



SPIE

Connecting minds. Advancing light.

SPIE.org
SPIE@SPIE.org

Mail: PO Box 10
Bellingham, WA
98227-0010

Ship: 1000 20th Street
Bellingham, WA
98225-6705 USA

Tel: +1 360 676 3290
Fax: +1 360 647 1445

22 July 2010

The Rt. Hon. Dr. Vincent Cable MP
Secretary of State for Business, Innovation and Skills
President of the Board of Trade
2A Lion Road
Twickenham, Middlesex TW1 4JQ
UNITED KINGDOM

The Rt. Hon. David Willetts MP
Minister of State for Universities and Science
19 South Street
Havant, Hampshire PW91BU
UNITED KINGDOM

Dear Rt. Hon. Dr. Cable and Rt. Hon. Willetts,

I have noted with great concern the imminent cuts at QinetiQ Malvern and rumours of more to come. I believe that this is short-term expediency and will greatly damage an important UK strategic asset.

I am the CEO of SPIE, the world's largest member society in optics and photonics. I spent my early career in the UK, and then some decades in the U.S. photonics industry, ultimately as president and CEO of successful companies. Amongst those, I helped co-found and connect to market the Belfast company Andor Technology, an SME that has provided employment for 20 years currently with around 200 people.

SPIE's members are mostly technology experts in the broad areas called optics and photonics. This area not only includes imaging, lasers, optical components and systems for medical, military and research applications, but also aspects of new energy-efficient lighting, various approaches of exploiting solar energy, displays and "plastic electronics or photonics". Our organization is unusual for a non-profit science and engineering member association. We are entwined with industry and pursue the benefits of economic return from optics and photonics R&D. Many of our members depend directly on the photonics economy. The future of funding for our academic members, and employment for their students, is also dependent on successful commercialisation of research.

I visited QinetiQ and its predecessors in Malvern a number of times. I am very familiar with the work done by its scientists and engineers and aware of the international regard for their contributions to products that have become ubiquitous in the market-place. Some have said that QinetiQ's business model was flawed and that it was too much to expect a highly successful technology enterprise, mostly government funded, to become commercially

successful. Certainly I have not seen that work well anywhere else and indeed all of the world's research and development centres are set up on a not-for-profit basis for good reason.

Much of what has been developed at Malvern is world class. The knowledge base that has been built up through the work of various teams represents a key component underpinning the UK's future potential in electronic and optical technologies with growing market potential. I have no doubt that spill-over of this knowledge in the UK has helped world leading companies such as BAE Systems, Thales, Smiths Instruments, SELEX Galileo, e2V, Malvern Instruments and Andor.

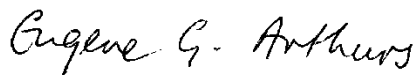
Yes there is a problem that needs to be solved, a problem not unique to the UK but shared by many of the "developed economies". That is how to convert pre-eminence in science and technology into benefits for the local economy. This long known problem is at last getting serious attention and solutions will come. There are models to learn from in high wage economies such as in Germany. Destroying world-class capabilities such as those at Malvern in the short term will weaken the UK's base for the new economy. Dr. Hermann Hauser put it well in the report published in January this year for Lord Mandelson, the former Secretary of State, Department for Business Innovation and Skills. (The government may have changed but not the economic realities).

"These are exactly the capabilities for technology innovation that the UK must maintain if it is to continue to be a world leader and build a foundation for continued economic growth."

I believe that Dr. Hauser's suggested creation of technology innovation centres of excellence is indeed a potential road to capitalize on the UK's excellence in science and technology. Many of these sentiments are also echoed in the Dyson report and I certainly share his advocacy for proper market influence in these centres.

Urgent consideration needs to be given to developing a way forward of avoiding the fall-out from seriously damaging actions such as proposed by QinetiQ, so that there can be a world leading technology base from which to spin-out profit-making activity.

Sincerely,

A handwritten signature in cursive script that reads "Eugene G. Arthurs".

Dr. Eugene G. Arthurs
CEO
SPIE, The International Society for Optics and Photonics

CC:

Dr. Roger Appleby, QinetiQ
Mr. Gary Bishop, BAE Systems
Dr. Douglas Burgess, Burgess Consulting
Dr. Richard Hollins, Defence Science and Technology Lab
Dr. David Huckridge, QinetiQ
Dr. Leslie Laycock, BAE Systems
Dr. Colin Lewis, Ministry of Defence
Prof. Keith Lewis, Sciovis Ltd.
Prof. Adam Ogilvie-Smith, Office for Security and Counter-Terrorism
Dr. Mark Richardson, Cranfield Univ.
Dr. Neil Anthony Salmon, QinetiQ
Dr. Chris Slinger, QinetiQ
Dr. David Titterton, Defence Science and Technology Lab

Robert Peston, BBC News
Ambrose Evans-Pritchard, Daily Telegraph
Dan Roberts, Guardian and Observer
Ian McConnell, The Herald
Scott Reid, The Scotsman
David Wighton, The Times
Sion Barry, Western Mail
Brian Groom, Financial Times
John Simpson, Belfast Telegraph
Noel Doran, Irish News Belfast