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*Attorneys for the operating telephone company  
subsidiaries of Verizon Communications Inc.*

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
(DALLAS DIVISION)

In re:	)	Chapter 11
	)	
VARTEC TELECOM, INC., <u>et al.</u> ,	)	Case No. 04-81694-saf11
	)	
Debtors.	)	Jointly Administered
	)	

**MOTION OF THE OPERATING  
TELEPHONE COMPANY SUBSIDIARIES OF VERIZON  
COMMUNICATIONS INC. FOR AN EX PARTE ORDER PURSUANT TO  
11 U.S.C. § 105(a) SHORTENING NOTICE PERIOD AND FOR EXPEDITED HEARING**

The operating telephone company subsidiaries of Verizon Communications Inc. (such subsidiaries collectively, “Verizon”)<sup>1</sup> hereby move this Court (the “Motion”) for entry of an order pursuant to 11 U.S.C § 105(a) shortening the applicable notice period of Federal Rules of Bankruptcy Procedure 2002 and 9006 (the “Bankruptcy Rules”), and Rule 9007.1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the “Local Rules”), and scheduling a hearing on an expedited basis to consider the *Emergency Motion of The Operating Telephone Company Subsidiaries of Verizon Communications Inc. for*

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<sup>1</sup> The operating telephone company subsidiaries of Verizon Communications Inc. include, without limitation, Verizon North Inc., Verizon South Inc., Verizon Northwest Inc., GTE Arkansas Inc. d/b/a Verizon Arkansas, GTE Midwest Incorporated d/b/a Verizon Midwest, GTE Southwest Inc. d/b/a Verizon Southwest, Verizon California Inc., Verizon Delaware Inc., Verizon Florida Inc., Verizon Hawaii Inc., Verizon Maryland Inc., Verizon New England Inc., Verizon New Jersey Inc., Verizon New York Inc., Verizon Pennsylvania Inc., Verizon Virginia Inc., Verizon Washington, DC Inc., and Verizon West Virginia Inc.

*an Order Granting Adequate Protection or, Alternatively, for Adequate Assurance of Payment* (the “Emergency Motion”). In support of this Motion, Verizon respectfully represents as follows:

### **BACKGROUND**

1. On November 1, 2004 (the “Petition Date”), VarTec Telecom, Inc. and sixteen of its direct and indirect domestic subsidiaries (collectively, the “Debtors”) each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). Upon information and belief, the Debtors continue to operate their businesses and manage their property as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

### **RELIEF REQUESTED**

3. By this Motion, Verizon seeks entry of an order pursuant to 11 U.S.C. § 105(a) shortening the applicable notice period of Bankruptcy Rules 2002 and 9006, and Local Rule 9007-2, and setting November 22, 2004 at 9:30 a.m., the next pre-set hearing in these cases, as the hearing date and time to consider the Emergency Motion, filed contemporaneously herewith.

### **BASIS FOR RELIEF**

4. Verizon requests that this Court schedule an expedited hearing to consider the Emergency Motion. As discussed at greater length in the Emergency Motion, Verizon understands that the Debtors incur charges to Verizon in the amount of at least \$6.4 million per month. Without the immediate intervention of the Court, Verizon – which is scheduled by the

Debtors as being owed over \$17.4 million for prepetition services – faces the very real prospect of providing millions of dollars in postpetition service with absolutely no assurance that it will be paid. Consequently, Verizon believes that a hearing on the Emergency Motion should be held on an expedited basis.

### **AUTHORITIES**

5. Section 105(a) provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” The purpose of Section 105(a) is to “assure the Bankruptcy Court's power to take whatever action is appropriate or necessary in aid of the exercise of its jurisdiction.” 2 Collier on Bankruptcy ¶ 105.01, at 105-3 (15th ed. 2001). Thus, Section 105(a) essentially codifies the bankruptcy court's inherent equitable powers. See Management Technology Corp. v. Pardo, 56 B.R. 337, 339 (Bankr. D.N.J. 1985) (court’s equitable power is derived from Section 105).

6. To require Verizon to comply with the notice requirements of Bankruptcy Rules 2002 and 9006 and Local Rule 9007.1 would unnecessarily expose Verizon to the risk of providing millions of dollars in postpetition service to the Debtors for which it will not be paid.

7. As set forth on the attached Certificate of Conference, Verizon’s counsel has conferred with counsel for the Debtors with regard to the relief sought in the Emergency Motion and engaged in good faith settlement discussions. Also, counsel discussed the need for an expedited hearing on the Emergency Motion. Counsel for the Debtors have agreed that it is appropriate to begin addressing those issues at the pre-set hearing scheduled for November 22, 2004 in these cases and reserved the Debtors’ right to request a continuance of the Motion.

8. Accordingly, Verizon respectfully requests an order from this Court shortening the applicable notice period and setting November 22, 2004 at 9:30 a.m. as the hearing date and time to consider the Emergency Motion.

WHEREFORE, Verizon respectfully requests that the Court enter an order granting the relief requested herein and such other and further relief as is just and proper.

Dated: November 12, 2004

Respectfully submitted,

ARNALL GOLDEN GREGORY LLP

By: /s/Darryl S. Laddin\_\_\_\_\_

Darryl S. Laddin

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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
(DALLAS DIVISION)

In re: ) Chapter 11  
)  
VARTEC TELECOM, INC., et al., ) Case No. 04-81694-saf11  
)  
Debtors. ) Jointly Administered  
)

**CERTIFICATE OF CONFERENCE**

I, Darryl S. Laddin, hereby certify as follows:

1. My firm serves as counsel to the operating telephone company subsidiaries of Verizon Communications Inc. (such subsidiaries collectively, “Verizon”)<sup>1</sup> in the bankruptcy cases of VarTec Telecom, Inc. and sixteen of its direct and indirect domestic subsidiaries (collectively, the “Debtors”).

2. In compliance with Local Bankruptcy Rule 9014.1(c)(1), I have conferred with counsel for the Debtors with regard to the relief sought in the *Motion of The Operating Telephone Company Subsidiaries of Verizon Communications Inc. for an Order Granting Adequate Protection or, Alternatively, for Adequate Assurance of Payment*, filed on November 12, 2004 (the “Motion”), and engaged in good faith settlement discussions. I have also discussed with counsel for the Debtors the need for an expedited hearing on the Motion. Counsel for the Debtors acknowledges that Verizon is providing millions of dollars per month in postpetition service to the Debtors and that the issues raised in the Motion need to be decided by the Court absent a prior settlement between the parties. Counsel for the Debtors have agreed it is

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<sup>1</sup> The operating telephone company subsidiaries of Verizon Communications Inc. are Verizon North Inc., Contel of the South, Inc., Verizon South Inc., Verizon Northwest Inc., GTE Arkansas Inc. d/b/a Verizon Arkansas, GTE Midwest Incorporated d/b/a Verizon Midwest, GTE Southwest Inc. d/b/a Verizon Southwest, Verizon California Inc., Verizon Delaware Inc., Verizon Florida Inc., Verizon Hawaii Inc., Verizon Maryland Inc., Verizon

appropriate to begin addressing those issues at the pre-set hearing scheduled for November 22, 2004 in these cases and reserved the Debtors' right to request a continuance of the Motion.

Dated: November 12, 2004

Respectfully submitted,

/s/Darryl S. Laddin  
Darryl S. Laddin (Georgia Bar No. 460793)

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subsidiaries of Verizon Communications Inc.

**CERTIFICATE OF SERVICE**

This is to certify that on this day I caused to be served a copy of the foregoing upon the persons listed below by facsimile transmission, and to all parties listed on the attached Service List via United States mail, first-class postage prepaid, on this 12<sup>th</sup> day of November, 2004:

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/s/Darryl S. Laddin \_\_\_\_\_  
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