Centerbridge Backs Out of $3.3B LightSquared Offer, Clears Way for Dish

Ben Munson

Following reports last week that private equity firm Centerbridge had offered to buy LightSquared for $3.3 billion [1], news comes today that the Centerbridge offer is off the table [2].

The Wall Street Journal points to court documents indicating Centerbridge abandoned the offer for “economic and noneconomic reasons.” In addition to the $3.3 billion bid, Centerbridge had intended to take on $1.7 billion in various liabilities.

With the Centerbridge bid out of the way, the path is again open for Dish Network and the $2.2 billion stalking-horse bid it entered in LightSquared’s bankruptcy proceedings. Dish is pursuing LightSquared for access to its 35 MHz of spectrum licenses in the 1500 L band.

LightSquared had intended to deploy a nationwide LTE network on the airwaves using both terrestrial equipment and satellite. But the FCC, on recommendation from the NTIA, shut down the proposal due to possible interference with GPS signals, leading LightSquared to declare bankruptcy in 2012.

Starting in September of 2012, LightSquared began offering to the FCC varying proposals for how to deploy an LTE network on the spectrum without interference. LightSquared further disclosed that Qualcomm has started “integrating L-Band LTE technology in its mainstream chipset roadmap” [3] and has “developed an advanced satellite air interface technology to enable the satellite mode of operation in mobile devices.”

According to the report, Harbinger and Philip Falcone, who control LightSquared, have urged investors to wait for FCC approval for an LTE network before proceeding with any reorganization plan. Falcone said the value of the spectrum will go up if FCC approval is attained.

Source URL (retrieved on *03/11/2014 - 6:33pm*):
http://www.wirelessweek.com/news/2013/12/centerbridge-backs-out-33b-lightsquared-offer-clears-way-dish

Links:
[1] http://www.wirelessweek.com/news/2013/12/report-equity-firm-trumps-dish-33b-bid-lightsquared
[2] http://online.wsj.com/news/articles/SB10001424052702304858104579264250 47

3641312
[3] http://apps.fcc.gov/ecfs/document/view?id=7520955856