

## Brother, Can You Spare \$3,535,740?

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Effective August 1, 2016, the FCC will increase fines for regulatory violations to reflect inflation. Because the cost-of-living adjustments were mandated by the Bipartisan Budget Act of 2015, the increases will occur automatically. The FCC concluded it had no discretion to make changes in the mandated increases and that comments on alternatives were unnecessary.

Because the current penalties were established at different times, the adjustments may vary considerably from penalty to penalty. The new forfeiture is determined by a seven-step calculation that determines an appropriate “multiplier.” For penalties adjusted in 2014, the multiplier is 1.00171, but the FCC’s order allows for the possibility that penalties may not have been adjusted since they were initially established. For a penalty established in 1933, when the Communications Act was adopted, and not previously adjusted, the multiplier is 18.01803.

Even modest adjustments to large fines can be significant. For example, the maximum indecency fine for a single violation will increase from \$325,000 to \$383,038 and the maximum fine for multiple indecency violations will increase from \$3 million to \$3,535,740.

If you expect to be fined after August 1, better get a calculator.

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