

Launch of Cellular 25

Science Museum, 21 January 2010

David, I am delighted to be with you – thank you for inviting me to join you at the inauguration of this celebration. And celebration is the right word – there is a great deal to celebrate in this industry’s contribution to our economy and to our society over the past twenty five years.

25 years of services – but the invention isn’t much older than that. I met a while ago in the US, Marty Cooper who invented the cellular mobile phone and made the first call on one, while working for David’s former company – and that was only in 1973. It has been astonishingly fast progress, with an enormous economic impact.

David talked to us as well about a dream, and I want us to celebrate today as well the social impact. I remember, as many of us will, the debates we used to have about how to extend the benefits of having a phone to people who couldn’t afford one. In the 1990s, many of the asylum seekers and others on very low incomes coming to my surgeries in my constituency in the East End of London were’nt able to give me a phone number. And I remember how that suddenly changed – with extraordinary speed – when pre pay mobile

services were introduced a decade ago. Today almost everybody has a phone number. Cellular mobile has powerfully boosted social inclusion.

And its very striking that the commercial packages to provide broadband internet to low income families under the Government programme launched last week, have mobile as their broadband solution.

Looking outside the UK, the impact has been even more extraordinary. In India, in China, in Africa. And in Africa we see, in particular, examples not just of remarkable economic development, as places which have never had a telephone service in the past have leapfrogged to modern cellular communications, but of inspiring social development as well, as the new technology has been harnessed with imaginative corporate responsibility. And some UK players have played a very important part.

Being here in this marvellous hall is a reminder of the complementary relationship between aviation and telecommunications. Both industries can trace their origins back to the time of the French revolution, with the first balloon flights and the first telegraph systems. When, two hundred years later, in 1985, the first mobile phones

appeared on the streets of Britain, it began a new chapter in an old story.

Technology develops at a remarkable speed. Government played its part in helping secure worldwide agreement on GSM, now an extraordinary global success story, and later in making sure new spectrum was available for 3G.

It was initially luxury items for a few. But it didn't take long before the market delivered affordable, indispensable devices for all. And the competitive market in the UK, and our investment-friendly climate, have helped put British consumers at the forefront in Europe.

I am now in my third stint as the Minister looking after Government's interest in this sector. My contribution has been a modest one by comparison with those in the museum today, but I was on the receiving end in March 2003 of the first official 3G video call, made by then Secretary of State Patricia Hewitt. And it has been a remarkable story, over the past 25 years, of innovation and enterprise, of overcoming hurdles and defeating scepticism, of understanding needs and then smartly figuring out how to best meet them.

Today, my brief is to take forward the strategy set out in the *Digital Britain* White Paper, published last June. The digital sector is a huge success in itself, with outstanding opportunities for future growth which we need to harness as we emerge into economic recovery. But it is also the vital enabler for economic and social activity, right across every sector. As fiscal consolidation will be imperative over the next decade, and as we look for new sources of growth and for more efficient ways to deliver services, this sector will be providing many of the answers.

Three components in the *Digital Britain* strategy:

First, it recognised that it is people who use technology, and ‘people becoming digital’ is vital for social mobility and inclusion. Last week’s announcement that mentioned the home access programme will provide 270,000 low income families with a free laptop and broadband, giving parents the ability – for example – to monitor online their child’s progress at school.

Our champion for digital inclusion is Martha Lane Fox, who is doing outstanding work encouraging people to get online – particularly those ten million UK citizens who have never used the Internet in their lives. We hope that, in the next

five years, the vast majority of large transactional services will be handled online, often via mobile. And the result will be better value for businesses and consumers – and for taxpayers.

Second, Digital Britain recognised the need for a strong supporting structure for developing content, whether public service content or copyrighted material. The creative industries have been damaged by large scale on-line copyright infringements, though not on the whole by the mobile service. The obligations in the Digital Economy Bill currently before Parliament aim to establish a process through which people are informed about copyright, understand the damaging effect of illegal actions and change their behaviour so they can get the content they want legitimately.

We want content creators to be confident they can continue to earn a livelihood. Companies nurturing creative talent will be able to be confident of a return on their investment, so they can develop new talent to entertain and inform us all.

Third, Digital Britain was about investment in networks. We have to build on the story of liberalisation, competition

and independent regulation, with a new phase of infrastructure and service development.

We want a good basic level of broadband to be available to every home, and then go further by investing an extra £1 billion in next generation broadband by 2017. Its even more important in the current economic climate, as having fast, modern broadband will help to create and expand thousands of companies and mean thousands of new jobs. It is crucial infrastructure for Britain's development in the future.

For mobile services to contribute their full potential, they need more spectrum. Our major challenge is getting spectrum into use in a way that delivers for consumers. Each extra year without next generation mobile services is a year too long.

So our Wireless Radio Spectrum Modernisation Programme was designed to work out how to liberalise 2G GSM spectrum, and provide more spectrum through releasing 2.6 GHz and the Digital Dividend 800 MHz spectrum, which we want to bring into line with other European countries.

The Independent Spectrum Broker's conclusion, broadly shared across industry was that a lot of progress could only

be achieved through a comprehensive approach. By looking at all the spectrum bands involved; at the level of spectrum holdings by operators across those bands; and at which bands spectrum was held or not held.

We are working now to implement the recommendations. We issued a consultation in October on use of the Secretary of State's powers to direct Ofcom. Once that consultation closes, on 5 February, officials will complete a full analysis of the responses. But the stakes here are very high. Decisions this year will shape the next twenty five. I hope we can together make the right judgments.

Let me close by thanking Cambridge Wireless for organising this event, it's a great occasion; and thanking everyone in the industry for achieving the incredible success we are celebrating today.

We need a lot more success in the future too. Let's work together to achieve it.

Thank you.