

Verizon Sells ‘Excess Spectrum’ to T-Mobile USA, With Conditions

Despite perpetual claims of a wireless spectrum shortage, Verizon Wireless expects to have capacity to spare and has agreed to sell airwave licenses worth millions to T-Mobile USA if it can get federal regulators to approve a separate \$3.6 billion acquisition of spectrum from some of America’s largest cable operators.

The deal will transfer surplus frequencies Verizon expects to acquire from its deal with Comcast, Time Warner Cable, Cox, and other cable companies in return for undisclosed compensation from the German-owned carrier. In return, T-Mobile will also turn over some of its spectrum to Verizon, most likely to give both companies a larger pool of contiguous spectrum.

The frequencies involved are expected to be in the Advanced Wireless Services (AWS) band (1700/2100MHz).

Wall Street analysts say the deal will remove T-Mobile from the list of concerns critical of Verizon Wireless’ deal with cable operators. It also may alleviate some criticism that Verizon is “hoarding” spectrum.