

Verizon is sure to face enormous criticism for the sale. Big Red has maintained that the U.S. wireless industry is in the midst of a spectrum crisis and that it will begin [running out of LTE capacity in many markets as soon as 2013](#). If the spectrum situation is so dire, than why is Verizon giving up such valuable airwaves?

Verizon Wireless is hosting a fire sale on LTE spectrum, revealing on Wednesday that if it gets permission to buy the cable operators' 4G airwaves [it will "rationalize" its spectrum](#) holdings by discarding extra 700 MHz licenses it picked up at auction in 2008. The two deals would basically make Verizon's LTE rollout a lot easier, allowing it to focus its 4G efforts on two big frequency blocks nationwide. But it would also sound the [death knell for any hope of interoperable LTE smartphones and tablets](#) across U.S. carriers' networks.

The licenses in question aren't the airwaves Verizon is using in its current [nationwide LTE rollout](#). Verizon has a nationwide 20 MHz chunk of 700 MHz, which is forming the backbone of its 4G network. Instead, Verizon plans to sell regional and metro-area licenses it picked up to supplement its capacity in high-demand urban markets. Once it picks up the Comcast, Time Warner Cable, Bright House Networks and Cox Communications' [advanced wireless services licenses \(AWS\) in the 1700 MHz/2100 MHz band](#), Verizon will no longer need those extra 700 MHz licenses to provide that additional metro capacity – or so its logic goes.

You can bet AT&T will be first in line to pick up whatever Verizon doesn't want. These aren't piddly little chunks of spectrum. We're talking 10 MHz and 20 MHz swathes in New York City, Chicago, Los Angeles and dozens of other major markets. What's more while those licenses — known as the lower "A" and "B" 700 MHz block — don't gel with Verizon's 4G deployment plans, they fit perfectly with AT&T's own LTE network schemes.

AT&T certainly wouldn't be the only bidder. Regional carriers are building LTE networks as well. You can expect U.S. Cellular to compete with AT&T for Verizon's Chicago license, which would allow it to [extend its new LTE network to its flagship market](#). Leap Wireless, MetroPCS and numerous smaller operators may look to pick up licenses within their territories as well.

The sale may make sense from an operational standpoint. The 700 MHz band isn't a unified block, and to support those A and B frequency bands means Verizon has to procure more expensive devices, which would be interoperable with other carriers' LTE networks. By discarding the extra spectrum, Verizon essentially creates its own unique LTE band, which utilizes its own unique devices.