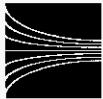


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FPSC - Records/Reporting

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CMU

Re: Telegroup, Inc. Annual Reporting

Dear Regulatory Agency:

With respect to the annual reporting which will be due within the next few months for Telegroup, Inc., please be advised that Telegroup filed a petition for protection from its creditors under Chapter 11 of the U.S. Bankruptcy Code on February 10, 1999. Our petition was filed in District of New Jersey, Case No. 99-31527 (WFT).

We want you to know that we fully intend to remain in compliance with all rules and regulations, including annual reporting. Due to increased paperwork requirements relating to the Chapter 11 filing, however, we are very short-staffed and may be unable to submit all reports on the required due-dates. We are making every effort to complete the reporting on time, and will attempt to contact each agency when it appears that a report will be overdue.

If you have any questions, please contact me.

Yours truly,

Charles Johanson
Corporate Counsel

CJ:cl

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