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FCC Announces Winning Bidders; Verizon, AT&T Bid 16B for Lion's Share

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- The FCC has just announced the winning bidders in the 700 MHz auction.
- Verizon Wireless (**VZ-VOD**) won all the regional C Block licenses necessary for a nationwide footprint, and in the aggregate spent \$9.63 billion, including for the high license, the Chicago B Block at over \$9.00/MHz/POP.
- AT&T (**T**) won 227 licenses, all in the B block, paying \$6.64 billion.
- It appears that Alltel won no licenses.
- EchoStar (**SATS**) won 168 licenses, all in the E Block as we had speculated, for a total of \$711 million
- Qualcomm (**Q**) was the initial and only bidder of the D Block, which remained unsold. It won a total of 9 licenses, three in the B Blocks for Yuba City and Imperial, California and Hunterdon, New Jersey; and five E Block licenses, totaling \$1.03 billion (\$558 million not including the D Block's \$472 million bid, which didn't meet the reserve price).
- Paul Allen's Vulcan won only two A Block licenses, in the Pacific Northwest, which we expect will overlap with the cable holding, for \$112 million.
- Assuming the official Public Notice is released today, the anti-collusion rules would lift on April 3, allowing merger talks to proceed between companies that were auction applicants, such as Leap and Metro PCS.
- Leap (**LEAP**) won no licenses; Metro PCS (**PCS**) only one for \$360 million covering the Boston market.
- These winning bidders mentioned above together paid approximately \$18 billion of the total \$19.6 Billion for the auction, with AT&T and Verizon accounting for \$16.3 billion.
- Google (**GOOG**) walked away the happy loser, with no winning bids.

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