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For Immediate Release

FCC PROPOSES MORE THAN \$1.4 MILLION FINE AGAINST PAYG FOR 18 APPARENT PAYMENT VIOLATIONS OF UNIVERSAL SERVICE FUND AND OTHER FEDERAL FEES

Adopts Order Clarifying Methodology for Calculating Forfeitures Against Entities that Violate USF and Other Federal Payment Rules

WASHINGTON, May 30, 2023—The Federal Communications Commission today proposed a fine of more than \$1.4 million against PayG for apparently failing to pay Universal Service Fund (USF), Telecommunications Relay Service Fund (TRS Fund), North American Numbering Plan (NANP), and federal regulatory fees when payments were due. The proposed fine is the first enforcement action since 2015 based on a newly [adopted Order](#) clarifying the calculation of forfeitures for failure to make required payments to the Commission, including USF, TRS Fund, Local Number Portability, NANP, and federal regulatory fee payments.

The Order vacates the Commission’s 2015 Forfeiture Policy Statement, which announced a “treble damages” methodology for these types of fee violations, yet due to procedural roadblocks was never put into practice. The clarified methodology enables the Commission to issue penalties for payment violations that are closely tailored to the specific circumstances of each individual adjudication. Forfeiture penalties for payment violations in future adjudications can therefore be adjusted based on the unique factors present in a case, resulting in fines more tailored to the circumstances of the case than those calculated using the “treble damages” methodology. In this instance, the Commission found PayG apparently liable for a fine that was more than treble the loss to the Funds.

The USF is a multibillion-dollar program that depends on service providers fully paying contributions when the payments are due. PayG’s apparent payment violations spanned four years, resulting in substantial harm to the Commission’s cost recovery requirements for these programs implemented under the Communications Act.

“Each of these funding mechanisms play a critical role in supporting vital programs for the public that make the United States a global leader in the provision of communications services,” said FCC Enforcement Bureau Chief Loyaan A. Egal. “Providers must fulfill their responsibilities to meet their deadlines and obligations to pay the full amount of what they owe in a timely manner.”

The proposed action, formally called a Notice of Apparent Liability for Forfeiture, or NAL, contains only allegations that advise a party on how it has apparently violated the law and may set forth a proposed monetary penalty. The Commission may not impose a greater monetary penalty in this case than the amount proposed in the NAL. Neither the allegations nor the proposed sanctions in the NAL are final Commission actions. The party will be given an

opportunity to respond and the Commission will consider the party's submission of evidence and legal arguments before acting further to resolve the matter.

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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).