

April 11, 2012

The Honorable Henry A. Waxman
Ranking Member
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515-6115

The Honorable Anna G. Eshoo
Ranking Member
Subcommittee on Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515-6115

The Honorable Edward J. Markey
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515-6115

Dear Ranking Member Waxman, Ranking Member Eshoo, and Congressman Markey:

Your letter dated March 23, 2012, addressed to Sir Howard Stringer was forwarded to me for handling as I am the General Counsel – Americas for Sony Mobile Communications (USA) Inc. (“Sony Mobile”).

First, we appreciate your attention to the issue of phone theft, and we at Sony Mobile look forward to working with you and your colleagues to help develop and implement solutions to address this important matter. Sony Mobile strives to provide our consumers with the most innovative and dependable phones possible and to serve our consumers’ needs throughout the life of their Sony Mobile phones. Given this, we welcome the opportunity to work with you to find ways to assist our consumers if and when their phone is unfortunately stolen or lost.

Please allow me to respond to your specific questions:

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

Sony Mobile focuses its efforts on educating our consumers on what to do if and when their phone is lost or stolen. Every Sony Mobile phone is accompanied by step-by-step instructions that walk consumers through the process of how to protect their phones. By way of example, here is the pertinent language from the Sony Xperia Play’s owner’s manual:

IMEI Number: Every phone has a unique IMEI (International Mobile Equipment Identity) number. You should keep a copy of this number. If your phone is stolen, your network provider may be able to use

your IMEI number to stop the phone from accessing the network in your country.

SIM Card Protection: The SIM card lock only protects your subscription. Your phone will still work with a new SIM card. If the SIM card lock is on, you have to enter a PIN (Personal Identity Number). If you enter your PIN incorrectly more times than the maximum number of attempts allowed, your SIM card will become blocked.¹

Screen Lock: You may lock access to your home screen by setting a PIN, setting a password, or (for touch screen devices) by setting a traceable pattern.²

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

Sony Mobile consistently reevaluates its policies, including our consumer education efforts related to phone loss or theft. In addition, we make every reasonable effort to ensure that our education efforts and technological mechanisms keep pace with the changing environment and marketplace.

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?

The remote disabling of phones would reduce the incentive for theft. As noted above, Sony Mobile provides its consumers with the tools – with the assistance of their wireless service provider – to prevent their stolen phone from operating. In addition, we provide multiple methods for locking the phone’s screen. We do this primarily to empower the consumer to protect herself if her phone is lost or stolen, and we believe that this might also make phone theft less attractive and profitable.

As a phone manufacturer that has little to no direct relationship with the end consumer nor the necessary network access, our ability to disable a phone unilaterally is quite limited, however.

¹ If the “SIM card lock” is engaged, a consumer must enter her unique PIM each time she turns on her phone, otherwise her phone will not be able to register with, or be used on, the applicable wireless network.

² In addition to this general information, the owner’s manual contains step-by-step instructions that walk the consumer through the necessary processes.

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

Sony Mobile makes every effort to appropriately assist law enforcement. Again, as a phone manufacturer that rarely has a direct relationship with an individual consumer, Sony Mobile most often cannot, working alone, locate a particular phone.

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.

As suggested above, Sony Mobile does not have a direct relationship with the wireless service employed by the end user of our phones. We, therefore, almost never know what consumer owns a particular phone. It is even less common for us to be informed when one of our phones that is linked to a specific consumer has been stolen. Given this, Sony Mobile does not have the necessary information nor the network access to independently prevent one of our phones from being reactivated.

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?

Since the Australian program is implemented by the local carriers, this is a question best posed to a network provider as opposed to a phone manufacturer such as Sony Mobile. That said, anything that reduces the post-theft value of a stolen phone would likely reduce such theft. Any such program, however, would require systemic safeguards to protect consumers from abuse or mistakes.

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

As noted above, Sony Mobile's efforts in this area are focused on two key and interdependent points: (1) we provide our consumers with the tools to protect themselves if their phone is lost or stolen; and (2) we educate them on when and how to employ these tools. We believe that if all parties in the cell-phone ecosystem – manufactures, retailers, and network providers – work together to provide our collective consumers with yet more tools and enhanced information, we can prevent and significantly reduce phone theft.

As you likely know, press reports note that the largest network providers have announced an agreement under which they will put in place a program to disable phones reported as stolen, preventing them from being used on their networks. Although we are not yet privy to the details of this agreement, Sony Mobile would be pleased to cooperate with the network providers to help ensure the efficient and effective implementation of an appropriate anti-theft program.

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In sum, Sony Mobile will continue to work to identify additional, easy-to-use means to protect consumers from phone theft, and we welcome the opportunity to collaborate with you and our industry partners to advance this important, shared goal.

Sincerely,



Lee Hill
General Counsel/Corporate Secretary
Sony Mobile Communications (USA) Inc.

Sony Mobile Communications

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