

# Labour's plans threaten th



GRAHAM WILKINSON  
BEYOND

For the wider channel these proposals are obviously a worry. My first reaction was 'how on earth is Mr Corbyn going to be able to do this'. The numbers don't stack up and there would be so many obstacles to overcome. He must make part of BT want to be nationalised again, be able to buy it and then agree to it with the shareholders etc. The value of BT is so great that he is never going to be able to do it for £20bn. It's not just buying it but sustaining the service. It's pie in the sky in my opinion. He's throwing big numbers at big things with no substance or planning, hoping to appeal to a certain sector of the electorate, such as millennials in this case. But there's pretty much free Wi-Fi outside of people's homes anyway now so the benefits will be limited.



CHRIS GOODMAN  
FOCUS

Labour's pledge on free broadband is absurd. Without a competitive market there will be nobody to deliver full fibre! UK coverage of NGA style broadband networks (FTTC etc.) is 95% this year (only 83% across the EU). It's a different story for modern 'ultrafast broadband' (100Mbps+) and 'full fibre' (FTTP) networks. The main reason? Until recently, Openreach was laser focused on deploying cheaper and slower hybrid-fibre (FTTC). By comparison FTTP is much faster, but also very expensive and slow to deploy. Lack of competition in infrastructure has meant that Openreach has prioritised the roll-out of connectivity that preserved the revenues generated through its legacy copper network. Now, CityFibre is rolling out £2.5bn of fibre infrastructure and TalkTalk is rolling out its 'Fibre Nation' at a further £1.5bn. The TMT/ICT sectors are prime examples of where market economics drive R&D, delivering innovative solutions for consumers and businesses alike.

In its long history, Comms Dealer has never taken a stance on a political issue, but we felt we had to declare a position on Labour's policy to provide free broadband and nationalise Openreach. This is an existential threat to our amazing industry, thousands of livelihoods and will inevitably lead to an investment vacuum across the ICT sector.

A Labour win on election day and subsequent implementation of the party's plans would put hundreds of service providers and resellers into a tailspin and many would ultimately crash and burn.

Putting some numbers onto this statement, analyst Megabuyte says our industry is investing £8.3bn annually, contributes almost £4bn in tax and dividends and employs over 200,000 staff. "Giving away a product that currently generates estimated revenues of £10bn would wipe out



ANDREW GLOVER  
ISPA

The entire telecoms sector has repeatedly raised strong concerns about the deep flaws in Labour's proposal. The proposal is expected to disrupt current rollout plans, prevent families and businesses from accessing gigabit broadband for years on end and threaten thousands of ISPs who sell products and services through UK broadband infrastructure and the tens of thousands of people they employ. Broadband is fundamentally different to rail, electricity and water. Rollout is largely privately funded, and we have a vibrant and innovative market with hundreds of SMEs competing with each other, offering real choice to consumers. There is a real risk that Labour's plans jeopardise thousands of jobs and the future of small and medium sized businesses in the sector. Any plan to fundamentally change the telecoms sector should be based on a proper understanding of the market and through constructive discussions with the industry.



ANDREW DICKINSON  
JOLA

When I started in telecommunications in 1984, BT was pretty much the only show in town. A 60-minute call to my mother 30 miles away cost £5 (£15 in today's money) and a person could wait months, sometimes years, to get a new service installed. Today, the same call costs practically nothing and there are over 400,000 UK SMEs in the ICT sector, employing nearly 2m people. One of the main reasons cited for liberalising telecommunications was BT's inability to meet the demand from a deregulated finance sector. However, allowing Openreach to maintain its virtual monopoly over the local loop was a mistake. Costs and lead times stayed high and service levels low. In June 2019, Ofcom forced Openreach to rent its ducts and poles to third parties, capping prices. Along with the launch of 5G, the UK population is about to enjoy a revolution in broadband speeds.



FRASER FERGUSON  
KUBENET

I stopped paying my dues to Labour in September 2017 after Jeremy Corbyn patronised a closed audience in Glasgow telling us that Dudley was in fact in the West Midlands and the utopia of communities coming together would create jobs and boost the economy. His latest hair brained scheme trumps that: free full fibre broadband for all through the part nationalisation of Openreach. Let's be clear it's re-nationalisation and blowing apart the market economy. Granted, due to massive challenges and lack of competition, the Openreach fibre rollout has been painfully slow. This is changing with challengers including CityFibre and TTB, with huge capital investment, making great strides. Now Mr Corbyn is advocating we monopolise again and nationalise challengers. Let's be clear, whether he comes to power or not, the message is damaging to our industry and has created public expectation and needless debate, spooked the markets and PE. Total madness.



CHRIS MORRISSEY  
LILY COMMS

Whilst true that improvements could be made to current internet connectivity in the UK, nationalisation is not the best option to solve the problem. The main cause of the poor connectivity to date was due to a lack of competition against Openreach, which meant they could focus on deploying slower, hybrid-fibre solutions that didn't deliver the best service but protected their revenues. Change has now come with the likes of TalkTalk and CityFibre rolling out a combined fibre infrastructure of £4bn. Industry is now transforming the connectivity landscape and providing better option for all involved. Labour's suggestion to nationalise the Openreach service shows a commercial naivety; it would have a major effect on the business economy as hundreds of businesses would be negatively affected - both those who make a living from providing connectivity services to other businesses and also those who will be taxed to pay for it.



# TeamsLink

# e industry we have built

two thirds of industry EBITDA and remove the cash flow that pays for investments,” says Chief Analyst Philip Carse.

Undeniably, Britain is lagging behind other countries with fibre rollout due to the legacy copper network in place and everyone feels for businesses in rural areas that lack decent broadband as they are literally out of the digital loop.

Nevertheless, private sector companies such as TalkTalk and CityFibre, alongside a more flexible Openreach, are addressing these issues and we believe will fix them much faster than the time it will take for Openreach to reconfigure its operations as a nationalised entity. Surprisingly, some industry leaders are sitting on the fence on Labour’s proposals, not wishing to enter a political debate. The majority however have no qualms. Our Kaleidoscope this month testifies to that.



JUSTIN BLAINE  
NTA

Like many others in our dynamic industry, I was truly shocked to hear the breaking news of a Labour pledge of free broadband for all by 2030. We are all aware of the many organisations responsible for building networks to deliver the connectivity to homes and businesses across the whole of the UK. Some are household names and others channel focused companies. Lots of these bear the cost of building these networks. Billions have been spent so far and we know this will take decades to see the return on the investment already made. Free always sounds great, however it comes at a much higher cost to our channel of which there can only be one outcome if this absurd plan came to fruition: companies going out of business overnight, loss of jobs, lack of expertise moving forward and the large incumbent provider once again leading a very slow charge.



VINCENT DISNEUR  
UNION STREET

This pledge is impractical based on cost alone. Labour’s projections claim it will cost circa £250m per annum to run and maintain a full fibre network. This seems absurd considering that BT’s current annual operating costs exceed £2bn! Then there’s the pension deficit nationalisation would create, plus the inevitable and costly legal battle brought by BT’s shareholders and other private investors. Putting cost aside, surely our society will benefit more from a competitive market that encourages value, choice and service as differentiators. One national provider, directly controlled by government, is a scary thought. The closest real-world example is Australia where, despite being massively overdue and overbudget, the speeds and technology delivered are nothing like what was promised. Nationalising a buoyant market isn’t sensible. Investing into education so that we can close the skills gap and become an even more attractive hub for tech would be a far better use of funds.



TOM O'HAGAN  
VIRTUAL1

The idea of nationalising BT with free fibre broadband for all is terrifying. It would kill innovation in our vibrant sector, give consumers and business zero choice and potentially put tens of thousands of people in the industry out of work. We are actually in a really exciting period with fibre builds. Openreach and many alternative fibre operators are actively building networks across the UK. Yes, it takes time, but there is lots of investment coming into the sector and creating jobs while providing a highly competitive landscape for consumers and businesses alike. What happens to the companies that have invested and committed billions so far? They will all cease building and potentially trading if this policy was to come to fruition. The break up will take years, notwithstanding all of the legal cases whilst the fibre builds grind to a halt putting us all into reverse.



RICHARD THOMPSON  
TALKTALK

At a time when we are finally starting to see some good movement on the pace of full fibre rollout, surely now is not the time to renationalise parts of the industry and potentially slow-down that investment. I do agree however we have some way to go in the UK. We remain woefully behind the rest of the world with fibre penetration at just 9%. But regardless of personal politics, it’s good to see that better connectivity for this country is high on the political agenda. Full fibre needs to be available as quickly as possible, at an affordable price, for all businesses and consumers. TalkTalk Business will work closely and constructively with any future government that shares this ambition. However, we firmly believe that competition and both private investment and targeted public subsidy is the most effective way to accelerate the investment in connectivity that Britain needs.



DAVID DADD'S  
VANILLA IP

It would seem that the Labour Party has been living in a time warp for the last 40 years, highlighted by their focus on fixed line internet, totally ignoring the mobile networks which many use for their primary internet access service today, something that will be further accelerated by 5G. They would be much better off focusing on areas of increasing concern around how we are going to deal with the monopoly that the big USA companies namely Google, Amazon, Microsoft and Facebook have across all areas of both our business and social lives, including of course data ownership. If we all wake up on December 13th and Labour are in power, as The Sun newspaper once famously said, “would the last one out please switch off the lights?”



PADDY COPPINGER  
WHITE HORSE TELECOM

Labour’s bombshell, which I’m not sure everyone in Corbyn’s camp was expecting, could cost nearer to £83bn than the £20bn claimed. It makes me wonder if this is achievable or simply another glib, ill-conceived, un-costed vote-catcher. It is also important to remember that despite privatisation resulting in better services and increased investment, the UK is still struggling to get broadband, particularly in rural areas. But Labour’s plan would be a massive step backwards. It would be catastrophic to a healthy, opportunity-rich and thriving industry which provides the foundations for an emerging digital economy. Giving away broadband to homes and businesses clearly demonstrates Labour’s complete and utter misunderstanding of where a large portion of the nation’s prosperity, jobs, security and wealth comes from. Three words spring to mind...out of touch. To quote Margaret Thatcher: ‘The problem with socialism is that you eventually run out of other people’s money’.

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