



November 27, 2012

John Traversy  
Secretary General  
Canadian Radio-television and Telecommunications Commission  
Les Terrasses de la Chaudière  
1 Promenade du Portage  
Gatineau, Québec J8X 4B1

Dear Mr. Traversy:

**RE: CWTA reply to CRTC's September 28<sup>th</sup> 2012 letter re: Mobile Device Theft and CWTA response**

1. The Canadian Wireless Telecommunications Association (CWTA) is the authority on wireless issues, developments and trends in Canada. It represents wireless service providers, as well as companies that develop and produce products and services for the industry.
2. CWTA is in receipt of the Commission's letter dated September 28<sup>th</sup>, 2012, which was a follow up to previous correspondence regarding actions the CWTA and its members were taking to address the issue of mobile device theft.
3. CWTA recognizes and appreciates the attention of the Commission to this important issue, which stands to impact the privacy and safety of all Canadian wireless consumers. The investments that the wireless industry has made in encouraging all Canadian consumers to protect their data and themselves were recognized by the Commission, the Minister of Industry and the President of the Canadian Association of Chiefs of Police (CACP) at our November 8<sup>th</sup> press conference (and in subsequent supporting statements). CWTA is pleased to have the Commission's support, and commits to doing whatever it can to ensure that this program always functions as well as it can for Canadian consumers.
4. In its September 28<sup>th</sup> letter, the Commission requested that CWTA address the following items:
  - i. Provision of any statistics we may have for the past three years, of the number of mobile devices reported stolen or lost to its members, broken down by province;
  - ii. Information on the composition, scope and mandate of CWTA's Handset Security Working Group;
  - iii. Additional details regarding CWTA's proposed public education campaign; and

- iv. A detailed explanation on the costs and barriers Canadian carriers would face in joining the IMEI database.
5. As the Commission is aware, on November 8<sup>th</sup>, 2012 the CWTA announced<sup>1</sup> a plan of action to assist law enforcement agencies with their efforts to combat the theft of wireless devices, that includes:
    - i. A commitment by CWTA members to join the GSMA's IMEI database by September 30<sup>th</sup>, 2013, thereby preventing the reactivation of GSM and LTE smartphones reported lost or stolen on any Canadian network; and
    - ii. The launch of a public awareness campaign through a consumer information website and the first in a series of broadcast public service announcements focused on reminding Canadians of the critical importance of protecting the data on their smartphones.
  6. All elements of this action plan, including the resolution to gather the above-mentioned stolen phone statistics, were recommendations of CWTA's Handset Security Working Group to the CWTA Board of Directors, which formally agreed to implement them at the September 18<sup>th</sup>, 2012 meeting of the Board.
  7. CWTA is pleased to address the items requested by the Commission, and appreciates the attention to this issue that the Commission has helped bring to bear among consumers, legislators, law enforcement, and the wireless industry.

**Statistics**

8. Because of the different approaches used by members to track lost and stolen devices, the data gathered and provided below reflect the following methodological limitations:
  - i. Not all members were able to segregate the lost and stolen phone data by each individual province. For example, some members keep aggregate numbers for Manitoba and Saskatchewan, as well as for Atlantic Canada (New Brunswick, Nova Scotia, PEI and Newfoundland);
  - ii. Not all members record lost and stolen phones separately. The 'lost' and 'stolen' breakouts below are an estimate based on applying the regional percentages of phones reported lost or stolen to the total lost/stolen numbers provided by those who do not distinguish between the two.
9. The table below provides a breakdown of phones reported lost and stolen (by province/region) to CWTA members in 2010, 2011 and 2012 (up to October 31<sup>st</sup> 2012).

<b>Region/Province</b>		<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>British Columbia</b>	Lost	30,019	51281	60,980

<sup>1</sup> <http://cwta.ca/blog/2012/11/08/canada%e2%80%99s-wireless-carriers-take-action-to-help-battle-smartphone-theft/>

	Stolen	9,998	14,007	16,931
	Total Lost & Stolen	40,017	65,288	77,911
<b>Alberta</b>	Lost	29,034	48,512	54,856
	Stolen	9,291	12,008	14,308
	Total Lost & Stolen	38,325	60,520	69,164
<b>Saskatchewan/Manitoba</b>	Lost	12,360	18,779	17,351
	Stolen	4,838	5,756	4,832
	Total Lost & Stolen	17,198	24,535	22,183
<b>Ontario</b>	Lost	81,908	148,453	171,674
	Stolen	30,392	43,201	46,773
	Total Lost & Stolen	112,300	191,654	218,447
<b>Quebec</b>	Lost	31,820	57,206	70,555
	Stolen	11,710	15,368	14,359
	Total Lost & Stolen	43,530	72,574	84,914
<b>Atlantic Canada</b>	Lost	8,647	13,973	18,558
	Stolen	2,981	4,201	5,084
	Total Lost & Stolen	11,628	18,174	23,642
<b>Canada</b>	<b>Lost</b>	<b>193,794</b>	<b>325,626</b>	<b>393,978</b>
	<b>Stolen</b>	<b>69,210</b>	<b>94,542</b>	<b>102,288</b>
	<b>Total Lost &amp; Stolen</b>	<b>263,004</b>	<b>420,167</b>	<b>496,266</b>

10. Two facts are particularly evident from the lost and stolen phone data: (i) Mobile devices reported lost and stolen actually declined from 2010 to 2011, and are projected to decline again in 2012. (ii) Mobile devices are reported lost roughly three times more often than they are reported stolen, which is why CWTA's handset security action plan included a focus on reminding Canadians of the critical importance of protecting the data on their smartphones, in the event of both loss and theft.

11. CWTA has requested whatever data the CACP, or its members, may have to verify the findings presented above. We have been informed that most police departments do not separate reports of mobile device thefts from other reports of minor property theft. Nevertheless, the CACP has indicated that it will work with Statistics Canada to try and refine these categories, with a view to reporting back to CWTA in mid-2014.

### **Handset Security Working Group**

12. As CWTA noted in earlier correspondence with the Commission, it was directed in May 2012 by its Board of Directors to strike a dedicated working group, comprised of wireless carriers and device manufacturers, with the mandate to develop options for a comprehensive industry response to the issue of mobile device loss and theft as soon as possible.
13. The CRTC has asked for additional information, including “an identification of its membership, an indication of how often this Working Group meets, what resources have been allocated to it, when it is expected to report back to the CWTA and whether or not consideration has been given to inviting law enforcement officials to sit, at minimum, as observers on the Working Group.”
14. In addition to CWTA carrier and device manufacturer members, CWTA senior staff members participate in the Working Group. The Working Group includes security, engineering and regulatory personnel from the following member companies:
  - Bell Canada;
  - EastLink;
  - Mobilicity;
  - MTS Allstream;
  - Nokia;
  - Public Mobile;
  - Research In Motion;
  - Rogers;
  - Sasktel;
  - TELUS;
  - Videotron; and
  - Wind Mobile.
15. In terms of budget, CWTA working groups are generally *ad hoc* bodies set up to examine specific issues, and to discuss and present options to a permanent CWTA committee and/or to its Board of Directors. As such, CWTA does not assign specific budget lines to its *ad hoc* working groups. Working group costs are allocated to CWTA’s broader Government Relations and Regulatory Affairs budget, as approved by CWTA’s Board of Directors on an annual basis.
16. In terms of outside observers, CWTA does not generally invite non-members to participate on its internal working groups and committees. Like most trade associations, this has been a long-standing practice in order

to ensure that members can have free and frank discussions about potential responses to regulatory calls-for-comment, or to common industry challenges such as handset loss and theft.<sup>2</sup>

17. Between May 2012 and our November 8<sup>th</sup> announcement, CWTA did have regular and ongoing contact with law enforcement agencies, as noted by the President of the Canadian Association of Chiefs of Police at the November 8<sup>th</sup> event. We also communicated frequently with the CTIA-The Wireless Association in the United States, and with GSMA in the United Kingdom, in the months preceding the launch of our program.
18. In terms of how often the working group met, formal conference calls were held with the working group once per month, at a minimum, from June through October. CWTA staff was also in daily contact with members of the working group with regards to existing and new individual member company initiatives throughout this time.
19. Going forward, CWTA's Working Group will meet on a quarterly basis, at minimum, to track members' progress in working toward regular and streamlined data collection, and working towards full participation in GSMA's international IMEI database. CWTA remains in weekly contact with working group companies with respect to ensuring the broadest possible distribution and broadcast of our PSA.

### **Public Education Campaign**

20. The Commission has requested additional information on CWTA's public awareness campaign in support of the 'Protect Yourself, Protect Your Data' program.
21. As outlined at the November 8<sup>th</sup> event, the public awareness campaign currently consists of a consumer information Web site and the first in what will be a series of broadcast PSAs focused on reminding Canadians of the critical importance of protecting the data on their smartphones. The new bilingual Web site – [www.ProtectYourData.ca](http://www.ProtectYourData.ca) ([www.Protegezvosdonnees.ca](http://www.Protegezvosdonnees.ca)) – is designed to act as a hub of resources for Canadians to educate themselves about how to secure their data, as well as how to help protect themselves from becoming a victim of device theft. CWTA notes that the Commission has provided a prominent visual and hyperlink to the website on the CRTC homepage, and appreciates this support.
22. CWTA has received overwhelming cooperation and commitments from Canadian BDUs and broadcasters in connection to the PSA. In less than three weeks after the launch of the program, the PSA has aired more than 5,000 times, with the majority of those broadcasts falling between 6 am and 11 pm, within both Canadian programs and the local avails of non-Canadian eligible satellite services. CWTA has also received commitments from Canadian BDUs and broadcasters to continue to air the current and planned future PSAs over the next 12 months. CWTA is confident that PSA airings will total in excess of 20,000 by November 2013.

### **Database**

23. In August, CWTA was pleased to provide the Commission with a report on existing international initiatives that have been implemented in over 25 countries in response to handset theft, and how successful these initiatives

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<sup>2</sup> Where there is any possibility of discussions touching on competitive matters, CWTA engages outside legal counsel to observe the meeting to ensure that nothing discussed contravenes the Competition Bureau Guidelines for Trade Associations.

have been in deterring future instances of handset theft. The report –the first of its kind anywhere in the world, to the best of CWTA’s knowledge—includes significant research on the impact of databases, or ‘blacklists’, that prevent devices reported as lost and stolen. At the same time, the report cautioned that:

“While statistics...indicate that Industry-wide IMEI databases reduce handset theft, they are far from a panacea. IMEI databases can only be considered part of a solution.”

24. CWTA believes the caution with which the effectiveness of a stolen phone database was presented led the Commission to interpret in our correspondence “arguments put forward by the CWTA . . . against joining the IMEI database.” CWTA sincerely regrets that its language was not clearer in this regard, as our intent in identifying some of the limitations of a stolen phone database was simply to guard against unrealistic expectations, particularly in the face of mounting media and political commentary that described the use of blacklist databases internationally as an easily implemented ‘silver bullet’ solution being overlooked in Canada.
25. CWTA recognized at the outset of the process that led up to the November 8<sup>th</sup> announcement that participation by all Canadian carriers in internal, domestic and/or international databases would be a fundamental part of the industry’s commitment to protecting consumers from handset loss and theft. Our intent was never to present the Commission with arguments ‘against’ joining the GSMA database; rather, to underline the report’s key finding that where databases have been effective, it has been where they have been introduced and managed in concert with dedicated law enforcement and legislative action.
26. Where CWTA noted certain limitations to the IMEI Database those were linked to its voluntary nature – if not all carriers in a given jurisdiction, or even neighbouring jurisdictions, coordinate with one another, the IMEI Database is a much less effective crime deterrent. However, in addition to all GSM and LTE providers in Canada interacting with the database by September 30, 2013, GSM providers in the United States will be interacting with the database as part of US efforts to be completed by November 30, 2013. Once fulfilled, these commitments will provide a protective mechanism to significantly reduce, at a minimum, the market for stolen handsets in both Canada and the United States.
27. In light of how this finding was unfortunately misinterpreted by the Commission, its September 28<sup>th</sup> letter requested a “detailed explanation of the costs and barriers Canadian carriers would face in joining the IMEI database.” While the costs and barriers to implementation were not insignificant, CWTA is pleased to note that they have been overcome, as the wireless industry recognizes the importance investing the necessary time and resources.
28. As noted in our November 8<sup>th</sup> announcement, it will cost the Canadian wireless industry a minimum of \$20 million to become members of GSMA, and/or to begin subscribing to its IMEI Database. Typically, the three main requirements for joining the database are (i) membership in the GSMA, (ii) the purchase and installation of a system-wide Equipment Identity Register (EIR), and (iii) the implementation of internal business processes.

29. In terms of the September 30<sup>th</sup> 2013 deadline, it is important to note that CWTA members include carriers deploying networks nationwide, as well as those operating regional networks. Some members are already members of the GSMA, others needed to secure appropriate internal approvals to join an international trade association (with attendant initial and recurring budget implications). These considerations, compounded with varying degrees of technological and administrative readiness, were important considerations in identifying the deadline by which all CWTA members deploying GSM technology will be using the IMEI Database. CWTA expects most of its members have joined GSMA and begun using its IMEI database before the deadline of September 30<sup>th</sup> 2013.

**Conclusion**

30. CWTA reiterates that it and its members take the security of all aspects of the Canadian wireless system very seriously. We believe our actions over the past months demonstrate our commitment to doing whatever we can to mitigate the impact, and hopefully the frequency, of handset lost and theft in Canada. We recognize that we could have been clearer with the Commission when it came to ensuring that the process, challenges and investments associated with the development and launch of this new program were better understood.

31. I look forward to keeping you up to date on CWTA's ongoing work on this important matter, and would be pleased to meet at any time to discuss the issue further.

Sincerely,



Bernard Lord  
President and CEO