

Baron Carter of Barnes  
Parliamentary Under-Secretary of State for Communications, Technology and  
Broadcasting  
Department of Business, Enterprise & Regulatory Reform  
1 Victoria Street  
London  
SW1H 0ET

11 March 2009

Dear Lord Carter

I am writing on behalf of the Digital Communications Knowledge Transfer Network (KTN) to express strong support for the objectives outlined in the *Interim Digital Britain Report*, and to provide views on some of the factors that are central to the UK maintaining and growing its world leading position in Digital Communications and in placing the digital economy at the centre of its economic development strategy.

The Digital Communications KTN has been established on a not-for-profit basis by senior company representatives from the equipment manufacturer, network operator, service provider, application developer and broadcaster segments of the sector. With funding from the Technology Strategy Board, it aims to bring a competitive advantage to the UK by promoting collaboration and knowledge sharing between the users and providers of Digital Communications and by helping to drive innovation in the sector.

Digital Communication holds the key to the implementation of many important transformational applications. In the field of Digital Transport these will improve safety and enable *Intelligent Transport Systems (ITS)*. In Digital Education they will facilitate access to learning for all. In Digital Healthcare they will implement such concepts as the *Doctor in your pocket* and *assisted living*. In Digital Public Services they will finally realise the vision of paperless access. In Digital Energy they will be central to *smart metering* and helping to reduce energy consumption. In our Digital Homes they will enhance security and enable the control of lighting. In the Digital Environment they will exploit connected sensors for pollution measurement. This already long list is by no means exhaustive. It is, however, indicative of the central importance of Digital Communication to our 21<sup>st</sup> Century lifestyle, and of the applications it is poised to enable.

As noted in the *Interim Report*, the Digital Communications sector is one of the largest in our economy. The Digital Communications KTN is currently undertaking an analysis of it, based on the data contained in the latest UK R&D Scoreboard, using our members' unique understanding of those UK companies that directly contribute to its success. Our early conclusion is that it is in an even more positive position than is currently perceived, with the total revenues of these companies making it the largest sector in the UK, and with their combined R&D expenditure being second only to that of Pharmaceuticals and Biotechnology. We would be delighted to share this analysis with you once it is completed.

The UK is therefore extremely well placed to position the digital economy at the centre of its vision for economic development. However, if it is to build on its strengths, it is essential that the UK has a national communications infrastructure capable of enabling the realisation of this vision. UK businesses will increasingly depend on this infrastructure for effective operation, particularly as they are becoming ever more specialised, and therefore increasingly needing to cooperate to deliver end products and services. UK technology researchers are also becoming more involved in international collaborations, and will require higher speed access to ever larger amounts of data, placing yet further demands on it. The future requirements of this infrastructure are likely to have profound implications on UK university research priorities, public policy matters and skills requirements. It is therefore imperative that the *Digital Britain* agenda directly influences Research Council funding. It would be timely to place a Chief Technology Officer (CTO) at the heart of every Government Department to spearhead its public policy aspects. Action must also be taken to ensure that the UK has the necessary skills in place to effect its realisation and exploitation. The UK must also work closely with European Union colleagues, as the success of *Digital Britain* will in a large part be dependent on there also being an effective *Digital Europe*.

To assist in developing an understanding of the medium term requirements of the UK communications infrastructure, the Digital Communications KTN has recently created Working Groups to address the important aspects of the *Radio Spectrum* and of *Next Generation Access*. The latter group is currently arranging a series of Regional Workshops to engage with companies both large and small, together with representatives of local communities, to explore their future communications needs. The first of these will take place in East Anglia on 26 March 2009. We will be pleased to share the conclusions drawn from them with you, and those from our other activities aimed at establishing a medium term vision for the UK's communications infrastructure as an enabler of the digital economy. We believe that the articulation of such a vision, and a target roadmap for its implementation, is a necessary prerequisite to kick-starting a new virtuous circle of investment in the UK, both in the Digital Communications sector itself and in those other sectors central to the digital economy. This is especially important given that our preliminary analysis of the Digital Communications sector, although as previously noted showing it to be in a stronger position than is currently perceived, has indicated that investment is now reducing in comparison with other countries of the world.

Whilst awaiting with interest the *Final Digital Britain Report*, we believe that there still will be the need for further work of a visionary nature subsequent to its publication, particularly in respect of the system architecture and design of the UK's

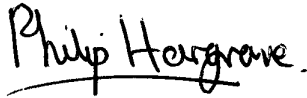
Russell Square House,  
10-12 Russell Square,  
London WC1B 5EE

T +44 (0) 2073312056  
[www.dcktn.org.uk](http://www.dcktn.org.uk)  
[info@dcktn.org.uk](mailto:info@dcktn.org.uk)

Digital Communications – Knowledge Transfer Network. A Company Limited by Guarantee.  
Registered in England No 06337565. Registered Office: Russell Square House, 10-12 Russell Square, London, WC1B 5EE.

communications infrastructure. In addition to establishing a medium term vision, we also believe it is important to undertake long term scenario-planning in respect of this infrastructure, in a manner similar to that for Transport. Part of our remit is to offer advice in respect of the UK's technological needs, and of matters that have the potential to impact innovation in the UK. We would therefore be delighted to meet with you to discuss our future involvement in helping to establish the medium term vision, to undertake longer term scenario-planning, and to support international benchmarking missions against which we believe both should be routinely checked.

Yours faithfully

A handwritten signature in black ink that reads "Philip Hargrave". The signature is written in a cursive style with a horizontal line underneath the name.

Philip Hargrave FREng  
CEO & Network Director

Russell Square House,  
10-12 Russell Square,  
London WC1B 5EE

T +44 (0) 2073312056  
[www.dcktn.org.uk](http://www.dcktn.org.uk)  
[info@dcktn.org.uk](mailto:info@dcktn.org.uk)

Digital Communications – Knowledge Transfer Network. A Company Limited by Guarantee.  
Registered in England No 06337565. Registered Office: Russell Square House, 10-12 Russell Square, London, WC1B 5EE.