

**FHH Telecom Law**  
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**FCC Implements New Debt Collection Procedures**  
**Applications dismissed if old bills not paid**

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The FCC has adopted new rules in an effort to crack down on deadbeat licensees and applicants. By comparing the applicant's FCC Registration Number ("FRN") with a roster of FRNs showing delinquent debts to the agency, the FCC can put a "red light" on the processing of any application filed by deadbeats.

The FCC will cross-check not only FRNs for unpaid debts, but also the underlying Taxpayer Identification Numbers (employer ID or social security numbers), so an applicant cannot avoid the red light just by opening a new FRN. Debts owed to the Universal Service Fund, the TRS Fund, and other FCC-mandated funds will all come under the delinquent debt umbrella, along with annual regulatory fees and application fees.

On the positive side, delinquent applicants will receive a notice of their delinquency so that they can cure it (with appropriate penalties) in time to get an application granted. The notice will go only to the person listed as a contact on the CORES account, so it wise to make sure the contact information is current. The FCC also has a resource on its website called "Red Light Check" that enables an entity to determine instantly whether it is subject to a red light for any reason. Access requires the entity's FRN and passcode.

Think the FCC isn't serious about holding delinquents responsible? One applicant took out a \$2,240 government-backed student loan in 1985 and defaulted, but by 1992 had paid up with interest. Fast forward to now, when an auction participant must pay 50% more up front if it previously defaulted on any "non-tax debt owed to any Federal agency." The applicant voluntarily 'fessed up to his long-since-corrected delict and, noting the default was cured more than a decade ago, asked for a waiver of the 50% premium. Sorry, said the FCC. The "rules and the integrity of the competitive bidding process are best served by applying the upfront payment requirement in a fair and consistent manner." The Government never forgets.