



Angel Ruiz
President & CEO
April 11, 2012

Representative Henry A. Waxman
Ranking Member
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

Representative Anna G. Eshoo
Ranking Member
Subcommittee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

Representative Edward J. Markey
Member of Congress
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

Dear Ranking Members Waxman and Eshoo and Congressman Markey:

Ericsson appreciates the opportunity to help inform the House Energy and Commerce Committee about the telecommunications industry's efforts to help address the problem of cell phone theft. As a world-leading provider of network infrastructure, telecommunications services, and multimedia solutions, we support our customers on a variety of fronts as they seek solutions to help combat theft of handsets throughout the globe.

Please bear in mind that while Ericsson supplies products and services which enable certain network capabilities, Ericsson is not an operator itself. Operators set their own policies and guidelines. Additionally, Ericsson does not directly manufacture the mobile devices that customers use today, although ST-Ericsson, a joint venture between Ericsson and STMicroelectronics, supplies many of the chips used in today's handsets. Again, Ericsson does not control the software or features that manufacturers and software designers incorporate into mobile devices.

Worldwide, Ericsson manages networks that serve over 900 million subscribers, and our services offerings cover all areas within the operational scope of operators. Ericsson, through our 56,000 services professionals around the world, helps operators mitigate the problems associated with stolen handsets.

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With Ericsson's recent acquisition of Telcordia, a worldwide leader in the provision of operations and business support systems, we have strengthened our capabilities in several areas, including database tools to manage subscriber information. We have products in use today in other countries that help address the stolen handset problem through automatically detecting theft events and also by disabling handsets that have been reported as stolen. Additionally, these products can help address the growing worldwide problem of traffic of counterfeit handsets. It should be noted that the stolen handset problem is dynamic and multi-faceted, with no simple fix, or one-size-fits-all solution.

Perhaps not surprisingly, simply as a result of the exponential increase in the sheer number of devices that customers rely on every day for checking e-mail, social networking, mobile video, etc., theft of those devices has become a major concern not just in the U.S., but globally as well. Largely through voluntary efforts worldwide, operators are developing technologies hand-in-hand with Ericsson and other companies to help law enforcement agencies address the problem.

Our global experience has taught us that the problem of handset theft is also not solved by any particular technology. Operators in the U.S. currently are working with various groups to analyze and address the problem through technological as well as customer education schemes to better inform users about steps they themselves can take to help minimize the risk of theft.

In addition to fighting the problem on multiple fronts, we urge you to keep in mind that the technological means to help combat the problem is, in part, a game of cat and mouse. For larger organized crime rings, the technological sophistication of criminals can, unfortunately, rival that of the most savvy operator, handset manufacturer, or equipment vendor. Please keep in mind that the constantly evolving nature of the problem does not lend itself easily to legislation or regulation.

With that as a backdrop, allow me to answer the questions posed in your letter of March 23, 2012. As an equipment manufacturer and provider of services and software, not a handset vendor nor an operator, we cannot speak for individual consumers or those entities most directly impacted by handset theft.

1. *What company policies and guidelines do you currently have in place that relate to cell phone theft or loss?*

Ericsson is not an operator, and thus does not have policies/guidelines which broadly cover handset theft or loss by customers generally. However, we do have internal guidelines relating to cell phone theft or loss for handsets used by our employees. As a leading technology vendor, Ericsson recognizes the value in data stored on our employees' devices, including handsets, and requires employees to take steps to ensure that data is protected in the event a handset is lost or stolen.



2. *Do you have an evaluation process to ensure that these policies keep up with advancing technologies and changing criminal tactics?*

The products and services we offer to our operator customers help combat handset theft and other device-related security issues. Furthermore, we continuously enhance our analytics as criminal processes adapt to countermeasures and as new data become available.

3. *Law enforcement and others have suggested that the ability to disable remotely mobile devices would reduce or eliminate resale value and thus lessen the incentive for cell phone theft. What are your views on this technology as a deterrent to theft?*

We do not take a position with respect to remotely disabling mobile devices. We would note, however, that there may be a variety of solutions that the mobile industry can undertake to help address the theft problem, and to focus on any one particular technology may not be the right answer for a particular operator or could change over time. Flexibility is important, and so we urge you to allow industry the space to craft solutions that are most suitable for individual operators and for the industry as a whole.

4. *Does your company cooperate with law enforcement to retrieve lost or stolen phones? If so, how?*

While Ericsson would not expect law enforcement to look directly to us to help retrieve a lost or stolen handset, we stand ready to help our customers in any way we can to the extent they are called upon by law enforcement agencies to provide assistance in locating and retrieving a stolen handset.

5. *If your company has knowledge that a specific phone has been reported stolen, do you allow such a phone to be subsequently reactivated with a different phone number? If yes, please explain.*

Again, while Ericsson itself does not activate handsets, we stand ready to assist our customers in any way we can, including maintaining databases that might assist with tracking handsets that have been reported stolen.

6. *Australia has implemented a cell phone "blacklisting" program in which phones that have been reported stolen are placed on a list and cannot be reactivated if an individual brings them in to a local carrier. This has significantly reduced cell phone theft in Australia. Would a similar program work in the United States?*

Over the course of the past several years, operators in several countries have implemented systems designed to reduce handset theft. Ericsson directly supports these operators' systems throughout the world.

Please note that, consistent with our answer to question #3, maintaining a "blacklist" is not necessarily the silver bullet that will "solve" the problem of stolen handsets. Rather, it will take a variety of technical measures, consumer education, and cooperative working with law enforcement agencies to help address the stolen handset problem.



7. *What more can be done to protect consumers? Please include any additional insights that you believe we might find helpful or relevant.*

We believe that it will take a multi-pronged approach to put a dent into the traffic of stolen handsets. Ericsson is more than willing to assist the House Energy and Commerce Committee as it continues to analyze the stolen handset problem.

Regards,

A handwritten signature in black ink, appearing to be "R. Smith", with a long horizontal stroke extending to the right.