

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Application of Computer Network)
Technology Corporation for Authority to)
enter a Merger and Transfer of Control)
Transaction with Condor Acquisition,)
Inc., and McDATA Corporation and their)
respective Subsidiaries)

Case No. XM-2005-0283

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through Counsel, and for its Recommendation, states as follows:

1, On February 18, 2005, Computer Network Technology Corporation (CNT or Applicant) filed an application pursuant to Section 392.300, RSMo 2000 to merge CNT into Condor Acquisition, Inc. (Condor), with CNT surviving the merger. After the merger, CNT will become a wholly owned subsidiary of McDATA Corporation (McDATA).

2, CNT is authorized to provide intrastate interexchange and non-switched local exchange telecommunications services granted by the Commission on August 11, 2004 in Case No. XA-2005-0015. Following the consummation of the proposed transaction, according to the Applicant, CNT's customers will continue to receive service under the same rates, terms and conditions of service as before, and will retain the assets used in the provisions of those services.

3. The Staff has reviewed the Application and has summarized its findings in Appendix A which is attached hereto, and incorporated by reference. The Staff has recommended approval of the transaction because it will be transparent to or have no effect on CNT's customers.

4. The standard for approval of a merger is that the merger will not be detrimental to the public interest. *In the Matter of the Application of WorldCom, Inc. and MFS Communications Company, Inc., for Approval and Plan of Merger, and Related Transactions*, 5 Mo. P.S.C. 3d 312, 315 (1996).

WHEREFORE the Staff respectfully recommends that the Commission issue an Order approving the proposed merger of CNT into Condor that results in CNT surviving and becoming the wholly owned subsidiary of McDATA Corporation.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Cliff Snodgrass

Cliff Snodgrass
Senior Counsel
Missouri Bar No. 52302

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-3966 (Telephone)
(573) 751-9285 (Fax)
cliff.snodgrass@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 23rd day of March, 2005.

/s/ Cliff Snodgrass
