

FCC upholds penalty against HobbyKing

21 June 2021

On 17 June 2021, the Federal Communications Commission (FCC) unanimously voted to uphold a US\$2.8 million penalty against HobbyKing, a drone distributor, for selling communications devices for drones that used frequencies the FCC had never authorized.

HobbyKing sold communications devices for drones that used license-exempt amateur radio frequencies. But, according to the FCC's 2020 forfeiture order, HobbyKing's devices also used other frequencies, including aviation spectrum used by the Federal Aviation Administration (FAA), that required prior FCC authorization but never received it. The FCC also found that some HobbyKing drone models operated at power levels above those permitted by FCC rules. Had HobbyKing sought FCC certification, the FCC would have realized that many of HobbyKing's drones were operating in prohibited spectrum bands and at impermissibly high power levels.

An FCC investigation found that HobbyKing marketed 65 models of devices that were required to be, but were not, certified by the Commission, and fined HobbyKing US\$2,861,128. US\$38,278 of the fine was due to HobbyKing's failure to respond to the FCC's Letters of Inquiry seeking information from HobbyKing.

HobbyKing challenged the FCC's forfeiture, but the Commission upheld the penalty. The Commission rejected arguments from HobbyKing that the forfeiture amount should be reduced based on various factors, including inability to pay. The FCC also said it was irrelevant that the Commission does not have marketing rules that specifically address so-called "versatile" drone equipment that can operate on both amateur and non-amateur frequencies, because the FCC rules prohibit the marketing of radio frequency devices unless the device has first been properly authorized, identified, and labeled consistent with the Commission's rules.

HobbyKing has 30 days to pay the US\$2,861,128 fine. If HobbyKing is unable to pay the fine within the time frame, the FCC will transfer the matter over to the Department of Justice.

For marketers and operators of AV transmitters, here are a few important takeaways:

- Only manufacture or market devices that operate on authorized or license-exempt spectrum.
- Keep transmitter power within the levels specified by the Commission's rules.
- Seek legal counsel prior to the manufacture, sale, or importation of any radio frequency communications equipment.

• If you receive a letter of inquiry from the FCC, respond in a timely, complete, and accurate manner.

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You can read the FCC's decision here.

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