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For Immediate Release

**FCC PROPOSES \$4.3 MILLION IN FINES AGAINST 73 RURAL
DIGITAL OPPORTUNITY FUND APPLICANTS THAT DEFAULTED
ON BIDS IN APPARENT VIOLATION OF FCC RULES**

Defaults Prevented Funding to Build Broadband in Rural Areas

WASHINGTON, July 22, 2022—The Federal Communications Commission today proposed \$4,353,773.87 in fines against 73 applicants in the Rural Digital Opportunity Fund auction (Auction 904) for apparently violating Commission requirements by defaulting on their bids between July 26, 2021 and March 10, 2022. The FCC provided clear guidance in its rules and notices on the monetary forfeitures associated with defaults in Auction 904. The bid defaults prevented 1,702 census block groups with 129,909 estimated locations in 36 states from seeing timely new investments in broadband infrastructure.

The applicants defaulted on their respective bids by withdrawing applications in certain areas, or failing to meet deadlines and requirements required in the auction rules after having already placed winning bids in Auction 904. In order to be authorized to receive universal service support, winning bidders or their assignees were required to provide information that demonstrated they are legally, financially, and technically qualified to fulfill the Auction 904 public interest obligations. The [Notice of Apparent Liability](#) proposes forfeitures for 73 applicants and two bidding consortia. However, the Notice does not propose forfeitures for applicants who defaulted on bids in response to the FCC’s letters identifying census blocks that may have been already served or raised significant concerns about wasteful spending.

“The applicants agreed to follow the Commission’s auction rules when they signed up to participate in the Rural Digital Opportunity Fund program,” said Acting FCC Enforcement Bureau Chief, Loyaan A. Egal. “These defaults have put at risk the timely deployment of broadband access for many and necessitate this strong enforcement action.”

The proposed action, formally called a Notice of Apparent Liability for Forfeiture, or NAL, contains only allegations that advise a party on how it has apparently violated the law and may set forth a proposed monetary penalty. The Commission may not impose a greater monetary penalty in this case than the amount proposed in the NAL. Neither the allegations nor the proposed sanctions in the NAL are final Commission actions. The party will be given an opportunity to respond and the Commission will consider the party’s submission of evidence and legal arguments before acting further to resolve the matter.

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).