



EB 15

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September 21, 1999

Magalie Roman Salas
Secretary
Federal Communications Commission
Washington, D.C. 20554

RECEIVED

SEP 21 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Attn: Stephen Markendorff
Commercial Wireless Division
Wireless Telecommunications Bureau

Re: Domestic Public Cellular Telecommunications
Service; Alee Cellular Communications, FCC File
No. 11025-CL-P-672-A-89, Nonwireline Lottery
Winner, Market No. 672-A, Texas 21-Chambers,
MINOR AMENDMENT

Dear Mr. Markendorff:

Transmitted herewith, on behalf of Alee Cellular Communications, is an original and two paper copies of an amendment to the above referenced application. This amendment is being filed pursuant to the provisions of §1.65 of the Commission's Rules.

Any questions concerning the enclosed material may be directed to the undersigned.

Very truly yours,


David L. Hill

DLH:gl
Enclosures
cc: Barry H. Gottfried, Esq. (w/enc.)

82083.1.DOC

EB Exh 15

Federal Communications Commission

Docket No. 01-102-03 Exhibit No. 15

Presented by _____

Disposition } Identified _____
 } Received _____
 } Rejected _____

Reporter Horizon A

Date 10/22/05

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In re Application of)	
)	
ALEE CELLULAR COMMUNICATIONS)	
)	FCC File No. 11025-CL-P-672-A-89
For a Construction Permit to Establish)	
A Cellular System Operating on)	
Frequency Block A in the Domestic Public)	
Cellular Radio Telecommunications)	
Service to Serve the Texas 21 – Chambers)	
Rural Service Area)	

To: Chief, Wireless Telecommunications Bureau

AMENDMENT

Pursuant to §1.65 of the Commission's Rules, Alee Cellular Communications ("Alee") amends its application in the following respects:

1. Item 3 of the FCC Form 401, Schedule A to show as the Applicant's address:

Alee Cellular Communications
105 Wall Street, #3
Clemson, SC 29631
(864) 654-7172

2. Item 4 of the FCC Form 401, Schedule A, to show as its contact representative:

David L. Hill, Esq.
O'Connor & Hannan, L.L.P.
1666 K Street, N.W.
Suite 500
Washington, D.C. 20006
(202) 887-1421

3. In its amendment of May 1992, Alee advised that it was a party in connection with its New Mexico 3 - Katron application in a proceeding captioned In Re Alreg Cellular Engineering, et al., CC Docket No. 91-142. Since that time, the Commission, in disposing of applications for review, terminated the original show cause proceeding with respect to the licensees including Alee-New Mexico 3. See decision In Re Alreg, 12 FCC Rcd 8148 (1997). As to Alee, there remain outstanding issues with respect to representations made concerning an alien partner, Mr. Sherifan. However, as Alee advised the Commission in connection with the Texas 21 application in its May 11, 1992 submission, Mr. Sherifan has never been a partner in connection with the Texas 21 application.

4. The original Exhibit 3, Financial Qualifications, is further amended to substitute the attached financial commitment letter from Centennial Communications in the amount of \$3,500,000.00. The Centennial letter replaces the earlier commitment and increases the amount. The original estimate of the first year costs of construction and operation of \$817,000 remains unchanged. The Centennial commitment provides greater flexibility which may be necessary in light of the long delay in implementing service in the Texas 21 market where competitors in the market and surrounding areas have obtained a significant advantage.

Respectfully submitted,

ALEE CELLULAR COMMUNICATIONS

By:

Bobby J. Clark
Partner

Dated: September 15, 1999

R2083_1.DOC

Date 19, 1999

Mr. Terry Jones, Partner
Alee Cellular Communications

Dear Mr. Jones,

In the consideration of the mutual promises made herein, and for other good and valuable consideration, the sufficiency of which are hereby acknowledged, Centennial Cellular Corp. ("Centennial"), hereby agrees to provide Alee Cellular Communications ("Alee") with a firm financial commitment for a maximum amount of three million five hundred thousand dollars (\$3,500,000.00) for use in connection with the construction and first year operations of a rural cellular system ("System") to be licensed by the Federal Communications Commission ("FCC") in the Texas 21 Rural Service Area ("TX-RSA 21").

Centennial has determined that Alee is creditworthy and the System viable for the amount specified. Alee and Centennial agree within 45 days after the receipt by Alee of the FCC authorization for the non-wireline cellular system for TX-RSA 21 to execute further agreements concerning construction and management, switch sharing and roaming. This commitment and all pursuant agreements are contingent upon Alee receiving an FCC construction permit for TX-RSA 21.

Centennial acknowledges that this commitment is in no way guaranteed by any entity other than Alee, and that its willingness to enter into this commitment is based solely on its relationship with Alee.

Centennial will extend the loan contemplated by this commitment under the following terms and conditions:

1. Amount: Not to exceed three million five hundred thousand dollars (\$3,500,00.00)
2. Interest Rate: Four hundred basis points above six month LIBOR, adjusted semi-annually;
3. Term: Three years with interest only during the first eighteen months. For the remaining period of the loan, payment would include interest and principal reduction, based on a seven-year amortization period, with a balloon payment equal to the remaining unpaid principal balance due and payable at the end of the term.

Alee further agrees to provide Centennial with a continuing security interest with a first priority in all tangible and intangible assets used and useful in the operations of TX-RSA 21 owned by Alee wherever located, whether now owned or hereinafter acquired, including, if not contrary to applicable law and/or FCC rules, the FCC license to operate TX-RSA 21, and in all proceeds and products thereof. Centennial acknowledges and recognizes that any grant by Alee of the FCC license for TX-RSA 21 is subject to restrictions imposed by the FCC on Alee's ability to assign interest in or to transfer control of an FCC license or any other authorizations. In the event of default, Centennial agrees to give a minimum of ten days written notification to Alee before any equipment is repossessed under provisions in any financing agreement.

Centennial certifies to the FCC that it has sufficient funds available to complete this financing (See copies of most current 10Q financials attached). The funds to be provided to Alee under this commitment have not been committed to any other cellular applicant.

This commitment is subject to the receipt by Alee of the FCC authorization for the non-wireline cellular system for TX-RSA 21. The issuance of the authorization by the FCC must be uncontested and not subject to further protest unless such conditions are waived by Centennial. Any and all legal proceedings, petitions, and/or filings by interested parties must be favorably resolved toward Alee and finalized by the FCC, including by not limited to CC Docket No. 91-142, unless such conditions are waived by Centennial.

The parties acknowledge that it may be necessary to make post-grant changes in the System design to reflect prevailing economic and market conditions. The financial commitment provided herein shall apply to any such System redesign, provided that such redesign does not entail any increase in Centennial's financial commitment. It is agreed that the initial System shall not exceed the size determined to be sufficient for the market based upon reasonable and prudent industry standards.

This commitment expires twelve months from the date hereof unless renewed by Centennial.

Very truly yours,



Edward G. Owen
Vice President, Corporate Development

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

[X]
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 1999

OR

[]
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

for the transition period from to
Commission file number 0-19603

Centennial Cellular Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

06-1242753
(I.R.S. Employer
Identification No.)

1305 Campus Parkway
Neptune, NJ 07753
(Address of principal executive offices, including zip code)
(732) 919-1000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES [X]

NO []

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Class A Common - 31,208,727 outstanding shares as of April 1, 1999

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CENTENNIAL CELLULAR CORP. AND SUBSIDIARIESCONSOLIDATED BALANCE SHEETS

(Amounts in thousands)

	February 28, 1999 <u>(Unaudited)</u>	May 31, 1998 <u> </u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 33,914	\$ 14,620
Restricted Securities	38,813	-
Accounts receivable, less allowance for doubtful accounts of \$3,160 and \$2,693, respectively	48,272	37,178
Inventory - phones and accessories, less allowance for obsolescence of \$1,318 and \$529, respectively	5,253	7,304
Prepaid expenses and other current assets	<u>3,313</u>	<u>548</u>
TOTAL CURRENT ASSETS	129,565	59,650
PROPERTY, PLANT AND EQUIPMENT - net	283,097	263,661
EQUITY INVESTMENTS IN WIRELESS SYSTEMS - net	76,750	87,634
DEBT ISSUANCE COSTS, less accumulated amortization of \$1,161 and \$6,097, respectively	59,957	8,538
CELLULAR TELEPHONE LICENSES, less accumulated amortization of \$300,188 and \$263,633, respectively	201,137	235,508
PERSONAL COMMUNICATIONS SERVICES LICENSE, less accumulated amortization of \$3,500 and \$2,324, respectively	59,258	60,435
GOODWILL, less accumulated amortization of \$29,496 and \$27,016, respectively	120,105	124,533
OTHER ASSETS - net	<u>26,803</u>	<u>7,458</u>
TOTAL	<u>\$ 856,672</u>	<u>\$ 847,417</u>

See notes to condensed consolidated financial statements

CENTENNIAL CELLULAR CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(CONTINUED)

(Amounts in thousands, except share data)

	February 28, 1989 <u>(Unaudited)</u>	May 31, 1988 <u>1988</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long term debt	\$ 4,500	\$ -
Accounts payable	18,981	9,805
Accrued expenses and other current liabilities	76,332	64,445
Payable to affiliate	<u>125</u>	<u>435</u>
TOTAL CURRENT LIABILITIES	100,948	74,685
LONG-TERM DEBT	1,458,857	510,000
DEFERRED LIABILITY	-	2,200
DEFERRED INCOME TAXES	2,667	26,584
PREFERRED STOCK:		
Convertible redeemable preferred stock (at aggregate liquidation value) par value \$.01 per share, 0 and 102,167 shares authorized, issued and outstanding respectively (redemption value of \$1,823.00 per share)	-	186,287
Second series convertible redeemable preferred stock (at aggregate liquidation value) par value \$.01 per share, 0 and 3,978 shares authorized, issued and outstanding respectively (redemption value of \$1,823.00 per share)	-	7,252
Senior preferred stock, par value \$.01 per share, dividend rate 14%, 0 and 250,000 shares authorized respectively, none issued	-	-
Additional preferred stock, par value \$.01 per share, authorized 0 and 10,000,000 shares, 0 and 3,978 shares issued as second series convertible redeemable preferred stock	-	-
COMMON STOCKHOLDERS' EQUITY (DEFICIT):		
Common stock, par value \$.01 per share:		
Class A, 1 vote per share, 50,000,000 and 100,000,000 shares authorized respectively; issued, 31,178,795 and 50,150,049 shares, respectively; and outstanding 31,178,795 and 45,253,422 shares, respectively	312	501
Class B, 15 votes per share, 0 and 50,000,000 shares authorized respectively, issued and outstanding 0 and 10,544,113 shares	-	105
Additional paid-in capital	419,117	357,684
Accumulated deficit	<u>(1,024,779)</u>	<u>(284,238)</u>
	(605,350)	74,052
Less: Cost of 0 and 4,896,627, Class A common shares in treasury	-	(30,814)
Deferred compensation	<u>(450)</u>	<u>(3,029)</u>
TOTAL COMMON STOCKHOLDERS' EQUITY (DEFICIT)	(805,800)	40,409
TOTAL	\$ 656,672	\$ 847,417

See notes to condensed consolidated financial statements

CENTENNIAL CELLULAR CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(Amounts in thousands, except share data)

	Three Months Ended		Nine Months Ended	
	February 28, 1999	February 28, 1998	February 28, 1999	February 28, 1998
REVENUE:				
Service revenue - Domestic	\$ 60,876	\$ 42,562	\$ 171,767	\$ 131,262
Service revenue - Puerto Rico	34,661	15,224	85,422	34,853
Equipment sales - Domestic	1,268	784	3,193	2,891
Equipment sales - Puerto Rico	1,188	371	2,189	899
	<u>97,993</u>	<u>58,941</u>	<u>262,591</u>	<u>169,705</u>
COSTS AND EXPENSES:				
Cost of equipment sold - Domestic	5,455	4,126	13,658	12,501
Cost of equipment sold - Puerto Rico	519	267	1,778	529
Cost of services - Domestic	6,471	6,674	18,961	18,807
Cost of services - Puerto Rico	6,752	4,157	16,386	10,411
Selling, general and administrative - Domestic	18,964	15,196	50,841	42,396
Selling, general and administrative - Puerto Rico	11,054	7,261	30,619	19,746
Depreciation and amortization - Domestic	20,886	20,548	62,345	60,771
Depreciation and amortization - Puerto Rico	12,273	9,309	35,317	21,886
Recapitalization costs	58,852	-	58,852	-
	<u>141,226</u>	<u>67,538</u>	<u>288,797</u>	<u>187,027</u>
OPERATING LOSS	<u>(43,233)</u>	<u>(8,587)</u>	<u>(26,206)</u>	<u>(17,322)</u>
INCOME FROM EQUITY INVESTMENTS	1,862	2,391	9,352	9,843
GAIN (LOSS) ON SALE OF ASSETS	(1,197)	(4)	8,414	8
INTEREST EXPENSE - NET	<u>26,613</u>	<u>11,223</u>	<u>48,553</u>	<u>31,801</u>
LOSS BEFORE INCOME TAX BENEFIT AND MINORITY INTEREST	<u>(69,161)</u>	<u>(17,433)</u>	<u>(56,993)</u>	<u>(39,272)</u>
INCOME TAX BENEFIT	<u>(15,950)</u>	<u>(7,844)</u>	<u>(10,114)</u>	<u>(13,527)</u>
LOSS BEFORE MINORITY INTEREST	<u>(53,231)</u>	<u>(9,589)</u>	<u>(46,879)</u>	<u>(25,745)</u>
MINORITY INTEREST IN LOSS (INCOME) OF SUBSIDIARIES	<u>151</u>	<u>(81)</u>	<u>142</u>	<u>(337)</u>
LOSS FROM CONTINUING OPERATIONS	<u>(53,080)</u>	<u>(9,670)</u>	<u>(46,737)</u>	<u>(26,082)</u>
EXTRAORDINARY LOSS ON EARLY EXTINGUISHMENT OF DEBT, NET OF INCOME TAXES OF (\$11,251)	<u>(40,526)</u>	-	<u>(40,526)</u>	-
NET LOSS	<u>\$ (93,606)</u>	<u>\$ (9,670)</u>	<u>\$ (87,263)</u>	<u>\$ (26,082)</u>
DIVIDEND ON PREFERRED STOCK	\$ 1,880	\$ 4,112	\$ 9,906	\$ 12,338
LOSS APPLICABLE TO COMMON SHARES	<u>\$ (95,286)</u>	<u>\$ (13,782)</u>	<u>\$ (97,169)</u>	<u>\$ (38,420)</u>
BASIC AND DILUTED EARNINGS PER SHARE:				
LOSS FROM CONTINUING OPERATIONS	\$ (1.33)	\$ (0.25)	\$ (1.11)	\$ (0.65)
EXTRAORDINARY LOSS ON EXTINGUISHMENT OF DEBT	\$ (0.98)	\$ -	\$ (0.78)	\$ -
NET LOSS APPLICABLE TO COMMON SHARES	<u>\$ (2.31)</u>	<u>\$ (0.25)</u>	<u>\$ (1.89)</u>	<u>\$ (0.68)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING DURING THE PERIOD	<u>41,317,000</u>	<u>56,052,000</u>	<u>51,026,000</u>	<u>57,838,000</u>

See notes to condensed consolidated financial statements

CENTENNIAL CELLULAR CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY (DEFICIT)
(Amounts in thousands, except share data)

	Common Stock				Additional Paid-in Capital	Treasury Stock	Shareholder Note Receivable	Deferred Compensation	Accumulated Deficit	Total
	Class A		Class B							
	Shares	Dollars	Shares	Dollars						
Balance at June 1, 1997, as previously reported	10,492,864	\$ 165	10,644,113	\$ 105	\$ 369,704	\$ (1,801)	\$ (3,000)	\$ -	\$ (252,291)	\$ 112,862
3-for-1 common stock split effective January 13, 1999	32,865,766	330	-	-	(330)	-	-	-	-	-
Balance at June 1, 1997	49,478,652	495	10,644,113	105	369,374	(1,801)	(3,000)	-	(252,291)	112,862
Common stock issued in conjunction with incentive plans	671,397	6	-	-	4,761	-	-	(3,029)	-	1,738
Preferred stock dividends	-	-	-	-	(16,451)	-	-	-	-	(16,451)
Treasury stock purchases	-	-	-	-	-	(28,813)	-	-	-	(28,813)
Repayment of shareholder note receivable	-	-	-	-	-	-	3,000	-	-	3,000
Net loss	-	-	-	-	-	-	-	-	(31,947)	(31,947)
Balance at May 31, 1998	60,160,049	801	10,644,113	105	357,684	(30,814)	-	(3,029)	(284,236)	40,409
Common stock issued in connection with incentive plans	1,403,623	14	-	-	4,880	-	-	-	-	4,894
Deferred compensation employment agreement	64,216	1	-	-	749	-	-	(760)	-	-
Recapitalization:										
Repurchase of the class A & B common stock	(44,447,328)	(444)	(10,644,113)	(105)	(340,338)	-	-	2,873	(888,098)	(1,028,410)
Retirement of treasury stock	(4,896,627)	(48)	-	-	-	30,814	-	-	(30,865)	-
Recapitalization costs	-	-	-	-	(16,165)	-	-	-	65,365	49,220
Capital contributions	28,915,662	289	-	-	422,211	-	-	-	-	422,500
Preferred stock dividends	-	-	-	-	(9,909)	-	-	-	-	(9,908)
Amortization of deferred compensation	-	-	-	-	-	-	-	768	-	768
Net loss	-	-	-	-	-	-	-	-	(87,263)	(87,263)
Balance at February 28, 1999 (unaudited)	31,179,795	\$ 312	-	\$ -	\$ 419,117	\$ -	\$ -	\$ (450)	\$ (1,024,779)	\$ (805,800)

See notes to condensed consolidated financial statements

CENTENNIAL CELLULAR CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Amounts in thousands)

	<u>Nine Months Ended</u>	
	<u>February 28,</u> <u>1999</u>	<u>February 28,</u> <u>1998</u>
OPERATING ACTIVITIES:		
Cash received from subscribers and others	\$ 282,115	\$ 188,857
Cash paid to suppliers, employees and governmental agencies	(148,416)	(118,283)
Interest paid	<u>(35,045)</u>	<u>(24,478)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>98,654</u>	<u>46,196</u>
INVESTING ACTIVITIES:		
Proceeds from sale of equipment	466	36
Capital expenditures	(69,819)	(103,187)
Acquisition of other assets	(2,200)	(6,125)
Disposition of equity investment	13,500	-
Acquisition of equity investment	(3,000)	-
Distributions received from equity investments	8,791	10,051
Capital contributed to equity investments	-	<u>(65)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(51,262)</u>	<u>(99,290)</u>
FINANCING ACTIVITIES:		
Proceeds from the issuance of long-term debt	1,481,500	196,000
Repayment of long-term debt	(528,518)	(135,000)
Debt issuance costs paid	(61,118)	(1,131)
Early Extinguishment of Debt	(44,634)	-
Proceeds from issuance of Class A Common Stock	427,394	267
Redemption of Preferred Stock	(128,154)	-
Purchase of Common Stock in conjunction with recapitalization	(1,052,436)	-
Dividends paid	(18,131)	(12,338)
Treasury stock purchases	-	(23,524)
Acquisition Costs	(46,500)	-
Purchase of restricted securities	<u>(57,501)</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>(28,098)</u>	<u>24,274</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,294	(28,820)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>14,620</u>	<u>43,415</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 33,914</u>	<u>\$ 14,595</u>

See notes to condensed consolidated financial statements

CENTENNIAL CELLULAR CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(CONTINUED)

(Unaudited)

(Amounts in thousands)

	<u>Nine Months Ended</u>	
	<u>February 28,</u> <u>1999</u>	<u>February 28,</u> <u>1998</u>
RECONCILIATION OF NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net loss	\$ <u>(87,263)</u>	\$ <u>(26,082)</u>
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	97,702	82,637
Minority interest in income (loss) of subsidiaries	(142)	337
Deferred income taxes	(10,114)	(16,194)
Equity in undistributed earnings of investee companies	(9,352)	(9,843)
Gain on sale of assets	(8,414)	(8)
Extraordinary loss on extinguishment of debt	40,526	
Recapitalization expenses	58,852	
Other	3,384	1,889
Change in assets and liabilities net of effects of acquired wireless telephone systems:		
Accounts receivable - (increase)	(13,653)	(4,791)
Prepaid expenses and other current assets - (increase)	(763)	(904)
Accounts payable and accrued expenses - increase	26,101	16,971
Customer deposits and prepayments - increase	<u>1,790</u>	<u>2,184</u>
Total adjustments	<u>185,917</u>	<u>72,278</u>
Net cash provided by operating activities	\$ <u>98,654</u>	\$ <u>46,196</u>

See notes to condensed consolidated financial statements