



VarTec Telecom, Inc.

September 23, 2005

VIA OVERNIGHT DELIVERY

Florida Public Service Commission

Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

050647-TX

Re: Applications for Authority to Provide Telecommunications Services and for Consent to Transfer Assets

Dear Sir or Madam:

Transmitted herewith on behalf of Comtel Telcom Assets LP ("Comtel") and VarTec Telecom, Inc., Excel Telecommunications, Inc. and VarTec Solutions, Inc. (together, the "VarTec Companies") (collectively with Comtel, the "Applicants") are an original and six (6) copies of Applications for Authority to Provide Telecommunications Services and for Consent to Transfer Assets. Through these Applications, Comtel seeks the authority to assume substantially all of the assets of the VarTec Companies and also to obtain the necessary certification to provide local exchange, interexchange and wireless telecommunications services within Florida. Enclosed with this filing is a check (no. 5504494) in the amount of \$250.00 for the required filing fee and a sealed envelope containing information which the Applicants respectfully request be treated as confidential and proprietary information of Comtel.

Acknowledgment and date of receipt of this filing are respectfully requested. Please date and file stamp the attached copy of this correspondence and return it in the enclosed pre-addressed, postage prepaid envelope. Please direct all correspondence regarding this filing to the undersigned directly at (972) 478-3309, the below-referenced address or bgipson@vartec.net. If the Commission has immediate questions or requires additional information, the undersigned is available to promptly supplement these Applications. The Applicants sincerely appreciate your time and consideration in reviewing this matter.

Respectfully submitted,


Becky Gipson
Director, Regulatory Affairs

Enclosures

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF COMPETITIVE MARKETS AND ENFORCEMENT
CERTIFICATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE
ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

Florida Public Service Commission
Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

- ◆ If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Competitive Markets and Enforcement
Certification
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

APPLICATION

1. This is an application for \checkmark (check one):

() **Original certificate** (new company).

(\checkmark) **Approval of transfer of existing certificate:** Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

(\checkmark) Please see the attached supplement for details regarding the proposed transaction.

() **Approval of assignment of existing certificate:** Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

() **Approval of transfer of control:** Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. **Name of company:**

Comtel Telecom Assets LP

3. **Name under which the applicant will do business (fictitious name, etc.):**

Comtel Telecom Assets LP d/b/a VarTec Telecom, Clear Choice Communications, Excel Telecommunications and VarTec Solutions

4. **Official mailing address (including street name & number, post office box, city, state, zip code):**

Comtel Telecom Assets LP

c/o Paul Winters

500 Boylston Street, 17th Floor

Boston, Massachusetts 02116

5. Florida address (including street name & number, post office box, city, state, zip code):

Not Applicable

6. Structure of organization:

- () Individual
- () Foreign Corporation
- () General Partnership
- () Other _____
- () Corporation
- () Foreign Partnership
- (X) Limited Partnership

7. If individual, provide:

Name: Not Applicable _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

8. If incorporated in Florida, provide proof of authority to operate in Florida:

(a) The Florida Secretary of State corporate registration number:

Not Applicable _____

9. **If foreign corporation, provide proof of authority to operate in Florida:**

(a) The Florida Secretary of State corporate registration number:

Not Applicable

10. **If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:**

(a) The Florida Secretary of State fictitious name registration number:

Not Yet Available

11. **If a limited liability partnership, provide proof of registration to operate in Florida:**

(a) The Florida Secretary of State registration number:

Not Applicable

12. **If a partnership, provide name, title and address of all partners and a copy of the partnership agreement.**

Name: Not Applicable

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

13. **If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.**

(a) The Florida registration number: Not Yet Available

14. **Provide F.E.I. Number(if applicable):** 20-3237782

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

No _____

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

No _____

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Becky Gipson
Title: Director, Regulatory Affairs for VarTec Telecom, Inc. (Transferor)
Address: 2440 Marsh Lane
City/State/Zip: Carrollton, Texas 75006
Telephone No.: (972) 478-3309 Fax No.: (972) 478-3310
Internet E-Mail Address: bgipson@vartec.net
Internet Website Address: www.vartec.com, www.excel.com and
www.vartecsolutions.net

(b) Official point of contact for the ongoing operations of the company:

Name: Becky Gipson*
Title: Director, Regulatory Affairs
Address: 2440 Marsh Lane
City/State/Zip: Carrollton, Texas 75006
Telephone No.: (972) 478-3309 Fax No.: (972) 478-3310

Internet E-Mail Address: bgipson@vartec.net
Internet Website Address: www.vartec.com, www.excel.com and
www.vartecsolutions.net

* Anticipated Contact

c) Complaints/Inquiries from customers:

Name: Becky Gipson*

Title: Director, Regulatory Affairs

Address: 2440 Marsh Lane

City/State/Zip: Carrollton, Texas 75006

Telephone No.: (972) 478-3309 Fax No.: (972) 478-3310

Internet E-Mail Address: bgipson@vartec.net

Internet Website Address: www.vartec.com, www.excel.com and
www.vartecsolutions.net

* Anticipated Contact

17. List the states in which the applicant:

(a) has operated as an alternative local exchange company.

As a new entrant into the telecommunications industry, Comtel has not operated in any jurisdiction.

(b) has applications pending to be certificated as an alternative local exchange company.

As the result of the proposed transaction described in the attached supplement,

Comtel is seeking the authority to provide local exchange, interexchange and resold wireless telecommunications services throughout the United States and currently has the appropriate applications on file with the applicable utility commissions in Arizona, California, Georgia, Illinois and New York.

c) is certificated to operate as an alternative local exchange company.

As a new entrant into the telecommunications industry, Comtel is not certificated to provide local exchange services in any jurisdiction.

(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

Comtel has not been denied authority to operate in any jurisdiction.

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

Comtel has not had any regulatory penalties imposed for violations or telecommunications statutes.

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

Comtel has not been involved in such proceedings.

18. Submit the following:

A. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

Please see **Exhibit C.**

B. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

Please see **Exhibit C.**

C. Financial capability.

Please see **Exhibits D and E**. Comtel's financial statements have not yet been audited, and as such, the Company respectfully requests that the Commission accept the unaudited statements provided in **Exhibit D**.

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet;
2. income statement; and
3. statement of retained earnings.

NOTE: *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

Please see **Exhibits D and E** as well as the attached supplement.

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

Lee Ann Wilson

Print Name



Signature

Assistant Secretary

Title

09/23/2005

Date

9/23/05

(617) 603-3504

Telephone No.

Fax No.

(617) 603-3330

Address: 500 Boylston Street, 17th Floor

Boston, Massachusetts 02116

THIS PAGE MUST BE COMPLETED AND SIGNED

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

Lee Ann Wilson
Print Name


Signature

Assistant Secretary
Title

09/23/2005
Date 9-23-05

617) 603-3504
Telephone No. Fax No.

(617) 603-3330

Address: 500 Boylston Street, 17th Floor

Boston, Massachusetts 02116

INTRASTATE NETWORK (if available)

Comtel intends to offer alternative local exchange services through resale and/or the use of Unbundled Network Elements Platform, or UNE-P, and as a result, will not own facilities within Florida for the purpose of providing local telephone services.

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

1. **POP:** Addresses where located, and indicate if owned or leased.

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

3. **TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

<u>POP-to-POP</u>	<u>OWNERSHIP</u>
1) _____	_____
2) _____	_____
3) _____	_____
4) _____	_____

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, Melissa A. Drennan, Esq.

Assistant Secretary of VarTec
Telecom, Inc., Excel Telecommunications, Inc. and VarTec Solutions, Inc.
and current holder of Florida Public Service Commission Certificate Numbers 5687
(VarTec), 4695 (Excel) and 4699 (VarTec Solutions), have reviewed this application and
join in the petitioner's request for a:

() sale

(X) transfer

() assignment

of the above-mentioned certificates.

UTILITY OFFICIAL:

Melissa A. Drennan, Esq.
Print Name


Signature

Assistant Secretary
Title

09/23/2005
Date

(972) 478-3305
Telephone No.

(972-478-3310
Fax No.

Address: 2440 Marsh Lane

Carrollton, Texas 75006

**SUPPLEMENT TO APPLICATION FORM FOR AUTHORITY TO PROVIDE
ALTERNATIVE LOCAL EXCHANGE SERVICE WITHIN THE STATE OF FLORIDA
AND APPROVAL OF TRANSFER OF EXISTING CERTIFICATE**

Pursuant to the rules and regulations of the Florida Public Service Commission (“Commission”), Comtel Telecom Assets LP (“Comtel”) and VarTec Telecom, Inc. (“VarTec”), Excel Telecommunications, Inc., (“Excel”) and VarTec Solutions, Inc. (“VarTec Solutions”) (together, the “VarTec Companies”) (collectively with Comtel, the “Applicants”) hereby seek Commission approval for Comtel to be certified as an alternative local exchange and interexchange services provider and to complete the acquisition by Comtel of certain assets of the VarTec Companies and to grant all relief requested herein to allow for the consummation of the transaction without undue delay. In support of the attached Application, the following is stated:

I. The Parties

A. Comtel

Comtel is a newly formed limited partnership, organized under the laws of the State of Texas, whose principal business will be telecommunications. A corporate organizational chart for Comtel is attached as Exhibit A, and a list of its officers is attached as Exhibit B.

Comtel’s general partner, Comtel Assets Inc. (“Comtel Inc.”), is a Texas corporation and owns 1% of the equity of Comtel. Comtel’s limited partner, Comtel Assets Corp. (“Comtel Corp.”), is a Delaware corporation, which owns 99% of the equity of Comtel.¹ Comtel Inc. and Comtel Corp. are corporate holding companies located at c/o 500 Boylston Street, 17th Floor, Boston, Massachusetts 02116.

Comtel Inc. and Comtel Corp. are both 100% owned by Sowood

¹ It is anticipated that certain members of Comtel’s management team may have the opportunity to obtain non-controlling ownership interests in Comtel, which would reduce the interest held by Comtel Corp.

Commodity Partners Fund III LP (“Sowood Fund III”), an investment company organized in Delaware as a limited partnership. Sowood Commodity Partners GP III LP (“Sowood GP III LP”) is a Delaware limited partnership, and it is the sole general partner of Sowood Fund III with a 0.2% equity interest and operating control. The principal business of Sowood GP III LP is to serve as a corporate holding company, and it is located at 500 Boylston Street, 17th Floor, Boston, Massachusetts 02116.

The remaining equity of Sowood Fund III is held by Harvard Private Capital Holdings (“HPCH”), a passive, institutional investor. HPCH’s principal business is serving as an investment company. It is owned and controlled by the President and Fellows of Harvard University, a tax-exempt educational and research institution based in Cambridge, Massachusetts.² The address of HPCH is c/o Harvard Management Company, 600 Atlantic Avenue, Boston, Massachusetts 02210.

Four individuals hold limited partnership interests in Sowood GP III LP, and those individuals own 99% of the equity in the limited partnership. The business address for these individuals is as follows: c/o 500 Boylston Street, 17th Floor, Boston, Massachusetts 02116.

The general partner of Sowood GP III LP, with a 1% interest and operating control, is Sowood GP III LLC, a Delaware limited liability company. The principal business of Sowood GP III LLC is to serve as a management company. The address of Sowood GP III LLC is as follows: 500 Boylston Street, 17th Floor, Boston, Massachusetts 02116.

² Harvard University is an educational and research institution with tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code. According to the Harvard University Annual Financial Report for Fiscal Year 2004, income from the University’s endowment is Harvard’s largest source of operating income. Harvard Management Company (“HMC”) is responsible for investing the assets of the endowment to meet the University’s needs. HMC is a subsidiary of Harvard and is governed by a board of directors appointed by President and Fellows of Harvard University. According to the Annual Report, HMC oversees, among other investments, some 170 different private equity funds, managed by 60 different external management teams.

The sole managing member of Sowood GP III LLC is Jeff Larson. Sowood GP III LLC also has three non-managing members: Stu Porter, Rick Dowd and Megan Kelleher.

B. The VarTec Companies

VarTec and Excel are corporations organized under the laws of the State of Texas. VarTec Solutions, which formerly operated under the corporate names, eMeritus Communications, Inc., Teleglobe Business Solutions, Inc. and Telco Holdings, Inc. d/b/a Dial & Save, is a Delaware corporation. The principal office of the VarTec Companies is located at the following address:

2440 Marsh Lane
Carrollton, Texas 75006
Telephone: (972) 478-3000
Facsimile: (972) 478-3310

The VarTec Companies are privately-held corporations. VarTec Telecom Holding Company (“VarTec Holding”), a wholly-owned subsidiary of VarTec, holds 100% of the stock of Excelcom, Inc. (“Excelcom”) and Telco Communications Group, Inc. (“Telco”). Excelcom is the direct and sole shareholder of Excel, and Telco is the direct and sole shareholder of VarTec Solutions. VarTec Holding and Excelcom are Delaware corporations, and Telco is organized in Virginia. Each is a holding company located at 2440 Marsh Lane, Carrollton, Texas 75006.

The Commission has authorized VarTec, Excel and VarTec Solutions to provide alternative local exchange and interexchange services in Florida. VarTec was authorized by the Commission to provide interexchange services under Certificate No. 2963 and alternative local exchange services under Certificate No. 5687. Excel was granted the same authorizations under Certificate Nos. 2440 and

4695. VarTec Solutions was authorized to provide alternative local exchange and interexchange services under Certificate Nos. 3496 and 4699, respectively.

Furthermore, VarTec and Excel are authorized to provide local exchange, interexchange, operator and wireless services within and throughout the United States, and VarTec Solutions is authorized to provide interexchange services within the contiguous United States. VarTec Solutions' local exchange authority is limited to Florida and certain other states, although it has not yet commenced providing local exchange services in any jurisdiction. In addition, the Commission has authorized VarTec to provide telecommunications services to Florida consumers under the trade name, Clear Choice Communications. Both VarTec, including Clear Choice Communications, and Excel primarily provide telecommunications services to residential customers, while VarTec Solutions serves commercial customers.

The VarTec Companies voluntarily filed for Chapter 11 bankruptcy on November 1, 2004 in the Dallas Division of the United States Bankruptcy Court for the Northern District of Texas (the "Court") consolidated under Case No. 04-81694-HDH-11. As part of the bankruptcy process, the VarTec Companies have entered into the below-described asset purchase agreement ("APA") with Comtel Investments LLC ("Comtel Investments"). Comtel Investments, which is wholly owned by the same parties who own and control Comtel, has assigned its rights and obligations under the APA to Comtel as of August 1, 2005. The APA was executed on July 25, 2005 and was approved by the Court on July 27, 2005.³

II. The Transaction

As noted above, the VarTec Companies are operating under bankruptcy

³ See Case No. 04-81694-HDH-11, Order Granting Motion (A) Approving the Sale Free and Clear of All Liens, Claims, Rights, Interests and Encumbrances to Comtel Investments LLC and (B) Granting Related Relief (Substantially All of the Debtors' Remaining Assets) (entered July 29, 2005), available at http://docs.bmccorp.net/Vartec/docs/txnb_3-04-bk-81694_1663.pdf.

protection. Through the APA and the Court-approved auction process, Comtel will ultimately acquire substantially all of the assets of the VarTec Companies, including all telecommunications equipment, customer accounts and records, business records and licenses and permits. The APA provides that the ultimate transfer of the acquired telecommunications and associated operating assets is subject to the necessary regulatory approvals, including the approval of the attached Application. In addition, Comtel may, as necessary, obtain up to approximately \$10 million in debt financing pending consummation of the proposed transaction to fund working capital and similar needs of the VarTec Companies. Upon consummation of the proposed transaction, Comtel currently intends to replace such debt financing with a term (3 to 5 year) debt instrument. Based on Comtel's present understanding of the business, it anticipates that the term debt will be approximately \$50 million. This financing will assist with the day-to-day operations of Comtel as Comtel consummates its acquisition of the former VarTec Companies' operations, newly emerged from bankruptcy.

Once the proposed transaction is completed, the VarTec Companies will no longer hold authorizations to provide telecommunications services as described in Section I (B) above. These authorizations will be held by or assigned collectively to Comtel in order that Comtel can step into the shoes of the VarTec Companies, and the residential and commercial customers previously served by the VarTec Companies will continue to receive local exchange, interexchange and wireless services without interruption. According to Comtel's initial plans for the business, the services provided and geographic areas served by Comtel will mirror those currently provided by the VarTec Companies, and any enhancements to the service offerings will be within the existing authority transferred to Comtel from the VarTec Companies. In order to minimize confusion and concern for customers, Comtel aims to make this transition seamless by operating under trade names and limiting all direct impacts to existing customers (e.g., no service changes are contemplated with the consummation of the transaction).

The interconnection and other network agreements currently allowing the VarTec

Companies to provide local exchange and/or interexchange services will be transferred to Comtel, as necessary, to continue the Applicants' efforts to make a smooth transition for customers. Comtel also initially plans to maintain the VarTec Companies' existing tariffs on file with the Commission. Once the transaction is prepared for closing and the Commission has granted its approval, Comtel will simply modify the corporate name on the tariffs. This further supports Comtel's desire to transition the VarTec Companies' assets without interruption or burden on the existing customer base.

III. Request for Approval to Transfer Assets; Qualifications of Comtel

Through the attached Application and IXC Registration Form, Comtel and the VarTec Companies request that the Commission approve the transfer of assets as described in Section II above and simultaneously grant Comtel specific authority to operate as a provider of alternative local exchange and interexchange services as well as resold wireless services within Florida. Specifically, Comtel requests that the Commission-issued Certificates of Public Convenience and Necessity detailed in Section I(B) be transferred from the VarTec Companies to Comtel.

As noted in the Application, Comtel requests the authority to provide any and all of these services (i.e., alternative local exchange and interexchange services as well as and to the extent necessary, resold wireless) under the trade names VarTec Telecom, Clear Choice Communications, Excel Telecommunications and VarTec Solutions, in addition to the Comtel name. This will maximize Comtel's available options under which it may begin its operations in the state and will minimize any customer impacts.

Following the consummation of the asset transfer, Comtel will be led by a combination of its own management members and certain members of the existing management team of the VarTec Companies, who the Applicants currently expect will continue in management roles for Comtel after consummation of the transaction. Descriptions of the backgrounds of the key management members, which demonstrate extensive experience and expertise, are attached hereto and incorporated herein by

reference as Exhibit C. In the event that these Company representatives change, Comtel will pursue other highly experienced executives to assume their roles to ensure that its management team is balanced and technically qualified.

Due to the nationwide nature of the VarTec Companies' current operations, Comtel is engaged in state regulatory processes across the country in connection with the proposed transaction. The Federal Communications Commission has issued its approval for this transaction.

As demonstrated in Exhibit D, Comtel has the requisite financial ability to acquire the VarTec Companies' assets and become a strong competitor in the Florida telecommunications marketplace. The contents of this supplement and Exhibit D further demonstrate that Comtel has the necessary resources to provide and maintain alternative local exchange and other telecommunications services within the geographic areas currently served by the VarTec Companies and to meet any lease or ownership obligations. As a privately-held company, Comtel respectfully requests that the Commission protect Exhibit D of the Application from public inspection, and as a result, Comtel has included with this Application as Exhibit E a Motion for Protective Order and Protection of Proprietary Information for the Commission's review and approval.

IV. Public Interest Considerations

Grant of the Application and acceptance of the IXC Registration Form would serve the public interest, convenience and necessity by enabling the seamless continuation of telecommunications services to the VarTec Companies' existing Florida customers. By allowing Comtel to assume control of the VarTec Companies' assets and to obtain the necessary authorizations to provide telecommunications services in Florida, existing customers will have access to the services they enjoy today as well as the potential for expanded service offerings going forward. Due to financial restrictions, the VarTec Companies have performed extremely limited marketing, product research and other customer retention and acquisition efforts during 2004 and 2005. Such restrictions

have minimized the competitive offerings introduced to the public and limited the VarTec Companies ability to invest in additional consumer service offerings. Consummation of the transaction will greatly increase the financial viability of the VarTec Companies' products and services.

Moreover, approval of the proposed transaction can be expected to serve the public interest by stimulating increased competition in the telecommunications market. As a new entrant into these markets, Comtel intends to compete efficiently and effectively using the well-established resources obtained through the APA. More effective competition has the net economic impact of lower consumer prices, combined with the introduction and availability of more consumer products and services.

IV. Request for Waiver of Slamming Rules

In further support of serving the public interest in association with the attached Application, the Applicants intend to provide any required customer notice of the transfer of assets to Comtel within the appropriate notice period. Such notice would take into account all relevant state and federal notification and consent requirements applicable to this transaction.

Additionally, out of an abundance of caution and to the extent necessary, the Applicants hereby request a waiver from any applicable anti-slamming regulations that may nevertheless be considered to have been violated by this transfer of assets being made without the specific authorization and verification of each affected customer. It would be impractical and burdensome to obtain the specific authorization of each customer to effect the proposed transaction. Such a process would significantly hinder the smooth transition of services. Because affected customers would not experience any change in the quality and scope of their services, and because of the Applicants' extreme efforts to make invoicing procedures, customer service and all other matters involving customers absolutely seamless, the notice correspondence will be sufficient to serve the public interest. The notice correspondence will describe the transaction in terms that are

easy to understand and ensures that customers are made aware of all their service options going forward, along with other content as may be required. Accordingly, to the extent that the Commission deems necessary, the public interest would be served by the grant of a waiver of anti-slamming regulations applicable to this transaction. The Applicants request such relief from the Commission as may be warranted.

IV. Conclusion

The Applicants submit that the information provided herein and in the attached Application demonstrates that the public interest, convenience and necessity would be served by the grant of this request. Therefore, the Applicants respectfully request that the Commission accept and approve the Application and IXC Registration Form and grant all other relief as necessary and appropriate to authorize the completion of the sale of assets from the VarTec Companies to Comtel.

EXHIBIT A

COMTEL TELCOM ASSETS LP

CORPORATE ORGANIZATIONAL CHART

Comtel Telcom Assets LP

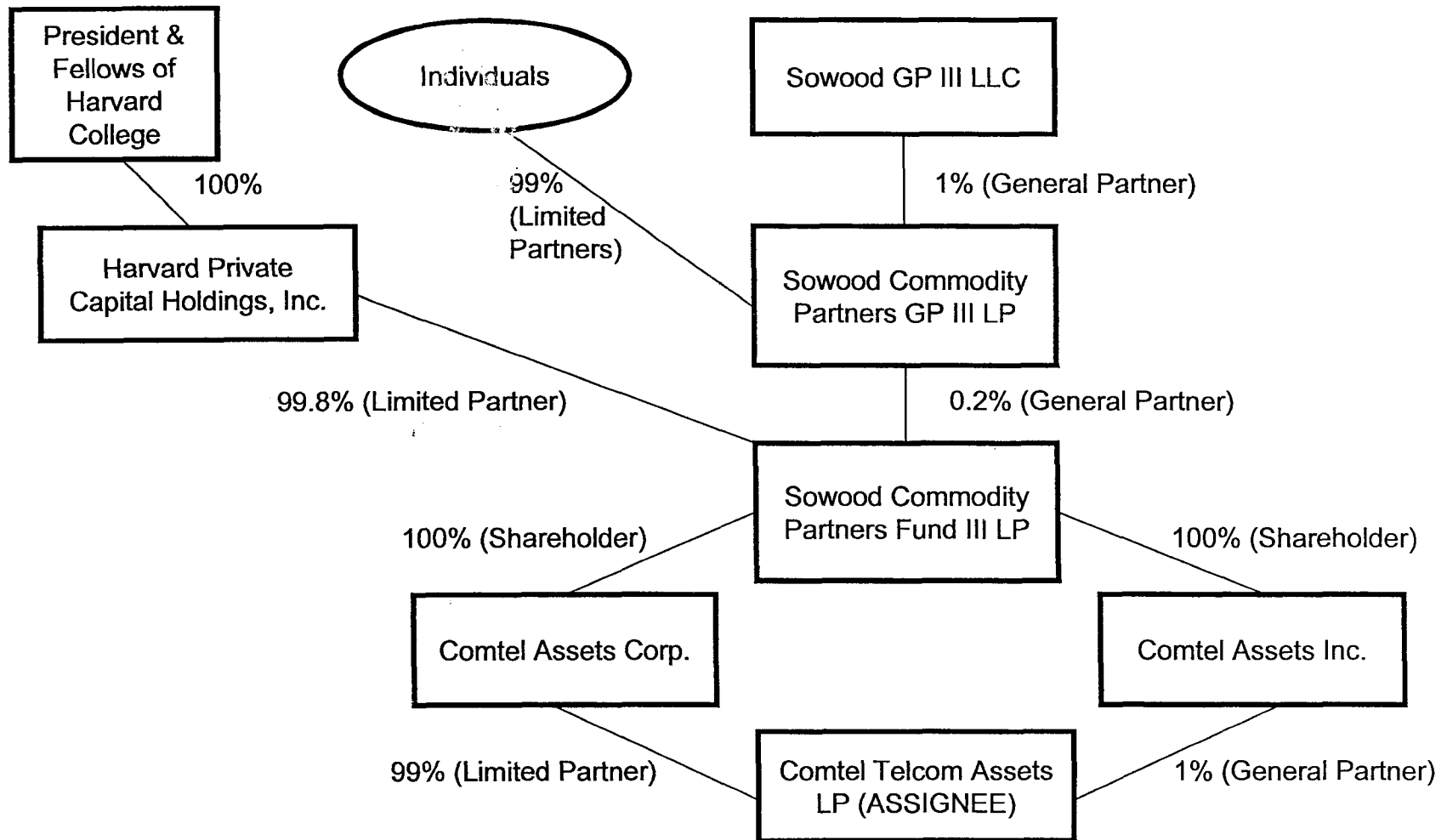


EXHIBIT B

COMTEL TELCOM ASSETS LP

LIST OF OFFICERS

**COMTEL TELCOM ASSETS LP
OFFICER LIST**

Chairman	Stu Porter 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
President	Bill Zartler 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
Vice President	Rick Dowd 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
Vice President	John Collins 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
Secretary	Megan Kelleher 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
Assistant Secretary	Paul Winters 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116
Assistant Secretary	Lee Ann Wilson 500 Boylston Street, 17 th Floor Boston, Massachusetts 02116

EXHIBIT C

BIOGRAPHIES OF KEY PERSONNEL

Biographies of Key Personnel of Comtel Telcom Assets LP

(Including Management Members from the VarTec Companies Currently Expected to Continue in Management Roles for Comtel after Consummation of the Transaction)

Stuart Porter - Chairman

Mr. Porter serves as Chief Investment Officer for Sowood Commodity Partners Funds. Previously, Mr. Porter was employed as a Vice President and Portfolio Manager at Harvard Management Company where he focused on relative value transactions in commodities and structured private transactions in the commodity sector. He was responsible for investments in pipelines, hedge oil and gas reserves, equity in retail and wholesale energy providers and distressed investments in the metals sector. Such investments were premised on implementation of commodity hedges or the implementation of “real option” analysis. Mr. Porter previously worked as the European time zone trader for Bacon Investments and at J. Aron, a division of Goldman Sachs. While at J. Aron he worked on the Goldman Sachs Commodity Index desk within the metals group. Prior to joining J. Aron, Mr. Porter was a self-employed trader at the Chicago Board of Trade and had been employed by Cargill Incorporated in Minnetonka, Minnesota as a trader in the Financial Markets Division. Mr. Porter received a Bachelor of Arts degree in Economics from the University of Michigan in 1987 and his M.B.A. from the University of Chicago Graduate School of Business in 1994.

William Zartler - President

Mr. Zartler has 18 years of experience in the midstream energy and petrochemical industries. From 1989 through 1993, Mr. Zartler was the Feedstock Trading Manager and the Business Analyst at Dow Hydrocarbons and Resources where he was responsible for supply management and feedstock economics for the basic petrochemical businesses. From 1993 through 1998, Mr. Zartler served as Senior Vice President and General Manager at Dynegy with responsibilities for the Natural Gas Liquids Downstream business unit and a portion of the Gas Trading operation. Mr. Zartler led the growth of Dynegy’s Natural Gas Liquids business from nearly zero in 1993 to an operating margin of over \$100 million per year by 1998. From 1999 through 2001, Mr. Zartler founded and actively managed several small companies and in 2002 started and built a

downstream Natural Gas Liquids business for Aquila, Inc. Thereafter, Mr. Zartler founded Solaris Energy Services an organization specializing in energy commodity and asset consulting and investment. Mr. Zartler serves as Chairman of the Board of NGL Supply, Inc., a Tulsa based Natural Gas Liquids and Propane terminal, marketing and trading organization. He serves on the Board of Gavelston LNG, a Calgary and London based LNG Terminal project and LNG marketing operation, and Mercomm LLC an Austin, TX based provider of telecommunication wholesale services, all Sowood portfolio companies. Mr. Zartler received a Bachelor of Science degree in Mechanical Engineering from The University of Texas at Austin in 1987 and a Masters in Business Administration from Texas A&M University in 1989 and also attended the Stanford University Business School Executive Program in 1998.

Megan Kelleher - Secretary

Megan Kelleher is the General Counsel of Sowood Capital Management LP. Ms. Kelleher's experience includes negotiation of contracts for investment and trading relationships, including private placement documentation. She is experienced with legal and business risk analysis of investment instruments for portfolio managers and has assisted with the establishment of risk and regulatory compliance standards and procedures. Ms. Kelleher also served in an investment role in the Commodities Portfolio at Harvard Management Company where she analyzed, valued and negotiated private equity and structured finance transactions. Concurrently, Ms. Kelleher participated in the international equity portfolios with legal, regulatory and strategy issues surrounding proposed restructurings of closed-end funds. Ms. Kelleher received a Bachelor of Arts from Stonehill College in 1991, a Juris Doctor from New England School of Law in 1994 and a Master of Business Administration from Boston College in 2001.

Patrick Marburger

From 1983 through 1989, Mr. Marburger's primary concentration was in financial accounting and auditing while working for Kaneb Services, Inc. and Anadarko Petroleum Corporation, both

Texas-based energy concerns. In 1989, Mr. Marburger joined Olympic Natural Gas Company as Controller where he focused on day-to-day finance and accounting matters and led the Company's efforts in raising acquisition financing. In 1992, he became a founding member of British Gas, plc's Global Gas Americas group dedicated to originating, structuring, financing and closing energy related asset transactions in North and South America. In 1994, Mr. Marburger began a 9-year career with Dynegy (formerly Natural Gas Clearinghouse) as head of its mergers and acquisitions group. He was involved in successfully completing over \$2.5B in transactions in less than three years, elevating Dynegy to a fortune 500 company by 1997. From 1997 until 2003, he moved to a commercial role where he rose to Senior Vice President of Natural Gas Trading and Power Origination and in 2002, President of its telecommunications venture. Mr. Marburger received a Bachelor of Business Administration in Accounting from Sam Houston State University in 1983, and he is a Certified Public Accountant.

Jerry Ou

Jerry Ou serves as President of Mercantel Communications LP and has been in the telecommunications industry for the last five years. Mr. Ou has previously worked with Simplified Development, the technology provider for Teleworks, as a senior consultant focusing primarily on the Asian-American customer base and working with such customers as PCCW. Mr. Ou, serving as a business strategist for Simplified Development, helped secure initial investment funding with venture capitalists. Most recently, Mr. Ou was one of the responsible parties involved in creating the wholesale voice division at Dynegy, which led to the formation of Teleworks Wholesale Services, LP. Prior to Simplified Development, Mr. Ou was a financial analyst with a subsidiary of Goldman Sachs where he structured mezzanine finance deals that included, but were not limited to, real estate bond offerings from JP Morgan and the Morgan Bank of Tokyo in addition to managing real estate assets for Goldman Sachs and the Archon Group. Mr. Ou graduated from Harvard University with an honors degree in Economics.

Richard Dinh

Mr. Dinh serves as Chief Operating Officer of Mercantel Communications LP and has been in the telecommunications space for the last five years. Mr. Dinh previously worked for Simplified

Development where he helped secure investor funding. Mr. Dinh also managed Simplified Development's customer accounts in Asia, resulting in his move to lead consultant for the SingTel project. Meanwhile, Mr. Dinh was also one of the responsible parties involved in creating a wholesale voice division and platform for Dynege, which has led to the formation of Teleworks Wholesale Services, LP.

Prior to his role with Simplified Development, Mr. Dinh was a financial analyst with a subsidiary of Goldman Sachs where he structured mezzanine finance deals that included, but were not limited to, real estate bond offerings from JP Morgan and the Bank of Tokyo in addition to managing the real estate debt portfolios for Goldman Sachs and the Achron Group. Mr. Dinh graduated from Harvard University in 1998 with an honors degree in Psychology.

Anthony L. Cecil

Mr. Cecil's background encompasses forensic accounting investigations and audits in a wide range of industries. Most recently, he was a senior manager for Bederson & Company, LLP, a public accounting firm. Prior to joining Bederson, he was a managing director of Virginia-based CoreFacts, LLC, senior manager in KPMG's Forensic and Litigation Services group, director of special investigations units for Bell Atlantic Corporation and Bell Atlantic Mobile and a senior auditor for Price Waterhouse.

While working at the Bell Atlantic Corporation and Bell Atlantic Mobile, Mr. Cecil established and directed special investigations units to perform high level, sensitive fraud investigations of alleged wrongdoing by employees, vendors, and customers. Each unit consisted of individuals, who had financial, auditing, and law enforcement experience. In addition, he developed a sophisticated white-collar crime intelligence system to aid in the building of complex fraud cases.

Mr. Cecil managed regional Bell Atlantic Corporation audit teams responsible for auditing operations with revenues and expenses of up to \$1 billion. He developed annual audit plans for a staff of 18 professional auditors. He planned and conducted audits to assess the adequacy of internal controls and the efficiency of operations. He prepared creative and innovative audit

reports that clearly presented audit findings and encouraged management to take corrective action. These reports consistently set new standards for all reports in the Internal Auditing organization.

Mr. Cecil holds a Bachelor of Science degree in Accounting from the University of Maryland and a Master of Science in Economic Crime Management from Utica College. He is a practicing Certified Public Accountant (licensed in Maryland) and is a Certified Fraud Examiner.

James Cashiola

Mr. Cashiola founded and was President of Simplified Development Corp, an infrastructure software company focused on creating technology that aids service providers in operating and offering their services while optimizing underlying cost elements. Mr. Cashiola started in the telecommunications business in 1985 with a dialup business focused on transmission of government documents. In 1989, Mr. Cashiola transitioned to the switchless resale business, and in 1991, moved into the facilities-based resale with a focus on the development and implementation of IVR and ISDN technologies. By 1996, Mr. Cashiola entered into carrier class switching and was designing and developing proprietary software, which was integral to perform protocol translation that allowed for management of direct routes into international countries. Over his career, Mr. Cashiola has founded or co-founded seven different telecommunications businesses ranging from service bureau to prepaid calling card to wholesale carrier companies. Mr. Cashiola graduated from the University of Southern California in 1984 with a degree in Philosophy.

Mark A. Carter

Mr. Carter is a seasoned executive and entrepreneur with extensive experience in finance, accounting, audit, investigations and internal controls. Most recently, he was a founder and Chief Financial and Operations Officer of CoreFacts, LLC, a high technology investigations and litigation support company. At CoreFacts, he assembled and managed a team of investigative specialists and provided professional services to a wide range of clients, including extensive investigations into fraud and trade secret theft for major telecommunications companies. He

developed and implemented all financial and operational support systems and guided CoreFacts through its sale to a public company.

Prior to his venture with CoreFacts, Mr. Carter spent eleven years with Bell Atlantic Corporation. His tenure at Bell Atlantic began in internal auditing where he eventually headed a group responsible for assessing risks, developing plans, and executing audits of all financial and operational aspects of telephone company operations. Later, as the head of worldwide security, he established programs to investigate and prevent fraud, waste and abuse and served as a key participant in establishing a corporate ethics and compliance program to ensure conformity with federal, state, and local regulatory requirements.

Also, selected for a Fellowship for The Brookings Institution, Mr. Carter spent a year as a Legislative Assistant to Congressman Scott Klug, (R, WI) where he oversaw the Congressman's participation in programs for the privatization of government functions and the auditing and financial reorganization of Capitol Hill operations. Mr. Carter's other experience includes four years as a Special Agent Accountant for the Federal Bureau of Investigation. As an Agent, he participated in and led investigations of federal offenses, including bank fraud and embezzlement, public corruption, fraud against the Federal Government, and commercial bribery. In addition, Mr. Carter was an active duty aviation officer in the United States Army for four years, gaining valuable experience in the leadership and management of large groups of personnel and high dollar value equipment and budgeting. Mr. Carter holds a Bachelor of Science degree in Accounting and a Masters of Business Administration in Finance from Troy State University. He is a non-practicing Certified Public Accountant (licensed in Virginia from 1988 to 1992) and has continuing and graduate level education and training in federal taxation, audit, and business planning.

VarTec Companies

Rod Overlander

Mr. Overlander is a seasoned telecommunications executive with 22 years of experience. Mr. Overlander serves as Vice President – Billing Services and has responsibility for all facets of the

VarTec Companies' retail, commercial and wholesale billing processes. This includes billing operations and controls, payment operations, data management and LEC relations.

Mr. Overlander's background includes numerous executive appointments across multiple disciplines within domestic and international local exchange, long distance, and competitive local exchange telecommunications businesses. He has significant experience in the identification and implementation of process and organizational improvements. Mr. Overlander earned a Bachelor of Arts in Accounting from Central College in 1982.

Randy McNeal

Mr. McNeal has over 22 years of experience with VarTec and several companies acquired by VarTec during that time. As Senior Vice President, Network Planning, Mr. McNeal was instrumental in merging the Telco, Advantis, and Excel networks and moving Excel off net traffic from MCI to a new network at a cost savings of \$15M per month. During his tenure as General Manager, eMeritus Communications (now known as VarTec Solutions, Inc.), Randy significantly turned around a failing business unit, while simultaneously launching new carrier business. The combined projects delivered four years of continuous revenue and profit growth. Most recently, as Senior Vice President of Network for the VarTec Companies, Mr. McNeal has dramatically reduced network costs by 35% and growing as well as completing development of a network inventory system. Mr. McNeal holds a Bachelor of Science Degree in Administration and Management from William Jewell College (1982).

Keith Henderson

Mr. Henderson began his career with VarTec Telecom, Inc. in March 2002 and is currently Vice President - Customer Service. He is responsible for operations, including internal call centers as well as international and domestic outsourced call center operations. In addition, Mr. Henderson has the responsibility for the provisioning operations for local and long distance products as well

as responsibility for call center technologies (IVR, ACD, quality monitoring), customer service program management, training and curriculum development, and customer relations. Mr. Henderson has also been responsible for Receivables Management operations, primarily focusing on the reduction of bad debt through inbound and outbound collections. Mr. Henderson has 24 years of leadership experience with major telecommunications providers, such as SBC, Sprint, and Citizens Communications. His diverse experience includes information technology, field operations, billing, receivables management, customer service, acquisition of telecom properties and Total Quality Management (TQM) processes, including the teaching of business process improvement and statistical process control applications.

Mr. Henderson received his Bachelor of Science degree from the University of Texas (Dallas) in 1979 and his Master of Science degree from the University of Texas (Dallas) in 1981.

Melissa A. Drennan, Esq.

Ms. Drennan graduated, with distinction, from the University of Notre Dame in 1991, with a Bachelor of Arts in English and a minor in Public Policy. She received her Juris Doctorate degree from Southern Methodist University's Dedman School of Law in 1994, and served on the SMU Law Review. While at law school, Drennan was a founding member and Chairperson of the Board of Advocates, as well as a Student Senator. She received the International Academy of Trial Lawyers Award in 1994, was elected SMU's Outstanding Advocate of the Year in 1994, and was named in Who's Who Among American Law Students 1992-1994. After graduation, Ms. Drennan served as a Briefing Attorney for Justice David L. Richards and Justice David F. Farris, of the Second Court of Appeals for the State of Texas from 1994 to 1995.

Prior to joining VarTec, Ms. Drennan was an associate in the Fort Worth, Texas office of Haynes & Boone. L.L.P. She participated in a wide array of litigation, appellate, and mediated matters, representing a broad range of clients, from Fortune 500 companies in multi-party cases to individual business owners in contract disputes.

Ms. Drennan joined VarTec in August of 1998. In her current role as Deputy Chief Counsel and

Vice President – Litigation and Compliance, Ms. Drennan is responsible for corporate compliance, litigation, dispute resolution, regulatory affairs, employment law issues, marketing compliance and the intellectual property portfolio of VarTec and all of its subsidiaries. She oversees the management of the Regulatory Affairs Department, which supports all of VarTec's utility and other operations in addition to those of its subsidiaries.

EXHIBIT E

**COMTEL TELCOM ASSETS LP
MOTION FOR PROTECTIVE ORDER**

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF FLORIDA

In the matter of the Application of)
)
COMTEL TELCOM ASSETS LP)
)
and)
)
VARTEC TELECOM, INC.) Docket No. _____
(EXCEL TELECOMMUNICATIONS,)
INC. AND)
VARTEC SOLUTIONS, INC.)
)
for Authority to Provide Alternative Local)
Exchange Service and Approval to Transfer)
Existing Certificate)

MOTION FOR PROTECTIVE ORDER AND
PROTECTION OF PROPRIETARY INFORMATION

Concurrently with the filing of this Motion, Comtel Telcom Assets LP (“Comtel”) and VarTec Telecom, Inc., Excel Telecommunications, Inc. and VarTec Solutions, Inc. have submitted an Application for Authority (for Comtel) to Provide Alternative Local Exchange Service and Approval to Transfer Existing Certificate pursuant to the rules and regulations of the Florida Public Service Commission (“Commission”). By this Motion, Comtel respectfully requests that the Commission accept Exhibit D of the Application, which contains the financial statements submitted by Comtel, under seal.

Exhibit D of the Application has been submitted to confirm that Comtel has the requisite financial ability to acquire the VarTec Companies’ assets and to provide and maintain the services that Comtel intends to provide in Florida. As a privately-held company, Comtel

respectfully requests that the Commission protect Exhibit D of the Application from public inspection because public disclosure of its contents would place Comtel at an unfair business disadvantage. Comtel also requests that the Commission withhold from public inspection Exhibit D to the Application due to its proprietary nature. The information contained in the financial statements is only disclosed to banks, financial institutions and others on a need to know basis, and when such information is disclosed to them, it is done on a confidential basis. Making this information available would reveal information to the public and Comtel's competitors which would allow them to know Comtel's cash position, liabilities and other data which Comtel does not wish to disclose without a protective order.

Wherefore, Comtel respectfully requests that its Motion for Protective Order and Protection of Proprietary Information be granted.

Respectfully submitted,

COMTEL TELCOM ASSETS LP

By: 

Lee Ann Wilson

Assistant Secretary

c/o Sowood Capital Management LP

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9-23-05

Date