

Paul Jacobus
4th floor, Competition Group
Office of Communications
Riverside House
2A Southwark Bridge Road
London SE1 9HA

Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Our Reference:
Your Reference:

Telephone: 01738 456401
Facsimile: 01738 456415
Email:

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Dear Paul

Preliminary Consultation on Mobile Voice Call Termination

We recognise the importance of this consultation within Ofcom's wider review of the future of regulation of the mobile sector and welcome the opportunity to comment on the above document. SSE provides fixed line telephony services to retail customers using available wholesale products such as wholesale line rental (WLR). We do not offer mobile services but our customers are able to make calls to mobile numbers.

We agree with Ofcom's concerns about the detrimental effects of high mobile termination charges and would like to see these charges reduced. We believe there are distortions to competition in the market where our fixed line customers face generally higher charges to call a mobile number than mobile network customers face to call a fixed line network. Given the market developments outlined in the consultation, including views from the European Commission in the form of a Recommendation on mobile call termination and signs of fixed-mobile convergence through products such as BT Fusion, we believe the time is right for Ofcom to start to positively seek to reduce wholesale mobile termination rates to zero.

Of the options outlined in the consultation, we do not favour deregulation or a continuation of long run approaches to setting charges through a forward-looking cost assessment process. We would, however, favour the mandated "bill and keep" option whereby termination charges are effectively set at zero and mobile operators can seek to cover these types of cost through other means.

Yours sincerely

Aileen Boyd
Regulation Manager