



## Verizon's Coming to Canada

### Description

Well, after this Fool [initially figured](#) a move north by **Verizon** ([NYSE:VZ](#)) wasn't worth its while, it turns out the company thinks it is. Guess which opinion matters more?

Ottawa wants a 4<sup>th</sup> player in the Canadian wireless market, and Ottawa is going to get a 4<sup>th</sup> player in the Canadian wireless market. Verizon has made an initial bid of \$700 million for Wind Mobile and is apparently in talks with Mobilicity to perhaps bring it into the fold as well.

Verizon's advantage over the 3 Canadian incumbents, **Rogers** ([TSX:RCI.B](#)), **Telus** ([TSX:T](#)), and **BCE** ([TSX:BCE](#)) is its size. With 100 million customers, Verizon has buying power with handset manufacturers that cannot be matched by this country's carriers. This has implications for the industry's market share, and margins.

In addition, Verizon offers the possibility of unlimited roaming throughout North America. No more touching down on a U.S. runway only to be greeted by a message from Rogers indicating that if you want to use your mobile device outside of Canada it's going to cost you your first born.

Should this deal get done, the most important near term development is how this changes the dynamic of the upcoming 700-Mhz spectrum auction. This auction has been highlighted on the calendar of Canada's Big 3 wireless players for some time as they expected it to be a great way to squeeze out the pesky upstarts. Now that another deep-pocketed player may potentially be sitting at the table, it could significantly alter what the incumbents had envisioned.

### Foolish Takeaway

While this is big news in the Canadian wireless landscape, it's unlikely to have an impact on Verizon's stock. Even though they've elected to proceed with a Canadian market strategy, it's still a small piece of the overall pie. Rogers and Telus are the two incumbents with the most wireless exposure, and therefore, their stocks are likely to face the brunt of this development.

Canada's telecom space is a haven for investors that are looking for yield. To add some diversity to your income-producing portfolio, simply [click here](#) to download our **FREE** report "**13 High Yielding Stocks to Buy Today**"

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Fool contributor Iain Butler does not own any of the companies mentioned in this report. The Motley Fool has no position in any stocks mentioned at this time

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:VZ (Verizon Communications Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:RCI.B (Rogers Communications Inc.)
4. TSX:T (TELUS)

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