



SWIFTNET
innovative communications solutions

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Mr Paul Jacobus
Ofcom, Riverside House
2a Southwark Bridge Road
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13th May 2010

Dear Paul,

Further to your letter of 1st April 2010 regarding Wholesale Mobile Voice Call Termination Market Review, please find Swiftnet's response below.

The number range in question is used by Swiftnet to provide international mobile roaming services.

The payback from the numbers is used to provide free or subsidised incoming calls to our mobile roaming customers using a Swiftnet SIM whilst abroad. The cost of terminating calls to international mobiles is relatively high, so that Swiftnet typically puts all of the payback in to giving free incoming calls (Swiftnet then makes margin on the outgoing calls from the SIM).

The offer of "Free Incoming Calls When Travelling Abroad" is the primary benefit of the service for our customers.

The service is sold to customers travelling out of the UK but also to customers in other countries who are leaving their home country to travel to another destination. These customers are supported by our international business partners.

Swiftnet and our international business partners have spent a great deal of time and money developing this business. The majority of customers are non-UK based clients, so this service generates export revenues for the UK.

Should OFCOM seek to change the termination rates, this would inevitably lead to BT reducing the payout rates to Swiftnet. Swiftnet would no longer be able to offer free incoming calls (the primary benefit of the service to our customers). Customers would no longer have significant savings and it would be Swiftnet's



expectation that the number of customers using the service would decline to the point whereby the service was withdrawn.

We are not aware of a single complaint being raised by any consumer regarding the termination rate they are paying to call our international mobile roaming customers. Clearly there is a high value in being able to contact someone while they are abroad.

In summary, any change to the termination rate would:

- Remove the primary service benefit to consumers.
- Reduce competition in international roaming rates.
- Cut UK exports.
- Have an adverse financial impact on Swiftnet and our international business partners.
- Result in Swiftnet having to make redundancies as sales of this service decline.
- Reduce innovation and development of new services – Swiftnet and our international partners will be less inclined to make the significant technical and market development investments on future projects as a result of this experience if the rates are reduced.

It is therefore Swiftnet's position that consumers calling the numbers appreciate the value of the service and, given the complete lack of complaints, believe the price is fair. There are significant highly negative implications for clients of the service, Swiftnet, Swiftnet employees and Swiftnet international business partners.

Please do not hesitate to contact me should you require further information.

Kind Regards,

John Burton

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