

EXHIBIT A



Via Certified and Electronic Mail

March 19, 2014

Tamar Finn, Esq.
Bingham McCutchen LLP
2020 K Street NW
Washington, DC 20006-1806

Re: Cleveland PCS, LLC (Filer ID 821814) March 2014 USAC Invoice

Dear Ms. Finn:

After reviewing the information you provided to the Universal Service Administrative Company (USAC) on February 20, 2014 concerning Cablevision Systems Corporation's (Cablevision) ownership interest in Cleveland PCS, LLC (Cleveland PCS), USAC has determined that the March 2014 invoice scheduled to be issued to Cleveland PCS shall be issued to Cablevision as a successor in interest to Cleveland PCS. USAC has determined that Cablevision is obligated to pay the federal Universal Service contribution obligations set forth on the invoice, a copy of which is provided hereto. Following is a further discussion of this matter.

Cleveland PCS first reported telecommunications revenue on its April 2002 FCC Form 499-A. Cleveland PCS continued to report telecommunications revenue subject to federal Universal Service contribution obligations through the April 2004 FCC Form 499-A, reporting calendar year 2003 revenue.¹ As required by Federal Communications Commission (FCC) rules,² USAC relied on the revenue provided by Cleveland PCS on its FCC Forms 499 to calculate the companies' monthly federal Universal Service contribution obligations. In May 2005, Cleveland PCS provided USAC a copy of a Bill of Sale with an effective date of May 5, 2004, listing Cleveland PCS as a seller and Cleveland Unlimited, Inc. (Cleveland Unlimited) as a buyer. In response to this, on the June 2005 USAC invoice for Cleveland PCS, USAC reversed any charges that were related to the period after May 5, 2004. The result of this reversal was a \$752,568.20 balance on Cleveland PCS's June 2005 USAC invoice.

¹ Cleveland PCS filed an August 2004 FCC Form 499-Q, but the form was later cancelled due to the deactivation of the Filer ID effective May 5, 2004.

² See 47 C.F.R. § 54.709(a) ("Prior to April 1, 2003, contributions to the universal service support mechanisms shall be based on contributors' end-user telecommunications revenues and on a contribution factor determined quarterly by the Commission. Contributions to the mechanisms beginning April 1, 2003 shall be based on contributors' projected collected end-user telecommunications revenues, and on a contribution factor determined quarterly by the Commission.").

Tamar Finn, Esq.
Bingham McCutchen LLP
March 19, 2014
Page 2 of 4

The balance shown on the June 2005 invoice was comprised of the Annual/Quarterly True-up (A/Q True-up) of \$800,771.64 based on the 2004 FCC Form 499-A, less five payments totaling \$48,203.44 made from June 2004 to February 2005. Because the 2004 A/Q True-up is related to calendar year 2003 revenue, it was appropriate for this amount to be billed and due from Cleveland PCS. This true up was initially applied in the third quarter of 2004 based on the originally filed 2004 FCC Form 499-A. Based on USAC's review of the form, USAC determined that the company had not allocated any of its wireless revenues to the interstate jurisdiction, so a revised form was processed correcting this error, resulting in additional A/Q True-up transactions in the first quarter of 2005.

Currently, any debt more than 120 days old will be transferred to the United States Department of the Treasury (Treasury) for collection.³ After July 1, 2003, but prior to May 2011, USAC was required to transfer any debt over 90 days old to the FCC for collection. Pursuant to the Debt Collection Improvement Act (DCIA), from July 2005 through August 2006, USAC transferred all but \$20 of Cleveland PCS's full outstanding debt to the FCC, leaving a \$20 balance on the USAC invoice. In August 2008, a \$20 payment was received from Cleveland Unlimited, bringing the USAC balance to \$0, and leaving the remaining \$752,548.20 of the unpaid 2004 A/Q True-up owed to the FCC. Of this amount, \$521.89 of the balance was transferred by the FCC to Treasury for collection.

In June 2012, at the FCC's direction, USAC recalled all the outstanding federal Universal Service contribution obligation amounts that USAC had previously transferred to the FCC back to USAC so that these amounts could be instead transferred to Treasury. Although its Filer ID was deactivated, and its full balance transferred to Treasury for collection, USAC's billing system continued to bill Cleveland PCS over several months in 2013.

Due to the complexity of the charges and reversals that took place to resolve the above-mentioned issues, this letter will not detail each transaction and its correcting adjustments. However, the net result was a USAC January 2014 credit balance of (\$44,929.47) and an outstanding balance at Treasury of \$797,477.67, resulting in an overall balance of \$752,548.20, equal to the outstanding 2004 A/Q True-up explained above. In order to better manage this total overall balance, and eliminate the confusion of a perceived credit owed to Cleveland PCS, USAC has recalled the balance from Treasury, so that the full \$752,548.20 was shown as a balance due to USAC on the February 2014 previously issued invoice.

³ A debt transfer process was implemented pursuant to the Debt Collection Improvement Act of 1996, Pub. L. No. 104-134, 110 Stat. 1321, 1358 (1996) (DCIA). The DCIA requires, among other things, that federal agencies transfer debts delinquent over 180 days to the United States Department of Treasury (Treasury) for further collection action. The DCIA also allows agencies to transfer debts under 180 days to the Treasury. 47 C.F.R. § 1.1917(c).

Tamar Finn, Esq.
Bingham McCutchen LLP
March 19, 2014
Page 3 of 4

Invoices from June 2005, when USAC adjusted the account to a final balance based on the Bill of Sale, and August 2008, when USAC reflected a \$0 balance with all amounts owed to the FCC, were sent to 7164 E. Pleasant Valley Road in Independence, Ohio, as requested by Cleveland PCS on its FCC Forms 499. From September 2008 through August 2012, USAC sent no invoices to Cleveland PCS, because all amounts were due to the FCC, with a small portion due to Treasury based on transfers the FCC made as described above. When USAC recalled the unpaid portion from the FCC, USAC sent an invoice to the same Independence, Ohio address from September 2012 through March 2013, when the debt was transferred to Treasury.

In May of 2013, Cleveland Unlimited, the buyer noted in the May 5, 2004 Bill of Sale, sent a letter to USAC, claiming that the Cleveland PCS invoices were being erroneously sent to Cleveland Unlimited's mailing address.⁴ In its response to Cleveland Unlimited's letter, USAC noted that Cleveland Unlimited "commenced operations by acquiring the assets of [Cleveland PCS] on July 14, 2004,"⁵ and that "[a]ccording to USAC's records and communications with John Dolan of [Cleveland Unlimited], the company's acquisition of [Cleveland PCS] was only a partial acquisition and [Cleveland PCS] remained a separate operating entity."⁶ With its letter, Cleveland Unlimited provided a copy of Cleveland PCS's April 2008 certificate of dissolution with the state of Ohio, which listed its contact address for any demands against the company as 1111 Stewart Avenue in Bethpage, New York.⁷ As a result, USAC updated its records to reflect the Bethpage, New York address. Invoices and letters from that point forward were addressed to the Bethpage, New York address.

In December 2013, you contacted USAC inquiring about the balances reflected in mailings by USAC to Cleveland PCS on behalf of Cablevision, the company conducting business at the Bethpage, New York address. At USAC's request, you provided information asserting that Cablevision "owned 49.9% of Northcoast Communications, LLC, whose consolidated net assets consisted solely of the net assets of its Cleveland PCS subsidiary, until the sale of Cleveland PCS to an unaffiliated entity was consummated in July 2004."⁸

⁴ See Letter from Andrew Morentz, representative of Cleveland Unlimited, Inc. d/b/a Revol Wireless to USAC, at 1 (May 20, 2013).

⁵ See Letter from USAC to Andrew Morentz, representative of Cleveland Unlimited, Inc. d/b/a Revol Wireless, at 2 (July 16, 2013) (*July 2013 Letter*) (quoting *In the Matter of Reply Comments of Cleveland Unlimited, Inc.*, WT Docket No. 05-265, at 2 (filed Jan. 26, 2006)).

⁶ See *id.* (citing to Bill of Sale and Assignment provided to USAC on May 16, 2005).

⁷ See Letter from Andrew Morentz, representative of Cleveland Unlimited, Inc. d/b/a Revol Wireless to USAC, at Exhibit C (May 20, 2013).

⁸ See Email from Tamar Finn, counsel for Cablevision Systems Corporation, to Dave Capozzi, USAC General Counsel (Feb. 10, 2014).

Tamar Finn, Esq.
Bingham McCutchen LLP
March 19, 2014
Page 4 of 4

The documentation that you provided merely demonstrates a transfer of ownership interest from Cleveland PCS, LLC, d/b/a Northcoast PCS, and Cleveland Holding, LLC to Cleveland Unlimited, Inc. The documentation does not identify the underlying owners of any of these entities or the disposition of assets. USAC also notes that this documentation was only provided after you asserted that Cablevision had no documentation on the ownership of Cleveland PCS.

The mere transfer of ownership rights or assets in a merger or sale transaction does not relieve any party with federal Universal Service reporting and contribution requirements of their ongoing contribution obligations unless the parties provide sufficient documentation to USAC as to who will assume such reporting and contribution obligations. In this case, no entity positively assumed the reporting and contribution obligations of Cleveland PCS.

As Cablevision was, to USAC's knowledge at least, a 49 percent owner of Cleveland PCS, and the Cleveland PCS certificate of dissolution directed that any claims against the company be sent to the Bethpage, New York address, which is the address of Cablevision's offices, USAC can only reasonably assume that, absent reasonable evidence to the contrary, Cablevision is a successor in interest to Cleveland PCS and is responsible for all past due federal Universal Service reporting and contribution obligations of Cleveland PCS. As stated above, USAC will invoice Cablevision for the past due federal Universal Service contribution obligations of Cleveland PCS as set forth above, and USAC hereby considers such contribution obligations to be a debt due from Cablevision.

Sincerely,

USAC



Filer 499 ID: 821814
Invoice Number: UBDI0000682390
Statement Date: 03/21/2014
New Balance: \$ 752,548.20
Payment Due Date: 04/15/2014
Amount Enclosed:

Cleveland PCS, LLC
 Attention: Cablevision Systems Corporation, Successor in
 interest to Cleveland PCS
 1111 Stewart Avenue,
 Bethpage, NY, 11714

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.

STATEMENT OF ACCOUNT

Date	Description	Charges	Credits
03/14/2014	Previous Balance	\$752,548.20	
	TOTAL OUTSTANDING USAC BALANCE AS OF 3/14/2014	\$752,548.20	

Transactions occurring after 03/14/2014 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
03/21/2014	UBDI0000682390	821814	\$ 752,548.20
FORM 499Q DATA		PAYMENT INFORMATION	
This month's support mechanism charges were calculated using an FCC contribution factor of 0.164000 and the following revenue data: <u>November 2013 499Q</u> 120b 120c If the figures do not correspond with your records, please contact USAC Customer Service at 888-641-8722		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.	



Filer 499 ID: 821814
Invoice Number: UBIDI0000682390
Statement Date: 03/21/2014

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

UBDI0000676388 - 3/14/2014	\$752,548.20		6.75%	0	\$0.00	\$0.00	\$0.00		\$0.00	\$752,548.20
					\$0.00			\$0.00	\$0.00	\$752,548.20
										Principal Outstanding
										\$752,548.20
										Interest & Penalties
										\$0.00
										Total Amount Due
										\$752,548.20