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Arizona Corporation Commission

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December 13, 2000

VIA OVERNIGHT MAIL

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

Re: <sup>03410</sup> Docket No. T-0360A-00-0446 - Winstar Wireless, Inc., Letter Updating Application for Approval, *Nunc Pro Tunc*, of Incurring Debt Obligations

Dear Mr. McNeil:

Winstar Wireless, Inc. ("Winstar"), by its undersigned counsel, hereby submits this letter to update Winstar's application filed on June 23, 2000 ("Application") in the above-referenced proceeding. This letter is to advise the Commission that Winstar is adding a third term loan in the amount of \$200 Million to the Credit Facility ("Facility") described in the Application. Winstar's pledge of assets as described in its Application will also extend to this third term loan. The other terms and conditions as described in Winstar's Application remain the same.

On June 23, 2000, Winstar filed its Application with the Commission seeking *nunc pro tunc* approval to pledge its Arizona assets as part of a credit facility of up to \$1.15 Billion. As described in the Application, the Facility is comprised of a \$300 Million revolving credit facility which will be reduced beginning on December 31, 2004 and will be fully paid on March 31, 2007. Two term loans aggregating \$850 Million will be repaid in quarterly payments commencing March 31, 2004 and ending on March 31, 2007 in one instance and on September 30, 2007 in the other instance. A third term loan is being added to the existing Facility in the amount of \$200 Million, increasing the amount of the Facility to \$1.35 Billion. The third term loan will be repaid in quarterly installments commencing June 30, 2004 and ending December 31, 2007. As with the initial two term loans, Winstar, Winstar Communications, Inc. and its other subsidiaries will secure, or are securing, the third term loan with a pledge of assets.

The agents for the Facility and the use of proceeds from the Facility will not change. The agents for the Facility include: The Bank of New York, Citicorp North America, Inc., CIBC World Markets Corp. and Credit Suisse First Boston. The proceeds from the Facility will

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continue to be used to repay Winstar's parent company loans outstanding under a previously existing facility with Lucent and will be used for general corporate purposes.

As explained in the Application, Winstar's pledge of its Arizona assets, which include a voice switch and network equipment, makes up less than 1% of its total assets. The overall effective encumbrance, therefore, is *de minimis*. The addition of the third term loan does not change the *de minimis* nature of the encumbrance. Moreover, Winstar's pledge of its Arizona assets is necessary and appropriate to secure certain financing arrangements, is consistent with the performance by Winstar of its services to the public, has not and will not impair the ability of Winstar to perform such services, and will promote a lawful objective within the corporate purposes of Winstar. For these reasons, Winstar respectfully requests that the Commission approve its Application as expeditiously as possible.

Enclosed are an original and ten (10) copies of this letter. Please date-stamp the enclosed extra copy of this filing and return it in the postage-prepaid, self-addressed envelope. Should you have any questions regarding this letter, please feel free to contact the undersigned.

Very truly yours,



Kathy L. Cooper  
Counsel for Winstar Wireless, Inc.

cc: Kimberley Bradley, Winstar  
Dan Abraham, Esq., SBSF