

Verizon to auction spectrum worth billions

April 18 2012, By PETER SVENSSON , AP Technology Writer

Verizon Wireless on Wednesday said it will auction a parcel of radio frequencies, which could be worth billions of dollars in an industry scrambling to offer consumers more cellular broadband.

The offer is contingent on Verizon getting [government approval](#) for three deals to buy spectrum from [cable companies](#) and Leap Wireless for a total of about \$4 billion. Those deals were struck in November and December, but have met resistance from public-interest groups who say the cellphone company, already the nation's largest, doesn't need more spectrum and shouldn't be cozying up to competitors such as the cable companies.

Spectrum rights are the lifeblood of the wireless industry, since they're necessary to operate wireless networks. In recent years, growing demand for wireless data service has prompted cellphone companies to search for more spectrum, which would allow them to offer higher [download speeds](#).

The spectrum Verizon proposes to auction has been called the "beachfront property" of the airwaves because it makes it easy to build a [wireless broadband network](#) with good coverage.

Verizon bought the rights to use the frequencies from the government for \$4.4 billion in 2008. They were formerly used by UHF TV stations and cover areas like New York City, Washington, Philadelphia, Chicago, Dallas, Houston, Los Angeles and Miami.

Verizon is keeping a larger, nationwide swatch of spectrum it bought in the same auction. It's using that for its "4G LTE" network, which went live a year and a half ago.

Verizon spokeswoman Robin Nicol denied that the auction is designed to get regulators at the [Federal Communications Commission](#) and Justice Department to approve the spectrum deals with the cable companies and Leap. If those transactions go through, Verizon doesn't need the licenses it plans to auction, she said.

"We wanted to put these licenses in the hands of other carriers who could use them, for the benefit of their customers," she said.

One of the companies that might be interested in the spectrum is No. 2 carrier AT&T Inc., which has been building its own LTE network in adjacent bands.

An AT&T spokesman said the company has no comment on Verizon's proposal.

[Verizon Wireless](#) is a joint venture controlled by Verizon Communications Inc., the New York-based phone company. Vodafone Group PLC, a British cellphone company, owns the 45 percent Verizon doesn't own.

Verizon shares fell 10 cents to \$37.63 in midday trading. The company is set to report first-quarter results on Thursday morning.

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