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Federal Communications Commission
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Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F 2d 385 (D.C. Cir. 1974).

FOR IMMEDIATE RELEASE
July 27, 2000

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FEDERAL COMMUNICATIONS COMMISSION PROPOSES FINES AGAINST INTELICALL OPERATOR SERVICES AND MATRIX TELECOM, INC. FOR FAILURE TO MAKE REQUIRED UNIVERSAL SERVICE CONTRIBUTIONS

Washington, D.C. -- Today, the Federal Communications Commission (FCC) notified Intellicall Operator Services (Intellicall) and Matrix Telecom, Inc. (Matrix) that they are apparently liable for forfeitures of \$198,000 and \$113,000, respectively. The Commission charged both companies with violating statutory and regulatory requirements that interstate telecommunications providers make certain contributions to foster universal service. In today's notices, the Commission directs each carrier to either pay the proposed forfeiture or show why the forfeiture should be reduced or not imposed, within 30 days.

In the Telecommunications Act of 1996 (the "Act"), Congress mandated that the Commission establish mechanisms to collect contributions to preserve and advance universal service. In 1997, the Commission authorized the Universal Service Administrative Company (USAC) to perform the administrative tasks as well as the billing and collections functions necessary for the universal service program. Both Intellicall and Matrix were billed for universal service contributions by USAC. Although both carriers made some contributions to the fund, those payments were neither timely nor in the amounts specified by USAC.

The Commission oversees the administration of the universal service program and imposes sanctions on carriers that fail to meet their full obligations. The Commission found the carriers apparently liable for their failure to make universal service contributions in two months. In determining the proposed forfeiture amounts for Matrix and Intellicall, the Commission took into account the amounts of the unpaid contributions as well as the fact both carriers had made some contributions to the Universal Service Fund and had submitted plans to become current on their obligations.

Action by the Commission, July 21, 2000, by Notices of Apparent Liability for Forfeiture (FCC 00-261 and FCC 00-262).

File Nos. EB-00-IH-0055 and EB-00-IH-0057

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