**Open Data Promotion Consortium**

**Summary of Minutes of**

**the Third Meeting of the Utilization and Promotion Committee**

Date and time: 13:00 ~ 15:00, January 22 (Tuesday), 2013

Venue: Mitsubishi Research Institute, 4th Floor, Auditorium

**Attendees:**

Chairman: Ichiya Nakamura Professor, Graduate School of Media Design, Keio University

Vice Chairman: Fumihiro Murakami Mitsubishi Research Institute, Inc.

Committee members:

Yusho Ishikawa Project Professor, Interfaculty Initiative in Information Studies, The University of Tokyo

Ikki Ohmukai Associate Professor, National Institute of Information

Koichi Kawashima President, Institute for Public Sector Innovation

Iwao Kobayashi Representative Director, Scholex

Masahiko Shoji Senior Research Fellow/Assistant Professor, Center for Global Communications, International University of Japan

**Observers:**

Ministry of Internal Affairs and Communications (MIC) (Information and Communications Bureau)

Cabinet Secretariat (IT Policy Office)

Ministry of Economy, Trade and Industry (METI) (Commerce and Information Policy Bureau)

Ministry of Land, Infrastructure, Transport and Tourism (MLIT) (Policy Bureau)

Geospatial Information Authority of Japan

Ministry of Agriculture, Forestry and Fisheries (MAFF)

Japan Meteorological Agency

Japan Business Federation

ASP-SasS-Cloud Consortium (ASPIC)

Noboru Tsukakoshi (Chairman, Technology Committee)

**Member Companies:**

Location Information Service Research Agency, Uchida Yoko Co., Ltd., Ecru, LLC, NTT Advanced Technology Corporation, NTT Communications Corporation, NTT DATA Corporation, NTT Docomo, Inc., NTT Resonant Inc., KDDI Corporation, Sabae City, Georepublic Japan LLC, Association for Promotion of Infrastructure Geospatial Information Distribution (AIGID), JMA HOLDINGS Inc., GyroBee Co., Ltd., Smart Value Co., Ltd., Japan Geotechnical Consultants Association (JGCA), City Council of Tsuruga-shima City, Toshiba Corporation, City Council of Nagareyama City, Nagareyama City Office, IBM Japan, Ltd., Nihon Kajo Publishing Co., Ltd., Nikkei Inc., Nippon Koei Co., Ltd., Microsoft Japan Co., Ltd., Nihon Unisys, Ltd., Nomura Research Institute, Ltd, Pioneer Corporation, PIPED BITS Co., Ltd., NTT-East, Co., Ltd., Hitachi, Ltd., Fujitsu, Ltd., Matsue City, Mitsui Sumitomo Insurance Co., Ltd., Meiden Software Corporation, knowledgeable person (1)

**Secretariat:**

Fumihiro Murakami, Takeshi Tsukuni, Nao Fukushima, Yuko Takano (Mitsubishi Research Institute)

**Handouts:**

Material 1. Seating chart

Material 2. Major trends associated with open data (by Secretariat)

Material 3. Organization and members of the “e-Government Open Data Working Level Meeting” (by IT Policy Office of Cabinet Secretariat)

Material 4. Demonstrative experiment on open data, conducted by MIC (MIC)

Material 5. About “Open Data METI website” (by METI)

Material 6. Linked Open Data Challenge (by Committee member Mr. Ohmukai)

Material 7. Approach by Data City Sabae, “Raised with appraisal and encouragement”, and its approach hereafter (by Mr. Yasukazu Makita, Sabae City

Material 8. Results of a survey on the Open Data Symposium (by Secretariat)

Material 9. Reference materials concerning open data needs (by Secretariat)

Material 10. Approach of ”Calil”, nationwide libraries website-searching services (by Mr. Ryuji Yoshimoto, Calil Co. Ltd.)

Material 11. Trend of open data utilizing business (by Mr. Tomihiko Azuma, OKGJ)

Material 12. Potentials and issues relative to open data businesses from the perspective of companies (by Mr. Haruyuki Seki, Georepublic Japan)

Material 13. Procedure for “Katte Award” and collection of candidates (Draft) (Secretariat)

Material 14. List of members of the Open Data Promotion Consortium

**Agenda:**

**1. Presentations about the open data-related trend :**

- Explanation about “major trends associated with open data”, by Mr. Murakami (Secretariat), based on Material 2.

- Explanation about the “organization and members of the e-Government Open Data Working Level Meeting”, by Mr. Suzuki (IT Policy Office of Cabinet Secretariat), based on Material 3.

- Explanation about “demonstrative experiment on open data, conducted by the Ministry of Internal Affairs”, by Mr. Umemura (MIC), based on Material 4.

- Explanation about “Open Data METI website” , by Mr. Takai (METI), based on Material 5.

- Explanation about “Linked Open Data Challenge”, by Mr. Omukai (Committee member), based on Material 6.

**2. Approaches by municipalities :**

(1) Approach by Data City Sabae, “Raised with appraisal and encouragement”, and its approach hereafter, by Mr. Yasukazu Makita (Sabae City), based on Material 7.

**3. Explanation about reference materials related to open data needs :**

- Explanation, by Mr. Murakami (Secretariat), based on Material 9.

**4. Businesses utilizing open data and associated issues :**

(1) Explanation about “Approach of Calil” (nationwide-libraries website-searching services), by Mr. Yoshimoto (Calil Co. Ltd.), based on Material 10.

(2) Explanation about “Trend of open data utilizing business”, by Mr. Tomihiko Azuma (Open Knowledge Foundation Japan Group), based on Material 11.

(3) Explanation about “Potentials and issues relative to open data businesses from the perspective of companies”, by Mr. Seki (Georepublic Japan), based on Material 12.

**【Question and Answers】**

☆ Some 400 examples of open data are shown at the bottom of Material 11. At the time when we use/apply public sector data, it will be useful if we have a matrix chart in which examples closely related to daily living, those closely related to businesses, and so forth are indicated on the vertical axis by categories, and different types of users are indicated on the horizontal axis. While versatile examples of open data are made public in Japan, it will be desirable if we have a kind of guidance for secondary or tertiary use of open data, which shows in what way, where and how often each type of open data is applied or used. The main Committee is said to have been collecting examples of use/application of public sector data. In this regard, I want to know what activities the Committee will undertake, in what manner it will collect examples, and what goal it will aim at, in the next fiscal year onwards. I think that through such process, the Committee will be able to compile a good road map in which the entire picture of the use/application examples of public sector data can be seen, at the time when different types of users in the government, municipalities and companies want to apply such data to different types of usage.

☆ Although the information which we publish contains only simplified contents of different kinds of services by countries, we are in fact also analyzing who is actually conducting operations and what types of models are used. In that process, data are classified by the types of users, such as ordinary consumers and companies, or public organizations and citizens.

In terms of the usage of open data for the purpose of making money, use patterns are more or less identified. The most popular usage at present is for business advertisement by companies. Next to that, open data are being used by companies that sell smartphone applications. However, since the price of a smartphone application is so small, say at the level of one dollar or several cents per application, it doesn’t seem that open data are used with so much serious intent to make money. The special case I presented to you today is one successful business using open data because the company concerned is selling just one type of application in several tens of countries in such a large scale, but it is unthinkable that you can make money by simply introducing smartphone applications using open data to the market. Another type of examples where open data are used for commercial purposes is the case where the open data are offered as fee-based services from the beginning. However, a question arises as to whether consensus can be gained in the market about consumers’ paying money to services based on open data. As I mentioned by showing some examples, companies that are making money by selling open data are not only selling the data per se but they are also selling something extra with the data. From the viewpoint of making money, if something extra cannot be offered, it will be very difficult to make profit in all cases, including advertisement by companies, provision of smartphone applications, and provision of fee-based services.

If you can see the entire picture like a bird’s eye view, it will be nice, but it doesn’t seem that there are many companies that pride themselves on using open data. As an example in the United States which I presented to you, however, we have the case of a company called MRIS which is providing real estate information and making huge profit, by obtaining raw data from the public sector and selling them after their compilation to other organizations, which are somewhat similar to the Association of Residential Land Building Business in Japan, already long time before the approach of encouraging utilization of open data was initiated. For that company, it makes no difference whether the data are coming from the public sector or not. There may also be many cases in Japan and in other parts of the world where people succeed greatly in doing business by utilizing open data and adding something extra. For instance, the case of Seven Eleven is quite well known. There must be a large number of successful companies like this, and we should pay attention to such companies. Conversely said, if we expand the scope of our studies to that extent, classification of types of businesses itself will lose its meaning.

☆ I will be satisfied if we could have a bird’s eye view, as an image, indicating such matters as “in what areas open data are utilized” and “who is making money”.

☆ Open Data Institute in the United Kingdom is an organization established for the purpose of creating schemes for businesses using open data. Even in such an advanced country like the UK, people are still struggling how to use open data for successful businesses. That situation also applies to the United States. It will take some more time before large-scale businesses based on open data are deployed one after another.

☆ We want to continue discussing this matter in our Committee, as it is one of our important missions to make the overall situation clear in order to disseminate the open data campaign.

☆ As is indicated in the example of the approach in Yamagata City relative to disaster prevention (see page 5 of the material prepared by MIC) and the approach of using/applying geospatial information which is conducted in Kita Ward (see page 7 of the material prepared by METI), “spatial data” seems to be most promising in the possibilities that new value is created from new types of combinations out of the situation where different types of data have a certain relevance with each other..

In that sense, the business areas which Mr. Seki explained are full of possibilities of innovation. The example of the “Calil” presented by Mr. Yoshimoto is also impressive. I wonder if an advertisement model is used as the business model there. I want to learn about that point more, if possible.

And as the final point of my remarks, I want to touch upon the case of “midata” presented in page 15 of the material prepared by Mr. Azuma. This approach is based on a mechanism whereby personal data of a person owned by multiple companies are coordinated horizontally so that the action history of the person can be grasped in an integrated manner. I think the situation where a person’s history of action and his or her action pattern can be entirely analyzed offers a very good business opportunity in a sense, but at the same time, I have some concerns, from the viewpoint of provision of sensitive information, that this may create a possibility that unexpected combination or complex use of personal information is brought about as a result of the person’s providing his or her personal information to versatile companies. That is to say, there exists a problem of risk associated with information processing beyond the expectation of information providers (i.e. the risk that information providers can’t imagine in advance). When companies collect information entailing such risk, I wonder in what manner permission from information providers could be obtained. I think that proper knowhow to cope with this problem needs to be developed on the side of companies. Unless such ethical rules are established, we may not be able to sweep away anxieties in deploying the idea.

☆ The business model of the case I presented is a kind of advertisement model, based on which you can get “affiliate income” from displaying advertisement of the bookshop(s) in which you can buy a certain specific book you could not find in the library when looking for the book. There are also some cases where API (Application Programming Interface) is offered onerously. The largest organization using the data of “Calil” is the National Diet Library. Because you can find out, on a real time basis, from which libraries you can borrow certain specific books, services using the data of Calil in order to analyze which ones out of the books that went out of print should be reissued have been offered to publishers recently.

☆ Concerning “midata”, it is now gradually being legally recognized in the United Kingdom that the access right to data which were essentially generated from someone’s action belongs to that person. The data which someone chose (for example, logs of Google) are allowed to be used by that person freely. It is not that someone else is allowed to use someone’s data freely, but the access right to the data belongs to the original person. It is thought in the United Kingdom that new business opportunities exist when each person uses/applies data to which he or she has access right, freely, as he or she desires. Because the data are personal, it is all right when the right holders use them, but when you entrust someone else to utilize them, that could create a problem. So, people in the UK are still struggling how to overcome this problem by one way or another, although I am not certain how they are going to overcome this problem in concrete.

☆ I think the data portal and the chart of new services described in page 13 of Material 11 are very important. When we think about the usage of open data, we often have discussions as to which type of open data, whether geospatial or meteorological, is most useful.

In such discussions, we examine in which fields new services can find opportunities, by taking into account the route of data flow and the ecosystem, based on past examples. And when we consider disseminating and promoting applications of open data, we tend to focus our discussions about the ways of having Ministries and Agencies deliver open data, but we need to note that there are also other matters to think about.

I want to raise a question to MIC and METI. While the demonstrative experiment is of a large scale and thus quite interesting, may I understand that API or data formats created there will be made widely open and remain usable by everyone even after the termination of the demonstrative experiment?

☆ As indicated in Material 4, the main objective of the demonstrative experiment conducted by MIC is to develop a common API. The essence of this experiment is to create a common API, by using existing data formats, data models and common vocabularies as much as possible. Another objective is to standardize API, by unifying the way of handling database and the access method. In this fiscal year, we have drawn up a draft common API and we are now in the process of demonstrating that. We will examine this in detail over three years, and we intend to make public the results of our examination from time to time so as to receive comments from the public. In that way, we will make the common API usable by everyone. As regards the data to be used in the demonstrative experiment of the common API, we intend to use data of large volume and of real time, but because some of the data owned by the government are small and static, I think other phases such as conversion of Excel data to CSV are also technically important. For that purpose, we are reviewing the idea of drawing up a technical guidance that can respond to such needs, in collaboration with the Technology Committee.

☆ The examples described there are undertakings to verify what is necessary to have the public sector publish such public data that can be made public, and add value to such published public data, as indicated in the remarks to the effect that it is important to have the plan-do-check-act (PDCA) cycle function. This time, we are going to carry out a model business in which a company adds value to the public data which were actually given by Kita Ward and then provide information relative to safety, security and tourism. Based on the findings we have obtained from this undertaking, we are considering the best way of making public data open and further improving the quality based on feedbacks.

☆ I think a lot of failure is necessary for carrying out evolutions. I hope that the business of providing public sector data in a form usable by many people gets rolling swiftly, regardless of failure.

**5. Proceedings of the commendation of “Katte Award” and collection of candidates:**

Explanation was made by Mr. Murakami (Secretariat), based on Material 13.

Announcement of recommendations was made by the Japan Business Federation.

☆ I think it important to praise various approaches from versatile viewpoints based on the presentations made today. I think it good that we have many prizes. I wish that many companies participate in the event so that we can increase the number of prizes from sponsors.

☆ Are we going to invite sponsors?

☆ Yes, that is correct. I want to invite sponsors also from the Committee members as well as member companies. If the number of sponsors is large, the event will get better. So, I urge you to become sponsors of this event.

☆ I understand that prize winners receive a commemorative shield and a supplementary prize as well. If the same person gets also a prize at Hackathon Conference, the same group created adhocly will come to receive the prize. Then, there will be a dispute as to who will take back the shield.

☆ The approach of open data utilization/application in the United Kingdom was presented based on Material 11, and a seminar with which ASPIC cooperates is scheduled to be held at the British Embassy at the beginning of February. I hear that this is a seminar about the big data and business trend in the UK, as well as business opportunities for Japanese companies. I will let you know of the details of the seminar after getting confirmation.

**6. Other matters (about the next Committee meeting, etc.):**

The scheduled agenda of the next Committee meeting was explained by Mr. Murakami (Secretariat)