

BellSouth Telecommunications, Inc.

333 Commerce Street Suite 2101

Nashville, TN 37201-3300

Guy M. Hicks General Counsel

615 214 6301 Fax 615 214 7406

guy.hicks@bellsouth.com

March 16, 2007

VIA HAND DELIVERY

Hon. Sara Kyle, Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37238 filed electronically in docket office on 03/16/07

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:

On behalf of BellSouth Telecommunications, Inc. d/b/a AT&T Tennessee ("AT&T") and XO Tennessee, Inc. ("XO"), we are filing this response to the February 28, 2007 letter from Authority General Counsel Richard Collier. In his letter, Mr. Collier asks XO and AT&T to file an update on the status of their negotiations.

While the parties have agreed to terms on a commercial agreement, there is nothing new to report with respect to negotiations for a new interconnection agreement.

Very truly yours.

Henry Walker

XO Tennessee. Inc

Guy M. Hieks

BellSouth Telecommunications, Inc. d/b/a AT&T Tennessee

GMH:njc

CERTIFICATE OF SERVICE

I hereby certify that on March 16, 2007, a copy of the foregoing document was served on the following, via the method indicated:

] Hand	Henry Walker, Esquire
[] Mail	Boult, Cummings, et al.
[] Facsimile	414 Union Street, #1600
[] Overnight	Nashville, TN 37219-8062
[X] Electronic	hwalker@boultcummings.com
[] Hand	Kris Shulman, Esquire
[] Mail	XO Communications, Inc.
[] Facsimile	105 Malloy Street, #100
[] Overnight	Nashville, TN 37201
[X] Electronic	Kris.shulman@xo.com

