

# Questionnaire Finance Model

**Name organization:** Netherlands Hydrographic Service

**Person questioned:** Captain F.P.J. de HAAN

1. What are the basic characteristics of the present finance model?

The Netherlands HO (NLHO) has a fully budget financed model where the annual operating costs for ships and staff are governed by the Ministry of Defence. There is no relation between the sales revenues and the work programmes of NLHO.

The annual operating costs of ships and staff are 16 Million Euro and the sales revenues are 1.2 Million Euro. The operating costs of the staff at the bureau are approximately 5.4 Million Euro. Ten percent of the sales revenues are related to the re-use of source data and SOLAS-products by derived product producers.

2. What is the influence of the European directive PSI and INSPIRE on your present finance model?

In the Netherlands there is a strong tendency for free licensing of the geospatial data for re-use by industry and other governmental departments. Free licensing in this case means unrestricted re-use of all our source data and SOLAS-publications without the necessity for licences, disclaimers, waivers and fees, but instead a kind of proclaimer with the meta data description. Most of the Netherlands geospatial agencies tend to accept this new policy.

3. What are the basic considerations for the wholesale and retail prices of the SOLAS products?

NLHO has no liberty to establish a fixed retail (market) price for the SOLAS-publications; based on the European competition law there is a national directive to refrain from this. NLHO establishes a fixed wholesale price for all the distributors and this increases yearly with the inflation rate.

This wholesale price has no relation with the operating costs or annual turnover and is mainly based on the assumption that the safety products should be available for a reasonable price taking into account some 30 to 50 percent margin for the distributors.

4. What kind of opportunities and threats do you foresee if the Netherlands free licensing initiative will be followed by NLHO?

NLHO recognizes two different kinds of markets, the regulated SOLAS-market and the unregulated one for derived products. NLHO believes at present that these markets are interconnected. If NLHO delivers the source data and SOLAS-products for unrestricted and free re-use by the derived product producers, then NLHO foresees an undermining influence in the regulated market. The Netherlands researchers believe that this can be countered to deliver the SOLAS-products also for free in the regulated market instead. Furthermore they strongly believe that we will find a solution to compensate the Netherlands Hydrographic Service for their loss of moderate sales revenues (approximately 1.2 Million Euro against 16 Million Euro of annual operating costs for ships and staff).

5. Any other remarks or perspectives for this subject?

NLHO likes to share the results of the questionnaire with the NSHC members for further consideration at the oncoming meeting.