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July 14, 2000

**VIA OVERNIGHT DELIVERY**

Blanca S. Bayó  
Director, Division of Public Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

000867-TP

Re: Notification of *Pro Forma* Corporate Reorganization of  
Winstar Wireless, Inc., or in the Alternative,  
Letter Application for Approval of *Pro Forma* Corporate Reorganization

Dear Ms. Bayó:

Winstar Wireless, Inc., ("Winstar" or "Company"), by its undersigned attorneys, and pursuant to the statutes, rules, and regulations of the Florida Public Service Commission ("Commission"), respectfully notifies the Commission of, and to the extent necessary, requests authority for, a corporate reorganization, whereby Winstar's sister company, WCI Capital Corp ("WCC"), will be interposed between Winstar and Winstar's direct parent company, Winstar Communications, Inc. ("WCI") ("Reorganization") in conjunction with certain financing arrangements.<sup>1</sup>

As explained in detail below, the new corporate structure and related transactions will give the Winstar companies greater access to capital and provide the Winstar companies greater financial flexibility. The proposed intracorporate change is expected to strengthen the Company's competitive position and improve its ability to provide high quality telecommunications services to consumers in Florida and elsewhere. The reorganization will not affect the Company's Florida management or operations and will not change *de facto* control of the Company. Winstar will continue to serve

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<sup>1</sup> Section 364.33 of the Florida Statutes provides that a telecommunications carrier subject to regulation by the Florida Public Service Commission must seek prior approval for "the acquisition, transfer, or assignment of majority organizational control or controlling stock ownership." Fla. Stat. Ann. § 364.33 (1999). The transactions contemplated herein will not result in a change in the ultimate control of Winstar's Florida operations. Therefore, the Winstar respectfully submits that Commission approval is not required for the Reorganization because it is *pro forma* in nature, and will not result in a change in the majority organizational control or ultimate controlling stock ownership of the company, or a transfer of the certificate.

DOCUMENT NUMBER-DATE

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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. Moreover, given that the proposed organizational changes are entirely intracorporate, the reorganization and related transactions will not disrupt service or otherwise cause confusion or inconvenience to Florida consumers.

### THE COMPANY

Winstar is a Delaware corporation with principal offices at 7799 Leesburg Pike, Falls Church, Virginia, 22043. Winstar is a wholly owned operating subsidiary of WCI, which is a publicly held Delaware corporation that is headquartered at The Winstar Building, 685 Third Avenue, New York, New York, 10017. Winstar is the holder of Interexchange Telecommunications Certificate No. 4025 and Alternative Access Provider ("AAV") Certificate No. 2699.<sup>2</sup>

### DESCRIPTION OF THE REORGANIZATION

In conjunction with certain new financing arrangements, Winstar has determined that its operational efficiency and competitive position will be enhanced by the transaction described herein. The Reorganization will enable Winstar to attract additional financing, reduce operating expenses, and realize operational and management efficiencies and other corporate benefits that will ultimately accrue to the benefit of Winstar's Florida subscribers.

As noted above, Winstar is a wholly owned subsidiary of WCI, which is a non-regulated entity that operates as the ultimate holding company of Winstar. Winstar seeks to complete a reorganization whereby all of its stock will be transferred from WCI to WCI Capital Corp. ("WCC"), which is currently a sister company of Winstar. The result of the proposed reorganization will be to interpose WCC between Winstar and WCI. WCC will become the new direct parent of Winstar and WCI will become the indirect parent of Winstar. The proposed reorganization, therefore, is strictly *pro forma*, as the ultimate ownership and control of Winstar will not change. For the

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<sup>2</sup> Winstar Wireless of Florida ("WWFL") was originally certificated as an Alternative Local Exchange Carrier ("ALEC") in Docket No. 950998-TX, granted January 1, 1996. Through a subsequent acquisition, Telecommunications Certificate No. 2699 was transferred to WWFL in Order No. PSC-98-0601-FOF-TP, Docket No. 980327, effective May 20, 1998. The Commission thereafter approved a *pro forma* reorganization and name change to grant the Company authority to operate pursuant to Certificate Nos. 4025 and 2699 in Order No. PSC-98-1425-FOF-TP, Docket No. 981023-TP.

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Commission's convenience, an illustrative chart depicting the proposed reorganization is attached hereto as Exhibit A.

The proposed reorganization will be transparent to Winstar's customers. Winstar 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. Moreover, consummation of the proposed transaction will serve the public interest in promoting competition among providers of intrastate telecommunications services. The Reorganization will be made in a seamless fashion that will not adversely affect the offering of telecommunications services in Florida, but rather, will increase the financial and managerial strength of the Florida operations by promoting operational and administrative efficiencies for the Winstar companies that will enable Winstar to reduce its administrative and operating expenses and realize operational and management efficiencies and other corporate benefits. These efficiencies will enable Winstar to more effectively compete in the telecommunications market to the ultimate benefit of consumers in Florida. The Reorganization will simply be a paper transaction that will be transparent to consumers, and will not inconvenience or cause harm to Florida subscribers in any way.

#### **PUBLIC INTEREST CONSIDERATIONS**

Consummation of the proposed transactions will serve the public interest in promoting competition among telecommunications carriers by enhancing the ability of Winstar's Florida operations to compete in the Florida telecommunications market. Winstar expects that the Reorganization will enhance its operational flexibility and efficiency as well as its financial viability. The proposed transaction will therefore benefit the public interest by ensuring the continued provision of high quality and innovative telecommunications services to existing customers and the promotion of competition in the Florida telecommunications service market.

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**CONCLUSION**

Accordingly, for the reasons set forth above, Winstar submits that the proposed Reorganization serves the public interest, and therefore respectfully notifies the Commission of, and to the extent necessary, request approval for, the transaction described above. Winstar also respectfully requests expedited treatment to allow it to close the transaction as soon as possible should approval by the Commission be required.

An original and five (5) copies of this filing are enclosed. Please date stamp the enclosed copy and return it in the postage-prepaid, self-addressed envelope provided for your convenience.

Respectfully submitted,



Kathy L. Cooper

Counsel for Winstar Wireless, Inc.

Enclosures

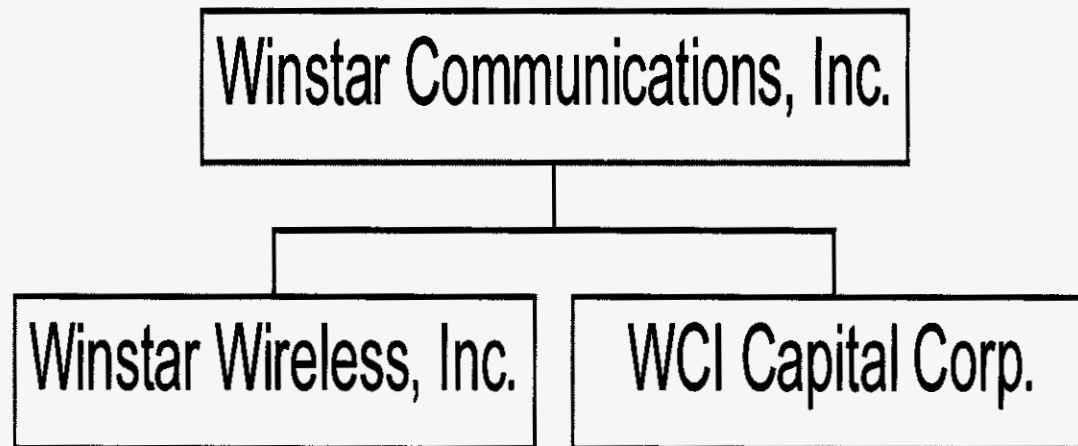
cc: Kimberley Bradley  
Dan Abraham

**EXHIBIT A**

# WINSTAR REORGANIZATION

Pre-Reorganization

FLORIDA



# WINSTAR REORGANIZATION

Post-Reorganization

FLORIDA

