Report: Equity Firm Trumps Dish with $3.3B Bid for LightSquared

Ben Munson

Private equity firm Centerbridge has successfully bid $3.3 billion to buy LightSquared, substantially leapfrogging Dish Network's bid of $2.2 billion.

As the Wall Street Journal reports [1], Centerbridge will pay $3.3 billion as well as assume $1.7 billion in liabilities under a bankruptcy reorganization plan.

Dish's offer had served as the stalking horse bid in LightSquared's bankruptcy auction. LightSquared filed for bankruptcy in 2012 after the federal government limited the company's use of satellites in its plans to build a nationwide LTE network for fear of interference with GPS signals.

According to the Wall Street Journal's report, Centerbridge's bid is contingent upon LightSquared earning FCC approval to build a wireless network. That's lead lenders to push for Dish's deal, which is not hinged on network buildout approval and can therefore proceed more quickly.

LightSquared's spectrum holdings lie in the L Band (1525-1559 MHz). Following an FCC review and an NTIA recommendation, LightSquared was limited to only a terrestrial deployment because its satellite network component could interfere with the GPS band right next door.

TMF Analyst Tim Farrar considered Dish the likely winner in the LightSquared bankruptcy auction [2] and seemed doubtful that anyone would compete.

But even if Dish fails in its quest to snatch up LightSquared's 35 megahertz of spectrum, the satellite-TV provider still has more opportunities on the horizon for grabbing airwaves. Dish appears to be a shoo-in to win the FCC's upcoming H Block auction [3] for 10 MHz of paired spectrum. Dish agreed to pay the $1.56 billion reserve price for the spectrum in exchange for leniency in designating its AWS spectrum for either downlink or uplink. And AT&T, Verizon, Sprint and T-Mobile have all passed on participating in the auction, scheduled for Jan. 22.

In addition, Dish could factor into the FCC's upcoming auction for AWS-3 spectrum and the broadcast incentive auction offering up valuable 600 MHz airwaves.

Source URL (retrieved on *04/25/2014 - 5:51am*):
http://www.wirelessweek.com/news/2013/12/report-equity-firm-trumps-dish-33b-bid-lightsquared

Links:
[1] http://online.wsj.com/news/articles/SB10001424052702303293604579252533167000744
[2] http://www.bizjournals.com/denver/blog/boosters_bits/2013/10/dish-network-looks-to-double-down-on.html?page=all
[3] http://www.wirelessweek.com/news/2013/12/dish-network-looks-lock-win-h-block-spectrum-auction