

March 22, 2005

The Honorable Steven A. Felsenthal
Chief Judge, United States Bankruptcy Court
1100 Commerce Street
Dallas, Texas 75242

Re: *In re VarTec Telecom, Inc., et al.*; Case No. 04-81694-SAF-11
Agenda Letter for Hearing Scheduled for March 23, 2005 at 1:30 p.m.

Dear Chief Judge Felsenthal:

The purpose of this correspondence is to advise you of the status and proposed disposition of the following matters set for hearing on the Court's docket for March 23, 2005 at 1:30 p.m.:

UNCONTESTED MATTERS

1. Motion to Authorize Rejection of Executory Contract Between Excel Telecommunications, Inc. and SBC Communications (Concerning Cleveland, Ohio Dedicated Ring) and Brief in Support filed by the Debtors [Docket No. 1021]

STATUS: This matter will be going forward as scheduled.

2. Motion to Approve Master Professional Services Agreement (Communications Management Services, Inc.) filed by the Debtors [Docket No. 1022]

STATUS: This matter will be going forward as scheduled.

3. Second Motion to Amend and Modify Terms of Retention of Alvarez & Marsal, LLC as Restructuring Officers of the Debtors [Docket No. 1092]

STATUS: This matter will be going forward as scheduled.

4. Motion for Order (A) Approving Sale Procedures and Bid Protections in Connection with Sale of Certain Assets Owned by VarTec Telecom, Inc.; (B) Scheduling an Auction and Hearing to Consider Approval of the Sale; (C) Approving Notice of Certain Dates, Times and Places; and (D) Granting Related Relief (Shares of Holding Protel, S.A. de C.V. and Related Assets) filed by the Debtors [Docket No. 1108]

STATUS: This matter will be going forward as scheduled.

5. Motion to Seal Time Records Relating to Special Litigation Counsel's Fee Applications filed by the Debtors [Docket No. 1100]

STATUS: This matter will be going forward as scheduled.

6. Agreed Motion to Approve Stipulation and Order Granting Authority to Official Committee of Unsecured Creditors to Pursue Certain Claims on Behalf of Debtors' Estates filed by the Official Committee of Unsecured Creditors [Docket No. 1068]

STATUS: This matter will be going forward as scheduled.

7. Application to Employ Neligan Tarpley Andrews & Foley, LLP as Special Counsel to Official Committee of Unsecured Creditors [Docket No. 1081]

STATUS: This matter will be going forward as scheduled.

CONTESTED MATTERS

8. None

Thank you.

Sincerely,

/s/ William L. Wallander
William L. Wallander

cc: Master Service List

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