



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>

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:
June 4, 2014

NEWS MEDIA CONTACT:
Mark Wigfield, 202-418-0253
E-mail: mark.wigfield@fcc.gov

TEXAS-BASED TELECOM PROVIDER TO PAY \$875,000 TO RESOLVE RURAL CALL COMPLETION INVESTIGATION

Company Will Implement a Three-Year Compliance Plan

Washington, DC – Matrix Telecom, Inc., a telecommunications company headquartered in Irving, Texas, will pay \$875,000 to resolve an investigation by the Federal Communications Commission’s Enforcement Bureau into whether the company failed to complete long-distance calls to rural areas on a just, reasonable, and non-discriminatory basis. Matrix will also implement a three-year plan to ensure compliance with FCC requirements designed to combat the serious problem of long-distance calls failing to complete in rural areas.

“Our nation’s telecommunications laws are based on the fundamental promise that all Americans should be able to call each other wherever they may be located,” said Travis LeBlanc, Acting Chief of the Enforcement Bureau. “Rural America should not be treated differently, and we will continue to enforce the law to fulfill this promise.”

In its consent decree with the Enforcement Bureau, Matrix has agreed to:

- Make a payment of \$875,000 to the U.S. Treasury;
- Develop and implement a comprehensive compliance plan designed, among other things, to ensure future compliance with applicable laws;
- Designate a senior corporate manager to serve as a compliance officer focusing on rural call completion issues;
- Cooperate with the FCC and rural local exchange carriers to establish a testing program to evaluate rural call completion performance whenever complaints or data indicate problems;
- Notify intermediate providers (companies that Matrix uses to deliver calls) that may be causing call completion problems and analyze and resolve such problems as soon as practicable;
- Cease using intermediate providers that fail to improve their performance;
- Report to the FCC any noncompliance with the consent decree within 15 days; and
- File an initial compliance report in 90 days and annual reports for three years.

The Bureau initiated its investigation of Matrix (and companies Matrix had acquired, including Excel Telecommunications and Vartec Telecom) as a result of serious allegations about the company’s ability to reliably complete long-distance calls dialed to rural areas. These included complaints from consumers and from rural carriers, responses by inter-exchange carriers to complaints served by the Commission’s Rural Call Completion Task Force, and performance data from other carriers that used Matrix as an intermediate provider. During the course of the investigation, the Bureau obtained and examined months of call completion data from Matrix’s retail and wholesale operations. After it received notice of the investigation, Matrix significantly reduced the number of intermediate providers (often called “least cost routers”) that it used to deliver long-distance calls to rural areas. As a result of those routing changes, Matrix’s call completion performance to rural areas substantially improved. In addition, Matrix made significant

investments to upgrade its network and related operations to improve rural call completion performance. In combination with the changes that Matrix has made as a result of the Enforcement Bureau's investigation, the consent decree resolves the Bureau's investigation into Matrix's practices and performance in completing long-distance calls over its own network or through the use of intermediate providers.

This is the third major resolution of a rural call completion investigation in the last 15 months. In March 2013, Level 3 Communications, LLC paid \$975,000 to settle the Bureau's investigation of its rural call completion performance, and in February 2014, Windstream Corporation paid \$2.5 million to settle the Bureau's investigation of its rural call completion performance. Links to each consent decree appear below.

Matrix consent decree: http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-14-679A1.pdf.

Windstream consent decree: http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0220/DA-14-152A1.pdf.

Level 3 consent decree: http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-13-371A2.pdf.

-FCC-