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AUG 17 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
Petition of WorldCom, Inc. Pursuant	)	
to Section 252(e)(5) of the	)	
Communications Act for Expedited	)	
Preemption of the Jurisdiction of the	)	CC Docket No. 00-218
Virginia State Corporation Commission	)	
Regarding Interconnection Disputes	)	
with Verizon-Virginia, Inc., and for	)	
Expedited Arbitration	)	

DIRECT TESTIMONY OF ARIEL W. SIGUA
(Issues IV-7 and IV-79)

August 17, 2001

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INTRODUCTION

Q. Please state your name, title and business address.

A. My name is Ariel W. Sigua. My business address is 8521 Leesburg Pike, Rm. 558W, Vienna, VA 22182. I am the 911 Network Planner for WorldCom Inc. in the East Coast.

Q. Please describe your responsibilities as Senior Network Engineer.

A. My responsibilities include designing and maintaining the local 911 Network between WorldCom Inc. and the local Safety Agency designated 911 System Integrator, usually the ILEC.

Q. Please describe your relevant experience with WorldCom and in the telecommunications industry.

A. I have 31 years of service in the Telecommunication Industry. I am a retiree from NYNEX and have held various positions as a technician, Switch Operation Manager, Switching Control Center Manager, and Electronic Switching Assistance Center technical tier II support manager. I have helped implement the 911 Selective Router in Westchester, Rockland and Ulster Counties in New York State, as well as managed the Class Five switch that functioned as a 911 Tandem.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support those aspects of WorldCom's 911 proposal that remain in dispute. My understanding is that the parties have largely

resolved their disputes with respect to 911 issues, except for the "PSAP" issue, which is discussed below. The 911 issues raised by WorldCom are numbered IV-7 and IV-79.

Issue IV-7

Should the Interconnection Agreement include detailed terms to facilitate the prompt, reliable, and efficient Interconnection of MCIm's systems to Verizon's 911/E911 platforms, including the establishment of dedicated trunks from MCIm's Central Office to each Verizon 911/E911 selective router (i.e., 911 Tandem Office) that serves the areas in which MCIm provides Exchange Service, with the necessary CAMA signaling, ANI delivery and TTY/TDD capability; availability of diverse means of delivering 911 calls to minimize the likelihood of Central Office isolation due to cable cuts or other equipment failures; the routing of WorldCom's customer 911/E911 calls, including ANIs to the appropriate PSAP; Verizon's provision of CLLI codes for each selective router server area, the 10-digit number of each PSAP, associated addresses, and network meet points; provisions for the overflow of 911/E911 traffic to the Operator Services platform and the 10 digit overlay/alternate number used by each local PSAP; the provision by Verizon of information describing the rate center boundaries served by each selective router; technical specifications for network interface, database loading and maintenance; terms governing the immediate restoration of 911 service and the responsibilities of each party therefor; terms providing for correction of ALI discrepancies, identification of special 911 routing arrangements, and identification of special operator-assisted requirements to support 911? (Attachment IV, Sections 1.5 - 1.5.14)

Issue IV-79

Should the Interconnection Agreement contain provisions regarding 911 and E911 requirements? (Attachment VIII, Sections 6.1 through 6.1.2.8)

Q. Could you please describe the disputes that remain between the parties?

A. It is my understanding that the disagreements have been substantially narrowed. With the exception of the PSAP issue -- which I discuss below -- the parties have discussed each of Verizon's specific objections to WorldCom's language and resolved them. They have also discussed and resolved the specific 911 trunking language WorldCom proposed with respect to Issue IV-7. My understanding is that they have not, however, specifically discussed the language WorldCom proposed with respect to Issue IV-79 related to 911 service. Based on the more general discussions to date, I believe this issue is essentially resolved. To the extent the parties do not reach agreement, however, I urge the Commission to adopt WorldCom's language proposed with respect to 911 service, because it is much more detailed than that proposed by Verizon. In an area of such importance, it is important not to leave any detail unaccounted for

Q. Could you please described the PSAP dispute that remains between the parties?

A. The parties disagree on whether Verizon should provide to WorldCom data related to the Public Safety Answering Point ("PSAP"). The PSAP is the center at which a 911 call terminates. A County/municipality may have one or more PSAP 911 Centers.

1 The municipality determines which PSAP is designated as the default PSAP for ANI/ALI
2 failure.
3 WorldCom has asked for the ten digit "back door" alternate number used for
4 default routing to handle emergency calls in the event of problems with the 911 network.
5 In other words, WorldCom has requested the ten digit number to which 911 calls should
6 be routed in the event that a 911 trunk is down.
7
8 **Q. Why does WorldCom feel it needs these ten digit numbers?**
9 A. This is a public safety issue. WorldCom needs these numbers so that it knows
10 where to route 911 calls in the event a 911 trunk fails. Without these ten digit numbers,
11 WorldCom will not know how to route a 911 call in the event of trunk failure.
12
13 **Q. Why do you need Verizon to provide you with these numbers?**
14 A. Verizon has these numbers in its own system. Getting them directly from Verizon
15 is the easiest and most efficient way for us to obtain them. Although we also try to get
16 them directly from the PSAP, it may be difficult for us to do so. The PSAPs are typically
17 small centers, with few employees. Many of those employees do not know the ten digit
18 number that corresponds to their center. Thus, it may be difficult even to reach someone
19 who knows the correct number. Also, even if someone from the PSAP provides the
20 number, there is a much greater risk of error if we have to obtain it PSAP by PSAP. The
21 person at the PSAP could easily transpose a digit when providing it to us, or we could
22 transpose a digit when writing it down and entering it into our system. This means
23 obtaining the numbers from Verizon is important even if we have received the

1 information from the PSAP itself – in those cases the Verizon numbers provide a useful
2 check.
3
4 **Q. Have you ever experienced a problem caused by not having access to these**
5 **ten digit numbers?**
6 A. Yes. On August 6, 2001 about 12:00 PM, our 911 monitoring alarm showed all
7 911 trunks going to the Sprint 911 Selective Router in Leesburg, Fl were out of service.
8 Both the Primary and Secondary trunks had been disconnected by Sprint. We later
9 learned that disconnect orders had been sent indicating that two trunk groups (1792 and
10 1793) were no longer required for Lake County. Sprint disconnected on a facility level,
11 however, removing all the trunk groups riding on this facility including 1791, which is a
12 working 911 trunk group. When we contacted Sprint, they told us that the facility
13 information needed to restore trunk group 1791 had been purged from the Sprint
14 provisioning system. That meant a quick restoral was out of the picture.
15 We immediately checked to see if the ten digit backdoor number to the relevant
16 PSAP was listed on the Worldcom 911 Network diagram. It was not. That meant that
17 our translator could not immediately reroute 911 calls. We called our 911 Network
18 Planner, who pulled the ten digit PSAP number that our Operator service used for a "0"
19 emergency call. That number had to be verified, however, before 911 traffic could be
20 routed to it. In the meantime, calls were made to the ten digit numbers in Osceola
21 County (3 rate centers) to obtain a "correct" ten digit emergency number. The center in
22 Kissimmee provided us with an Administrative number to reroute our 911 calls, while we

1 waited for Sprint to restore TG 1791. This entire process took approximately twenty
2 minutes.
3 This obviously presented a serious public safety problem. Luckily, during the
4 twenty minutes we were scrambling to determine the appropriate ten digit numbers, no
5 911 calls were made that we were unable to properly route. This obviously could have
6 been a serious safety problem, however.
7
8 **Q. Why doesn't Verizon want to provide these numbers?**
9 A. I'm not sure. Verizon indicates that it does not provide PSAP specific data to
10 CLECs. In my mind it should. There is no excuse for carriers not working cooperatively
11 when public safety is at issue.
12
13 **Q. Does this conclude your testimony?**
14 A. Yes it does.

I, Ariel W. Sigua declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Ariel W. Sigua

Subscribed and Sworn to before me this
16th day of August, 2001.

Rehab A. Fahmy

Notary Public

REHAB A. FAHMY
Notary Public, State of Virginia
My Commission Expires December 31, 2004

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DIRECT TESTIMONY OF RON ZIMMERMANN

(Issue IV-45)

August 17, 2001

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1 **INTRODUCTION**

2 **Q. Please state your name, title and business address.**

3 A. My name is Ron Zimmermann. I am Director of Customer Financial Services at

4 WorldCom. My business address is 707 17th Street, Denver, CO 80202.

5

6 **Q. Please describe your education and relevant experience with WorldCom and**

7 **in the telecommunications industry.**

8 A. I have held this position for the past two and a half years and have worked in

9 various capacities at WorldCom since 1984. I hold a Bachelor of Science in Business

10 Administration awarded from The American University in 1983.

11

12 **Q. Please describe your responsibilities as Director of Customer Financial**

13 **Services.**

14 A. My principal responsibility as Director of Customer Financial Services is to

15 coordinate residential and small business customer credit and collections and fraud

16 mitigation efforts for all products for WorldCom and its alliance partners.

17

18 **Q. What is the purpose of your testimony?**

19 A. The purpose of my testimony is to address WorldCom's position and rationale

20 regarding Issue IV-45, which states:

21 **Issue IV-45**

22 *Should the ICA contain a fraud prevention provision that: (1) requires each Party to*

23 *make available to the other fraud prevention features that may be embedded within any*

1 *of the Network Elements; (2) makes clear that uncollectible or unbillable revenues from*
2 *fraud and resulting from, but not confined to provisioning, maintenance, or signal*
3 *network routing errors shall be the responsibility of the Party causing the error; and (3)*
4 *states that neither Party is liable to the other for any fraud incurred in connection with*
5 *service offerings, but that each Party must indemnify and hold each other harmless for*
6 *any losses payable to IXC carriers caused by "clip-on" fraud incurred as a result of*
7 *unauthorized access to an indemnifying Party's Service Area Concept (provided that the*
8 *indemnifying Party shall control all negotiations and settlements of such claims with the*
9 *applicable IXC carriers)?*
10
11 **Q. What is WorldCom's position?**
12 A. WorldCom's position is simple. First, the Interconnection Agreement should
13 contain a provision that provides that each party will share technologies that would allow
14 the other to prevent fraud on the network. Second, the Agreement should also have a
15 provision that ensures that, in the event WorldCom purchases network facilities from
16 Verizon or is interconnected with Verizon, WorldCom should not be required to shoulder
17 the liabilities and costs arising from the malfeasance of third parties that perpetrate fraud
18 against WorldCom or its customers by unlawfully using Verizon's unsecured service,
19 facilities or network.
20
21 **Q. What language has WorldCom accordingly proposed?**
22 A. WorldCom's proposed Section 3 provides as follows:

1 3.1 Each Party shall make available to the other fraud prevention features,
2 including prevention, detection, or control functionality, that may be embedded
3 within any of the Network Elements in accordance with applicable Tariffs or as
4 otherwise mutually agreed, such as 900 NPA and international blocking offered to
5 business customers and aggregators.
6 3.2 Uncollectible or unbillable revenues from fraud and resulting from, but
7 not confined to provisioning, maintenance, or signal network routing errors shall
8 be the responsibility of the Party causing such error.
9 3.3 Neither Party shall be responsible to the other for any fraud incurred in
10 connection with their respective service offerings, except that each Party shall
11 indemnify and hold each other harmless for any losses payable to IXC carriers
12 caused by "clip-on" fraud incurred as a result of unauthorized access to an
13 indemnifying party's Service Area Concept ("SAC"); provided that the
14 indemnifying party shall control all negotiations and settlements of such claims
15 with the applicable IXC carriers.
16
17 **Q. Is any part of this issue resolved?**
18 A. Yes. My understanding is Verizon has agreed to accept section 3.1.
19
20 **Q. What purpose does WorldCom's proposed Section 3 serve?**
21 A. WorldCom's proposed Section 3 is intended to address security concerns. More
22 specifically, the remaining language in dispute would make clear that uncollectible or
23 unbillable revenues from fraud and resulting from, but not confined to provisioning,

1 maintenance, or signal network routing errors shall be the responsibility of the party
2 causing the error, and provide that neither party is liable to the other for any fraud
3 incurred in connection with service offerings, but that each party must indemnify and
4 hold each other harmless for any losses payable to ICX carriers caused by "clip on" fraud
5 incurred as a result of unauthorized access to an indemnifying party's Service Area
6 Concept.
7
8 **Q. Please explain what "clip-on" fraud is and why it is appropriate to address it**
9 **in the manner set forth in WorldCom's proposed Section 3.3?**
10 A. Clip-on fraud occurs when an authorized party uses a device to "clip-on" to a line
11 owned by a customer. Calls are made from the clip-on device; charges for these calls
12 show up on the customer's bill.
13 Clip-on fraud can occur at various points in the network. In my experience, it
14 typically does not occur in areas generally open to the public. That is because, in such
15 areas, the danger of detection is great. If, for example, someone saw a person clipped on
16 to a line next to someone's house, unless that person was wearing a Verizon uniform, it
17 would immediately arouse suspicion. Thus, clip-on fraud tends to occur in facilities such
18 as the "closets" located in the basements of large buildings.
19
20 **Q. Why should Verizon bear the risk of such fraud?**
21 A. Because Verizon controls these facilities. The security for these telco closets, for
22 example, is provided by Verizon. There is nothing WorldCom can do to ensure that
23 adequate security is maintained. Indeed, except in circumstances in which WorldCom

1 provides service over its own facilities (in which case it assumes the risk of fraud),
2 Verizon controls all the facilities involved. WorldCom has no ability to ensure that these
3 facilities are adequately protected. Indeed, WorldCom has no ability to even investigate
4 fraud. It is for this reason that the incumbents have historically performed "cut and clip"
5 investigations – in which they race the source of the fraud – when requested by
6 WorldCom. In short, it would be highly inequitable to require WorldCom to absorb the
7 costs of this kind of fraud when it cannot enter Verizon's facilities to implement security
8 measures to prevent (or even investigate) fraud committed by third parties. WorldCom's
9 proposed Section 3.3 addresses this issue.
10
11 **Q. What is Verizon's response?**
12 A. Verizon argues essentially that WorldCom should not be able to shift the burden
13 of liability to Verizon for losses caused by particular types of fraud. Verizon would have
14 WorldCom shoulder the loss for any fraud perpetrated against it by its customers,
15 including fraud that occurs on its physical facilities and network, in the same way, it
16 asserts, that it shoulders the loss for fraud perpetrated by its own customers.
17
18 **Q. What is wrong with Verizon's position?**
19 A. As explained above, WorldCom and Verizon are simply not in the same position.
20 It is Verizon that owns the facilities and equipment at issue here. WorldCom does not
21 own the relevant facilities, nor does it have the ability to control access to them.
22 Accordingly, WorldCom is in no position to protect itself from third parties that
23 perpetrate fraud against WorldCom's customers through Verizon's facilities and network.

1 Accordingly, WorldCom should not be liable for any harm that arises from a third party's

2 fraudulent use of Verizon's network.

3

4 **Q. What does WorldCom request of the Commission?**

5 A. WorldCom requests that the Commission order the inclusion of WorldCom's

6 proposed Sections 3.2 and 3.3 into the Interconnection Agreement.

7

8 **Q. Does this conclude your testimony?**

9 A. Yes it does.

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AFFIDAVIT OF RON ZIMMERMANN

The undersigned, being of lawful age and duly sworn on oath, certifies the following:

I, Ron Zimmermann, declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Ron Zimmermann

Subscribed and Sworn to before me this
16th day of August, 2001.

Barbara Sena

Notary Public

My Commission Expires 10-06-2001