

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Joint Application of)
Comtel Telecom Assets LP and VarTec)
Telecom, Inc., Excel Telecommunications,)
Inc., and VarTec Solutions, Inc., for)
Approval of a Transfer of Assets.)

Case No. TM-2006-0186

STAFF'S SECOND STATUS REPORT

COMES NOW the Staff of the Missouri Public Service Commission and for its status report states:

1. On November 2, 2005, Comtel Telecom Assets LP and VarTec Telecom, Inc., Excel Telecommunications, Inc., and VarTec Solutions, Inc., (together, the "VarTec Companies"), filed a joint application for authority to complete the acquisition by Comtel of substantially all of the assets, including customer accounts, of the VarTec companies.

2. The Commission has directed the Staff to file a second status report, no later than December 27, 2005.

3. Comtel does not have certificates of service authority to provide intrastate telecommunications service in Missouri. On November 21, 2005, Comtel filed its Application in Case No. TA-2006-0214 requesting certificates of service authority to provide basic local and interexchange telecommunications services in Missouri. The Application states that Comtel intends to submit the required tariff and interconnection agreement filings to the Commission for review within the prescribed time frame and before offering telecommunication services within Missouri.

4. Comtel's Second Addendum to Application, filed in Case No. TA-2006-0214 on December 23, 2005, states that Comtel is currently engaged in good faith negotiations to obtain

interconnection agreements. Also, on December 23, 2005, Comtel filed tariff adopting notices in Case No. TA-2006-0214. The tariff pages have a proposed effective date of February 6, 2006.

5. The Staff anticipates filing its recommendation in both cases no later than January 26, 2006.

Respectfully submitted,

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/s/ William K. Haas
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 27th day of December 2005.

/s/ William K. Haas
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