

**Paper for consideration by NHSC 30****[Licensing issues relating to data exchange and commercial  
producers]**

<b>Submitted by:</b>	FR
<b>Executive Summary:</b>	New societal demands for “open data” and European initiatives may jeopardize current business models for nautical charts and ENC. The market for these data is very specific, and a common viewpoint on the issues at stake would help HO to have an influence on forthcoming decisions.
<b>Related Documents:</b>	IHO M-3, Resolution 7/1919 as amended (former A3.4). NSHC Conclusions 41, <b>64, 69, 70, 71</b> , 76.
<b>Related Projects:</b>	INSPIRE. Proposal for a directive amending directive 2003/98/EC on the re-use of public sector information.

**Summary**

While the business model for nautical charts and ENC has been well established for some years, it is currently being challenged by at least two converging forces. On the one hand, the “open data” movement is getting stronger and stronger in European societies. It corresponds to a social demand for transparency in the public sphere and free access to public data. On the other hand, European Union initiatives globally aim at making public data freely accessible, especially because EU considers that such a policy will create globally more growth than in the current situation. For example, the INSPIRE directive makes it mandatory for discovery and viewing services to be free; discussions are also currently taking place in order to revise the public sector information (PSI) directive, with the European Commission initially proposing that every public data should be sold only at the marginal costs of dissemination, except in “exceptional cases”.

**Analysis**

Our purpose is not to discuss whether these political orientations are sound and wise or not, but only to look at their financial consequences. These new considerations have to be taken into account, as they could undermine the financial models of HO and RENC, in particular. Indeed, many HO have an “hybrid” financial model, implying that part (or most) of their budget relies on “commercial” revenues, especially from the sales of nautical products (paper charts, ENC, etc.). If these data become “open data”, governments would have to compensate for the missing revenues; however, in the current economic context, many believe that no compensation would take place. Secondly, RENC’s financial models would also have to be modified. If some nations decide that their products are freely usable and available for commercial use at the marginal cost of distribution, models taking into account the amount of sales for sharing RENC’s costs might need to be revised to make sure that RENC operations can go on. In addition, data exchanges usually made through bilateral agreements in accordance with IHO Resolution 7/1919 as amended, could be hampered if some nations continue to charge for their data while other ones make them free. Financial flows currently in place between HO are pretty balanced: they could become unidirectional.

### ***Recommendations***

An analysis of the situation and the approval of a common stance of HOs, if possible, is recommended. The following points should be addressed:

1. HOs should try and define a common viewpoint on the data they produce: what are the data subjected to the PSI directive in particular? Raw databases? S-57 data? ENC (S-63) data? Other data? What are the data or products considered as “value-added” products, that would not have to be “open data” even if the movement gains momentum?
2. It would also be interesting for HOs to share their viewpoint with the European commission and parliament concerning the nautical charts and ENC market. Is it possible to let every nation decide whether their nautical data are free or not, while data exchanges between them are essential? Would that really improve efficiency, cooperation and finally safety at sea for mariners? Two situations look stable: when everyone does not charge any royalties (but is it realistic and feasible?), or when everyone keeps the current business model. Is there any other model providing stability?

### ***Action required***

The HOs are invited to consider this document and endorse it as part of their programme of work; undertake the tasks listed in its recommendations; provide results by October 2012 so as to provide suggestions to the European commission and parliament before the end of the year.