

FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, DC 20554

March 8, 2024

Edward Lampert Chief Executive Officer and President Transform SR Holding Management LLC 3333 Beverly Road Hoffman Estates, IL 60179

Dear Mr. Lampert:

On February 29, 2024, Consumer Reports and the Washington Post published articles describing the availability of insecure connected video doorbells on Sears.com, including models that lack a visible Federal Communications Commission (FCC) ID.¹ The FCC has recognized that IoT devices can enhance consumer safety, convenience, comfort, and efficiency.² Connected doorbells in particular can help consumers secure their home, screen visitors, answer their front door remotely, and track package deliveries. Unfortunately, without adequate cybersecurity, these same devices also provide bad actors with an entry point into our networks, daily routines, and even our homes.³ As a case in point, the Consumer Reports and Washington Post articles report that with alarming ease, unauthorized persons—be they an amateur hacker, sophisticated cybercriminal, or an abusive partner—can commandeer video doorbells sold on Sears to control the camera and access camera footage without permission due to the failure of these devices to take even basic security precautions.

According to the reporting, thousands of these video doorbells are sold each month on Sears and other online marketplaces.⁴ Equally concerning, the article describes how a number of these devices, sold by the Chinese manufacturer the Eken Group under brand names Eken, Tuck, Fishbot, Rakeblue, Andoe, Gemee, and Luckwolf, remain for sale on your platform as of the date of publication.

¹ Stacey Higginbotham, Daniel Wroclawski, *These Video Doorbells Have Terrible Security. Amazon Sells Them Anyway*, Consumer Reports (Feb. 29, 2024), https://www.consumerreports.org/home-garden/home-security-cameras/video-doorbells-sold-by-major-retailers-have-security-flaws-a2579288796/; Tatum Hunter, *These camera doorbells from Amazon, Walmart aren't safe*, The Washington Post (Feb. 29, 2024), https://www.washingtonpost.com/technology/2024/02/29/doorbell-cameras-aiwit-privacy-amazon-walmart-temu/.

² See Cybersecurity Labeling for Internet of Things, PS Docket No. 23-239, Notice of Proposed Rulemaking, ¶ 1 (rel. Aug. 10, 2023), https://docs.fcc.gov/public/attachments/FCC-23-65A1.pdf.

³ *Id*. ¶ 3.

⁴ See Higginbotham & Wroclawski, supra note 1.

Though not mentioned in the article, wireless devices that lack or do not conform with an FCC equipment authorization pose a separate threat to the security of our networks by potentially causing harmful interference into nearby wireless operations.⁵ To mitigate these risks, Section 302(b) of the Communications Act provides that "[n]o person shall manufacture, import, sell, offer for sale, or ship devices or home electronic equipment and systems, or use devices, which fail to comply with regulations promulgated pursuant to this section." In turn, Section 2.803(b)(1) of the Commission's rules provides that no person may market a radio frequency device that is subject to certification unless the device has been authorized and is properly identified and labeled in accordance with our regulations. The equipment authorization process is also instrumental to preventing the entry of devices determined to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons into the communications supply chain.⁸

Earlier this year, President Biden announced a new cybersecurity labeling program to help consumers identify the cybersecurity level of protection of IoT devices. With the Commission poised to vote on establishing the Biden Administration's Cyber Trust Mark program next week, this is an especially important time to learn more about the processes Sears employs to ensure the products it offers for sale comply with all applicable FCC regulations. To that end, please respond to the following questions by **Friday, March 22, 2024**.

- 1. Please describe in detail the steps that Sears takes to ensure that the products it sells or makes available for sale on Sears.com comply with the FCC's equipment authorization rules, including identification and labeling requirements.
- 2. Does Sears allow suppliers and marketplace sellers to pay for sponsored listings on Sears.com?
 - a. If so, does Sears vet the products sold under sponsored listings? If so, please describe any verifications that relate to FCC equipment authorization or requirements.
 - b. Does Sears ever terminate sponsored listings in response to concerns about products marketed using a sponsored listing? If so, what concerns have prompted termination and what is the process for a consumer to request termination?
 - c. Have any video doorbells sold under the brand names Eken, Tuck, Fishbot, Rakeblue, Andoe, Gemee, or Luckwolf appeared on Sears under a sponsored listing? If so, how much revenue did Sears receive in exchange for the sponsorship?

⁷ 47 C.F.R. § 2.803(b).

⁵ See, e.g., Enforcement Advisory No. 2012-07, TDWR and U-NII Devices, https://docs.fcc.gov/public/attachments/DA-12-459A1.pdf; Enforcement Advisory No. 2016-05, WARNING: FCC Authorized Equipment Must be Used in Compliance with All Laws and Rules, https://docs.fcc.gov/public/attachments/DA-16-588A1.pdf.

⁶ 47 U.S.C. § 302(b).

⁸ Prohibition on Authorization of "Covered" Equipment, Federal Communications Commission, https://www.fcc.gov/laboratory-division/equipment-authorization-approval-guide/equipment-authorization-system.

- 3. Sears provides sellers on Sears.com with fulfillment, warehousing, shipping, distribution, and payment services.
 - a. Does Sears vet the products sold by merchants to whom it provides these services? If so, please describe any verifications that relate to FCC equipment authorization requirements.
 - b. Does Sears ever terminate the provision of these services in response to concerns about products sold using these services? If so, what concerns have prompted termination and what is the process for a consumer to request termination?
 - c. Has Sears provided these services to merchants who at the time Sears provided such services listed video doorbells under the brand names Eken, Tuck, Fishbot, Rakeblue, Andoe, Gemee, or Luckwolf on Sears.com?
- 4. Please describe how Sears plans to incorporate the Cyber Trust Mark, once it is active, into its marketplace to help consumers identify IoT devices that meet the Mark's level of security. If Sears does not currently have plans to incorporate the Cyber Trust Mark, please describe why.

Please send your responses via email to Geoffrey.Starks@fcc.gov.

Sincerely,

Geoffrey Starks