

# Peace offer to FCC

Verizon Wireless, locked in a contentious regulatory review of its proposed \$3.6 billion purchase of spectrum from cable companies, yesterday said it would sell billions of dollars of unused spectrum.

The move is an olive branch to the Federal Communications Commission, as it could allow T-Mobile the chance to purchase the Verizon Wireless airwaves and add some muscle to its 4G network, industry insiders tell The Post. “This [move by Verizon] is a reflection that their approval process is not going well,” Walt Piecyk, an analyst with BTIG, told Bloomberg.

AP

## Lowell McAdam

Verizon Wireless denied in a statement that its plan to sell unused spectrum had anything to do with the FCC review. T-Mobile — its coffers engorged with \$4 billion in cash that it pocketed after its failed acquisition by AT&T — has been a vocal critic of Verizon’s proposed purchase of airwaves from Comcast, Time Warner Cable and Bright House Networks. T-Mobile has argued that the FCC blocked its sale to AT&T because it believed there needed to be a strong third wireless carrier.

If T-Mobile buys the spectrum, it could become a competitive third national wireless carrier, something that could help the FCC approve Verizon’s controversial spectrum buy. A Verizon spokesman told The Post, “Our decision to sell spectrum is not tied to any specific carrier.”

Still, a well-placed source said T-Mobile is telling the FCC,

“Why don’t you squeeze Verizon and get them to sell [some spectrum]?”

The source added that T-Mobile has told regulators that it would spend the \$4 billion if there was spectrum available. That, in turn, would help create a viable third player in the wireless game after Verizon and AT&T.

That argument has gained traction with the FCC and the Department of Justice since Washington moved to kill LightSquared’s proposed 4G network, the source added. But one industry insider characterized Verizon’s move as a long shot with little chance of working.

First, the source said, T-Mobile’s existing spectrum is different from the airwaves Verizon plans to sell and therefore the olive branch might not be enough to quiet T-Mobile’s opposition to the proposed deal.

Second, AT&T owns 69 percent of one of the two spectrum blocks that Verizon is proposing to sell — making it unattractive to any company other than AT&T.

There is mixed opinion on whether AT&T could bid for the Verizon spectrum and pass antitrust clearance, if it comes on the market.

Metro PCS and Leap Wireless, especially if they teamed up, could also bid for the Verizon spectrum. Sprint likely does not have the cash, sources said.

Shares of Verizon, led by CEO Lowell McAdam, fell 0.2 percent yesterday. Verizon owns a 55 percent stake in Verizon Wireless.

In addition to buying spectrum from the cable companies, Verizon is also looking to sign a marketing pact with them.