

December 5, 2017

United States
Universal Service Administrative Co
PO Box 105056
Atlanta, GA 30348-5056

Re: Logical Ventures, Inc.
Federal ID#: 52-1202799
Filer ID# 832241

To Whom It May Concern;

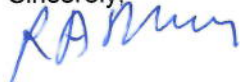
I am writing in response to a Penalty Notice we recently received regarding our USAC Form 499 filing. Logical Ventures agrees that it did not file the proper returns. However, the Company would like to seek a waiver of the entire penalty amount on these circumstances. The company was unaware of the filing requirement until completing the reporting for the Schools and Library program. Once we were made aware the company quickly filed Form 499 retroactively and have paid the assessment fees for those years.

In addition, while we have been reselling a minor volume of interconnected VOIP as a service to our customers our VOIP providers (VOIP Street, VOIP Innovation and FlowRoute) have been charging and collecting from us the Federal TRS fund and Federal Universal Service Fund fees. We did not try to seek an exemption from paying the fees. As a system integrator, our volume of interconnected VOIP sales is typically less than 0.15% of our total revenue.

Based on the 2017 instructions for Form 499A, Logical Ventures should be considered a de minimis filer. Our estimated annual contribution is significantly less than \$10,000. Our 2016 gross universal service contribution base for interstate revenues as reported on the 2017 form was only \$9,626. The total TRS fund contribution we owed from 2014 thru 2017 was a total of \$532.77. We have paid this fee and now that we are aware of the requirements we will comply with the regulation and submit the required forms.

In summary, the Company seeks abatement of the entire \$9300.00 penalty amount it has been assessed due to the extenuating circumstances described above.

Sincerely,



Robert Roswell, VP
Logical Ventures, Inc.

encl: copy of Penalty Notice
cc: Lynn Kallay, Controller

LOGICAL VENTURES, INC.

4125

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	
522127	USAC	00000000000072781	12/5/2017	4125
DOCUMENT NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT
UBDI10000945989	12/5/2017	\$ 9,300.00	\$ 9,300.00	\$ 0.00
		\$ 9,300.00	\$ 9,300.00	\$ 0.00
				NET
				\$ 9,300.00

COMMENT

LOGICAL VENTURES, INC.

338 CLUBHOUSE ROAD
HUNT VALLEY, MD 21031
T/A SYSTEM SOURCE

THE COLUMBIA BANK
LISTENING IS JUST THE BEGINNING®
65-233/550

DATE

AMOUNT

12/5/2017

\$ 9,300.00

PAY Nine Thousand Three Hundred Dollars And 00 Cents

TO THE ORDER OF
USAC
PO Box 105056
Atlanta GA 30348-5056



RA
AUTHORIZED SIGNATURE

⑈004125⑈ ⑆055002338⑆

1602183501⑈

LOGICAL VENTURES, INC.

4125

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	
522127	USAC	00000000000072781	12/5/2017	4125
DOCUMENT NUMBER	DATE	AMOUNT	AMOUNT PAID	DISCOUNT
UBDI10000945989	12/5/2017	\$ 9,300.00	\$ 9,300.00	\$ 0.00
		\$ 9,300.00	\$ 9,300.00	\$ 0.00
				NET
				\$ 9,300.00

COMMENT



Universal Service Administrative Co.

Filer 499 ID: 832241
Invoice Number: UBD10000945989
Statement Date: 11/22/2017
New Balance: \$ 9,300.00
Payment Due Date: 12/15/2017
Amount Enclosed:

Logical Ventures, Inc. T/A System Source
Attention: Lynn Kallay
338 Clubhouse Rd,
Hunt Valley, MD, 21031

Mail Payment To:

Universal Service Administrative Company
PO Box 105056
Atlanta, GA 30348-5056

Address Change? See reverse side for instructions.

☐ If paying for multiple Filer 499 IDs, please check
here and complete form on back.

Send top portion of statement with payment in enclosed envelope. Keep bottom portion for your records.

ACCOUNT STATUS

- Account is in good standing.

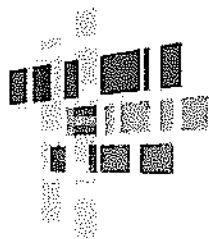
STATEMENT OF ACCOUNT

Date	Description	Charges	Credits
	Previous Balance		\$0.00
11/15/2017	Late Filing Sanction	\$9,300.00	
TOTAL OUTSTANDING USAC BALANCE AS OF 11/15/2017		\$9,300.00	

Transactions occurring after 11/15/2017 are not reflected on this statement.

Under the Debt Collection Improvement Act of 1996 (Pub. L. 104-134) (DCIA), your BALANCE DUE is a demand that you pay a DEBT owed to the United States on or before the DUE DATE. If the DUE DATE is non-business day, payment must be received the business day before that date. Any portion of the DEBT unpaid after the DUE DATE is a DELINQUENT DEBT, which may result in sanctions, including interest, penalties, and administrative charges. Failure to file a Telecommunications Worksheet may result in a late filing fee DEBT added to your BALANCE DUE. **Read the reverse of this invoice for important information about those sanctions and your legal rights and obligations.**

Statement Date	Invoice Number	Filer 499 ID	Balance Due USAC
11/22/2017	UBD10000945989	832241	\$ 9,300.00
FORM 499Q DATA This month's support mechanism charges were calculated using an FCC contribution factor of 0.188000 and the following revenue data: <u>August 2017 499Q</u> 120b 120c If the figures do not correspond with your records, please contact USAC Customer Service at 888-641-8722		PAYMENT INFORMATION All payments received (regardless of specific instructions) will be applied to your outstanding USAC balance in historical order as outlined in FCC order 07-150. Please remit ACH payments in a CCD+ format to ABA #071000039, Account #5590045653. All Wire Transfers should be sent to ABA #026009593, DDA (or Account) #5590045653. Payments must include your Company Name, Filer 499 ID, and Invoice Number to ensure timely posting.	



Universal Service Administrative Co.

Filer 499 ID: 832241
Invoice Number: UBDI0000945989
Statement Date: 11/22/2017

DETAILED SUMMARY OF CHARGES AND CREDITS

SUPPORT MECHANISM CHARGES

Your monthly support mechanism charges were calculated according to the following formulas:

LIRE Eligibility

If a carrier's quarterly interstate revenue equals less than 12.00% of their combined quarterly interstate and international revenue, the carrier is eligible for the Limited Interstate Revenue Exemption (LIRE). Based on your 499Q data, your interstate revenue equals _____ percent of your combined interstate and international revenue. Therefore, you are eligible for the LIRE exemption. As a result, your international revenue will not be used in determining your quarterly contribution base.

Quarterly Contribution Base

The quarterly contribution base is a portion of your quarterly revenue that USAC considers when determining your quarterly Universal Service Fund contribution. The quarterly contribution base equals your interstate plus international revenue. Your current quarterly contribution base equals:

$$\frac{\text{Interstate Revenue (Line 120B)}}{+} \frac{\text{International Revenue (Line 120C)}}{=} \frac{\text{Quarterly Contribution Base}}{=}$$

Adjusted Quarterly Contribution

USAC adjusts carriers' quarterly contribution bases by the amount that they are expected to contribute in that quarter. The calculation for an adjusted contribution amount is as follows, and takes into account the circularity deduction:

$$\begin{aligned} &\frac{\text{Quarterly Contribution Base}}{*} \frac{0.188000}{\text{FCC Contribution Factor}} = \frac{\text{Unadjusted Contribution}}{=} \\ &\frac{\text{Unadjusted Contribution}}{-} \left(\frac{\text{Unadjusted Contribution}}{*} \frac{0.157216}{\text{FCC Circularity Factor}} \right) = \frac{\text{Adjusted Contribution}}{=} \end{aligned}$$

De Minimis Eligibility

Carriers whose expected annual contribution is less than \$10,000 are considered de minimis and are exempted from paying into the Universal Service Fund. To be exempt, a carrier must meet the de minimis criteria on both the current 499A and 499Q forms.

You meet the de minimis criteria on neither the 499A or the current 499Q. Therefore, you are not eligible for the de minimis exemption during the current quarter.

Your eligibility was calculated using the contribution factors established by the FCC for determining de minimis status on each form:

499A:

$$\frac{\text{499A Contribution Base}}{*} \frac{0.164000}{\text{FCC Estimated Annual Factor}} = \frac{\text{Estimated 499A Contribution}}{=}$$

499Q:

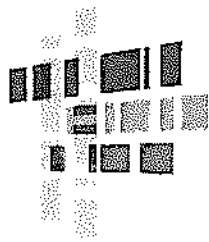
$$\frac{\text{Adjusted Contribution}}{*} 4 = \frac{\text{Estimated 499Q Contribution}}{=}$$

For more information on the FCC estimated annual factor, please see the Form 499A Instructions. For more information on the current FCC contribution factor, visit the FCC website at www.fcc.gov.

Support Mechanism Charges

Your total monthly contribution is determined by multiplying one-third of your adjusted quarterly contribution base by the current quarter's FCC contribution factor.

$$\frac{1/3}{*} \frac{\text{Adjusted Quarterly Contribution}}{=} \frac{\text{Total Monthly Contribution}}{=}$$



Universal Service Administrative Co.

Filer 499 ID: 832241
Invoice Number: UBD10000945989
Statement Date: 11/22/2017

Interest & DCIA Penalties

A DELINQUENT DEBT incurs interest at the annual rate equal to the U.S. prime rate as of the DATE OF DELINQUENCY plus 3.5 percent from that DATE until the DEBT is paid in full. Any portion of the DEBT unpaid more than 90 days, incurs a penalty of 6 percent a year from the DATE OF DELINQUENCY. The reverse of the Invoice provides more information on interest, penalties, and administrative charges.

Description - Debt Due Date	Principal	Payment/ Credit Date	Interest Rate	Days Late	Additional Interest (B* (D/365)*E)	Accrued Interest	Total Interest (F+G)	Payment & Credits Applied	Interest Outstanding	Principal Outstanding
A	B	C	D	E	F	G	H	I	J	K
Outstanding Items										
UBD10000945989 - 12/15/2017	\$9,300.00		0.00%	0	\$0.00	\$0.00	\$0.00		\$0.00	\$9,300.00
					<u>\$0.00</u>			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$9,300.00</u>
								Principal Outstanding		\$9,300.00
								Interest & Penalties		\$0.00
								Total Amount Due		<u>\$9,300.00</u>