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December 10, 2013

Randall L. Stephenson
Chairman & Chief Executive Officer
AT&T, Inc.
208 S. Akard St, #110
Dallas, TX 75202

To Mr. Stephenson:

I write to request further information relating to your decision to prohibit Samsung Electronics Co., Ltd ("Samsung") from featuring a "kill-switch" as a default, opt-out application on carrier-approved smartphones. I note with concern that AT&T's four main U.S. competitors (the other major wireless carriers) reached exactly the same competitive decision at about the same time.

Media reports indicate that Samsung offered to pre-load a kill-switch application on approved devices for AT&T, T-Mobile, U.S. Cellular, Verizon Wireless, and Sprint (the "Samsung Proposal"). This innovation would enable legitimate smartphone users to "brick" stolen phones remotely and render them inoperable when they fall into the wrong hands. As co-chair of the Secure Our Smartphones Initiative with San Francisco District Attorney George Gascón, I have urged phone manufacturers and carriers to roll out this technology immediately to remove the financial incentives behind smartphone thefts, prevent violence, and save lives.

The industry's parallel rejection of Samsung's proposal is problematic in at least two respects. First, smartphone robbery is rampant nationwide, posing a serious risk to the safety and well-being of your customers. For example, nearly half of all reported robberies in New York City involve a smartphone. Rather than fighting kill-switch technology, AT&T and the other carriers should embrace it as a simple yet effective way to protect subscribers.

Second, from a competitive standpoint, the failure of AT&T or a rival carrier to accept the Samsung Proposal or offer an alternative kill-switch technology is troubling. Featuring this free technology could be a selling point for consumers who care about



safety and security. The first carrier to incorporate a kill-switch on Samsung smartphones would burnish its reputation not only as the carrier of choice for consumers who want the best anti-theft technology, but also as a responsible corporate citizen.

Significantly, the parallel refusal by each of the five U.S. carriers to adopt the Samsung Proposal or a similar pro-consumer technology raises real questions about the independence of AT&T's decision. For example, I note the close business ties that AT&T and the other major carriers enjoy with the CTIA—the trade association which reportedly coordinates the industry's response to kill-switch technology—and with Asurion—the company that provides theft and loss insurance to consumers through every U.S. carrier. Further scrutiny may be required to determine whether these business ties influenced the competitive behavior of AT&T, its business associates, or the other carriers.

I therefore request that you provide a detailed explanation for AT&T's decision to reject the Samsung Proposal and any other kill-switch technologies. In your response, please:

1. Indicate whether AT&T or its subsidiaries communicated or entered into any agreement with (a) Asurion, (b) the CTIA, or (c) any competing wireless carrier regarding the Samsung Proposal or other kill-switch technologies;
2. Detail the nature and extent of all such agreements or communications; and
3. Provide AT&T's business rationale for rejecting the Samsung Proposal, while approving phones featuring Apple's Activation Lock.

I would appreciate a reply by December 31, 2013 and request that you retain all documents that relate to the issues discussed above. Please feel free to contact Eric J. Stock, Chief of our Antitrust Bureau, at 212-416-8282 with any questions or concerns.

Respectfully,



Eric T. Schneiderman

cc George Gascón, San Francisco District Attorney