

**BellSouth Telecommunications, Inc.**  
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September 14, 2006

VIA HAND DELIVERY

Hon. Sara Kyle, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

filed electronically in docket office on 09/14/06

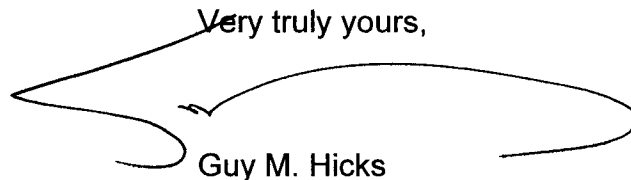
Re: *Petition for Arbitration of XO Tennessee, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996*  
Docket No. 03-00630

Dear Chairman Kyle:

This is in response to Authority Pre-Arbitration Officer Gary Hotvedt's letter of August 25, 2006. BellSouth and XO continue to negotiate. However, there is nothing new to report in terms of a settlement, other than what has previously been reported to the Authority. The parties are not asking that the Authority take any action at this time.

Local counsel for XO has approved the submission of this letter on XO's behalf.

Very truly yours,

A handwritten signature in black ink, appearing to be "Guy M. Hicks", with a large, sweeping loop at the end.

Guy M. Hicks

GMH:njc

## CERTIFICATE OF SERVICE

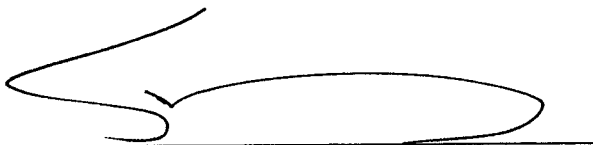
I hereby certify that on September 14, 2006, a copy of the foregoing document was served on the following, via the method indicated:

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- ☐ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight
- ☒ Electronic

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A handwritten signature in black ink, appearing to read 'Kris Shulman', is written over a horizontal line.