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AT&T to Pay \$2.5 Billion for Wireless Spectrum

By THE ASSOCIATED PRESS

SAN ANTONIO, Oct. 9 (AP) — [AT&T](#) agreed to pay \$2.5 billion for licenses that will allow it to expand wireless services or provide video broadcasts in much of its coverage area, the company announced Tuesday.

The deal to acquire all the licenses held by Aloha Partners in the 700-megahertz range will give AT&T access to 196 million people in 281 markets. It will make AT&T the largest owner of licenses in the 700- to 800-megahertz range of the spectrum.

AT&T could acquire still more licenses in January when the [Federal Communications Commission](#) is scheduled to auction a large chunk of the spectrum used by analog television. Broadcasters must switch completely to digital television in 2009.

AT&T could use the new licenses, all reserved for third-generation network services, either to expand wireless phone and data services or to add video content for mobile phones.

A company spokesman, Michael Coe, said the company had not decided what it would do with the new spectrum. Some of it will be available immediately after the deal closes in six to nine months, and the rest in 2009, he said.

Aloha, based in Providence, R.I., was founded by Charles C. Townsend and Amos B. Hostetter Jr., who each made a fortune in the wireless and cable businesses in the 1990s. Aloha bought most of the 700-megahertz licenses it has sold to AT&T during auctions in 2001 and 2003.

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