

September 28, 2005

The Honorable Harlin D. Hale
Judge, United States Bankruptcy Court
1100 Commerce Street
Dallas, Texas 75242

Re: ***In re VarTec Telecom, Inc., et al.***; Case No. 04-81694-HDH-11
Agenda Letter for Hearing Scheduled for September 29, 2005 at 2:30 p.m.

Dear Judge Hale:

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 September 29, 2005 at 2:30 p.m.:

UNCONTESTED MATTERS

1. Objection filed by the Debtors [Docket No. 1806] to Proofs of Claim Filed by Aerotel, Ltd.

OBJECTION DEADLINE: N/A (Extended by Agreement of the Parties)

STATUS: The Debtors and Aerotel will address this matter in conjunction with the status conference referenced at Agenda Item No. 10.

2. Seventh Motion to Authorize Rejections of Assorted Executory Contracts and Personal Property Leases and Brief in Support filed by the Debtors [Docket No. 1826]

OBJECTION DEADLINE: September 26, 2005

STATUS: No objections have been filed, and the Debtors intend to present an Order concerning this matter.

3. Motion to Approve Amendment No. 1 to Tele-Services Agreement (OneContact, Inc.) and Rejection of Initial Specialty Outsourcing Solution's Agreement filed by the Debtors [Docket No. 1830]

OBJECTION DEADLINE: September 26, 2005

STATUS: No objections have been filed, and the Debtors intend to present an Order concerning this matter.

4. Motion to Approve Sale of Aged Accounts Receivable Free and Clear of Liens, Claims, Interests, and Encumbrances filed by the Debtors [Docket No. 1831]

OBJECTION DEADLINE: September 26, 2005

STATUS: No objections have been filed, and the Debtors intend to present an Order concerning this matter.

5. Third and Final Application for Allowance of Fees and Reimbursement of Expenses of Houlihan Lokey Howard & Zukin Capital as Investment Banker to the Debtors [Docket No. 1844]

OBJECTION DEADLINE: September 29, 2005

STATUS: No objections have been filed, and Houlihan Lokey Howard & Zukin Capital intends to present an Order concerning this matter.

6. Motion to Approve Compromise and Settlement with Teleglobe Entities filed by the Debtors [Docket No. 1854]

OBJECTION DEADLINE: September 29, 2005

STATUS: No objections have been filed, and the Debtors intend to present an Order concerning this matter.

7. Motion to Amend and Modify Order Granting Motion to Initiate and Implement Key Employee Retention and Severance Plan [Docket No. 1897]

OBJECTION DEADLINE: N/A (Expedited Hearing)

STATUS: No objections have been filed, and the Debtors intend to present an Order concerning this matter.

CONTESTED MATTERS

8. Motion of the Official Committee of Excel Independent Representatives to Extend Sunset Provision on IR Committee Appointment for Additional 90 Days [Docket No. 1780]

Objection filed by the Official Committee of Unsecured Creditors [1837]

OBJECTION DEADLINE: N/A (Continued from a Previous Hearing)

STATUS: The parties intend to present an Order which would extend the IR Committee's sunset until the hearing currently scheduled for October 18, 2005. The parties propose that the hearing on the matter be continued until October 18, 2005.

9. Motion to Approve Retention of CXO, L.L.C. as Operational Consultants for the Debtors filed by the Debtors [Docket No. 1845]

Interim Order Approving Retention of CXO, L.L.C. as Operational Consultants for the Debtors [1878]

Objection filed by the Rural Telephone Finance Cooperative [Docket No. 1909]

OBJECTION DEADLINE: September 29, 2005

STATUS: This matter will be going forward as scheduled.

10. Status Conference Regarding Motion of Aerotel, Ltd. for Order Withdrawing the Reference of Its Patent Infringement Claims [Docket No. 1860]

OBJECTION DEADLINE: N/A

STATUS: This matter will be going forward as scheduled.

Sincerely,

/s/ Daniel C. Stewart

Daniel C. Stewart

cc: Master Service List

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