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For Immediate Release

**FCC PROPOSES MORE THAN \$8 MILLION IN FINES AGAINST 22
RURAL DIGITAL OPPORTUNITY FUND APPLICANTS FOR
DEFAULTING ON AUCTION 904 OBLIGATIONS**

Defaults Impede Funding for New Rural Broadband Deployments

WASHINGTON, May 1, 2023—The Federal Communications Commission today proposed \$8,778,527.39 in fines against 22 applicants in the Rural Digital Opportunity Fund Phase I Auction (Auction 904) for apparently violating Commission requirements by defaulting on their bids between May 3, 2022 and December 16, 2022. Two applicants also failed to submit their audited financial paperwork, resulting in an additional monetary liability. The FCC provided clear guidance in its rules and notices on the monetary forfeitures associated with defaults in Auction 904. The bid defaults prevented 2,994 census block groups in 31 states and an estimated 293,128 locations from receiving new investments in broadband infrastructure.

“When the Commission set up this program, it set clear rules of the road to ensure that winning bidders would fulfill their promise to use this funding to build new broadband infrastructure,” **said Chairwoman Rosenworcel**. “Not following the rules has consequences. For those who failed to meet their obligations, today’s action shows the Commission takes seriously its commitment to hold applicants accountable and ensure the integrity of our universal service funding.”

“This enforcement action represents the second group of bidders we have pursued for failing to live up to their obligations,” said FCC Enforcement Bureau Chief, Loyaan A. Egal. “We will be steadfast in making sure that those who impede the timely deployment of broadband-related infrastructure are held to account.”

The proposed action, formally called a Notice of Apparent Liability for Forfeiture, or NAL, advises parties that they apparently violation the Commission’s rules and proposes a monetary penalty for violations. 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 parties named will be given an opportunity to respond and the Commission will consider each 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).