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For Immediate Release

**FCC PLANS TO FINE AT&T \$106,425 FOR OVERCHARGING
SCHOOLS IN FLORIDA**

***AT&T Charged with Violating “Lowest Corresponding Price” Rule, Ordered to Repay
Universal Service Fund \$63,760***

— WASHINGTON, July 27, 2016 – The Federal Communications Commission plans to fine AT&T \$106,425 for charging two Florida school districts some of the highest telecommunications rates in the state, in apparent violation of federal law and the FCC’s “lowest corresponding price” rule. The lowest corresponding price rule helps ensure that schools and libraries that participate in the FCC’s E-rate Program get the best rates available by prohibiting E-rate service providers from charging them more than the lowest price paid by other similarly situated customers for similar telecommunications services. The Commission alleges that AT&T charged the school districts prices for telephone service that were magnitudes higher than many other customers in Florida. One or both school districts paid the highest price in all of Florida for one service, while other customers paid much less. In addition to the fine, the FCC plans to order AT&T to repay \$63,760 it apparently improperly received from the Universal Service Fund as a subsidy for these services.

“Charging school districts among the highest rates in the state for telephone or broadband internet service is outrageous,” said Enforcement Bureau Chief Travis LeBlanc. “Schools and libraries across the country heavily rely upon federal and state funds to afford these critical services. We expect that every service provider will offer participating schools and libraries the same low rates that they charge to other similarly situated customers.”

The schools and libraries universal service support program, commonly known as the E-rate Program, enables eligible schools, libraries, and consortia of eligible schools and libraries to receive discounts on telecommunications services, Internet access, internal connections, basic maintenance costs and managed internal broadband services. In its 2014 modernization of E-rate, the Commission directed the Enforcement Bureau to devote additional resources to enforcing the lowest corresponding price rule as part of a broader effort to maximize the benefits E-rate provides in schools and libraries and produce savings in the program.

In today’s Notice of Apparent Liability (NAL), the Commission alleges that AT&T violated the lowest corresponding price rule from at least mid-2012 to mid-2015, when it charged the school districts in Orange County and Dixie County, Florida, prices well above what other customers in the state paid. In addition, in each of these years AT&T certified its compliance with the E-rate program’s rules, apparently inaccurately. These certifications caused the Universal Service Fund to subsidize the school districts’ services at greatly inflated prices and allowed AT&T to receive

at least \$63,760 in federal support that it should not have received.

The Notice of Apparent Liability (NAL) is available at:

https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-98A1.pdf

An NAL details the Commission's allegations of unlawful conduct, and proposes a monetary forfeiture for such conduct. The description of the NAL set forth herein and the apparent violations found in the NAL should be treated as allegations. Members of the public who have information related to this matter may provide it at <https://consumercomplaints.fcc.gov/>.

Action by the Commission July 27, 2016, by Notice of Apparent Liability for Forfeiture (FCC 16-98). By the Commission: Commissioner Pai Dissenting and issuing a statement; Commissioner O'Rielly Dissenting.

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