

December 16, 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 December 19, 2005 at 1:30 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 December 19, 2005 at 1:30 p.m.:

UNCONTESTED MATTERS

1. Claims Objection Number 6: Objection to Certain Tax Claims (Duplicate and Late Filed Proofs of Claims) filed by the Debtors [Docket No. 2064]

RESPONSE DEADLINE: December 16, 2005

STATUS: No responses have been filed, and the Debtors intend to present an Order sustaining this Objection.

2. Claims Objection Number 8: Objection to Claim Number 3257 Filed By Dallas County, which objection was filed by the Debtors [Docket No. 2066]

RESPONSE DEADLINE: December 16, 2005

STATUS: No responses have been filed, and the Debtors intend to present an Order sustaining this Objection.

3. Debtors' Fifth Motion to Authorize Rejection of Certain Circuit Agreements with SBC Telephone Companies [Docket No. 2088]

OBJECTION DEADLINE: December 16, 2005

STATUS: The parties expect to reach an agreement with respect to this Motion and to present an Order reflecting that agreement.

4. Motion to Reconsider Prior Order filed by Del Air Heating and Air [Docket No. 2102]

OBJECTION DEADLINE: December 14, 2005

STATUS: The Debtors and Del Air Heating and Air have reached an agreement concerning this Motion, and they intend to present an Order concerning the same.

5. Motion to Approve Amendment No. 1 to Stipulation and Order for Assumption and Assignment of Executory Contracts with Verizon Communications, Inc. filed by the Debtors [Docket No. 2107]

OBJECTION DEADLINE: December 16, 2005

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

6. Third Interim Application of Hughes & Luce, LLP, Special Counsel to the Debtors, for Allowance of Compensation and Reimbursement of Expenses [Docket No. 2119]

OBJECTION DEADLINE: December 16, 2005

STATUS: No objections have been filed, and Hughes & Luce, LLP intends to present an Order granting this Application.

7. Motion to Approve Settlement of Claims of Independent Representatives and Procedures Relating Thereto filed by the Debtors [Docket No. 2070]

OBJECTION DEADLINE: December 16, 2005

STATUS: No objections have been filed, and the Debtors intend to go forward with the hearing on this Motion.

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 [Docket No. 1837]

Order on Motion of the Official Committee of Excel Independent Representatives to Extend Sunset Provision on IR Committee Appointment [Docket No. 1958]

Order on Motion of the Official Committee of Excel Independent Representatives to Extend Sunset Provision on IR Committee Appointment [Docket No. 2010]

Order on Motion of the Official Committee of Excel Independent Representatives to Extend Sunset Provision on IR Committee Appointment [Docket No. 2134]

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

STATUS: This matter will be resolved in connection with Agenda Item No. 7 above.

9. Claims Objection Number 4: Objection to Certain Tax Claims (Amended/Superceded Proofs of Claims) filed by the Debtors [Docket No. 2062]

Response filed by Indiana Department of Revenue [Docket No. 2166]

RESPONSE DEADLINE: December 16, 2005

STATUS: With respect to proof of claim no. 3250 filed by the Indiana Department of Revenue, the Debtors have agreed to reclassify that claim as a general unsecured claim. With respect to the remaining proofs of claim, the Debtors intend to present an Order sustaining the Objection.

10. Claims Objection Number 5: Objection to Certain Tax Claims (Satisfied Proofs of Claims) filed by the Debtors [Docket No. 2063]

Response filed by State of Ohio Department of Taxation [Docket No. 2164]

RESPONSE DEADLINE: December 16, 2005

STATUS: With respect to proof of claim nos. 586 and 1248 filed by the Ohio Department of Taxation, the Debtors have agreed to adjourn the hearing to January 17, 2006 at 11:00 a.m. or such later date as the parties may agree. With respect to the remaining proofs of claim, the Debtors intend to present an Order sustaining this Objection.

11. Claims Objection Number 7: Objection to Certain Tax Claims (Substantive Objections) filed by the Debtors [Docket No. 2065]

Response filed by the Michigan Department of Treasury [Docket No. 2146]

Response filed by the Commonwealth of Pennsylvania, Department of Revenue [Docket No. 2155]

Response filed by the Tennessee Department of Revenue [Docket No. 2156]

Response filed by Indiana Dept. of Revenue [Docket No. 2163]

Response filed by State of Ohio Department of Taxation [Docket No. 2164]

Response filed by Massachusetts Department of Revenue [Docket No. 2167]

Response filed by Texas Comptroller of Public Accounts [Docket No. 2168]

Response filed by State of Alabama Department of Revenue [Docket No. 2177]

RESPONSE DEADLINE: December 16, 2005

STATUS: With respect to proof of claim nos. 685, 1343, 1352, 2936, 2935, 1250, 1575, 2939, 1496, 1497, 1498, 1499, 2953, 3210, 3211, 3212, 3213 and 3214, the Debtors have agreed to adjourn the hearing to January 17, 2006 at 11:00 a.m. or such later date as the parties may agree. With respect to proof of claim no. 3264 filed by the Massachusetts Department of Revenue, the Debtors have resolved the Objection, and they will present an Order reflecting that resolution. With respect to the remaining proofs of claim, the Debtors intend to go forward with the hearing on this Objection.

12. Carrington, Coleman, Sloman & Blumenthal, L.L.P.'S Third Interim Application for Compensation and Reimbursement of Expenses and Request for Payment of the Twenty Percent Holdback [Docket No. 2124]

Limited Objection filed by the Rural Telephone Finance Cooperative [Docket No. 2157]

OBJECTION DEADLINE: December 16, 2005

STATUS: This matter will be going forward as scheduled.

Sincerely,

/s/ Daniel C. Stewart

Daniel C. Stewart

cc: Master Service List

kj nokr nökh-ä }