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Drone Transmitters in FCC's Sights – \$2.8 Million Fine May Be Just the Start

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The FCC has proposed a fine of more than \$2.8 million against HobbyKing, a company that sells transmitters that transmit audio and video from unmanned aerial vehicles (drones). The FCC also <u>issued an enforcement advisory</u> warning manufacturers and users of drones and drone accessories that they must comply with FCC rules or risk significant penalties. The FCC said it "has observed a surge in websites advertising and selling" drone transmitters that do not comply with its rules, so additional enforcement actions are likely.

Like other products that emit radio signals, drones and drone accessories that communicate with users are subject to the FCC's rules, even when they use frequencies that do not require separate user licenses. The FCC proposed the fine because it found that HobbyKing sold 65 different transmitters that did not comply with the rules. Some of these transmitters had not been through a mandatory equipment approval process, some operated at power levels higher than permitted and some operated in bands assigned to licensed users, including frequencies used by the FAA to communicate with airplanes and frequencies used for weather radar. HobbyKing also continued marketing the transmitters after being informed of its violations by the FCC and did not respond completely to the FCC's inquiries despite being given several opportunities to do so. As a result, the FCC increased the base fine of \$455,000 to \$2,861,128.

The FCC's enforcement advisory highlights the key concerns in the HobbyKing order:

- Any drone or drone accessory that can transmit radio signals is subject to the FCC's rules.
- Except for drones or accessories that transmit only in amateur radio frequencies, all transmitters have to comply with the FCC's
 equipment authorization rules.
- Transmitters cannot operate in restricted bands, such as the band for aeronautical radio, without specific authorization (and obtaining such authorization is unlikely).
- Except for drones or accessories with transmitters that operate in unlicensed bands, such as the Wi-Fi bands, the user must have an operating license. In particular, users of drones or accessories with transmitters that operate in the amateur bands must hold amateur licenses. The FCC said it will hold users responsible if they operate drones or accessories that violate the rules or do not hold necessary licenses.

The combination of the proposed HobbyKing fine and the enforcement advisory signal the FCC will ramp up its efforts to address violations of its rules by companies that manufacture and market drones and drone accessories – and that it may target some users as well. More broadly, the HobbyKing decision and other recent activity suggest that the FCC is beginning to devote significant resources to enforcing its equipment authorization rules across a wide range of products, which means that all makers and distributors of devices that generate radio waves or use microprocessors could be at risk if they do not comply with FCC rules.

If you would like more information about those rules and how they might apply to your products, Cooley's communications lawyers are available to answer your questions.

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