

August 13, 2012

**via e-mail**

Mr. Stephen Delaney  
Acting Executive Director  
Policy Development and Research  
Canadian Radio-television and Telecommunications Commission  
1 Promenade du Portage  
Gatineau (Québec) K1A 0N2

Dear Mr. Delaney:

**RE: CWTA reply to CRTC's July 17<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 July 17<sup>th</sup>, 2012, requesting several pieces of information in relation to the above-noted topic. Specifically, the Commission's letter requests that CWTA provide:
  - i. Any statistics that 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. A description of what "initiatives the wireless industry is undertaking to protect consumers from becoming victims of mobile device theft";
  - iii. A description of how the industry is considering international initiatives for addressing mobile device theft.
3. I am pleased to provide the following, which represents the most up-to-date information that CWTA has with respect to these questions. I would note that in May 2012, CWTA was directed by its Board of Directors to strike a dedicated working group, comprised of both wireless carriers and device manufacturers, with the mandate to develop options for a comprehensive industry response to this issue. That working group, 'The CWTA Handset Security Working Group' has been struck, and is in the process of examining what data is indeed available, and is undertaking its initial analysis.

## **Statistics**

4. In its letter, the Commission requests “. . . any statistics (that CWTA) might have, for the past three years, broken down by province.”
5. At this time, CWTA does not have any statistics in its possession that detail the number of devices reported stolen or lost to its members. Preliminary consultations with our members indicate that companies presently collect and maintain this data, if at all, in different formats and at differing degrees of detail. In most cases, what numbers are available do not go back three years. In most cases, these numbers may be available by area code, but not necessarily by province. In all cases, these numbers are considered competitive, proprietary and confidential.
6. At the same time, CWTA recognizes that the development of a statistical foundation will be necessary, as both an indication of the current scope of the problem, and as a baseline for measuring the success of future initiatives. However the development of those statistics has not been possible in the four-week timeframe within which the Commission requested them from CWTA.
7. Subsequent to discussions with our members, CWTA has identified the necessary steps involved to produce a reliable (and updatable) report for the Commission by late 2012 or early 2013. CWTA notes that this timeline is in line with timelines in the U.S. for developing similar data and tracking processes.
8. CWTA notes that to date, what ‘evidence’ of this ‘growing’ problem it has seen has been purely anecdotal, and offered on a non-statistical basis, in support of specific advocacy agendas (from law enforcement, and others). CWTA agrees with the Commission that these are statistics that should be gathered, and updated, on a going forward basis.
9. However, CWTA reiterates that the establishment of statistics that reflect different corporate methodologies, across dozens of CWTA members, with respect to the collection and reporting of proprietary information, will require an adequate amount of lead time and a considerable outlay of financial resources.

## **Current initiatives**

10. In its letter, the Commission requests that CWTA “. . . describe what initiatives the wireless industry is undertaking to protect consumers from becoming victims of crime.”
11. CWTA notes that it has been unable to conduct an exhaustive inventory of anti-fraud or anti-theft related measures on offer to Canadian consumers, either from wireless carriers, handset manufacturers, or third parties, within the timeframe requested. CWTA is aware that certain carriers have systems in place whereby handsets that are reported lost or stolen have their electronic identifiers blocked, such that they cannot be reactivated on that network. Certain handset manufacturers offer applications that permit a consumer whose handset has been stolen or lost to log into a related website, and lock the handset, and/or delete all personal

information stored on it. Most carriers offer tips to consumers, via their websites, encouraging them to use passwords and to make use of other protective measures, in the event their handset is lost or stolen.

12. CWTA notes that the preceding examples tend to focus on steps consumers can take to protect their personal information in the event that a handset is lost or stolen. CWTA further notes that the Commission has positioned its request for this information in terms of what the industry is “undertaking to protect consumers from becoming victims of mobile device theft.” In other words, while these examples pertain to the protection of consumers “in the event of a crime,” the Commission seems to have the view that the industry should be focussing on “crime prevention.”
13. While wireless carriers can contribute to a multi-stakeholder solution by providing consumers with the information and tools that will help them protect their personal information and possibly making handsets less attractive to criminals, any significant crime prevention must also include corollary action from law enforcement agencies, in concert with appropriate legislation where required.
14. At the same time, CWTA notes that in the U.S., wireless carriers have committed to a public education campaign to make consumers aware of, among other things, steps they can take to protect their personal data in the event they lose their handset or have it stolen. CWTA and its members are committed to implementing a similar industry-wide public awareness campaign by late 2012 or early 2013.

### **International initiatives**

15. In its letter, the Commission requests that CWTA describe “. . . how the industry is considering international initiatives, such as the International Mobile Equipment Identity (IMEI) database, in its strategy to combat mobile device theft.”
16. The first item on the Handset Security Working Group agenda was the development of comprehensive research into what international initiatives have been implemented in other jurisdictions in response to handset theft, and how successful they have been in deterring future instances of handset theft. CWTA is pleased to provide a copy of this report as an enclosure to this letter. The report will be kept up to date as new initiatives are announced anywhere in the world.
17. While some of these international measures have proven more successful than others in either lowering the value of a stolen handset on secondary/black markets, CWTA notes that, generally speaking, levels of handset theft appear to (i) drop when these measures are first introduced, then rise again over time, and (ii) fluctuate in concert with overall levels of property theft. Also, that the more successful measures are those that are implemented in concert with supporting legislation and dedicated action by law enforcement.
18. For example, as illustrated in the report, handset theft is still significant in the countries (the UK and Australia in particular) with the most comprehensive theft-reduction measures. Although a particular jurisdiction can reduce the market for stolen phones within its own borders, it cannot do so in other parts of the world. There is significant global demand for black market cell phones.

19. Inasmuch as all of these measures represent options for a Canadian response to this issue, CWTA's Handset Security Working Group will carefully consider the implications and feasibility of each of them, in both a domestic and international context.

### **Conclusion**

20. CWTA recognizes that the Commission has been asked by legislators and law enforcement to respond to what is perceived as a growing criminal trend. CWTA notes that media reports of handset theft, and calls for a tougher response by government, law enforcement and the industry are increasing. CWTA and its members take the security of all aspects of the Canadian wireless system very seriously, and will leave no option unexamined if it could make that system safer for consumers.

21. If the industry can help mitigate the impact of crime on consumers, it will. If those measures have the added bonus of making wireless consumers less of a target for criminals, then the cost of establishing them will have been well worth it.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Patrick". The signature is stylized and cursive.

Jim Patrick  
Senior Vice President