

Report: McAdam Hints at Withholding Vodafone Payments

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Verizon Wireless may be tightening the screws on Vodafone, in an effort to force the European carrier to sell off its 45 percent of the Verizon Wireless joint venture.

According to a [report](#) [1] from the Wall Street Journal, Verizon CEO Lowell McAdam hinted to JPMorgan analyst Philip Cusick that Verizon might consider not making payouts to Vodafone this year.

Verizon could not be reached for comment prior to press time.

McAdam reportedly told Cusick that his company needed to its available cash to pay down \$5B in debt that comes due by mid-2014, as opposed to paying distributions to Vodafone.

Verizon Wireless has paid out \$18.5 billion in two distributions over the last two years, \$8.3B of which has gone to Vodafone.

The news comes in the wake of reports that Verizon has hired advisers to prepare a \$100 billion bid for Vodafone's 45 percent stake in Verizon Wireless.

Six major investors came [out](#) [2] saying that \$100 billion would not be enough, adding that \$120 billion would be closer to an agreeable amount. But those investors also said if that number could not be reached, they would prefer a full merger of Verizon and Vodafone.

Verizon entered into a joint venture with Vodafone back in 2000, creating what is now Verizon Wireless. Verizon currently owns 55 percent of the company, while Vodafone holds the remaining 45 percent.

Verizon has long admitted to wanting to purchase the rest of Verizon Wireless via a buyout, but the business has proved too valuable for struggling Vodafone to let go. Verizon made a failed attempt to purchase Vodafone's stake in the business back in 2006.

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