

Report: Dish Dropping its \$2.2B LightSquared Bid

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Dish Network appears to be abandoning its \$2.2 billion bid for LightSquared.



The Wall Street Journal [reports](#) [1] that Dish's official letter of termination could come as soon as today. LightSquared lenders are viewing Dish's change of plans as a breach of contract. One of the possible restructuring plans for LightSquared is based on Dish's bid and the ad hoc group directing the effort is lead by Dish Chairman Charlie Ergen's L-Band Acquisition Corporation.

As Forbes [points out](#) [2], that restructuring plan could fall through if LBAC (Dish) decides to formally withdraw its bid. Dish's reversal comes just a hearing on whether Ergen fraudulently purchased LightSquared debt is about to start.

If Dish backs out, the Harbinger-owned LightSquared will end up in a stronger position to keep its company and move forward with its own restructuring plan. According to Forbes, LightSquared is planning a round of exit financing that could include a \$2.5 billion loan and \$1.25 billion in new equity from investors.

Dish's possible withdrawal comes less than a month after Centerbridge [bid \\$3.3 billion for LightSquared and then withdrew its bid one week later](#) [3].

At stake for Dish is LightSquared's 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.

LightSquared has been at work since 2012 on varying proposals for deploying LTE on its airwaves. The company has said that major vendors like Qualcomm have begun developing and implementing L-Band LTE technology. Harbinger head Philip Falcone is urging LightSquared investors to wait for FCC approval on new LTE-deployment proposals, saying the value of the spectrum will go up if the FCC signs off on a deployment plan.

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