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January 19, 2007

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

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JAN 22 2007

PUBLIC SERVICE
COMMISSION

Re: Petition of Dialog Telecommunications for Arbitration of Certain Terms and Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection under the Telecommunications Act of 1996 - KPSC 2006-00099

Dear Ms. O'Donnell:

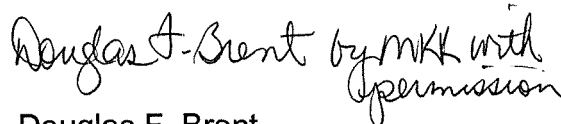
BellSouth Telecommunications, Inc., and Dialog Telecommunications wish to inform the Commission that Dialog and BellSouth have reached agreement on the Bulk Migration Rate Issues set out in Dialog's Petition for Arbitration. Specifically, Issues 1 and 2 have been resolved so there is no need for the Commission to address these issues. The Parties have also reached resolution on Issues 3, 4, 6 and 7 as indicated in the pre-filed testimony in this case. Therefore, the only remaining issue is Issue 5 regarding Change of Law and the Parties have agreed to incorporate into their interconnection agreement the applicable rulings by the Commission in Case No. 2004-00427.

Dialog's counsel has authorized the undersigned to sign this letter on his behalf. The original and ten (10) copies of this letter are provided for filing in this case.

Sincerely,



Mary K. Keyer



Douglas F. Brent
Stoll Keenon Ogden PLLC
COUNSEL FOR DIALOG
TELECOMMUNICATIONS