as possible, as variations increase complexity. The final solution Royal Mail chooses should be as simple and straightforward as possible to implement. We would, again, recommend an Open License model which Royal Mail could implement overnight, at the marginal cost of distribution or for a small flat fee.

9. Are the proposed License terms significantly easier to read and understand than the current Agreements? Y/N – *IN PART* – specific comments below:

But this is only one license which, in its current form, does not include a pricing structure and also requires separate End User Terms. The license sits alongside (at least) two other licenses: one for digital mapping applications (49 pages) and one for Public Sector bodies (11 pages). It also sits alongside and differs from licensing structures for accompanying Royal Mail datasets such as Not Yet Built, Just Built, Multiple-Residence, NCOA Update, NCOA Suppress and Postzon. This complex licensing landscape creates unnecessary costs and confusion for all parties involved.

10. Are there any further simplification or changes that might be required? Y/N – *YES*

Simplification across the whole licensing regime, that can be achieved at a stroke with a simple Open PAF license, either available at the marginal cost of data distribution or for a small flat fee for all users.

11. Are the ways you use PAF appropriately covered by the proposed terms? Y/N – *NO*

Most of the community ODUG represents does not use PAF data at present because of cost and licensing complexity. Also this simplified license is only targeted at Solutions Providers and does not cover innovators who want to develop and deliver internal or external mapping applications, and who are still required to use the 49 page Digital Mapping Agreement.

12. Do you understand and agree with the on-licensing restrictions outlined in Schedule 1 – End User Terms? Y/N – *NO*

We understand the terms. We do not agree with them as they restrict the level of hierarchy in the supply chain to two levels; a Solutions Provider who delivers to End-Users. The technology market does not work in this way – there may be interim steps in the supply chain which this licensing structure will not serve.

13. Do you understand the proposed Transactional pricing approach? Y/N - *YES*

Yes

14. Do you think Transactional pricing is an appropriate way to price PAF? Y/N - *NO*

No. We think PAF should be supplied at the marginal cost of data distribution or for a small flat fee to all users.

15. Do you think 'by Transaction' is an appropriate way of measuring usage? Y/N - *YES*

Yes. But it would be better to dispense with all measures of usage and audit requirements which are a barrier to entry, especially to small businesses.

16. Does your organisation have the capability to measure usage by transaction and is the proposed definition for a transaction capable of measurement? Y/N – NO

Not applicable – User Group

17. What are the situations or Types of Use that you don't think suit transactional management?

Any audit or administrative requirement is a deterrent to small and innovative businesses for any type of use of PAF data.

18. If we were to move to a full transactional model, how long do you consider any transition period would need to operate for? 6-12 months, 12-24 months, or more than 24 months

Not applicable – User Group

19. What are the practical considerations that need to be taken into account as part of the implementation and in establishing a full transactional model?

- Solutions Provider Market – Cost and complexity of change within the Royal Mail, at Solution Providers and to the wider market. The need to restructure pricing and licensing arrangements and communicate these changes to the market. The need to set up and introduce new pricing and payment agreements and systems throughout the supply chain to measure and audit PAF usage under this agreement, alongside other, different licenses, both for PAF and for associated datasets. Solutions providers will also need to migrate customers to new, transactional only products which may not be appropriate for on-premise, non-networked systems. Increased complexity in Solution Provider contracts to end users. Royal Mail need to redevelop website, licensing sales and support structures.
- Other Markets – this proposition does nothing to help the wider market for PAF data, therefore nothing will be required.