



The Honorable Henry A. Waxman
Ranking Minority Member
House Committee on Energy and Commerce
2204 Rayburn House Office Building
Washington, DC 20515

April 11, 2012

Dear Ranking Minority Member Waxman:

I am writing in response to your letter dated March 23, 2012 concerning lost and stolen cell phones. HTC Corporation ("HTC"), through our subsidiaries, is one of the largest designers, developers, and manufacturers of smart handheld devices in the world, and we welcome this opportunity to respond to your questions and concerns on this important issue.

As an initial matter, we believe that any evaluation of actions that may be taken by the wireless industry to protect customers against the adverse impact of lost and stolen devices must take into account the differing roles of participants in the mobile device supply chain. As a device manufacturer, HTC's direct customers are the wireless carriers and, as a result, HTC must be responsive to the wireless carriers' approach to this increasing problem. Further, because HTC does not activate devices or provide wireless service to consumers, HTC's role in protecting consumers must be tailored accordingly. Nevertheless, complete consumer satisfaction remains HTC's ultimate objective. With this in mind, we are providing the responses to your inquiries below.

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

HTC's mobile devices are generally sold to consumers by HTC's carrier customers, and HTC does not activate devices or provide commercial mobile wireless service. Therefore, because HTC's role in protecting consumers against the adverse impacts of lost and stolen mobile devices necessarily is attenuated, HTC has not formulated specific written policies or guidelines regarding this issue. However, should they choose to do so, consumers may protect their HTC devices and personal information from unauthorized access with the password capabilities HTC builds into each device. In addition, our devices are built to be



compatible with a wide variety of downloadable applications that consumers can use to further secure their handsets. Many of these applications enable consumers to remotely track and lock lost and stolen handsets and/or enable consumers to remotely remove their personal information from the handsets.

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

Although HTC does not have specific written policies regarding stolen devices, HTC takes pride in offering some of the best and most innovative devices on the market today and will continue to do so. We note again that consumers can secure our devices with passwords and the use of downloadable applications.

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?

HTC's business focuses on the sale of new devices, and HTC has not studied the factors that drive the resale value of devices in the secondary market. Thus, HTC is unable to comment on the direct impact of remotely disabling devices on cell phone theft.

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

HTC uniformly provides assistance and cooperation to law enforcement when requested. However, it has been HTC's experience that law enforcement personnel generally seek assistance from wireless carriers, rather than manufacturers, when attempting to retrieve lost or stolen devices.

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.

Because it is not a wireless provider, HTC does not activate devices.



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?**

Because HTC is not a wireless provider and does not activate devices, HTC has not studied the efficacy of particular “blacklisting” programs or whether the program utilized in Australia would be effective in the United States market in which numerous manufacturers offer hundreds of different devices that rely on a variety of different operating systems and air interfaces.

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

As indicated above, each of the devices HTC markets can be password protected. In addition, customers can choose from a wide variety of innovative applications and services offered by carriers and applications developers. Simply improving consumer education regarding the availability of these resources will go a long way towards addressing the issue of lost and stolen devices.

Please let us know if HTC can provide any additional information that will aid the Committee in its work on this important matter.

Regards,

Peter Chou
CEO
HTC Corporation