

# Locus Association's response to the Ordnance Survey Consultation

Submitted on 07 Mar 2010 by

The Locus Association recently submitted its response to the UK's Department for Communities and Local Government (CLG) consultation on Ordnance Survey, and thought readers of this blog might be interested to see a synopsis of our submission. The Consultation closes on 17 March, so there's still a bit of time to get your own views in, if you haven't already done so.

First, Locus is very pleased to see this Consultation taking place, since we have been concerned for some time that the plan for Ordnance Survey introduced in October 2008 was not appropriate for a number of reasons, which we detail in our full submission document. However, we do still have concerns about the way in which this process has been conducted, and about some of the comments and assumptions in the Consultation Document.

As those familiar with the OS consultation will know, the document that details the UK government's proposals for OS's future offers three suggested policy Options for the way ahead (please see <http://www.communities.gov.uk/publications/corporate/ordnancesurveyconsultation>) for a copy of the consultation document). In general, most Locus members believe that the proposals offered in the Consultation Document have been designed to perpetuate Ordnance Survey's dominance of the UK GI market, rather than to create a more open and fair environment for all players.

Several statements/assumptions in the report are of significant concern, including:

- Ordnance Survey does not understand or seek to account for its true costs on a product basis;
- There is confusion around the concepts of product and service/delivery mechanism;
- The need for some form of regulation is underestimated and dismissed;
- There is a lack of appreciation of the conflicts of interest that exist when OS is both a competitor and a supplier of base data; and
- There is an assumption that OS data is better and more current than data that could be provided by the private sector if there were a level playing field.

Locus does not consider any one of the three Options offered in the Consultation Document to be ideal; our preferred way forward for OS would include the following actions/points:

- First define Ordnance Survey's Public Task.
  - Provide free access to all **unrefined** data that government requires; this would likely include Addressing and Boundary data. These datasets should be definitive and authoritative if at all possible.
  - Where mapping and refined products/services are chargeable the market should be fair and competitive.
  - There must be full structural and accounting separation between an OS DataCo and ProductCo or unrefined/refined business.
  - Locus is supportive of recent discussions to change the OS licensing model, as outlined in the Consultation document and in previous OPSI communications, and believes that work on these changes should continue whichever model is chosen:
- rationalisation of specific use contracts;
  - simplified and shortened licences;

- some price reductions; and
- less restrictive licences (especially in relation to derived data).
  - OS should not continue to have a price advantage over its channel when dealing with government as customers. Government should ensure that tendering for supply contracts is fair and does not advantage OS.

The specific views of the majority of Locus members on the Consultation and its proposals are as follows:

- Locus supports several of the policy drivers behind this Consultation: We agree that location is increasingly important and that it should be easier to get hold of government-held Core Reference Data (CRD), meaning data that has to be created as part of OS's (and other government entities') Public Task. Examples of CRD are Boundaries, Street Names, Road Traffic Layouts, Planning Consents. We also agree that government should work to coordinate its information requirements and not duplicate work.
- Government must also be able to transfer the data it needs between central/local government without hindrance.
- Locus believes Natural Government monopoly data should be made available as PSI. However, Locus's majority view is that any data that will be made available free of charge must pass a "genuine government monopoly" test first. Without this test, government runs the risk of making the taxpayer fund the creation of data or products which would otherwise be created by the private sector in a normal competitive market.
- Locus **strongly supports** the proposal for the creation of not only a single National Address Register, but also a single National Postcode Register, both of which would be provided as free PSI. We recognise that the creation of these registers would require collaboration between a number of organisations and departments (particularly Royal Mail, Ordnance Survey, Local Authorities), but consider it essential that government find a way through the current licensing barriers and ownership issues.
- Refined products and services should not be provided free of charge/should not be subsidised by Government. Locus has grave concerns about the inclusion of any type of "service", such as access delivery, or a mapping API, as part of any OS Free option, because:
  - It would undermine the existing OS Partner channel;
  - It would create additional costs for OS and government;
  - Such services go well beyond anything that should be considered part of OS's public task.
    - Whatever data is released for free, if any, government must satisfy itself that Ordnance Survey is creating data and products cost effectively; any new products or product adaptations should be competed to ensure government receives value for money. This should be considered as part of each review of the OS Public Task.
    - We do not believe that Government should commit any funding for products that are not explicitly part of the Ordnance Survey Public Task (which must first be defined). Any funding would inevitably provide Ordnance Survey with a competitive advantage over alternative suppliers, and also prevents new players from entering and investing in the market.
    - If OS is to charge for the use of any data or compete with commercial entities in any way, then fully separate accounting and structural separation for OS divisions is essential. This is consistent with the PSI regulations, which say that PSIHs *should separate clearly and fairly commercial activities from data collection activities*. The lack of structural separation leaves the door open to cross-subsidization and anti-competitive trading by PSIHs.

- Locus is concerned that there is only one mention of Derived Data in the Consultation. **In our view, one of the most important reforms that should come out of this Consultation is the removal of the Derived/Associated Data restrictions that currently exist (and this must also apply retrospectively for derived data created in the past).** This is a key issue for our members and many other users of OS data and products. Our view is that while no one should be able to re-engineer OS maps from Derived Data, users should be able to retain and continue to use their own data derived from OS maps without paying OS additional license fees.
- There is a definitely a need for a regulatory body with teeth to ensure that there is fair competition. Although the Consultation appears to reject any form of regulation of OS beyond the IFTS rules, Locus believes this is not sufficient. There are a number of ways in which stronger regulation can and should be introduced without incurring high costs.
- We strongly agree with the Consultation document that markets must be free and fair. However, many parties in this PSI sector believe that it is impossible to have fair competition between the private sector and government entities, because the government entity will always have an unfair advantage.
- Further, we do not agree that government should be pushing to put OS at the heart of the value chain, or at the heart of growth in the GI sector. We are supportive of a policy that places government-created or public sector GI data (and wide, straightforward availability of that data) at the heart of growth in the UK GI sector. We do not believe government should attempt to distort the market by favouring one provider over others.
- Whatever the outcome of the Consultation, there must be flexibility in the way policy evolves so there is not upheaval every few years over discussions on OS's future; we all need certainty so we can plan for the future.

Again, if you have views on Ordnance Survey, please do ensure that you put in your own submission before the deadline of 17 March. Locus will contribute another blog here once the government publishes its plans for OS, which should be prior to the upcoming election in May.