

July 6, 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 July 7, 2005 at 3:30 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 July 7, 2005 at 3:30 p.m.:

## **UNCONTESTED MATTERS**

1. Amended Application to Employ Kane, Russell, Coleman & Logan, P.C. as Special Counsel to the Debtors filed by the Debtors [Docket No. 1348]

**OBJECTION DEADLINE:** June 17, 2005

**STATUS:** This matter will be going forward as scheduled.

2. Motion to Approve Compromise and Settlement with Universal Service Administrative Company filed by the Debtors [Docket No. 1383]

**OBJECTION DEADLINE:** July 6, 2005

**STATUS:** This matter will be going forward as scheduled.

3. Motion to Approve Compromise and Settlement with Comdisco, Inc. filed by the Debtors [Docket No. 1386]

**OBJECTION DEADLINE:** July 6, 2005

**STATUS:** This matter will be going forward as scheduled.

4. Sixth Motion to Authorize Rejection of Assorted Executory Contracts and Personal Property Leases and Brief in Support filed by the Debtors [Docket No. 1392]

**OBJECTION DEADLINE:** July 7, 2005

**STATUS:** This matter will be going forward as scheduled.

5. Motion to Determine the Verizon Entities' Ability to Effectuate Setoff and Compel Compliance with the Carriers' Stipulation filed by the Debtors [Docket No. 1374]

First Amended Motion to Determine the Verizon Entities' Ability to Effectuate Setoff and Compel Compliance with the Carriers' Stipulation filed by the Debtors [Docket No. 1440]

Response of the Operating Telephone Company Subsidiaries of Verizon Communications Inc. to First Amended Motion to Determine the Verizon Entities' Ability to Effectuate Setoff [Docket No. 1464]

**OBJECTION DEADLINE:** July 5, 2005 (by agreement of the parties)

**STATUS:** The parties request that this matter go forward as a status conference.

### **CONTESTED MATTERS**

6. First Interim Application of White & Case LLP, Counsel for the Official Committee of Excel Independent Representatives, for Allowance of Compensation and Reimbursement of Expenses [Docket No. 1377]

Supplement to the First Interim Application of White & Case LLP, Counsel for the Official Committee of Excel Independent Representatives, for Allowance of Compensation and Reimbursement of Expenses [Docket Nos. 1329 and 1334] (docketed twice)

Reservation of Objections of Official Committee of Unsecured Creditors to the First Interim Application of White & Case LLP, Counsel for the Official Committee of Excel Independent

Representatives, for Allowance of Compensation and Reimbursement of Expenses [Docket No. 1340]

Objection of the Rural Telephone Finance Cooperative to First Interim Application of White & Case LLP, Counsel for the Official Committee of Excel Independent Representatives, for Allowance of Compensation and Reimbursement of Expenses [Docket No. 1341]

Debtors' Comments and Objection to First Interim Application of White & Case LLP, Counsel for the Official Committee of Excel Independent Representatives, for Allowance of Compensation and Reimbursement of Expenses [Docket No. 1343]

**OBJECTION DEADLINE:** April 28, 2005<sup>1</sup>

**STATUS:** The parties intend to present a proposed order to resolve this matter.

Sincerely,

*/s/ Daniel C. Stewart*

Daniel C. Stewart

cc: Master Service List

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<sup>1</sup> The Official Committee of Excel Independent Representatives extended to May 23, 2005 the deadline for the Debtors, the Rural Telephone Finance Cooperative, and the Official Committee of Unsecured Creditors to file objections to this matter.