EXHIBIT 3

EXECUTION VERSION

FOR SETTLEMENT DISCUSSION PURPOSES ONLY
SUBJECT TO FEDERAL RULE OF EVIDENCE 408 AND ALL BANKRUPTCY AND STATE LAW EQUIVALENTS
CONFIDENTIAL

TERM SHEET FOR AGREEMENT REGARDING THE §363 SALE OF RIGHTS AND INTERESTS IN CERTAIN LICENSES

NextWave Telecom, Inc., NextWave Personal Communications Inc., NextWave Partners Inc. and NextWave Power Partners Inc. (collectively, "NextWave" or the "Debtors") and Cingular Wireless LLC (the "Proposed Purchaser") are parties to a Purchase Agreement dated August __, 2003 (the "Cingular Sale Contract") relating to the sale and transfer of NextWave's rights in the licenses as set forth on Exhibit A attached hereto (the "Designated Licenses"). For purposes of this Term Sheet, "Sale" shall mean any sale of NextWave's rights in the Designated Licenses to the Proposed Purchaser or Winning Bidder (as defined in Section 1 below). Subject to the terms and conditions set forth below, (i) NextWave agrees to seek approval from the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") for the Sale and this Term Sheet and (ii) the Federal Communications Commission (the "FCC") agrees not to object to the Sale, subject to (a) the express reservation of the FCC's regulatory powers and process with respect to transfer and disposition of the license assignment applications including any related requests for relief (hereinafter collectively or in the singular referred to as "Request") filed by the Winning Bidder, and (b) the receipt of all appropriate and necessary approvals by the United States Department of Justice (the "DOJ") and the FCC of the settlement proposed in this Term Sheet. Except as otherwise expressly provided herein, capitalized terms used in this Term Sheet shall have the meanings set forth herein.

1. **Documentation**. For purposes of this Term Sheet, "Winning Bid" shall mean the winning bid selected by NextWave, following completion of the § 363 auction process contemplated by the Cingular Sale Contract, after consultation with the Official Committee of Unsecured Creditors (the "Committee"), the FCC and BFD Communications Partners, L.P., a Cayman Islands limited partnership, as administrative agent and lender under NextWave's debtor-in-possession financing (the "DIP Lender"), and subject to approval by the Bankruptcy Court. The party that has made the Winning Bid, which would include the Proposed Purchaser if it submits the Winning Bid, is referred to herein as the "Winning Bidder" and the applicable sale agreement, including the Cingular Sale Contract if the Proposed Purchaser is the Winning Bidder, is referred to herein as the "Sale Contract." In addition to the reservations noted above, the FCC's agreement not to object to the Sale is subject to the FCC's final review of the Sale Contract (including all schedules and exhibits thereto, including, without limitation any schedule of licenses included in such Sale attached thereto) and any proposed changes or amendments to such Sale Contract, which review shall be completed within 2 business days of delivery to the FCC by NextWave and the Winning Bidder of the proposed final version of the Sale Contract or amendment thereto. The FCC's agreements hereunder do not imply acceptance or approval of any specific representations, warranties or terms in, or made pursuant to, the Sale Contract, including without limitation, any agreements as to

the value of the Designated Licenses or allocation of the Gross Sale Proceeds (as defined in Section 2 below) to the Designated Licenses or any other licenses.

2. **Distribution of Proceeds**. The proceeds from the Sale at closing (the "Closing") will be a minimum of $1.4 billion, subject to, and including additional amounts received as a result of, higher and better offers (the "Gross Sale Proceeds"). NextWave, the DIP Lender, the Committee, the FCC and the Proposed Purchaser have agreed (or in the event that another party is the Winning Bidder, then such Winning Bidder shall agree), subject to entry of the Sale Order, that the Gross Sale Proceeds shall be paid and/or distributed by the Winning Bidder as follows:

   (a) **FCC Direct Payment**. At the Closing as contemplated by the Sale Contract, the Winning Bidder shall pay out of the Gross Sale Proceeds directly to the FCC $714 million plus 34% of the amount, if any, by which the Gross Sale Proceeds for the Designated Licenses exceed $1.5 billion (the "FCC Direct Payment"), up to a maximum FCC Direct Payment of $734 million for the Designated Licenses, free and clear of any liens, claims, encumbrances, rights or interests of NextWave and other parties in interest, and in any event prior to any other distribution by NextWave or the Winning Bidder of the remaining Gross Sale Proceeds. Upon entry of an order by the Bankruptcy Court approving the Sale, the FCC shall undertake to review promptly any Request filed by NextWave and/or the Winning Bidder (including but not limited to any Request related to the payment requirements of 47 C.F.R. §§1.2111 & 24.714) arising in connection with the sale and transfer of NextWave's rights in the Designated Licenses, but this Term Sheet is not a guarantee of FCC approval of any such Request.

   (b) **Indemnity Escrow**. If the Proposed Purchaser is the Winning Bidder, then in accordance with the Cingular Sale Contract, $20 million (the "Indemnity Proceeds") will be used to fund the Indemnity Escrow Amount (as defined and as set forth in the Cingular Sale Contract).

   (c) **NextWave's Proceeds**. Subject to the agreements of the parties, in accordance with Section 6 below, the Gross Sale Proceeds in excess of the FCC Direct Payment and, if the Proposed Purchaser is the Winning Bidder, the Indemnity Proceeds disbursed to NextWave pursuant to Section 4 of the Escrow Agreement, attached as Exhibit B to the Cingular Sale Contract (under the Cingular Sale Contract, a minimum of $666 million) (the "NextWave Proceeds"), will be paid to the estates of NextWave Personal Communications Inc. and NextWave Power Partners Inc. (together, the "NextWave Estates"), free and clear of any liens, claims, encumbrances, rights or interests of the FCC. The order approving any Sale (the "Sale Order") shall authorize NextWave to satisfy NextWave's debtor-in-possession loan, or any other replacement debtor-in-possession financing approved by the Bankruptcy Court (excluding the conversion feature thereof) (the "DIP Loan") in accordance with its terms, up to the amount necessary to repay all outstanding obligations thereunder (the "DIP Loan Payment") from the NextWave Proceeds. All NextWave Proceeds in excess of such authorized DIP Loan Payment shall be property of the NextWave Estates free and clear of any

liens, claims, encumbrances, rights or interests of the FCC, for the benefit and use of the NextWave Estates, including but not limited to use in the ordinary course of business, in accordance with orders of the Bankruptcy Court, or distribution to secured or unsecured creditors of the NextWave Estates pursuant to an order of the Bankruptcy Court or confirmed plan of reorganization, provided however that other than with respect to liens, claims, encumbrances, rights or interests in the NextWave Proceeds, the FCC is not waiving its right to be heard on any matter in the NextWave chapter 11 cases, including but not limited to the right to raise, appear and be heard on any proposed expenditure by NextWave (including from the NextWave Proceeds) outside of the ordinary course of business, and any proceedings related to a proposed plan of reorganization. All claims, liens, encumbrances, interests or rights in or against the Designated Licenses or the proceeds thereof by any person or entity other than the FCC, shall transfer, affix and attach to the NextWave Proceeds. If the Proposed Purchaser is also the Winning Bidder, then to the extent released from the Indemnity Escrow Amount in accordance with the terms of the Cingular Sale Contract and Sale Order, the Indemnity Proceeds shall similarly become NextWave Proceeds, free and clear of any liens, claims, encumbrances, interests or rights of the FCC, but subject to the respective priority, validity and enforceability of claims, liens, encumbrances, interests or rights of any creditors, equity and other interest holders of the NextWave Estates, other than the FCC, as they existed prior to the Sale being maintained, provided however that other than with respect to liens, claims, encumbrances, rights or interests in the Indemnity Proceeds, the FCC is not waiving its right to raise, appear and be heard on any matter in the NextWave chapter 11 cases, including but not limited to the right to be heard on any proposed expenditure by NextWave (including from the Indemnity Proceeds) outside of the ordinary course of business. Nothing herein shall be deemed a waiver by NextWave, their estates or any other party of their rights to contest the priority, validity, enforceability, perfection or amount of any lien, claim, or interest of any party, other than those of the FCC solely with respect to the Designated Licenses or the proceeds thereof, and further, nothing herein shall be deemed to be a waiver, limitation or exclusion of the FCC's rights and interests in licenses other than the Designated Licenses to the extent set forth above.

3. **Limited Mutual Releases and Partial Waivers**.

(a) **NextWave**.

Subject to the provisions of Section 3(c) below, upon (A) entry of a Sale Order which is a Final Order (as defined in Section 5 below); and receipt of a Final Order from the FCC approving the license transfer applications and any Request filed in connection with any Sale Contract, (B) agreement by the parties in accordance with Section 6 below; and (C) NextWave's receipt of the NextWave Proceeds (the latest such date, the "Sale Closing Date"), NextWave, for itself and on behalf of any party or person (including, without limitation, any past or present, direct or indirect member, shareholder, owner, and affiliate thereof, and each officer, director, manager, partner, principal, agent, servant, employee,

representative, advisor, attorney or creditor) claiming through it or by reason of any damage to NextWave and/or damage resulting from affiliation or in connection with NextWave (the "NextWave Claimants") and all creditors, equity and other interest holders (the "Other Claimants"), forever release, waive and discharge as against the FCC and/or the United States and each and every past and present, direct or indirect principal, agent, servant, staff, employee, representative, advisor and attorney of the FCC and/or the United States from any and all claims (including derivative claims), obligations, suits, judgments, liens, damages, demands, debts, rights, interests, causes of actions, liabilities, costs and expenses, of any kind, character or nature whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, now existing or which the NextWave Claimants or the Other Claimants believe to now exist, or hereafter arising in law, equity and otherwise (i) that are based in whole or in part on any act, omission, transaction, or other occurrence or circumstance existing or occurring prior to the Sale Closing Date solely to the extent, and in the proportionate value related to the Designated Licenses; or (ii) which the NextWave Claimants could assert against the FCC with respect to the FCC Direct Payment on any basis. As set forth in Section 8 (Binding Agreement) of this Term Sheet, it is a condition precedent to the effectiveness of their agreement hereunder that the FCC and the United States also receive releases to the same extent as the foregoing NextWave release from the Other Claimants covering all claims, if any, held by the Other Claimants relating to or arising from the Designated Licenses or the FCC Direct Payment on any basis. NextWave shall (a) provide notice of the Sale (including the settlement with the FCC embodied in this Term Sheet and the proposed releases of the FCC contained herein) to (i) all creditors of the NextWave estates; (ii) all equity and other interest holders of record; and (iii) all parties requesting notice in the NextWave chapter 11 cases; and (b) publish such notice in the national edition of the Wall Street Journal.

(b) **FCC**. Subject to the provisions of Section 3(c) below, upon (A) the Sale Closing Date; (B) agreement by the parties in accordance with Section 6 below; (C) entry of a Sale Order which is a Final Order (as defined in Section 5 below), and receipt of a Final Order from the FCC approving the license transfer applications and any Request filed in connection with any Sale Contract; and (D) receipt by the FCC of the FCC Direct Payment, the FCC and the United States and each and every past and present, direct or indirect principal, agent, servant, staff, employee, representative, advisor and attorney of the FCC and the United States release, acquit, and forever discharge NextWave and each and every past and present, direct or indirect, member, shareholder, owner, and affiliate thereof, and each past and present, direct or indirect, officer, director, manager, partner, principal, agent, servant, employee, representative, advisor, creditor and attorney of NextWave and the Other Claimants, from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, demands, losses, costs and expenses of any kind, character or nature whatsoever, fixed or contingent, liquidated or unliquidated, matured or unmatured, known or unknown, foreseen or unforeseen, in law or equity or otherwise which the FCC and/or the United States may have or claim to have now

or which may hereafter arise out of, based in whole or in part on any act, commission, omission, transaction or other circumstances, existing or occurring prior to the Sale Closing Date, solely to the extent related to the Designated Licenses or which the FCC or the United States could assert against the NextWave Proceeds or the Indemnity Proceeds on any basis, except with respect to federal taxes or enforcement of the criminal, environmental or antitrust laws of the United States, or any action by the FCC pursuant to its regulatory authority over NextWave as an FCC licensee, including without limitation its authority under the Communications Act and the FCC rules, regulations, policies and decisions, or with respect to any action or claim related to NextWave's covenant regarding provision of notice set forth in Section 3(a), above.

(c) **Limitation of Release- Partial Damage Waiver**. The mutual releases to be granted pursuant to Sections 3(a) and 3(b) above are limited to matters related to the Designated Licenses, the FCC Direct Payment, the Indemnity Proceeds and the NextWave Proceeds as herein provided. None of the releasing parties set forth in Sections 3(a) and 3(b) above is releasing any claim with respect to or on account of any matter related to any license or any actions with respect thereto, except to the extent any such claim is related to or on account of the Designated Licenses, provided that for claims not solely related to the Designated Licenses then such releases apply only in the proportion that relates to or is on account of the value of the Designated Licenses or the FCC Direct Payment (excluding the enforcement of federal laws and regulations set forth in Section 3(b) above).

4. **Sale Process**. Throughout the Sale process, NextWave will advise the FCC immediately, through its financial advisor, Rothschild Inc., of any changes to, and provide copies of any and all documentation and communications concerning, and proposals related to any sale or other transaction relating to the rights and interests in any licenses, any Qualified Bids (as defined in the Cingular Sale Contract) or any Competing Proposals (as defined in the Cingular Sale Contract) and will consult with the FCC's advisors regarding NextWave's response thereto.

5. **Final Order**. For purposes of this Term Sheet, "Final Order" shall mean an action taken or order issued by any foreign, federal, state, local or other governmental authority or regulatory body, including, without limitation, the Bankruptcy Court and the FCC (a "Governmental Body"), as applicable, as to which: (i) no request for stay of the action or order is pending, no such stay is in effect, and, if any deadline for filing any such request is designated by statute or regulation, it is passed, including any extensions thereof; (ii) no petition for rehearing or reconsideration of the action or order, or protest of any kind, is pending before the Governmental Body and the time for filing any such petition or protest is passed; (iii) the Governmental Body does not have the action or order under reconsideration or review on its own motion and the time for such reconsideration or review has passed; (iv) other than the Sale Order, the action or order is not then under judicial review, there is no notice of appeal or other application for judicial review pending, and the deadline for filing such notice of appeal or other application for judicial review has passed, including any extensions thereof; and (v) with respect to the Sale Order, the action or order is not then under judicial review for a challenge regarding

Winning Bidder's status as a purchaser in good faith pursuant to Section 363(m) of the Bankruptcy Code, there is no notice of appeal or other application for judicial review pending regarding Winning Bidder's status as a purchaser in good faith pursuant to Section 363(m) of the Bankruptcy Code, and the deadline for filing such notice of appeal or other application for judicial review has passed, including any extensions thereof. "Bankruptcy Code" means title 11 of the United States Code, sections 101 et seq.

6. **Competing Proposals and Continued Negotiations**. If any licenses in addition to the Designated Licenses are included in the transaction proposed by any bidder, then NextWave, the FCC, the DIP Lender and the Committee (i) shall negotiate in good faith the allocation of the additional Gross Sale Proceeds in excess of $1.4 billion between such additional licenses and the Designated Licenses and the resulting distribution of the Gross Sale Proceeds, and (ii) make appropriate adjustments to the Limited Mutual Release and Partial Waivers in Section 3 above; in such event the term "FCC Direct Payment" in Section 2(a) above shall include any such additional, negotiated amount owing and payable to the FCC. The FCC, the DOJ and NextWave agree to continue to negotiate in good faith the resolution of the nature, amount, and treatment of the remainder of the FCC's claims against the NextWave estates and the NextWave estates' claims, if any, against the FCC.

7. **Sale Contingent upon Term Sheet Approval.** The Sale is contingent upon and shall not proceed without the entry of a Sale Order approving this Term Sheet without modification. The Sale Order and any order approving bidding procedures in connection with the Sale shall incorporate this provision.

8. **Binding Agreement**. This is a binding term sheet, subject to Bankruptcy Court approval hereof, and incorporation of the terms hereof into the Sale Order without modification. The following are conditions precedent to the effectiveness of the parties' agreement to the terms hereof: (a) on or before October 17, 2003, NextWave obtains a Sale Order which is a Final Order with respect to any sale and assignment of rights to the Designated Licenses or any additional licenses to the Winning Bidder; (b) the settlement reflected in this Term Sheet receives all appropriate and necessary approvals by the DOJ and the FCC; and (c) the Sale Order, which is a Final Order, contains the releases set forth in Sections 3(a) and 3(b) above, which are binding upon all releasing parties set forth therein, including without limitation, the Other Claimants, covering all claims related to the Designated Licenses, if any, held by the Other Claimants.

9. **Headings**. The section headings contained in this Term Sheet are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Term Sheet.

10. **Counterparts**. This Term Sheet may be executed in one or more counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

11. **Construction**. The parties hereto expressly acknowledge and agree that (i) nothing herein is intended to modify or limit in any manner any of the rights and obligations of

the Proposed Purchaser and/or NextWave in the Cingular Sale Contract or be construed as a waiver of any provisions therein; and (ii) nothing in the Cingular Sale Contract, and the exhibits and attachments thereto, is intended to modify or limit in any manner any of the rights and obligations of the FCC and the United States or be construed as a waiver of any provision herein.

[signature page(s) to follow]

* * * * * *

IN WITNESS WHEREOF, the Parties hereto have caused this Term Sheet to be duly executed as of the date set forth above by their authorized representatives as indicated below.

NEXTWAVE TELECOM, INC.

/s/ Frank A. Cassou
By: Frank A. Cassou
Its: Executive Vice President

NEXTWAVE PERSONAL COMMUNICATIONS INC.

/s/ Frank A. Cassou
By: Frank A. Cassou
Its: Executive Vice President

NEXTWAVE PARTNERS INC.

/s/ Frank A. Cassou
By: Frank A. Cassou
Its: Executive Vice President

NEXTWAVE POWER PARTNERS INC.

/s/ Frank A. Cassou
By: Frank A. Cassou
Its: Executive Vice President

FEDERAL COMMUNICATIONS COMMISSION
James B. Comey
United States Attorney For The Southern District Of New York

By: _____
Its: _____

BFD COMMUNICATIONS PARTNERS, L.P.

By: _____
Its: _____

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

/s/ Robert Symington
By: Robert Symington
Its: Chairman

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NEXTWAVE TELECOM, INC.

_____

By: _____
Its: _____

NEXTWAVE PERSONAL COMMUNICATIONS INC.

_____

By: _____
Its: _____

NEXTWAVE PARTNERS INC.

_____

By: _____
Its: _____

NEXTWAVE POWER PARTNERS INC.

_____

By: _____
Its: _____

FEDERAL COMMUNICATIONS COMMISSION
James B. Comey
United States Attorney For The Southern District Of New York

_____

By: DAVID J. KENNEDY (DK-8307)
Its: ASSISTANT U.S. ATTORNEY

BFD COMMUNICATIONS PARTNERS, L.P.

_____

By: _____
Its: _____

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

_____

By: _____
Its: _____

EXECUTION VERSION

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NEXTWAVE TELECOM, INC.

By: _____
Its: _____

NEXTWAVE PERSONAL COMMUNICATIONS INC.

By: _____
Its: _____

NEXTWAVE PARTNERS INC.

By: _____
Its: _____

NEXTWAVE POWER PARTNERS INC.

By: _____
Its: _____

FEDERAL COMMUNICATIONS COMMISSION
James B. Comey
United States Attorney For The Southern District Of New York

By: _____
Its: _____

BFD COMMUNICATIONS PARTNERS, L.P.

By: BFD Telecom Advisors CCC
Its: General Partner (Peter F. Duerr, Director)

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: _____
Its: _____

EXHIBIT A — DESIGNATED LICENSES

Call Sign	Market	BTA	Block	MHz
KNLF674	Allentown, PA	BTA010	C	10
KNLH204	Atlanta, GA	BTA024	F	10
KNLF652	Baltimore, MD	BTA029	C	10
KNLF646	Boston, MA	BTA051	C	10
KNLF938	Chicago, IL	BTA078	F	10
KNLH203	Dallas, TX	BTA101	F	10
KNLF676	El Paso, TX	BTA128	C	20
KNLF693	Gainesville, FL	BTA159	C	10
KNLF689	Hagerstown, MD	BTA179	C	10
KNLH213	Harrisburg, PA	BTA181	F	10
KNLF648	Houston, TX	BTA196	C	10
KNLF696	Joplin, MO	BTA220	C	10
KNLH229	Kankakee, IL	BTA225	F	10
KNLF686	Lakeland, FL	BTA239	C	10
KNLH217	Lancaster, PA	BTA240	F	10
KNLH209	Las Vegas, NV	BTA245	F	10
KNLF645	Los Angeles, CA	BTA262	C	10
KNLF678	Manchester, NH	BTA274	C	10
KNLF683	Portland, ME	BTA357	C	10
KNLF812	Portland, OR	BTA358	C	10
KNLF684	Poughkeepsie, NY	BTA361	C	10
KNLH220	Reading, PA	BTA370	F	10
KNLH207	Sacramento, CA	BTA389	F	10
KNLH227	Salisbury, MD	BTA398	F	10
KNLH208	Salt Lake City, UT	BTA399	F	10
KNLF651	San Diego, CA	BTA402	C	10
KNLH200	San Francisco, CA	BTA404	F	10
KNLF680	Sarasota, FL	BTA408	C	10
KNLF679	Springfield, MO	BTA428	C	10
KNLF653	Tampa, FL	BTA440	C	20
KNLF691	Temple, TX	BTA441	C	10
KNLH222	Tyler, TX	BTA452	F	10
KNLF647	Washington, DC	BTA461	C	10
KNLH218	York, PA	BTA483	F	10