

**APPLICATION FOR CERTIFICATE OF AUTHORITY
TO PROVIDE TELECOMMUNICATIONS SERVICE IN OREGON**

INSTRUCTIONS: Complete every applicable section of this application. Attach additional documents and/or sheets to complete responses (if needed). You will be notified when the Commission receives your application, and again when it has been processed. Upon acceptance of this application, the Commission will publish notice pursuant to ORS 759.020(2). After submitting this application electronically, mail one copy with original signature and all attachments.

Classification for which application is made. Check one.

- Competitive Telecommunications Provider (local, long-distance, shared telecommunications service).
 Telecommunications Utility

1. Exact Legal Name of Applicant:

Computer Network Technology Corporation

Applicant's Assumed Business Name(s) (if any) (e.g., dba, aka)
Must be registered with the Corporation Division.

Applicant's Type of Legal Entity (e.g., corporation, limited partnership)

Corporation

Business Address

**6000 Nathan Lane
Minneapolis MN 55442**

Phone **(763) 268-6000**

Fax **(763) 268-6810**

Email **www.cnt.com**

2. Name and Address of Person to be Contacted for Further Information Regarding This Application:

**Paulette Bannack
Windfall Resources International, LLC
486 Sequoia Trail
Roselle IL 60172**

Phone **(630) 346-6477**

Fax **(630) 351-3009**

Email **pbannack@windfallintl.com**

3. Name and Address of Person to be Contacted for Regulatory Information. (Commission will send requests for information to this person):

**Paulette Bannack
Windfall Resources International, LLC
486 Sequoia Trail
Roselle IL 60172**

Phone **(630) 346-6477**

Fax **(630) 351-3009**

Email **pbannack@windfallintl.com**

4. Affiliated Interests:

Are you now or have you ever been affiliated with any provider of telecommunications service that serves Oregon? If so, who? When? Describe affiliation. Affiliated interest is defined in OAR 860-032-0001.

No

5. Previous Certificates of Authority:

List each certificate of authority previously granted by the Oregon PUC to Applicant and to each affiliated entity, under a legal name, an assumed business name, or any other name. Include all certificates whether or not canceled. For each certificate include: name of entity, docket number, and order number.

	Name of Entity	Docket Number	Order Number
a.	None		
b.			
c.			
d.			

AUTHORITY REQUESTED

6. Does applicant request authority to provide the following services?

- a. Shared telecommunications service (STS). STS includes resale of long-distance service to the STS provider's user group, but not to customers outside the user group. If yes, applicant must complete items 10 and 11. Yes No
- b. Local exchange (intraexchange) switched service (i.e., local dial tone). If yes, applicant must complete item 10. Yes No
- c. Local exchange (intraexchange) nonswitched, private line service (i.e., dedicated transmission service). Yes No
- d. Interexchange, switched service (i.e., long-distance toll). If yes, applicant must complete item 10. Yes No
- e. Interexchange, nonswitched, private line service (i.e., dedicated transmission service). Yes No

7. How Services Will Initially Be Provided

The following is required for public notice and information purposes and does not request authority.

- a. Will Applicant resell finished services of other Oregon certified carriers? (Resell means resale of finished services, not unbundled network elements.) Yes No
- b. Will applicant construct lines, loops, wires, fiber, or other transport facilities? Yes No
- c. Will Applicant have its own switching equipment? Yes No
- d. Will Applicant purchase (lease) unbundled network elements from other Oregon certified carriers? Yes No
- e. Will Applicant purchase or lease network components which are not unbundled network elements? Yes No

8. Areas for which Applicant seeks authority:

a. Intraexchange Authority:

Alternative I: List every local exchange in which Applicant seeks to provide local exchange (intraexchange)

Alternative II: List every incumbent local exchange carrier in whose exchanges Applicant seeks authority to provide local exchange (intraexchange) service.

Alternative III: If Applicant seeks authority to provide local exchange (intraexchange) service within every telephone exchange in Oregon, then specify "Statewide."

Statewide

b. Interexchange Authority:

Alternative I: List every local exchange in which Applicant seeks to provide interexchange service.

Alternative II: List every incumbent local exchange carrier in whose exchanges Applicant seeks authority to provide interexchange service.

Alternative III: If Applicant seeks authority to provide interexchange service in every telephone exchange in Oregon, then specify "Statewide."

Statewide

9. Describe special characteristics, limitations, or restrictions that will be part of Applicant's services:

Applicant will only be providing non-switched local exchange and intrastate inter-exchange services, specifically point to point and point to multi-point line special access services.

10. Operator Services:

- a. Operator service includes, but is not limited to, billing or completion of third-party billing calls, person-to-person calls, collect calls, and credit card calls. See OAR 860-032-0001.
Will Applicant directly offer operator services? Yes No
- b. ORS 759.690(1)(d) defines "operator service provider" as a person who furnishes operator service under contract with a call aggregator. ORS 759.690(1)(a) defines a call aggregator as a person who furnishes a telephone for use by the public, i.e., transient use.
Will Applicant be an "operator service provider" as defined in ORS 759.690(1)(d)? Yes No

11. Shared Telecommunications Service:

Shared Telecommunications Service (STS) service is defined in OAR 860-032-0001. STS includes resale of long-distance service to the STS provider's user group, but not to customers outside the user group.

- a. Provide the address of the building where shared service will be provided through privately owned customer premises equipment. If Applicant intends to serve a user group located in two or more buildings, include an electronic copy of a map clearly showing the locations to be served by the Applicant. The information on the map must be precise and legible and include street names and the city where the building(s) is(are) located.

Not applicable - applicant is only providing non-switched local exchange and intrastate inter-exchange services.

- b. An STS site or location consists of one building, or it consists of a complex of buildings or a campus on contiguous property. An STS provider may interconnect separate sites in order to aggregate toll traffic. An STS provider may not interconnect separate sites in order to provide local exchange service between those sites.
If serving buildings at separate sites, will applicant interconnect the buildings in order to aggregate toll traffic? Yes No
- c. Describe the user group or association at the STS location.

NOTE: Applicant must apply to PUC for another certificate of authority in order to add subsequent STS sites.

Conditions of a certificate of authority:

As a condition of a certificate of authority, applicant must comply with all applicable Commission rules and state law, as well as conditions listed in the certificate.

For your convenience, following is a summary of some conditions from OAR 860-032-0001 et seq. (Division 32). Additional conditions may be specified in the certificate.

- a. Certificate holder shall provide only telecommunications services authorized by the certificate.
- b. Certificate holder shall, at a minimum, meet the standard level of service specified in OAR 860-032-0012. The standard level of service is 99 percent probability that a call will not be blocked during the certificate holder's busy hour of the day.
- c. Certificate holder's books and records shall be open to inspection by the Commission to the extent necessary to verify information required by the Commission's rules.
- d. Certificate holder shall maintain its books and records according to generally accepted accounting principles and the applicable rules of the Commission.
- e. Certificate holder shall pay all access charges and subsidies imposed pursuant to the Commission's rules.
- f. Certificate holder shall pay an annual fee to the Commission pursuant to the Commission's rules. This fee will be based on the certificate holder's annual gross retail intrastate revenues and will be no less than \$100 per calendar year. The certificate holder shall collect the fee by charging an equitable amount to each retail customer and describe the amount of the apportioned charge on each retail customer's bill, pursuant to the Commission's rules.
- g. The certificate holder shall pay a quarterly amount to the Oregon Universal Service Fund based on a Commission-approved surcharge percentage assessed on all retail telecommunications services sold in Oregon pursuant to ORS 759.425(4).

h. Certificate holder shall respond in a timely manner to Commission inquiries.

Pursuant to Residential Service Protection statutes, Chapter 290, Oregon Laws 1987, and Division 22, certificate holder shall be responsible to ensure that the Residential Service Protection Fund surcharge is remitted to the Commission. This surcharge is assessed against each paying retail subscriber at a rate that is set annually by the Commission.

Applicant understands that all services provided by Applicant must comply with all applicable Commission rules and state law, and with conditions of the certificate (check box at left).

<i>Signature of Person Authorized to Represent Applicant</i>	Title Operations Director
_____ Typewritten Name Paulette Bannack	Date 12-3-03

**Affidavit of
Gregory Barnum**

**In Support of Computer Network Technology Corporation
Application for Authority to Operate As a Competitive
Provider of Non-switched Local Exchange and
Intra-state Interexchange Data Communications**

Now comes Gregory Barnum, and in support of the application of Computer Network Technology for certificates of service authority to provide local exchange and intra state interexchange telecommunications services, states as follows:

1. Can you please state your name, your title and business address?

My name is Gregory T. Barnum, and I am Chief Financial Officer (“CFO”) of the Applicant in this matter, Computer Network Technology Corporation (“CNT”). My business address is 6000 Nathan Lane, Minneapolis, Minnesota.

2. What is the purpose of your affidavit in this matter?

The purpose of this affidavit is to provide information to the Commission in support of CNT’s application for authority to operate as a data communications carrier to business customers throughout the state.

3. Can you please summarize your testimony in this application case?

Yes. Based upon the evidence that CNT has provided the Commission in this case, there is clearly sufficient support for the granting of a certificate for CNT to operate as a competitive data communications carrier throughout this state. The evidence supports a finding that CNT has the requisite financial, managerial and technical qualifications to own and operate a facilities based telecommunications carrier, specializing in the provision of dedicated, private line data communications circuits to business customers in the state. In addition, granting this certificate is in the public interest, as the presence of a well funded, technically and managerially competent competitive provider of data communications services and facilities will enhance the competitive market for telecommunications services in the state, resulting in benefits to consumers, and the state’s economy at large, through the innovation and lower prices that are driven by the presence of competitive carriers such as CNT.

FINANCIAL QUALIFICATIONS

4. Please describe the financial qualifications of CNT to operate as a competitive data communications provider in this state.

CNT is a well funded, publicly traded provider of critical data network storage and management products and services to Global 2000 enterprises throughout the world.

Through its own capabilities, and the capabilities of partners such as IBM and Hitachi Data Systems, CNT has built a company with over \$400 million in revenues and upwards of 1200 full time employees, providing critical data storage, disaster recovery and other data storage and management capabilities to thousands of large enterprise customers throughout the world.

Attached to CNT's application is a copy of the Company's 2002 10-K report, which lists the financial results of the Company for the fiscal year ending January 31, 2003. This report explains the financial operating situation of CNT in detail, and provides the Commission more than enough information to determine that CNT has the financial capabilities necessary to operate as a resale and facilities based provider of non-switched local exchange and intra-state inter-exchange data telecommunications services.

As CNT only plans on leasing and reselling the services of ILECs and other carriers when it first begins offering service to its customers, the level of financial investment necessary to become profitable is very modest. CNT will invest in facilities as customer requirements dictate, and only where such investment makes sense from a financial perspective.

5. Where will CNT keep its books and records from telecommunications operations in this state?

CNT will maintain its books and records at its headquarters, in Minneapolis, Minnesota. However, should the Commission require financial or accounting information related to the Company's operations in this state, CNT will take whatever steps as are necessary to ensure that the Commission has access to all information necessary for its purposes.

6. Will CNT use the Uniform System of Accounts ("USOA") for telecommunications carriers in accounting for revenues and expenses related to its operations in this state?

No. In place of USOA, CNT will use Generally Accepted Accounting Principles ("GAAP") to record the financial and accounting information relative to its telecommunications operations. As CNT is a publicly traded company on the Nasdaq Exchange, the financial and accounting requirements that it operates under are quite rigorous, and provide more than enough financial information to satisfy Commission needs.

7. Can you provide projections of revenues and expenses from CNT's first year of operations as a telecommunications carrier in this state?

No. Such information would be considered forward looking financial information that would be subject to Securities and Exchange Commission disclosure requirements. In addition, whiles CNT is optimistic that it will be successful in marketing its services to existing customers, CNT is unable to predict the number of its existing customers that will choose to purchase data services from CNT as an add-on to the products and services

that CNT currently provides them. As such, any projections of revenues and expenses would be highly speculative. The same would hold true for any projections related to technology, equipment and other investments within this state.

MANAGERIAL QUALIFICATIONS

- 8. Please describe the qualifications of the members of the senior management team at CNT, and why you believe that these qualifications demonstrate the ability of CNT to operate as a telecommunications carrier under state rules and regulations.**

A review of the resumes of key CNT management personnel, which can be found in the Attachments to this application, reveals a very broad and strong background in communications technology based lines of business. All of the members of the CNT senior management team boast years of experience in network technology companies. Their experience and management skills have allowed them to build CNT into a high revenue, publicly traded company with over \$400 million in annual revenues and approximately 1200 full time employees. This background and experience satisfies the Commission's requirements regarding CNT's ability to manage the operations of a competitive telecommunications carrier in this state.

TECHNICAL QUALIFICATIONS

- 9. Please describe the technical qualifications of the senior management team at CNT, and why you believe that these qualifications demonstrate the ability of CNT to operate as a telecommunications carrier under state rules and regulations.**

The management of CNT has built a solid, publicly traded business based upon their ability to provide large corporations with managed critical network data storage, management and disaster recovery products and services. In tailoring these products and services to their customers, CNT is required to assist in the design and implementation of data communications networks that allow for the transmission of customer data between various customer locations and CNT locations worldwide. As such, CNT has significant technical experience in the design, ordering and management of data communications services and facilities. This background and experience satisfies the Commission's requirements regarding CNT's technical ability to manage the operations of a competitive telecommunications carrier in this state. A review of the resumes of key CNT management personnel, which can be found in the Attachments to this application, supports this assessment.

PUBLIC INTEREST CONSIDERATIONS

- 10. Please explain why you believe that it is in the public interest for the Commission to grant CNT's application to operate as a competitive telecommunications carrier.**

Under the terms of the Telecommunications Act of 1996, it was determined that it was in the public interest that local exchange telecommunications markets should be opened to competitive entry using either a facilities based, resale or unbundled network elements method of entry. In this case, CNT is applying for the authority to offer competitive data communications services to business customers in non-rural areas of the state. CNT's entry will provide business customers an additional source of supply for critical data communications services, and will provide the competitive marketplace for these services a well-funded competitor that will offer innovative services and pricing, as well as exceptional customer service and support, to the state's business customers. The presence of CNT will benefit both customers and the state economy as a whole, and as such, is in the public interest.

- 11. Does CNT currently have interconnection agreements in place with incumbent local exchange carriers in the state?**

No. CNT is currently in the process of initiating negotiations for interconnection with incumbent local exchange carriers in the non-rural service territories throughout the state. CNT anticipates that it will opt into an existing carrier interconnection agreement. CNT already has relationships in place with competitive providers of data services and facilities which it will augment with the relationships that it establishes with the incumbent local exchange carriers.

- 12. How does CNT plan to initially serve its customers in the state?**

Initially, CNT intends to lease and resell the services and facilities of competitive telecommunications carriers. This will be accomplished through relationships that CNT already has in place with companies such as Broadwing, AT&T and others. In addition, CNT will establish the necessary relationships with incumbent local exchange carriers serving non-rural territories, in order to lease and resell unbundled network elements and other services to its customers. Where sufficient customer demand justifies the expense, CNT would look at the option of supplying its own facilities as well.

- 13. Please explain the processes that CNT has in place to guard against the unauthorized slamming or cramming of telecommunications services on its customers.**

CNT will limit the marketing of its services to customers that currently purchase data management and storage products and services from it. These customers will be offered

the option of contracting for the data communications services that CNT will offer. CNT will only use its internal sales force to market the data services that it will sell to its customers, and it will only offer these services under contract with its customers. An additional layer of protection against slamming and cramming is afforded the customers and the Commission by virtue of the fact that the data services that will be offered to existing customers represent a small potential category of revenue to CNT. The data storage products and services which CNT currently sells to its customers are responsible for significantly more revenue to CNT than the data services that will be sold once CNT is certificated as a competitive telecommunications carrier. This fact, coupled with the fact that customers will enter contracts delineating the services that they will purchase from CNT, ensures that there is no likelihood of either slamming or cramming becoming an issue with respect to CNT customers.

14. Please explain the processes that CNT has in place to ensure that customer inquiries and complaints are promptly addressed.

CNT currently has a customer service infrastructure in place to handle all customer inquiries and address any complaints that may arise with respect to the products and services that it sells to its customers. CNT's data communications services customers will be serviced by the same infrastructure. That infrastructure is accessed 24 hours a day, seven days a week, 365 days a year, by dialing 800-752-8061. This number will be included in the customer's bill for data communications services, ensuring that they always have access to prompt, courteous customer care when they need it.

15. Please provide an estimate of when CNT will begin to offer service in the state.

CNT intends to begin offering services to customers as soon as the Commission approves its application, and any tariffs and interconnection agreements that are required in order to offer service.

16. Please explain CNT's plan for addressing 911 emergency calling issues.

CNT is only providing non-switched, dedicated private line data communications services to its customers. These services link computers at the customer's premises with computers at CNT's premises, for redundancy and security purposes. CNT's customers have existing relationships with other carriers for switched voice grade services, and will not rely upon CNT for those offerings. Since CNT is not providing any voice services to its customers, it will never be necessary for it to interconnect to the emergency 911 network in providing services. As such, CNT should not be required to participate in the emergency 911 program within this state.

If necessary, CNT will provide notice to that effect to any and all emergency 911 coordinators. In the event that CNT alters in any way its business model to include switched voice grade services, it will fulfill any and all requirements related to the

provision of emergency 911 services, including the assessment and remittance of 911 taxes, surcharges and other fees.

17. Please explain CNT's plan for addressing state and federal Universal Service issues.

CNT will comply with any and all state and federal requirements related to the advancement of universal telephone services that apply to data-only carriers of like character to themselves.

18. Please describe briefly the service territories that CNT will be operating in.

CNT will seek to serve its existing customer base, which is located in large and small urban areas throughout the state. CNT is unaware of any customers that are located in rural areas of the state.

Signature

Typed or Printed Name

SWORN TO AND SUBSCRIBED before me on the _____ day of _____, _____.

Notary Public In and For the
State of _____

My commission expires: _____