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FCC Enforcement Monitor July 2026

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HEADLINES

Pillsbury's communications lawyers have published the FCC Enforcement Monitor monthly since 1999 to inform our clients of notable FCC enforcement actions against FCC license holders and others. This month's issue includes:

- *FCC Proposes $25,000 Fines Against Eight Companies for Failing to Respond to Enforcement Bureau Letters of Inquiry*
- *Louisiana Broadband Provider Enters $10,000 Consent Decree to Resolve Investigation into Inaccurate Reimbursement Program Certification*
- *Texas AM Stations Face Possible License Revocation Over Unpaid Regulatory Fees*

Eight Companies Face $25,000 Fines for Failing to Respond to FCC Letters of Inquiry

The FCC's Enforcement Bureau (Bureau) issued eight Notices of Apparent Liability for Forfeiture (NALs) proposing a total of $200,000 in fines against eight companies for failing to respond to Bureau Letters of Inquiry (LOIs). Each company faces a proposed $25,000 fine for failing to respond to an LOI seeking information about whether it marketed radiofrequency equipment in the United States that was included on the FCC's Covered List.

In November 2022, the FCC adopted rules implementing the Trusted Networks Act, which, among other things, prohibit entities or equipment included on the Covered List from obtaining new equipment authorizations for the "covered equipment." The adopted rules were prospective and did not revoke authorizations for previously authorized equipment, though the rules do prevent such equipment from being modified.

In October 2025, the FCC began the process of updating its equipment authorization rules to enable it to place additional limitations on previously authorized equipment. In December 2025, the FCC expanded the Covered List to include the first categorical prohibition, adding all foreign-produced uncrewed aircraft systems (UAS) and UAS Critical Components, as well as two named UAS manufacturers identified in Section 1709 of the FY2025 National Defense Authorization Act. The FCC has subsequently added three additional categories of foreign-produced devices to the Covered List (commercial routers, power inverters, and advanced robotic devices).

Between March and May 2026, the FCC opened investigations and issued LOIs to eight companies that produce UAS and UAS Critical Components abroad. The NALs cite to publicly available information (including published articles based on a post in an online forum) suggesting certain products marketed by each of the companies were exact hardware copies of covered equipment and that one company may have marketed equipment incorporating the same code or proprietary communications protocols used in covered equipment.

The Bureau issued the LOIs to investigate whether the companies were marketing "disguised covered equipment" and to determine whether the equipment complied with FCC regulations. None of the companies responded to the LOIs, leading the Bureau to issue the NALs in July 2026.

The Bureau based its enforcement finding on the conclusion that an LOI is a Commission "order" under Section 503(b) of the Communications Act, and failing to respond to an LOI is a violation of that order. Section 503(b) authorizes the FCC to fine an entity found to have willfully or repeatedly failed to comply with an FCC rule or order up to $25,132 for each day of a continuing violation, up to a statutory maximum of $188,491 for a single act or failure to act. The FCC's forfeiture guidelines establish base fines for certain violations and identify the factors it should consider when determining whether a higher or lower fine is warranted. Under the FCC's Rules, the base fine for failing to respond to an FCC communication is $4,000.

In each NAL, the Bureau proposed an upward adjustment to $25,000, concluding that the alleged violations were egregious, intentional, and continuing because the respective company's failure to respond impeded investigations involving potential risks to national security and the nation's communications infrastructure. The FCC declined to make any downward adjustments, explaining that a failure to respond to investigative inquiries involving potential national security risks is not a minor violation.

In addition to proposing the fines, the Bureau ordered each company to fully respond to its outstanding LOI within ten days of the release of the NAL. The Bureau warned that failure to comply could constitute an additional continuing violation subject to further enforcement action.

In a concurrent action a week after the NALs were issued, the FCC released a Public Notice proposing to limit the scope of the companies' respective existing equipment authorizations. The FCC tentatively concluded that equipment identified in the Public Notice is "covered equipment" and if the proposals are adopted, such covered equipment would be prohibited from any further importation and marketing activities 30 days after publication of a final decision in the Federal Register.

Louisiana Broadband Provider Agrees to Pay $10,000 to Resolve Investigation Into Inaccurate FCC Certification

The FCC's Enforcement Bureau entered into a Consent Decree requiring a Louisiana broadband services provider to pay $10,000 to resolve an investigation into inaccurate statements made in connection with the Secure and Trusted Communications Networks Reimbursement Program. The investigation concerned whether the provider violated Section 1.17(a) of the FCC's Rules by incorrectly certifying that it had permanently removed, replaced, and disposed of all covered communications equipment from its network where it was unable to confirm the proper disposal of such equipment.

The Secure and Trusted Communications Networks Act of 2019 instructed the Commission to establish the Secure and Trusted Communications Networks Reimbursement Program to reimburse eligible providers for the costs of removing, replacing, and disposing of communications equipment deemed to pose national security risks.

Participating providers are required to submit a final certification confirming, among other things, that they have permanently removed, replaced, and disposed of all covered equipment, or that they are in the process of doing so. The FCC emphasized in the Consent Decree that it relies on truthful and accurate statements from those subject to its jurisdiction and that Section 1.17 prohibits providing incorrect or misleading material factual information to the Commission.

According to the Consent Decree, "[d]uring the course of the Program, the Company lost and never recovered certain Covered Equipment" it had removed from its system. The provider therefore could not verify that all of the removed covered equipment had been destroyed. Despite this, the provider filed its final certification stating that it had fully completed the permanent removal, replacement, and disposal of all covered equipment. Although the provider later cooperated with the FCC's investigation by offering to revise its certification, the FCC concluded that the inaccurate certification warranted enforcement action.

To resolve the investigation, the provider entered into a Consent Decree in which it admitted the underlying facts and agreed to make a $10,000 "voluntary contribution" to the U.S. Treasury. In return, the FCC agreed not to pursue additional proceedings against the provider based on the investigated conduct absent new material evidence. The Consent Decree is yet another reminder that companies must always have a reasonable basis for factual statements they submit to the FCC. While the Consent Decree concludes the investigation, it also notes that "[the provider] currently has no operating income and expects to wind down its business by the end of 2026."

FCC Orders Texas Broadcaster to Pay Delinquent Regulatory Fees or Risk Losing Three Radio Station Licenses

The FCC's Media Bureau and Office of Managing Director issued an Order to Pay or Show Cause (Order) directing the licensee of three Texas AM radio stations to either pay more than $166,600 in delinquent regulatory fees, penalties, interest, and administrative costs or show why the fees are inapplicable or should be waived or deferred. According to the Order, the licensee has unpaid regulatory fees for fiscal year 2013 for one station and unpaid regulatory fees for fiscal years 2015 through 2025 for all three stations, as well as additional interest and other charges that will continue to accrue until the debt is fully paid.

Section 9 of the Communications Act and Section 1.1151 of the FCC's Rules require the FCC to assess and collect annual regulatory fees to recover the costs of carrying out its regulatory responsibilities. When such payments are late or only partially paid, the Communications Act requires the FCC to assess a 25% late-payment penalty, and unpaid balances then accrue interest and administrative costs pursuant to Section 3717 of the Debt Collection Improvement Act of 1996. Ultimately, the FCC has authority to revoke licenses and other authorizations for failure to timely pay regulatory fees or associated charges.

According to the Order, the FCC sent demand letters to the licensee seeking payment of the outstanding debt, but no payment was received. The FCC then transferred the debt to the U.S. Department of the Treasury for collection. At the FCC's request, the Department of the Treasury later returned the debts to the Commission so it could pursue collection through the Order to Pay or Show Cause.

The Order requires the licensee to submit documented evidence within 60 days that all outstanding regulatory fee debt has been paid or to show cause why the fees are inapplicable or should be waived or deferred. The FCC explained that failing to provide evidence of payment or otherwise respond within the prescribed time could result in revocation of the licenses for all three stations.

The Order also notes that a hearing will be designated if the licensee presents a substantial and material question of fact as to whether payment is actually due, but that if the FCC does designate the matter for hearing, it may assess hearing costs against the licensee unless the licensee "substantially prevails" in the hearing.