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January 28, 2008

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**PUBLIC SERVICE
COMMISSION**

VIA HAND DELIVERY

Ms. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: Petition for Arbitration of Momentum Telecom, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996 PSC 2006-00058

Dear Ms. O'Donnell:

In accordance with the Commission's Order in this docket dated December 14, 2007, BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky and Momentum Telecom, Inc. (collectively "the parties") hereby file this joint status report.

To date, the parties have not had the opportunity to fully evaluate the effect of the Commission's final order in Case No. 2004-00427 ("change of law order"), issued January 18, 2008, on the above-referenced docket. The issues in the present docket that were also subjects of the change of law docket are outlined in the Joint Issues Matrix attached to Momentum's Petition for Arbitration, filed on February 8, 2006. After evaluating the effect of the change of law order on these issues, resolving applicable change of law matters implicated in this docket will require incorporation of appropriate language into the interconnection agreement.¹

In addition to the change of law issues, Momentum submitted for arbitration the following four issues, which remain unresolved at this time:

- (33) What is the effective date of the agreement?
- (34) Under what terms and conditions should the parties be allowed to back bill each other?
- (35) Is Petitioner obligated to reimburse [AT&T Kentucky] for payments made by [AT&T Kentucky] to third party carriers for terminating calls originated by Petitioner?

¹ The change of law order is currently appealable, and should AT&T Kentucky file an appeal, the change of law issues involved in this docket would remain in an indeterminate state pending final resolution of the appeal.

- (36) Should Petitioner be required to waive its right to argue that ambiguity in the subject Interconnection Agreement should be construed against the drafting party?

Given that the parties have not yet fully analyzed the effect of the Commission's order in Case No. 2004-00427, at this time, the parties do not request further proceedings in this matter. The parties respectfully request that the proceeding remain in abeyance until either party requests the scheduling of a status conference.

Respectfully submitted,

Douglas F. Brent by MKK w/ permission

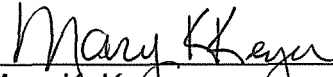
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cc: Parties of Record

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