

Clearwire Adds Eastern Spectrum With Winbeam Buy

By John Letzing
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Clearwire Corp., the broadband service provider headed by cellphone luminary Craig McCaw, has put some of its mountain of cash to work by acquiring Winbeam Inc., a smaller service provider from Greensburg, Pennsylvania.

Terms of the deal were not disclosed.

Kirkland, Wash.-based Clearwire operates a network based on the emerging WiMax standard, considered a potential rival to traditional cellular phone networks.

Last week, Clearwire announced the release of its own voice over Internet calling service. The company has been close-mouthed about its funding, but has raised at least \$720 million in equity and debt.

Clearwire's investors include the VC arm of Intel Corp., a major proponent of WiMax, Bell Canada, and Globespan Capital Partners. The company says it offers Internet service in 200 cities in Alaska, California, Washington, Oregon, Idaho, Texas, Minnesota, Wisconsin, South Carolina and Florida.

By buying Winbeam, which was founded in 2000 and offers service in central and western Pennsylvania, Clearwire bolsters its East Coast presence with additional licensed spectrum.

Winbeam is backed by an undisclosed amount of funding from Quaker Capital Management Corp. In a prepared release, Winbeam says that it also owns spectrum in portions of Maryland, New York and Virginia.

Representatives from Clearwire and Winbeam did not immediately respond to requests for comment.

Craig McCaw, who founded Clearwire in 2003, launched McCaw Cellular Communications Inc. in the 1980s and helped popularize the commercial use of cellphones. That company was later sold to AT&T Wireless, which itself was later bought by Cingular.

McCaw's launch of Clearwire has stirred much anticipation as observers guess about how much impact it will have on the cellphone industry.