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## **Focus on FCC Fines**

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***FCC targets car TVs for DTV enforcement*** – Since March 1, 2007, 100% of all television receivers imported or shipped in the U.S. have been required to include DTV tuners. In a recent \$328,000 fine, the FCC made clear that 100% means every single one of them. Unlike previous enforcement actions leveled against major electronics retailers, here the FCC spanked a parts supplier who had no direct relations with retail consumers.

Six months ago, an FCC agent wandering about on the internet happened to find a company in Florida that supplies automobile dealerships with monitors for rear seat entertainment systems. The company does not sell this equipment to the retail public. Instead, the company ships the monitors to automobile dealers who install them in vehicles. The Florida company has a significant business: during the first four months of 2008, it shipped 4,000 units.

The FCC looked into the type of monitors that the company was selling and determined that the monitors had TV tuners built into their electronics. Remember, after March 1, 2007, the presence of TV tuner in a monitor triggers a requirement for a DTV tuner. The FCC determined that the monitors did not have a digital TV tuner. The FCC fined the company about \$100 a piece for each one of the “illegal” monitors.

Not surprisingly, the FCC was not pleased with the company when it found out that the company initially provided false information to the inquiring Feds. Turns out that although nearly 4,000 units were shipped, the company first told the FCC that only a dozen were shipped. Who knew? The company’s eventual admission that the number was really closer to 4,000 resulted in a fine from the FCC.

The FCC is sending a clear and consistent message to ***all*** equipment manufacturers – including those with who make equipment that you might not routinely think to be subject to all the DTV Transition hoop-de-doo – that they are taking the DTV transition very seriously. Broadcasters may take some solace in the fact that the FCC is working diligently to ensure that all new televisions can receive the new DTV signals that are mandated.

***FCC must approve the sale of your company or license*** – A case this month involving a Tennessee AM station reminds all licensees that they are mere stewards of the taxpayer's radio waves and that the FCC must give its consent before control of a license is transferred.

The owner of the station in question hadn't bothered to ask for the Commission's blessing before it sold control of the licensee to another party. This was, apparently, an innocent mistake, since the transaction was reported to the Commission in the regular course of things and, once the parties realized that they had failed to jump through the necessary hoops, they un-did the deal. But the damage had already been done, and the FCC initiated an inquiry.

The licensee ran up the white flag and suggested that the matter could be resolved through a consent decree, and the Commission agreed. With the payment of a \$5,000 "voluntary contribution" and commitment to a "compliance plan" that requires, among other things, the submission of annual "compliance reports" to the Commission for the next three years, the licensee was back on track.