



HOUSE OF LORDS

The Rt Hon the Baroness Stowell of Beeston MBE
Chair of the Select Committee on Communications and Digital
House of Lords
London SW1A 0PW

The Rt Hon Michelle Donelan MP
Secretary of State for Science, Innovation and Technology
Department for Science, Innovation and Technology
100 Parliament Street
London
SW1A 2BQ

2 May 2024

Dear Secretary of State,

Thank you for the Government's response to our report on generative AI and large language models (LLMs).

We are pleased that the Government is continuing to make progress on this important topic and that you agree with our assessment of the stakes, trends and overarching approach. There are several areas where the Government's work demonstrates far-sighted thinking.

There are however some significant areas where we believe the Government needs go beyond its current position.

Copyright

The Government's record on copyright is inadequate and deteriorating. We appreciate the technical and political complexities of the challenge. But we are not persuaded the Government is investing enough creativity, resources and senior political heft to address the problem.

The contrast with other issues, notably AI safety, is stark. The Government has allocated circa £400 million to a new AI Safety Institute with high-level attention from the Prime Minister. On copyright, the Government has set up and subsequently disbanded a failed series of roundtables led by the Intellectual Property Office. The commitment to ministerial engagement is helpful but the next steps have been left unclear. While well intentioned, this is simply not enough.

Your response acknowledges the purpose of copyright but declines to provide a clear view on whether the Government supports the principle of applying this to LLMs, and whether the Government is prepared to update legislation to put the matter beyond legal doubt. Indeed, it suggested that the Government does not wish to comment in order to avoid prejudicing the outcome of ongoing legal cases. This contention is misguided and unconvincing. We appreciate that it is not Government's role to interpret the law or to comment on legal cases. But there is no suggestion that setting out your intention to address legal uncertainty would breach *sub judice* conventions. It is therefore difficult to escape the conclusion that the Government is avoiding taking sides on a contentious topic.

This trajectory is concerning. The issues with copyright are manifesting right now and problematic business models are fast becoming entrenched and normalised. It is worth exploring whether these trends suggest a few larger publishers will obtain some licensing deals while a longer tail of smaller outlets lose out.



HOUSE OF LORDS

Your response indicates there is progress on a transparency mechanism for copyright holders. That is welcome. But more is needed, and quickly. ChatGPT was launched nearly 18 months ago. Your work to “understand what is technically feasible and what is proportionate” should move towards taking action. The same holds for our recommendation to invest in high-quality licensed data repositories to encourage good practice. Ultimately, copyright law needs updating to ensure legal clarity.

The Government’s reticence to take meaningful action amounts to a de facto endorsement of tech firms’ practices. That reflects poorly on this Government’s commitment to British businesses, fair play and the equal application of the law. Copyright catalyses, protects and monetises innovation – as evidenced by the £100 billion success of the UK’s creative industries.

There is a major opportunity to establish a compelling legacy on supporting responsible AI. We urge you to take it.

Balanced approach

Our report argued that the Government’s strategic focus had pivoted too far towards a high-stakes view of AI safety between April 2023 and January 2024. We welcome the various commercial and research initiatives cited in your response (noting that a substantial proportion were conceived before the shift we identified). We welcome in particular your work to support start-ups and spinouts, expand compute, and develop safety tests for high-risk models. We will keep these matters under close review.

Market competition and regulatory capture

There is a trend towards consolidation at the cutting edge of the market. Upholding open competition is vital to ensure new entrants can establish a foothold. We welcome your recognition of this issue and note your engagement with the open source community to ensure any policy interventions are “nuanced, targeted and designed to avoid or minimise negative impacts on valuable open-source activity”. We reiterate our suggestion that market competition is made an explicit policy objective: it should be embedded within the design and review process for new policies and standards, and subject to structured internal and external critique.

We were disappointed that the Government has not yet made a public commitment to strengthening governance measures to guard against regulatory capture. This needs to go beyond declaring interests. As we warned in our report, there is a clear trend towards greater reliance on external technical expertise to inform decisions on standards and policy frameworks. This will bring valuable industry engagement. But the unintended risks of entrenching incumbent advantages are real and growing. Even an unfounded perception of close relationships between AI policy and technology leaders risks lasting damage to public trust.

We urge you to make more explicit commitments around enhanced governance measures for AI standards and policy decisions.

AI funding

We are grateful for your separate letter dated 17 April responding to our question about how UKRI is funding university AI research. We welcome the Government’s investments and note that in some areas overall recruitment numbers are going up.



HOUSE OF LORDS

The question in our report¹ was about the way funding allocations are being delivered and whether this creates a funding gap among a small number of high-end institutions. We noted the risks that foreign actors may acquire outsize influence in sensitive areas of research at our leading institutions as a result. Your letter provided helpful funding data but did not address this point sufficiently.

On 18th April the Deputy Prime Minister gave a [speech](#) arguing that “we must ensure that some universities’ reliance on foreign funding does not become a dependency by which they can be influenced, exploited, or even coerced”. He noted the review into academic security. This was also not raised in your letter. We would be grateful for further clarification on whether the way UKRI funding allocations are being made has been considered as part of this review.

Next steps

We were pleased that the Government’s response to our report indicated more common ground than suggested by your initial media [comment](#), which did “not accept” our findings. We studied the Government’s White Paper response in detail and noted substantial similarities between that and your response to our report. We will continue to keep the Government’s work under close review and look forward to receiving more detailed updates in due course.

Yours sincerely,

BARONESS STOWELL OF BEESTON

¹ See paragraphs 90-95