



28<sup>th</sup> September 2004

Dear Broadband Stakeholder,

I am very pleased to announce the launch of a new phase of work for the Broadband Stakeholder Group. Recognising that broadband remains a fundamental issue for the UK economy and society, the DTI together with several major companies have agreed to support the continued work of the BSG.

Clearly, the UK broadband market has come along way since the BSG was first set up in April 2001. This month we expect take-up to exceed 5 million connections, more than 20 per cent of UK households. The UK already leads the G7 in terms of broadband coverage with availability exceeding 91 per cent of households and scheduled to reach 99 per cent by the middle of next year. The market is also becoming more dynamic with strong marketing, more advanced services and falling prices all signs of renewed investment and increasing competition.

Despite this progress I see no cause for complacency. Broadband has become a phenomenon around the world and particularly in the Far East, is becoming faster and more mobile. It is also starting to deliver a new range of compelling applications and services combining voice and video communications. There is growing evidence that societies, which adopt, adapt and absorb the benefits of broadband quickly and deeply will achieve significant benefits in terms of productivity, innovation, growth and quality of life. If the UK is to become a successful knowledge economy it is therefore vital that UK we keep up with our global competitors on broadband.

That's why we are setting a goal for the UK to be a world leading connected economy by 2010. Measured, not just by the infrastructure available, but by the way people and organisations use and exploit broadband enabled technology, content, services and applications.

The BSG's mission will be to eliminate the remaining barriers to the adoption, adaptation and absorption of broadband-enabled technology, content, applications and services by consumers, enterprises and the public sector. Deeper exploitation of today's broadband services is the key to unlocking the investment required for the next generation.

In this new phase the BSG will continue to bring together stakeholders from across the broadband value chain in an open forum to discuss ideas on driving the market forward. It will also provide independent advice to government on the wide range of policy issues involved.

Specifically, the BSG will work to:

- Promote the full exploitation of broadband by consumers, enterprises and the public sector
- Encourage investment and innovation in next generation infrastructure, content applications and services
- Ensure the continued prioritisation of next generation broadband services by government

An overview of the proposed actions for phase 2 of the BSG, together with information on the structure and governance is available on the BSG website (<http://www.broadbanduk.org>). Further announcements will be made by the Secretariat as the new Executive is formed.

The BSG has managed to embrace a wide range of views – operators, equipment vendors, content developers, corporate and government users, community groups and individuals. Inclusiveness and diversity have been key to success and it is essential that this remains the case in the next phase, as we look towards the full exploitation of broadband's potential.

The BSG's success has depended upon the voluntary contribution of knowledge, views and ideas from all of the stakeholders. I would like to thank you for the contribution you have made over the last three years and hope that you will continue to actively participate as we start to address the challenge of ensuring that the UK is a world leading connected economy in 2010.

I remain convinced that broadband will be a catalyst for transformational change across the public and private sectors and can have a positive impact on the way each of us lives our lives. The BSG, as an open forum for the creation of new thinking, can provide proactive leadership to help the UK achieve this vision.

A handwritten signature in black ink that reads "Keith Todd". The signature is written in a cursive style and is positioned above a long, horizontal, slightly curved line that serves as a decorative underline.

**Keith Todd**  
**Chairman, Broadband Stakeholder Group**