

June 8, 2006

FILED

VIA OVERNIGHT DELIVERY

JUN -9 2006

Mary Jo Kunkle, Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48909

MICHIGAN PUBLIC
SERVICE COMMISSION

Re: Case No. U-14899
Comtel Telcom Assets LP

Dear Ms. Kunkle:

Comtel Telcom Assets LP ("Comtel") hereby submits this correspondence in accordance with the directives set forth in the above-referenced case number. The Michigan Public Service Commission ("Commission") has ordered all providers of basic local exchange service to provide information regarding the following:

(1) Evidence of all steps taken to offer primary basic local exchange service (PBLES)

VarTec Telecom, Inc. and certain of its subsidiaries, including Excel Telecommunications, Inc. ("VarTec Companies") voluntarily filed for Chapter 11 bankruptcy on November 1, 2004. As part of the bankruptcy process, the VarTec Companies entered into an asset purchase agreement ("APA") with Comtel Investments LLC ("Comtel Investments") who in turn assigned its rights and obligations under the APA to Comtel Telcom Assets LP ("Comtel").

Through the APA, which was finalized on June 7, 2006, Comtel acquired substantially all of the assets of the VarTec Companies, including all telecommunications equipment, customer accounts and records, business records and licenses and permits.

Prior to the consummation of the asset sale transfer, both VarTec and Excel revised their respective Michigan Local Exchange Tariffs to reflect a Primary Basic Local Exchange Service ("PBLES") offering pursuant to the mandates of Case No. 14731; however, due to the financial restrictions resulting from the bankruptcy filing, the VarTec Companies have performed extremely limited marketing, and customer acquisition efforts related to PBLES or any of its other local service offerings.

This correspondence is intended to serve as Comtel's response to the Commission inquiries, and due to the full execution of the APA yesterday, the response is also accurate for the prior operations of VarTec Telecom, Inc. and Excel Telecommunications, Inc. as assumed by Comtel. Naturally, Comtel has not yet commenced any marketing for its services as acquired through the APA.

- (2) *Detailed evidence of the number of requests for primary basic local exchange service since the passage Act 235*

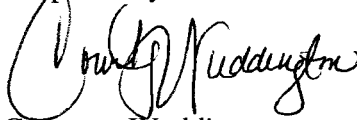
For the reasons stated in response to question one (1), Comtel has not received any requests for primary basic local exchange service since the passage of Act 235.

- (3) *Documentation concerning the number of customers that were receiving primary basic local exchange service as of May 1, 2006.*

As of May 1, 2006, Comtel has one (1) customer who was subscribed to primary basic local exchange service. This customer acquisition resulted from the consummation of the asset sale transfer between Comtel and the VarTec Companies, specifically Excel Telecommunications, Inc.

Comtel sincerely appreciates your attention to this filing. Please direct any questions regarding this correspondence to the undersigned directly at (972) 478-3376 or at cwedding@vartec.net.

Respectfully submitted,



Courtney Weddington
Sr. Regulatory Analyst

cc: Becky Gipson
Director, Regulatory Affairs