

# COMPETITIVE TELECOMMUNICATIONS SERVICE PROVIDERS

For the provision of (check all that apply):

- INTEREXCHANGE CARRIER
- ALTERNATIVE OPERATOR SERVICE PROVIDER
- COMPETITIVE ACCESS
- COMPETITIVE LOCAL EXCHANGE CARRIERS
- OTHER : System Integrator

## ANNUAL REPORT

OF

Computer Network Technology Corporation  
(Exact legal name of respondent)

If name was changed during year, show also the previous name and date of change.

www.cnt.com  
Website URL

90-6172

PUCO

2005 MAY 25 PM 1:13

RECEIVED-BOOKING DIV

6000 Nathan Lane	Minneapolis	Hennepin	MN	55442
Address	City	County	State	Zip Code

763 268-6000  
Phone: (Area Code) Number

6000 Nathan Lane, Minneapolis, MN 55442  
(Address of principal business office at end of year)

### TO THE PUBLIC UTILITIES COMMISSION OF OHIO



RECEIVED  
MAY 25 2005  
CSFS

FOR THE  
YEAR ENDED DECEMBER 31, 2004

Name, title, address, e-mail address and telephone number (including area code) of the person to be contacted concerning this report.

Michael Bono, Director-Contracts, 6000 Nathan Lane, Minneapolis, MN 55442 763 268-8433;  
Michael\_bono@cnt.com

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## GENERAL INSTRUCTIONS, DEFINITIONS, ETC.

Please read the general instructions carefully before filling out this form:

1. The word "Respondent" in the following inquiries means the person, firm, association, or company in whose behalf the report is made.
2. The schedules and questions contained in this report were developed to be generally applicable to all competitive telecommunication service providers. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answers shall appear to show that no schedule, question, or line item has been overlooked.
3. If answers to an inquiry are given elsewhere in the report, incorporation of the information by reference is sufficient.
4. Customary abbreviations may be used except that the exact name of the respondent shall be shown in full on the "Title Page" and in the "Verification" page.
5. Where the space provided is insufficient for the required data or it is necessary or desirable to insert additional statements or schedules, the insert pages shall show the number and title of the schedule to which it pertains, as well as the name of the respondent and the year covered, and shall be on 8 1/2" x 11" durable paper.
6. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.
7. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.
8. The annual report shall be signed by a duly elected officer of the respondent and it shall be notarized.
9. "Operating" as used in this report refers to regulated operations while "Nonoperating" refers to nonregulated operations.

## IDENTITY OF RESPONDENT

1. Identify respondent's form of business organization: sole proprietorship, partnership, corporation, or other (explain).

**Respondent is organized as a C Corporation in the State of Minnesota.**

2. If a consolidated, merged, or reorganized company, briefly provide particulars of such transactions, the date of the transactions, and PUCO authority. If a reorganized company, give name of original company.

**Does not apply.**

3. Identify any other names (other than shown on title page) under which respondent conducted any part of its business during the year.

**Does not apply.**

4. If incorporated specify:

- a. Date of filing of articles of incorporation.

**Respondent was incorporated and its articles of incorporation filed on July 11, 1979.**

- b. State in which incorporated.

**Respondent is incorporated in the State of Minnesota.**

5. Identify PUCO Case Number (and date issued) granting operating authority and identify certificate number(s) issued.

**PUCO Case Number 03-2287-TP-ACE issued December 18, 2003.**

6. State whether respondent is operational in Ohio (actually providing service and the date operations began), or available (but not currently providing service).

**Respondent is active as an integrator, providing services to its end customers by purchasing end-to-end telecommunications services from existing licensed carriers including Universal Access, MCI, Wiltel, and Broadwing. Respondent is not acting as a carrier in its own right**

7. If operational, identify Ohio counties where respondent is providing service.

**Franklin County, Summit County, Medina County**

8. List the types of services provided by the respondent, e.g., residential voice, business voice, business data, other (specify types of other services provided).

**All services are high speed dedicated interstate private line business data services**

9. Identify if services are provided by resale (total service resale of local exchange company service) or facilities based (through respondent's own switch or via UNE platform), and names of Ohio counties where each type of service is provided.

**Resale services in counties identified in Item 7.**

10. Identify local exchange companies that respondent has interconnection agreements with to provide service in Ohio.

**NONE - All respondent's agreements are with interexchange carriers who in turn contract with appropriate local exchange carriers.**

## IMPORTANT CHANGES DURING THE YEAR

Report important changes of the types listed. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other answer will be sufficient.

1. Changes in ownership or control (shareholders holding 5% or more of outstanding stock).

**No significant changes in ownership or control of Respondent took place during the reporting period.**

2. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

**No other important changes took place in the reporting period.**

SCHEDULE: 1

<b>DIRECTORS, PROPRIETORS, PARTNERS</b>			
1. Give the name of each director or proprietor. (For partnerships identify each partner, identify which are general or limited partners, and show each partner's percent of interest.)			
Line No.	Name and Address (City and State) (a)	Served Continuously From (b)	Term Expired or Current Term Will Expire (c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
(For corporations, show the data requested; for other forms of business organizations, show names of individuals holding comparable positions.)			
16	Name of Chairman of the Board	21	Treasurer
17	Name of Secretary of Board	22	Controller
18	President		
19	Vice-President		
20	Secretary		

**SCHEDULE 1 - DIRECTORS, PROPRIETORS, PARTNERS**

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Mark R. Knittel was appointed Group Vice President of Worldwide Product Operations in October 1999. From May 1997 to October 1999, Mr. Knittel served as our Vice President of Marketing, and also as our Vice President of Architecture and Business Development from March 1997 to May 1997. From July 1977 to March 1997, Mr. Knittel was employed with IBM where he held several executive development positions for both hardware and software networking products, as well as multiple strategy positions. Most recently, Mr. Knittel held the position of Director of Campus Product Marketing within the Network Hardware Division of IBM. Mr. Knittel has a masters degree in philosophy from the University of Chicago.

Edward J. Walsh was appointed Senior Vice President, Marketing, Sales and Alliances in May 2004. From June 2003 to May 2004, Mr. Walsh served as our Vice President of Strategy, Marketing and Alliances. From May 2002 to June 2003, Mr. Walsh served as our Vice President of Marketing and Business Development, and as Vice President and General Manager of our Storage Solutions Division from April 2001 to May 2002. From 1989 to April 2001, Mr. Walsh held various sales and marketing positions with Articulent, Inc., a storage solutions provider we acquired in April 2001, most recently as Vice President of Sales. Mr. Walsh holds a bachelors degree from the University of Massachusetts.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors, and persons who own more than 10% of our common stock, to file periodic reports of ownership and changes in ownership with the SEC. During fiscal year 2004, based solely on our review of the copies of such reports received by us, and from written representations received from reporting persons regarding their required periodic filings, we believe that all persons made all required filings under Section 16(a) with respect to our common stock, except that a Form 4/ A filing made by Ms. Earley in June 2004 with respect to an open market purchase of common stock was not timely made.

### **Code of Ethics**

We have a code of ethics that applies to all company employees and non-employee directors. The audit committee has additional procedures for the anonymous submission of employee complaints. A copy of our code of ethics has been filed with the SEC.

### **Corporate Governance and Board Committees**

Our board of directors has adopted policies and procedures that the board believes are in the best interests of CNT and its shareholders, as well as compliant with the Sarbanes-Oxley Act of 2002, SEC rules and regulations, and the requirements of the Nasdaq National Market Systems. In particular:

- A majority of the board is independent of management, and all members of the audit committee, compensation committee and nominating committees are independent;
- The board has adopted charters for the audit, corporate governance and nominating, and compensation committees.
- We have a code of ethics that applies to all company employees and non-employee directors. The audit committee has additional procedures for the anonymous submission of employee complaints.

### *Board Independence*

Our board of directors has affirmatively determined that each of the following directors do not have any relationship which would interfere with the exercise of independent judgment in carrying out responsibilities as a director and is otherwise independent under the Nasdaq NMS requirements: Kathleen Earley, Patrick W. Gross, Lawrence A. McLernon, John A. Rollwagen, Bruce J. Ryan and Dr. Renato A. DiPentima.

Table of Contents**Executive Officers**

Our executive officers are as follows:

<u>Name</u>	<u>Position Served</u>	<u>Age</u>
Thomas G. Hudson	Chairman of the Board, President and Chief Executive Officer	59
Gregory T. Barnum	Chief Financial Officer, Vice President of Finance and Corporate Secretary	50
Jeffrey A. Bertelsen	Vice President, Finance, Corporate Controller and Treasurer and Assistant Secretary	42
Robert R. Beyer	Vice-President of Worldwide Customer Support Services	44
Mark R. Knittel	Group Vice President of Worldwide Product Operations	50
Edward J. Walsh	Vice-President of Marketing and Business Development	37

Thomas G. Hudson has served as our President and as our Chief Executive Officer since June 1996, as a director since August 1996 and as our Chairman of the Board since May 1999. From 1993 to June 1996, Mr. Hudson served as Senior Vice President of McGraw Hill Companies, a leading information services provider, serving also as General Manager of its F.W. Dodge Division, and as Senior Vice President, Corporate Development. From 1968 to 1993, Mr. Hudson served in a number of management positions at IBM Corporation, most recently as Vice President Services Sector Division. Mr. Hudson's IBM career included varied product development, marketing and strategic responsibilities for IBM's financial services customers and extensive international and large systems experience. Mr. Hudson is a graduate of the University of Notre Dame and New York University. Mr. Hudson attended the Harvard Advanced Management Program in 1990. Mr. Hudson also serves on the board of directors of Lawson Software, Inc., and PLATO Learning, Inc., all of which are public companies.

Gregory T. Barnum was appointed Vice President of Finance, Chief Financial Officer and Corporate Secretary in July 1997. From September 1992 to July 1997, Mr. Barnum served as Senior Vice President of Finance and Administration, Chief Financial Officer and Corporate Secretary at Tricord Systems, Inc., a manufacturer of enterprise servers. From May 1988 to September 1992, Mr. Barnum served as the Executive Vice President, Finance, Chief Financial Officer, Treasurer and Corporate Secretary for Cray Computer Corporation, a development stage company engaged in the design of supercomputers. Prior to that time, Mr. Barnum served in various accounting and financial management capacities for Cray Research, Inc., a manufacturer of supercomputers. Mr. Barnum is a graduate of the University of St. Thomas.

Jeffrey A. Bertelsen was appointed Vice President, Finance, Corporate Controller and Treasurer in March 2004. Mr. Bertelsen served as our Corporate Controller and Treasurer from December 1996 to March 2004, and as our Controller from March 1995 to December 1996. From 1985 to March 1995, Mr. Bertelsen was employed by KPMG LLP, a public accounting firm, most recently as a Senior Audit Manager. Mr. Bertelsen is a graduate of the University of Minnesota.

Robert R. Beyer was appointed Group Vice President of Global Services in January 2004 and Vice President of Global Service in March 2001. Mr. Beyer served as our Vice President of Quality and Customer Service from January 1999 to March 2001, and as our Vice President of Quality and Process Improvement from November 1998 to January 1999. From 1989 to November 1998, Mr. Beyer was employed by NCR Corporation, most recently as Vice President, High Availability Services. Mr. Beyer holds a bachelors degree in electrical engineering from South Dakota State University, and completed an executive masters of business administration program at the University of St. Thomas.

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*John A. Rollwagen*, 64, has been a director since June 1993 and served as our Chairman of the Board from December 1995 to May 1999. Mr. Rollwagen is a private investor and principal with Quatris Fund, a private investment entity. From January 1993 to May 1993, Mr. Rollwagen served as U.S. Department of Commerce Deputy Secretary-Designate. Beginning in 1975, Mr. Rollwagen served in executive capacities with Cray Research, Inc. Mr. Rollwagen served as Chairman and Chief Executive Officer of Cray from 1981 to 1993. Mr. Rollwagen serves as chairman of PartnerRe Ltd. and director of Lexar Media, Inc., which are both public companies, and is a director of several private companies. Mr. Rollwagen is a graduate of the Massachusetts Institute of Technology and Harvard Graduate School of Business Administration.

*Bruce J. Ryan*, 61, has been a director since June 2003. Mr. Ryan is currently the Chairman of InfiniCon Systems, Inc., a provider of InfiniBand technology and solutions. Mr. Ryan was a member of the board of directors of Inrange Technologies Corporation from September 2002 through May 2003. From 1998 to 2002, Mr. Ryan was Executive Vice President and Chief Financial Officer of Global Knowledge Network, Inc., a provider of information technology and computer software training programs and certifications. From 1984 to 1998, Mr. Ryan was Executive Vice President and Chief Financial Officer of Amdahl Corporation, a provider of information technology solutions. Mr. Ryan also held executive operating and financial positions at Digital Equipment Corporation. Mr. Ryan also serves on the boards of directors of Axeda Systems, Inc., Tarantella Inc. and KVH Industries, Inc., all of which are public companies. Mr. Ryan earned a Bachelor of Science in Business Administration from Boston College and an MBA from Suffolk University.

*Dr. Renato A. DiPentima*, 64, has been a director since June 2004. Mr. DiPentima has been the President and Chief Executive Officer of SRA International since January of 2005. From January 2005 to November 2003 he served as SRA's President and Chief Operating Officer. Prior to being appointed to this role, Dr. DiPentima served as Senior Vice President and President of SRA's consulting and systems integration division since the division's formation in January 2001. From July 1997 to January 2001, he served as President of the SRA's government sector, overseeing government business, projects, and contracts. From July 1995 to July 1997, Dr. DiPentima served as Vice President and as SRA's Chief Information Officer. Prior to joining SRA, Dr. DiPentima held several senior management positions in the federal government, most recently serving as deputy commissioner for systems at the Social Security Administration, from May 1990 to June 1995. Dr. DiPentima is currently serving on the board of directors of the Information Technology Association of America and the Northern Virginia Technology Council. Dr. DiPentima is also currently serving on several governmental and corporate advisory boards. Dr. DiPentima earned a bachelor's degree from New York University. Dr. DiPentima also earned a M.A. from George Washington University and a Ph.D. from the University of Maryland.

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## PART III

**Item 10. Directors and Executive Officers of the Registrant****Board of Directors**

Our by-laws provide that the number of directors that constitute our board of directors shall be fixed from time to time by our shareholders and that directors shall be elected at the annual meeting and shall hold office until the next annual meeting of shareholders and until their successors are elected and qualified. Our board of directors currently consists of eight directors. The members of our board of directors are identified below, with the exception of Mr. Hudson, whose biography is included under "Executive Officers". For information about Mr. Hudson, see "Executive Officers" below.

*Patrick W. Gross*, 60, has been a director since July 1997. Mr. Gross is chairman of the Lovell Group, a private business and technology advisory and investment firm. Mr. Gross is a founder of American Management Systems, Inc. ("AMS"), an information technology, software development, and systems integration firm. Mr. Gross served as Principal Executive Officer and Managing Director of AMS from its incorporation in 1970 until 2002. Mr. Gross was elected chairman of AMS' Executive Committee in 1982. Mr. Gross is also a director of Capital One Financial Corporation, and a director of Mobius Management Systems, Inc., both of which are public companies. Mr. Gross also is a director of several private companies. Mr. Gross is a graduate of Rensselaer Polytechnic Institute, and earned graduate degrees from the University of Michigan and Stanford University Graduate School of Business.

*Erwin A. Kelen*, 69, has been a director since June 1988. Mr. Kelen is President of Kelen Ventures and a principal with Quattris Fund, both private investment entities. Mr. Kelen is a private investor active in venture capital investments, investment management and helping small companies grow. From 1984 to 1990, Mr. Kelen was President and Chief Executive Officer of DataMyte Corporation, a wholly owned subsidiary of Allen Bradley Co. Mr. Kelen is also a director of Printronix, Inc. and CyberOptics Corporation, all of which are public companies. Mr. Kelen is a graduate of the Technical University of Budapest and the University of Minnesota Graduate School.

*Kathleen Earley*, 53, has been a director since June 2003. Ms. Earley is employed as President and COO of TriZetto, a healthcare software and services company. She was employed at AT&T from 1994 through September 2001. At AT&T, Ms. Earley was Senior Vice President of Enterprise Networking and Chief Marketing Officer, where she oversaw all AT&T business-related brand, image and advertising and marketing strategy. At AT&T, Ms. Earley was best known as President of AT&T Data & Internet Services, the \$8 billion AT&T business unit that provided Internet Protocol (IP), web hosting, data and managed network service. Ms. Earley also served as President of AT&T Internet Services, where she led the development of IP strategy and product line launch. Prior to joining AT&T, Ms. Earley was employed by IBM Corporation for 17 years with positions in sales, marketing, planning and strategy development. Ms. Earley was formerly a director of Standard Microsystems Corporation and is currently a director of Telespree Communications and Switch and Data, both private companies. Ms. Earley is a graduate of the University of California, Berkley and earned a Bachelor of Science degree in accounting and a Masters of Business Administration in finance.

*Lawrence A. McLernon*, 66, has been a director since September 2001. Mr. McLernon has been Chairman and Chief Executive Officer of McLernon Enterprises Inc., a holding company since September 1991. Mr. McLernon has over 35 years of professional experience serving the telecommunications and high tech industries. From October 2000 to September 2002, Mr. McLernon served as Executive Vice President of Dynegy Inc. and Chairman and Chief Executive Officer of Dynegy Global Communications, a principal business segment of Dynegy Inc. From September 1998 to September 2000, Mr. McLernon was Chairman, President and Chief Executive Officer of Extant, Inc. Mr. McLernon began his career in the Bell system with assignments at New York Telephone and Bell Telephone Laboratories. Mr. McLernon is not currently serving on the board of any other public company. Mr. McLernon has also served on various philanthropic and civic boards. Mr. McLernon holds a bachelor's degree from St. Bonaventure University.

Instructions:

Schedule 2 is used for PUCO annual assessment purposes pursuant to Section 4905.10, RC. The reporting company shall maintain supporting and/or subsidiary records to separately record revenues derived from total operations and from its Ohio intrastate operations. Information presented herein is subject to audit by the PUCO.

The jurisdictional separation of revenues reported in this schedule should conform, to the extent applicable, to the procedures and instructions of CFR 47 Parts 32 and 36.

For interexchange carriers, intrastate refers to messages originating and terminating in Ohio.

For cellular, competitive access, and paging providers, intrastate refers to amounts billed to an Ohio account.

SCHEDULE: 2

<b>STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE)</b>		
		Amount
Line No.	Item	Ohio Intrastate
1	Operating and Miscellaneous Revenue - Wholesale Cellular Communications, Radio Common Carrier, Directory Revenue, Rent Revenue, Special Billings (revenue from work performed for others, rent revenue-nonoperating, return on regulated investment used to provide nonregulated products and services, etc.)	\$0.00
2	Other Revenue, Dividend and Interest Income, Gains From Disposition of Property -- Operating and Nonoperating, Other Operating or Nonoperating Gains (foreign currency exchange or transfer, extinguishment of debt, company's share of earnings of affiliated company accounted for on equity method, income from sinking and other funds, etc.)	\$0.00
3	<b>SUBTOTAL (1) + (2)</b>	\$0.00
4	Earnings or receipts from sales to other public utilities for resale	(\$0.00 )
5	<b>TOTAL (3) + (4)</b>	\$0.00

SCHEDULE: 3

**IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.**

**Name, Title, Address, and Phone Number of the Company's Contact Persons  
to Receive Entries and Orders from the Docketing Division**

<u>Michael Bono</u> Name	<u>Director, Contracts</u> Title
<u>6000 Nathan Lane, Minneapolis, MN 55442</u> Address	
<u>763 268-8433</u> Phone Number (Including Area Code)	

**Name, Title, Address, and Phone Number of Person to whom Invoice  
should be Directed**

<u>Michael Bono</u> Name	<u>Director, Contracts</u> Title
<u>6000 Nathan Lane, Minneapolis, MN 55442</u> Address	
<u>763 268-8433</u> Phone Number (Including Area Code)	

**Name and Address of the President**

<u>Thomas G. Hudson</u> Name	<u>President</u> Title
<u>6000 Nathan Lane, Minneapolis, MN 55442</u> Address	

**VERIFICATION**

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

**OATH**

State of Minnesota  
County of Hennepin

Gregory T. Barnum makes oath and says that  
(Insert here the name of the affiant.)

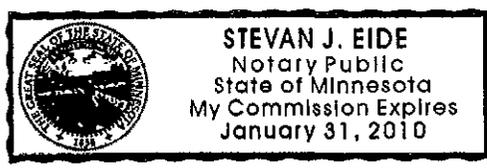
he is Chief Financial Officer  
(Insert here the official title of deponent)

of Computer Network Technology Corporation  
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including January 1, 2004, to and including December 31, 20 04.

[Handwritten Signature]  
(Signature of affiant.)

Stevan J. Eide NOTARY PUBLIC





www.cnt.com

6000 Nathan Lane North  
Minneapolis, MN 55442

tel: 800-638-8324

tel: 763-268-6000

fax: 763-268-6800

May 19, 2005

Public Utilities Commission of Ohio  
Fiscal Division  
180 East Broad Street  
Columbus, OH 43266-0573

Subject: 2004 Annual Report

Dear Sir or Madam:

CNT has recently received the your mailing with a copy of the 2004 Annual Report that was mailed to our regulatory agent, Mr. Robert Lock. Mr. Lock was delinquent in submitting the report, and forwarding your mailing to CNT. Mr. Lock is no longer employed by CNT as an agent. Please adjust your records to delete his name and contact information and replace it with the information in the enclosed Annual Report.

Enclosed is the completed 2004 Annual Report.

We sincerely apologize for the delay in responding to you.

If you have any questions, do not hesitate to contact me at 763 268-8433.

Sincerely,

Michael Bono  
Director, Contracts

RECEIVED  
MAY 25 2005  
CSFS

Enclosure

cc: Ohio Consumer's Counsel  
State of Ohio  
10 West Broad Street, Suite 1800  
Columbus, OH 43215-3485