cricket

April 11, 2012

The Honorable Henry A. Waxman 2204 Rayburn House Office Building United States House of Representatives Washington, DC 20515

The Honorable Anna G. Eshoo 205 Cannon House Office Building United States House of Representatives Washington, DC 20515 The Honorable Edward J. Markey 2108 Rayburn House Office Building United States House of Representatives Washington, DC 20515

Dear Representative Waxman, Representative Eshoo, and Representative Markey:

We are in receipt of your letter dated March 23, 2012, addressed to S. Douglas Hutcheson, Cricket's CEO, requesting information regarding Cricket's policies, programs and thoughts for combating the increasing problem of cell phone theft, particularly smart phone theft, in the U.S. Please be assured that Cricket recognizes the seriousness of the problem and has in place certain measures designed to thwart the reuse and reactivation on its network of cell phones its customers report as stolen. Cricket also recognizes the utility of a nationwide database on which unique device identifiers for stolen cell phones and smart phones are available to all carriers for reference before activating a device other than at the device's point of purchase. Cricket will actively participate in the development of any such database as necessary and appropriate to ensure its utility and effectiveness for consumers.

In response to the specific questions posed in your March 23rd letter, please see the following:

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

Cricket has implemented its own registry for cellphones that Cricket customers report as lost or stolen. When a customer reports a cellphone lost or stolen, Cricket's process is to suspend the customer's account for a period of <u>14</u> days to allow for common instances where a cellphone initially reported as lost or stolen is found. The customer is asked to call Cricket again for deactivation of the cellphone if it is not found or returned to its owner within <u>14</u> days. Upon deactivation, the cellphone cannot be reactivated on the Cricket network.

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

Cricket's IT, Customer Care and Legal Departments coordinate regularly to adapt and refine Cricket's processes to changed business circumstances and law enforcement inputs. Cricket does not presently have a program for evaluating street crime and criminal tactics related to cellphone theft. 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 cellphone theft. What are your views on this technology as a deterrent to theft?

Cricket agrees with law enforcement as to the utility of remote disabling technology in deterring cellphone theft.

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

Cricket has no specific program presently in place for working with law enforcement to retrieve lost or stolen cellphones, but the company's policy is to cooperate with law enforcement if contacted.

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.

No, if the phone has been reported to Cricket as lost or stolen, Cricket representatives are not able to proceed with the activation process for the device presented.

6. Australia has implemented a cellphone "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 cellphone theft in Australia. Would a similar program work in the United States?

Cricket agrees that a nationwide database or registry of stolen cellphones would assist carrier efforts to prevent stolen cellphones from being reactivated on their own or other carriers' networks.

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

A law enforcement or other public awareness campaign to increase consumer recognition and understanding of the risk of cellphone theft, and common sense steps consumers may take to reduce the risk of theft of their devices, including raising consumer recognition of third party security applications such as Lookout, would be helpful.

We would be pleased to answer any additional questions you may have in regard to this issue, and look forward to working with Congress, the FCC and law enforcement on effective and efficient measures to protect consumers and reduce the incidence of cell phone and smart phone theft in the United States.

Sincerely

Robert J. Irving, Jr. Senior Vice President