

## UTILITIES AND TELECOMMUNICATIONS ALERT

### CTIA AND MAJOR CARRIERS REACH AGREEMENT ON CELLPHONE UNLOCKING

Under pressure from the FCC, five major wireless carriers—AT&T, Sprint, T-Mobile, U.S. Cellular and Verizon Wireless—announced on December 12 that they have adopted an industry agreement on wireless handset device unlocking. The issue of wireless handset unlocking has been a controversial topic ever since October 2012 when the Librarian of Congress determined that unlocking a wireless phone is illegal. The FCC took up the issue after public outcry of that decision, which included an online petition with 114,000 signatures. CTIA, the wireless carrier trade association, and the five carriers will recommend that the voluntary industry standards be included in CTIA's Consumer Code for Wireless Service applicable to all CTIA members. The voluntary agreement includes six standards, some of which will be implemented within three months, and others within twelve months.

1. Each carrier will post on its website a clear, concise and readily accessible policy on prepaid and postpaid wireless device unlocking.
2. Carriers agree that, upon request, they will unlock mobile devices for customers and former customers in good standing, and for individual owners of eligible devices after the user's contract expires.
3. Carriers, upon request, will unlock prepaid mobile wireless devices no later than one year after initial activation. Notice will be provided to prepaid customers at the time of sale, at the time of eligibility, or through a clear and concise statement on the carrier's website.
4. A carrier that locks a device will notify a customer when the device is eligible for unlocking, or automatically unlock wireless devices remotely, without an additional charge. A non-customer or non-former customer may be charged a reasonable fee for an unlocking request.
5. Carriers must act within two days after receiving a request to unlock a wireless device, or act to initiate a request to unlock a device with an original equipment manufacturer. Carriers must provide an explanation of why a wireless device cannot be unlocked, or why additional time beyond the two-day period is necessary.
6. Carriers agree to unlock mobile devices for deployed military personnel if the customer is in good standing and provides deployment papers.

The voluntary standards allow carriers to decline an unlock request if they have a reasonable basis to believe that the phone is stolen, or the unlocking request is fraudulent. The FCC will monitor the process going forward, particularly regarding response times and charges for unlocking requests.

*This Utilities and Telecommunications Alert is intended to keep readers current on matters affecting businesses and is not intended to be legal advice. If you have any questions about the agreement, or the issue of unlocking mobile devices, please contact **Charlie Zdebski** at 202.659.6605 or **Jim Falvey** at 202.659.6655, or contact any one of our other Utilities and Telecommunications Group attorneys at Eckert Seamans.*