COMPETITIVE TELECOMMUNICATIONS SERVICE PROVIDERS

MAR 2 1 2005

For the provision of (check all that apply):

- [X] INTEREXCHANGE CARRIER
- [ ] ALTERNATIVE OPERATOR SERVICE PROVIDER
- [ ] COMPETITIVE ACCESS
- [X] COMPETITIVE LOCAL EXCHANGE CARRIERS
- [ ] OTHER (Describe):

ANNUAL REPORT

90-5187

VarTec Telecom, Inc.
Mr. Kevin Allen
Manager, Regulatory Affairs
2440 Marsh Lane
Carrollton, TX 75006

Address

Zip Code

(972) 478-3000

Phone: (Area Code) Number

2440 Marsh Lane, Carrollton, Texas 75006

(Address of principal business office at end of year)

TO THE

PUBLIC UTILITIES COMMISSION OF OHIO

RECEIVED

APR 2 9 2005

DOCKETING DIVISION
Public Utilities Commission of Ohio

FOR THE

YEAR ENDED DECEMBER 31, 20 04

Name, title, address, e-mail address and telephone number (including area code) of the person to be contacted concerning this report.

Erin L. Curry, Senior Regulatory Analyst, elcurry@vartec.net, (972) 478-3363

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GENERAL INSTRUCTIONS, DEFINITIONS, ETC.

Please read the general instructions carefully before filling out this form:

1. The word "Respondent" in the following inquiries means the person, firm, association, or company in whose behalf the report is made.

2. The schedules and questions contained in this report were developed to be generally applicable to all competitive telecommunication service providers. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answers shall appear to show that no schedule, question, or line item has been overlooked.

3. If answers to an inquiry are given elsewhere in the report, incorporation of the information by reference is sufficient.

4. Customary abbreviations may be used except that the exact name of the respondent shall be shown in full on the "Title Page" and in the "Verification" page.

5. Where the space provided is insufficient for the required data or it is necessary or desirable to insert additional statements or schedules, the insert pages shall show the number and title of the schedule to which it pertains, as well as the name of the respondent and the year covered, and shall be on 8 1/2" x 11" durable paper.

6. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.

7. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.

8. The annual report shall be signed by a duly elected officer of the respondent and it shall be notarized.

9. "Operating" as used in this report refers to regulated operations while "Nonoperating" refers to nonregulated operations.

IDENTITY OF RESPONDENT

1. Identify respondent's form of business organization: sole proprietorship, partnership, corporation, or other (explain).
   VarTec Telecom, Inc. is a corporation.

2. If a consolidated, merged, or reorganized company, briefly provide particulars of such transactions, the date of the transactions, and PUCO authority. If a reorganized company, give name of original company.
   Not applicable.

3. Identify any other names (other than shown on title page) under which respondent conducted any part of its business during the year.
   VarTec conducts business as an interexchange carrier under the name Clear Choice Communications.

4. If incorporated specify:
   a. Date of filing of articles of incorporation. February 27, 1989
   b. State in which incorporated. Texas

5. Identify PUCO Case Number (and date issued) granting operating authority and identify certificate number(s) issued.
   Interexchange authority: Case No. 93-1232-TP-ACE, Certificate No. 90-5187, 9/16/93
   Local Exchange authority: Case No. 01-2536-TP-ACE, Certificate No. 90-9211, 4/4/02

6. State whether respondent is operational in Ohio (actually providing service and the date operations began), or available (but not currently providing service).
   Respondent began operations providing Interexchange services within the state of Ohio on September 29, 1993. Respondent began operations providing Local Exchange services on August 5, 2002.

7. If operational, identify Ohio counties where respondent is providing service.

   Please see Exhibit A.

8. List the types of services provided by the respondent, e.g., residential voice, business voice, business data, other (specify types of other services provided).
   Respondent provides residential services including interexchange services and local exchange services.

9. Identify if services are provided by resale (total service resale of local exchange company service) or facilities based (through respondent's own switch or via UNE platform), and names of Ohio counties where each type of service is provided.
   Respondent provides facilities based local exchange services via UNE platform. For counties, please refer to Exhibit A.

10. Identify local exchange companies that respondent has interconnection agreements with to provide service in Ohio.
    Respondent has interconnection agreements with Verizon North, Inc. and SBC Communications, Inc. within the state of Ohio.

IMPORTANT CHANGES DURING THE YEAR

Report important changes of the types listed. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other answer will be sufficient.

1. Changes in ownership or control (shareholders holding 5% or more of outstanding stock).
   None.

2. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

   VarTec filed a voluntary petition under Chapter 11 of the Bankruptcy Code on November 1, 2004 and is currently a debtor-in-possession in Case No. 04-81694-SAF-11 pending in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division.

VarTec Telecom, Inc.
Operational Counties

EXHIBIT A

ADAMS
ALLEN
ASHLAND
ASHTABULA
ATHENS
AUGLAIZE
BELMONT
BROWN
BUTLER
CARROLL
CHAMPAIGN
CLARK
CLERMONT
CLINTON
COLUMBIANA
COSHOCTON
CRAWFORD
CUYAHOGA
DARKE
DEFIANCE
DELAWARE
ERIE
FAIRFIELD
FAYETTE
FRANKLIN
FULTON
GALLIA
GEAUGA
GREENE
GUERNSEY
HAMILTON
HANCOCK
HARDIN
HARRISON
HENRY
HIGHLAND
HOLMES
HURON
JACKSON
JEFFERSON
KNOX
LAKE
LAWRENCE
LICKING
LOGAN
LORAIN
LUCAS
MADISON
MAHONING
MARION
MEDINA
MEIGS

VarTec Telecom, Inc.
Operational Counties

MERCER
MIAMI
MONROE
MONTGOMERY
MORGAN
MORROW
MUSKINGUM
NOBLE
OTTAWA
PAULDING
PERRY
PICKAWAY
PORTAGE
PREBLE
PUTNAM
RICHLAND
ROSS
SANDUSKY
SCIOTO
SENECA
SHELBY
STARK
SUMMIT
TRUMBULL
TUSCARAWAS
UNION
VAN WERT
WARREN
WASHINGTON
WAYNE
WILLIAMS
WOOD
WYANDOT

SCHEDULE: 1

DIRECTORS, PROPRIETORS, PARTNERS

1. Give the name of each director or proprietor. (For partnerships identify each partner, identify which are general or limited partner, and show each partner's percent of interest.)

Line No.	Name and Address (City and State) (a)	Served Continuously From (b)	Term Expired or Current Term Will Expire (c)
1			
2			
3	Please see Exhibit B.		
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

(For corporations, show the data requested; for other forms of business organizations, show names of individuals holding comparable positions.)

16 Name of Chairman of the Board

17 Name of Secretary of Board

18 President

19 Vice-President

20 Secretary

21 Treasurer

22 Controller

Instructions:

Schedule 2 is used for PUCO annual assessment purposes pursuant to Section 4905.10, RC. The reporting company shall maintain supporting and/or subsidiary records to separately record revenues derived from total operations and from its Ohio intrastate operations. Information presented herein is subject to audit by the PUCO.

The jurisdictional separation of revenues reported in this schedule should conform, to the extent applicable, to the procedures and instructions of CFR 47 Parts 32 and 36.

For interexchange carriers, intrastate refers to messages originating and terminating in Ohio.

For cellular, competitive access, and paging providers, intrastate refers to amounts billed to an Ohio account.

SCHEDULE: 2

STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE)

Line No.	Item	Amount Ohio Intrastate
1	Operating and Miscellaneous Revenue - Wholesale Cellular Communications, Radio Common Carrier, Directory Revenue, Rent Revenue, Special Billings (revenue from work performed for others, rent revenue-nonoperating, return on regulated investment used to provide nonregulated products and services, etc.)	8,535,208
2	Other Revenue, Dividend and Interest Income, Gains From Disposition of Property -- Operating and Nonoperating, Other Operating or Nonoperating Gains (foreign currency exchange or transfer, extinguishment of debt, company's share of earnings of affiliated company accounted for on equity method, income from sinking and other funds, etc.)	
3	**SUBTOTAL** (1) + (2)	8,535,208
4	Earnings or receipts from sales to other public utilities for resale	( )
5	**TOTAL** (3) + (4)	8,535,208

EXHIBIT B

Officers and Directors for VarTec Telecom, Inc.*

Name	Title	Director
Michael G. Hoffman 2440 Marsh Lane Carrollton, Texas 75006	President, Chief Executive Officer and Chief Legal Officer	11/01/04
KJ Alzamora 2440 Marsh Lane Carrollton, Texas 75006	Treasurer and Chief Financial Officer	
Timothy A. Biggio 2440 Marsh Lane Carrollton, Texas 75006	Secretary	
Joe D'Angelo 2440 Marsh Lane Carrollton, Texas 75006	Chief Operating Officer and Chief Restructuring Officer	
Robert J. Healea 236 East Capital Street, 6th Floor Jackson, Mississippi 39201	Assistant Treasurer	
Melissa A. Drennan 2440 Marsh Lane Carrollton, Texas 75006	Assistant Secretary	

* Please note that Officers and Directors serve until successors are appointed.

Annual Report of VarTec Telecom, Inc. Year Ended December 31, 20 04

SCHEDULE: 3

IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.

Name, Title, Address, and Phone Number of the Company's Contact Persons to Receive Entries and Orders from the Docketing Division

Erin L. Curry, Senior Regulatory Analyst
Name Title

2440 Marsh Lane, Carrollton, Texas 75006
Address

(972) 478-3363
Phone Number (Including Area Code)

Name, Title, Address, and Phone Number of Person to whom Invoice should be Directed

Erin L. Curry, Senior Regulatory Analyst
Name Title

2440 Marsh Lane, Carrollton, Texas 75006
Address

(972) 478-3363
Phone Number (Including Area Code)

Name and Address of the President

Michael G. Hoffman, President, Chief Legal Officer and Chief Executive Officer
Name President

2440 Marsh Lane, Carrollton, Texas 75006
Address

VERIFICATION

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of Texas
County of Dallas

KJ Alzamora makes oath and says that
(Insert here the name of the affiant.)

she is Treasurer and Chief Financial Officer
(Insert here the official title of deponent)

of VarTec Telecom, Inc.
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including 1/01, 2004, to and including 12/31/04, 20___.

KJ Alzamora
(Signature of affiant.)

Patricia H. Van Voorhees
Notary Signature

Patricia Van Voorhees

April 28, 2005
Date

PATRICIA H. VANVOORHEES
NOTARY PUBLIC
STATE OF TEXAS
EXPIRES
01-25-2006