




RETIREMENT ADVISER
INVESTING STRATEGIES.
SPENDING OPPORTUNITIES.

READ THE
SPECIAL REPORT

replay ↶

f t

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

See a sample reprint in PDF format.

Order a reprint of this article now

THE WALL STREET JOURNAL

WSJ.com

TECHNOLOGY | APRIL 19, 2011, 2:40 P.M. ET

Sprint to Pump \$1 Billion Into Clearwire

By **ROGER CHENG**

Sprint Nextel Corp. and **Clearwire Corp.** said they had settled their dispute over wholesale pricing, providing Clearwire with badly needed cash in the new agreement.

Sprint is paying at least \$1 billion over the next two years to use Clearwire's super-fast wireless service.

EXPERIENCE WSJ PROFESSIONAL

Editors' Deep Dive: Carriers Prepare for Next Data Explosion

SAN JOSE MERCURY NEWS

[FCC Orders Mobile Networks Opened](#)

DOW JONES NEWS SERVICE

[Pentagon, DOT Raise Concerns About Wireless Startup](#)

CNET NEWS.COM

[White House Pushes for Incentive Spectrum Auctions](#)

Access thousands of business sources not available on the free web. [Learn More](#)

The agreement between Sprint and Clearwire brings clarity to their relationship and allows them to push forward with their respective 4G strategies. The deal comes as competitors such as Verizon Wireless begin to tout their own speedy wireless services.

"This provides us with the capital to operate efficiently over the next couple of years," Clearwire interim Chief Executive John Stanton said in an interview. "It allows us to plan for our expansion."

He added the agreement reaffirms the companies' relationship, as well as the strength of the combined spectrum position.

Sprint and Clearwire's dispute revolved around the wholesale agreement in which Sprint customers ride on Clearwire's network when using 4G smartphones such as the **HTC Corp.** Evo 4G and **Samsung Electronics Co.** Epic. Sprint is by far Clearwire's largest customer and majority shareholder, with a 54% stake in the company.

Sprint, meanwhile, is readying its own 4G plan independent of Clearwire. Sprint CEO **Dan Hesse** previously said he needed to set the wholesale terms with Clearwire before looking at future deals with Clearwire.

Mr. Stanton declined to comment on whether he was in discussions with Sprint on a potential acquisition. But he added that Clearwire's spectrum position will be crucial to Sprint's own 4G plans.

Sprint will pay Clearwire \$300 million this year, and \$550 million in 2012 for access to its 4G network. Sprint also committed another \$175 million for additional use for the next two years and beyond. The figures represent a minimum commitment; Sprint will pay more if data usage continues to grow.

The regular payments are designed to provide Clearwire with additional financial flexibility as it continues to roll out its 4G network across the country.

Mr. Stanton, however, said the company would need additional financing if it wants to use a second variation of 4G technology more widely adopted by the wireless industry.

"We're working on that," he said, adding he believes there is interest from Sprint and Clearwire's other shareholders, including the cable companies and [Intel Corp.](#) and [Google Inc.](#)

Copyright 2011 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com