

From the office of the Director General
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Lord Carter
Minister for Communications, Technology and Broadcasting
Department for Business, Enterprise & Regulatory Reform
1 Victoria Street
London SW1H 0ET



Dear Stephen

First let me offer my congratulations again on the new role, although I'm sure it doesn't feel quite so new anymore! I am sorry I missed you at what I hear was a very good BSG event last month but I am looking forward to our meeting in January. You know that we believe achieving a much more digital Britain is vitally important for our industry, and to enable our capability to be properly used for the good of the UK economy and wider society. I hope you know that Intellect is ready and willing to help you refine and deliver the vision; I hear from Kip and Antony and colleagues in the BSG that great progress is being made.

When we meet we can cover the wider Digital Britain goals, but I wanted to write now on a couple of pressing points. You will be very familiar with both, but I hope you will find it helpful to have a clear opinion from Intellect on the two topics in question.

Speeding up the release and liberalisation of spectrum for mobile broadband in the UK

A number of our members are significant investors in wireless technology R&D in the UK. Their appetite for investment could be significantly reduced when there is avoidable delay in the release and liberalisation of spectrum. There are two factors which are, in our opinion, significant, and where early action by your team would be valuable:

- First, the rules which govern how Ofcom releases spectrum, and the subsequent appeals mechanism. We believe the FCC approach to handling delays when parties seek judicial reviews works well. In contrast, when faced with litigation, Ofcom stops the award process until the review is complete. And because no statutory instrument has been laid before Parliament, once the current dispute is resolved there is further delay.
- Secondly, Ofcom should have a more flexible approach to the impact of appeals or other external delays on spectrum release timetables. Where the delay differentially impacts the relevant spectrum we believe Ofcom should consider splitting spectrum awards or re-prioritising the release of substitute spectrum.

Members are keen to stress the important role of wireless broadband to the UK economy; from the Olympics to viability of small businesses in rural areas.

Need for a government announcement confirming a roadmap to migrate to DAB

As you are aware, we are at a critical moment for Digital Radio in the UK and Europe. With 8 million sets already in homes and BBC national coverage expanding the platform is now well established with the consumer, and yet uncertainty about its future remains. We have been closely involved with the work of the Digital Radio Working Group (DRWG) and welcome the coordinated and collaborative approach that the DCMS have taken in bringing all stakeholders together to identify a roadmap for a digital migration. Now, a year after the group began its work, a strong lead from government is essential to secure the short term future of the platform. We believe that a positive announcement from government both endorsing the work of the DRWG, and outlining a roadmap of how and when the UK would migrate to a predominantly DAB broadcast system, should be made as soon as possible.

The UK is the home of the major chip manufacturer of DAB silicon as well as the two leading receiver manufacturers and as such is uniquely positioned to benefit from the potential expansion of DAB not just in the UK, but globally. We believe that this example of high value manufacturing could make a substantial contribution to the UK's future prosperity and fits the 'Digital Britain' aim of securing the UK's place at the forefront of innovation, investment and quality in the digital and communications industries.

We would, of course, be happy to discuss these points further at any time. I look forward to our meeting in January and working with you and your team to develop the Digital Britain action plan.

Kind regards
John

Cc David Hendon BERR