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VIA OVERNIGHT DELIVERY

Brian C. McNeil, Executive Secretary
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

T-03670A-00-0446

Re: Winstar Wireless, Inc. - Notification of Pro Forma Corporate Reorganization

Dear Mr. McNeil:

Winstar Wireless, Inc. ("WWI" or "Winstar"), by its undersigned counsel, hereby notifies the Arizona Corporation Commission ("Commission") of a *pro forma* reorganization of the Winstar companies. Specifically, Winstar intends to interpose an intermediate holding company between WWI and the ultimate parent company, Winstar Communications, Inc. ("WCI") in conjunction with certain financing arrangements. WWI is a nondominant carrier that is authorized to provide intrastate telecommunications services in the State of Arizona.

Upon a review of Arizona statutes and Commission rules, it is WWI's understanding that prior Commission approval is not required for the proposed *pro forma* reorganization. This letter is being filed as required by the Commission and for informational purposes to be associated with the appropriate Commission files.

DESCRIPTION OF WINSTAR

WWI is a Delaware corporation authorized to do business in Arizona. WWI maintains its principal place of business at 7799 Leesburg Pike, Falls Church, Virginia, 22043. Currently, WWI is a wholly owned operating subsidiary of WCI. WCI is a publicly held Delaware corporation that is headquartered at The Winstar Building, 685 Third Avenue, New York, New York 10017. WCI's subsidiaries operate as facilities-based and resale providers of private line and switched local and interexchange services throughout the United States. WWI is authorized to provide resold and facilities-based basic local exchange and intrastate interexchange services in Arizona.^{4/}

Further information concerning WWI's technical, managerial and financial qualifications to provide service was submitted with WWI's applications for certification with the Commission and is, therefore, a matter of public record. WWI respectfully requests that the Commission take official notice of that information and incorporate it herein by reference.

DESCRIPTION OF THE TRANSACTION

In conjunction with certain new financing arrangements, WWI is undertaking a *pro forma* internal corporate reorganization. As noted above, WWI is a wholly owned subsidiary of WCI. WCI is a non-regulated entity that operates as an ultimate holding company of WWI. The proposed reorganization will interpose WCI Capital Corp. ("WCC"), which is currently a sister company of WWI and a wholly owned subsidiary of WCI, between WWI and WCI. WCC will be the new direct parent of WWI, and both WWI and WCC will remain wholly owned subsidiaries of WCI. The proposed reorganization, therefore, is strictly *pro forma*, as the ultimate ownership and control of WWI will not change. WWI will continue to serve its customers with the same team of qualified consumer representatives and will continue to provide service pursuant to its existing contracts and tariffs at the same rates, terms and conditions. For the Commission's convenience, an illustrative chart depicting the proposed reorganization is attached hereto as Exhibit A.

PUBLIC INTEREST CONSIDERATIONS

The proposed restructuring will not adversely affect Winstar's ability to serve the public. The proposed reorganization will provide the Winstar companies greater access to capital. WWI will continue to provide the same high quality, affordable telecommunications services in Arizona. While the *pro forma* intracorporate reorganization will allow the Winstar companies to meet important business needs, the transaction will be virtually transparent to customers and will have no

See Docket Nos. 3023-95-389 (Decision No. 60397), T-02709A-98, T-03023A-98, T-03670A-98-0791, and T-03023A-98-0719.

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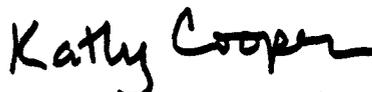
adverse impact on the Company's services. As such, this reorganization will neither disrupt service nor cause customer inconvenience or confusion.

CONCLUSION

It is the understanding of WWI that prior Commission approval is not required for the proposed transaction. Therefore, absent receipt of written notification to the contrary within thirty (30) days, WWI will proceed with the understanding that no approval or other formal action with respect to the proposed transaction is required by the Commission. This letter is being filed for informational purposes to be associated with the appropriate Commission files and as required by the Commission.

An original and ten (10) copies of this filing are enclosed. Please date stamp the enclosed copy and return it in the postage-prepaid, self-addressed envelope. Please contact me if you have any questions regarding this filing.

Very truly yours,



Kathy L. Cooper

Counsel for Winstar Wireless, Inc.

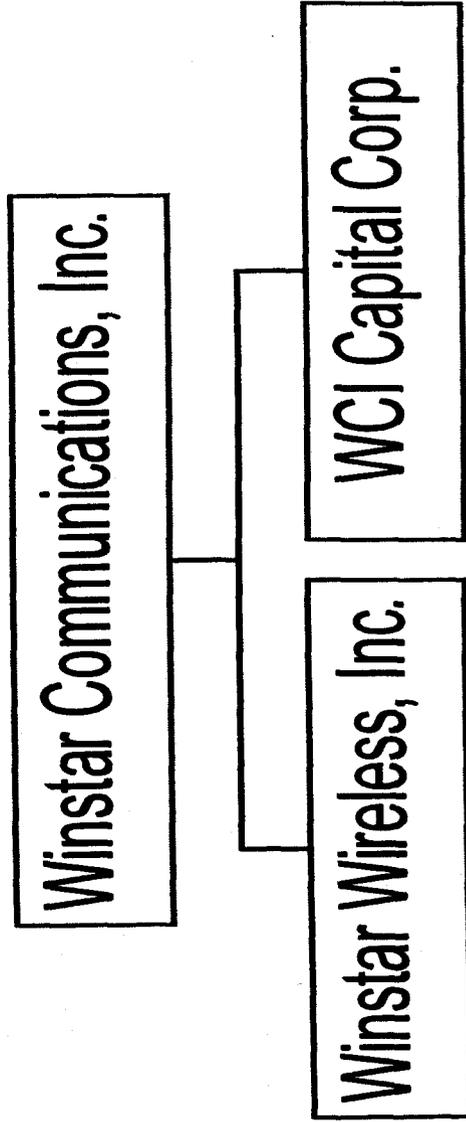
cc: Ms. Kimberley Bradley (Winstar)
Dan Abraham, Esq.

EXHIBIT A

WINSTAR REORGANIZATION

Pre-Reorganization

ARIZONA



WINSTAR REORGANIZATION

Post-Reorganization

ARIZONA

