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Earnings Call

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Call Participants

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Presentation

Operator

Good morning, everyone, and welcome to the Anterix Fiscal 2024 Fourth Quarter Investor Update Call. [Operator Instructions].

Please also note today's event is being recorded. At this time, I'd like to turn the floor over to Natasha Vecchiarelli, Vice President, Investor Relations and Corporate Communications. Please go ahead.

Natasha Vecchiarelli

Vice President of Investor Relations & Corporate Communications

Thank you, operator, and hello, everyone. I'm Natasha Vecchiarelli, Vice President of Investor Relations and Corporate Communications, and I welcome you to our fourth quarter fiscal year '24 investor update call. .

Joining us today are Rob Schwartz, President and CEO; Ryan Gerbrandt, COO; Tim Gray, CFO; and Chris Guttman-McCabe, Chief Regulatory and Communications Officer.

Before turning the call over to Rob, I'd like to remind you that during this conference call, we may make forward-looking statements regarding future events, such as our commercial outlook and guidance. These statements are based on current expectations and assumptions and are subject to risks and uncertainties. Investors are cautioned not to place undue reliance on forward-looking statements. We encourage you to review the company's SEC filings, including, without limitation, the company's Form 10-K and 10-Q, which identify specific risk factors that may cause actual results or events to differ materially from those described in these forward-looking statements.

These files can be accessed on our website. Additionally, we do not assume any obligation to update any forward-looking statements.

With that, I'll turn the call over to Rob.

Robert H. Schwartz

President, CEO & Director

Thanks, Natasha. Good morning, everyone, and thank you for joining us. We are excited to speak with you all today on the heels of great announcement and the completion of our fiscal year. As I'm sure many of you have seen, yesterday afternoon, we announced a \$102.5 million spectrum agreement with Oncor Electric Delivery Company. And as excited as we are to share the details of this new transaction, I'm equally excited to share what it represents for Anterix's growing and foundational role in helping with the essential monetization of our nation's electric grid and importantly, what it represents for Anterix shareholders.

Oncor is joining 6 of the utilities in 15 states, deploying 900 megahertz private wireless broadband networks. This not only highlights growing industry support for the benefits of this technology for utilities and the communities they serve, but it also validates our expanding role as a trusted partner to the broader energy ecosystem.

The 900 megahertz private LTE solution is being woven into the foundational fabric of our nation's electric grid. We set out to build more than just a spectrum company. We previously shared our vision to help solve the critical challenges of the utility sector by harnessing the power of wireless broadband, and we are now executing on that vision. With our current and future utility customers, the executive leadership of our Utility Strategic Advisory Board, the innovative technology companies, interactive ecosystem and the ongoing collaborative work with the Department of Energy and their national labs, we are collectively driving a foundational evolution of our nation's grid.

And this industry-wide evolution could not have come at a more important time.

The electric industry is facing considerable challenges, including unprecedented growing electricity demand, cybersecurity events, extreme weather conditions, decarbonization requirements and the need to connect and control new and intermittent sources of energy. And what the industry is now realizing more broadly than ever, is that a modernized grid requires modernized communications, foundational, resilient and secure wireless broadband communications.

Just last week at the annual conference of the Edison Electric Institute, the association represented all U.S. investor-owned electric companies. It is visible from the keynote speech by NVIDIA's CEO to the panels and private sessions that there is a growing recognition that broadband communications is a foundational component to addressing critical issues. These include managing the demand growth from data centers and industrial electrification utilizing AI to bring necessary network efficiencies, deploying cyber and physical security protections, mitigating wildfires and harnessing the edge processing power available from companies like NVIDIA for next-generation metering and other smart distribution systems.

Connectivity will be at the heart of these timing initiatives and the criticality of private wireless broadband networks for this industry is being understood today. Our agreement with Oncor underscores that even further. This news is exciting for Texas as well. Oncor now joins with our other utility partners, Xcel and LCRA, bringing the power of 900 megahertz private wireless broadband to almost 80% of the counties in the state. Why is Texas important? Because Texas is seeing growth of population, enterprise and resulting electric load growth across the state.

We see an opportunity to provide all of the utilities across the state with the advanced communication tools they need to support their growing requirements. And for Anterix and our shareholders, this is a big day in our ongoing effort to grow Anterix and to help transform utility communications. And while it may take longer than we all would like, we've been told repeatedly by industry insiders that we built a position in this critical and valuable sector probably faster than almost any company in recent history.

We've delivered significant milestones over just the past 4 years since our FCC rule making, building a market for a spectrum, creating an ecosystem of solutions, working with policymakers at all levels of government maturing an entire pipeline of opportunities, forging long-standing relationships with 7 leading utilities in 15 states, including finalizing our first 9-figure deal and now creating opportunities for additional Anterix products and services beyond spectrum.

The role we are playing and the opportunities we see within the sector are expanding, and I am more excited than ever to continue to forge this path and the opportunities that lie ahead.

And with that, I'll pass it over to Ryan and return for some concluding remarks.

Ryan Gerbrandt

Chief Operating Officer

Thanks, Rob, and hello, everyone. As Rob shared, today marks another monumental day at Anterix with the recent signing of our largest agreement to date with Oncor for 900 megahertz broadband licenses in its service territory in Texas. .

Headquartered in Dallas, Oncor operates the largest transmission and distribution system in Texas, operating more than 143,000 circuit miles of transmission and distribution lines. Oncor delivers electricity to more than 4 million homes and businesses across the distribution service territory that has an estimated population of 13 million people. The new licenses will enable Oncor to move to next-generation broadband and provide mission-critical data and voice services within Oncor's service territory.

The network is expected to provide a host of capabilities that will benefit Oncor and their customers, including enhanced data transmission, overall communication and operational intelligence and resilience. Under the sales agreement, Anterix will assign 6 megahertz of broadband spectrum to Oncor in 95 Texas counties following FCC issuance of the broadband license to Anterix.

With that, we will have addressed another FCC-deemed and complex system. The Oncor agreement includes total payments of \$102.5 million, with \$44 million expected within the first 12 months after signing and the balance by fiscal year-end 2026. I'd like to spend the rest of my time with you today

discussing our Anterix evolution over the past year. We've never seen ourselves as simply another vendor to this unique industry.

Our goal has and continues to be a trusted long-term partner to our customers, our active ecosystem members and to the entire industry. As Rob highlighted, in this last year with all our stakeholders, including the National Labs, we have collectively worked to lay the foundation for an evolved electric grid, one that will support all the necessary operational benefits as well as the timely integration of distributed energy and the use of artificial intelligence, all while being more cybersecured resilient.

We saw this long-term partnership approach on full display at this year's DistribuTECH, where over 17,000 utility industry participants gathered to demonstrate and share thought leadership on the technologies and solutions that will propel our industry forward. In the Anterix booth alone, we had 40 of our ecosystem members showcasing how their solutions built on 900 megahertz private wireless are advancing resilience, cyber and physical security, clean energy, mobile workforce, grid edge applications, advanced metering and much more.

These are just a sampling of the defining use cases, shaping the market for utility private broadband wireless. We are in addition, working directly with our existing and prospective customers to explore innovative ways to meet these and future new opportunities collectively. Under the leadership of our Senior Vice President of Product Innovation, Waseem Akhtar, we continue to collaborate with Anterix active ecosystem members to pursue the discovery and development of pioneering outcomes-driven products and solutions that harness utility-owned 900 megahertz.

We are actively evaluating opportunities within the product and solutions space as we believe Anterix can produce complementary value across the industry for utilities, ecosystem members and our shareholders. Two examples of product leadership were also on display at DistribuTECH. First was a suite of newly-integrated end-user modems and gateways, leveraging the new multi-band module from our ecosystem member Sequans communications, developed with Anterix and our collaborators 4RF USA, GE Vernova and RAD, which provides LTE connectivity at 900 megahertz and CBRS for grid devices.

Second, we also showcase CatalyX, Anterix's first commercial platform solution, providing connectivity and SIM management that helps utilities realize the benefits of private broadband networks. The utility broadband future is now, and Anterix is at the heart of it, and we look forward to sharing more on these activities and opportunities soon. And now more broadly, as we had announced previously, EPRI, the world's preeminent utility research and development organization, launched a seminal white paper to which Anterix's Utility Strategic Advisory Board was asked to contribute insights.

The paper provides important perspectives and lessons learned to date on advancing resilient clean energy via modern communications technologies, recognizing "that it is crucial to acknowledge that tomorrow's grid is no longer an aspiration. It is an expectation and that a secure utility, telecommunications network plays a strategic role in achieving these goals." I encourage you to read this industry paper, which is available on our website.

Additionally, Anterix was invited to participate in 2 initiatives that are part of the nationwide strategic push toward enhancing cybersecurity and resiliency of the grid for the utility industry. These 2 projects are led by the U.S. Department of Energy's National Laboratories and EPRI, where Anterix and other industry partners will help develop tools and technologies to reduce cyber risk to our nation's energy infrastructure. We are honored to have been selected alongside a number of industry leaders to aid in these important projects and believe that our inclusion in these initiatives is yet another proof point of our leadership in the industry. You can find more details on these opportunities in our press releases issued in March and April and are also available on our website.

Individually, each of these occurrences demonstrates the position that Anterix has earned within the utility sector. Combined, they illustrate what our entire team is working to achieve, the creation of long-term value for our customers, our citizens and our shareholders.

Before I hand it over to Chris to share another ecosystem-wide effort, I wanted to give you a quick update on our demonstrated intent or DI scorecard. As a reminder, our DI scorecard includes tracking 20

measurable indicators for each prospective customer in our pipeline, scoring each indicator based on our assessment of its relative importance, and then calculating a combined demonstrated intent or DI score for each of these prospective customers. As we track and score these individual indicators with weighted scores, it is the sum of the analysis that lets us know whether the DI threshold has been crossed and in turn, informs our confidence level that a utility is demonstrating its intent to proceed with deploying 900 megahertz spectrum.

This intent is tangible at times publicly visible and is measurable. However, crossing the threshold does not mean that the contract is imminent, only that we've seen significant signs of customer intent. We've seen 1 new utility prospect cross the DI threshold as well as the conversion of Oncor to a customer who crossed the threshold of demonstrating the highest intent earlier this year, therefore, maintaining the last reported total of 18 utilities in that highest category of DI, representing approximately \$1 billion in potential contracted proceeds.

Notably, as our DI infographic shows since our last update in February, we've seen continued measurable progress across a number of our accounts, both from those that fall above and below our highest level of demonstrated intent threshold.

With that, I'll turn it over to Chris.

Christopher Guttman-McCabe

Chief Regulatory & Communications Officer

Thank you, Ryan, and good morning, everyone. I'm going to continue the theme of Anterix embracing collaboration working within and across the entire utility ecosystem on a project that could have widespread benefits. Earlier in the fourth quarter, in conjunction with a broad group of utilities and trade associations, including Ameren, the Enterprise Wireless Alliance, Evergy, Lower Colorado River Authority, Portland General Electric, San Diego Gas & Electric, Southern Communication Services, the Utility Broadband Alliance and Xcel Energy, we collectively petitioned the FCC to modify the 900 megahertz rules to provide the flexibility to grow the broadband segment from 3 x 3 to 5 x 5 megahertz using a voluntary mechanism. .

As some of you may recall, this is an option the FCC considered in its original 900 megahertz rulemaking, but which it deemed premature in 2020. As our customers look ahead to the future of utility private broadband, many of them are attracted by having the optionality of more broadband spectrum as they explore and consider future deployment of additional use cases as well as potentially using the network to serve other entities within their footprint.

More than 30 utilities, trade associations and technology companies filed comments in support of the multiparty 5 x 5 petition. This includes utilities directly serving nearly 30 million electricity customers, trade associations whose members serve more than 80% of all U.S. electricity customers and technology leaders who are driving innovation and creating jobs across our nation.

As one organization wrote, the opportunity for a 5 x 5 megahertz broadband system will further advance and facilitate the integration of distributed energy resources, enhanced physical grid reliability and security and enhanced real-time system monitoring. The support throughout the record further echoes and validates the message that Anterix has been sharing with utilities, regulators and investors over the last several years, that the 900 megahertz private wireless broadband revolution will address the most critical communications needs of utilities and advance the evolution of our nation's grid.

While we cannot provide any guarantee that the FCC will adopt this proposal, we are truly encouraged by the broad support across the entire ecosystem that is in the FCC's record. We anticipate that this petition will be a multiyear process, which is commensurate with the value it represents to the utility sector to our ecosystem members and to Anterix.

I'll now turn it over to Tim.

Timothy A. Gray

Chief Financial Officer

Thanks, Chris. Anterix's financial record in the now concluded 2024 fiscal year is one we are proud of. We detailed these results in our 10-K, which was recently filed and is available on our website. But I'll spend a few moments reviewing some of the key highlights that contributed to our success.

We signed 2 new commercial contracts representing over \$64 million in contract proceeds. We also received over \$106 million in cash associated with signed customer contracts. We announced a robust share repurchase program to buy back up to \$250 million of our stock. And through our buyback programs, we returned over \$24 million to our shareholders in fiscal '24.

And finally, we continue to receive fair market value for our spectrum transactions, including the recently announced \$102.5 million Oncor transaction which represented roughly 9.3 million POPs across 95 counties. As a result of these transactions, before buybacks, we delivered approximately \$50 million of positive free cash flow for the full fiscal year. This helps to reinforce our strong financial position as we ended our fiscal year with more than \$60 million in cash and no debt on our balance sheet.

As I've consistently said over the past few years, Anterix is a cash flow story and the deal we just announced reinforces that point. With the cash on our balance sheet, and roughly \$186 million in contracted payments to be received over the next several years, we're clearly in a solid position to continue to return value to our shareholders.

With industry forces driving the need for better and more robust communication system. Anterix is well positioned to continue delivering 900 megahertz private broadband solutions.

With that, I'll turn it over to Rob.

Robert H. Schwartz
President, CEO & Director

Thanks, Tim. Before we conclude, I want to express my gratitude to our incredible Anterix team for their tenacity, creativity and camaraderie. Our team's commitment and hard work has proven once again that they are our most valuable asset, and thanks to their efforts that we have successfully completed this significant milestone transaction.

To close, I want to highlight how confident I am in our position, both financially and strategically. With this Oncor announcement, we now have about \$186 million in contracted cash payable by some of the most creditworthy entities, combined with our year-end \$60 million cash position and no debt. We're also proud that over the past 2 years, we've repurchased approximately 1.2 million shares for about \$48 million and combined puts us in a great place financially. And with our growing patient that we've established in the sector, our pipeline of potential customers, our product opportunities, and our phenomenal Anterix team, I'm equally excited about our strategic positioning for the future. And with that, I'll turn it over to the operator to open the call for questions.

Question and Answer

Operator

[Operator Instructions] And our first question today comes from George Sutton from Craig-Hallum.

George Frederick Sutton

Craig-Hallum Capital Group LLC, Research Division

My congratulations on a wonderful transaction. So I wondered if we could just think through the predictive factors so that for future opportunities we can try to predict these a little bit better. So Oncor was obviously [indiscernible] member, and you were also encouraged, I think, after Lower Colorado got signed that you would have some additional opportunities in Texas. Was there anything else that would have pointed to the potential for this deal a little bit better for us? And I'm also curious about the timing, given that they went to the highest level of intent earlier in the year, which would suggest a relatively fast deal cycle.

Robert H. Schwartz

President, CEO & Director

I'm going to start with an apology, I'm just getting over a bug, and you can probably hear in my voice, it doesn't want to participate in the call, but as much as I do. So in relation to kind of the timing of Oncor and the broader market, we've said in the past it's worth restating. We really approached this very broadly from a sales funnel standpoint. And in other words, we talk about the scope of the opportunity and the number of utilities we're working with at any given time because of -- it's true in classic sales, but even more so with these kind of customers. These utilities have so many pressing issues going on. And so predicting the timing of how long it takes them to get to the cycle from a standing start to finish is always challenging for us and to be frank, even for them to reach.

So -- but there's a couple of factors just getting specifically to Oncor, and then maybe Ryan wants to add some color to it specifically. But we have a concept that we talk about sort of a neighborhood effect. What's happening is we're seeing that when utilities move forward, those around and those influenced by them become more aware of both the opportunity to move forward to private LTE, but also the necessity. And so when I talk broadly about Texas, for example, right? You're well aware of what happened back in '21 with the winter storm and what that -- that was hundreds of billions of dollars of loss and hundreds of lives lost. And so the impact of these things have been -- and beyond that, we had wildfires now in Texas and throughout the country. And so the use cases that are being demonstrated by our utility relationships now across the country are becoming more and more well known.

And unfortunately, the demand side is growing and growing. And so those -- that is driving the timing, both locally within regions, but also nationally. I wish I could give you more specifics about precisely when deals will happen. That's not the precision that either we or often the customer has. But Ryan, do you want to add any more color there?

Ryan Gerbrandt

Chief Operating Officer

Yes, happy to. I mean I think what we've seen now, even through these 7 transactions, in addition to everything else we've seen in the 60-plus in the pipeline, it's never been just one thing to kind of lead to these positive indicators of movement that we can point to. And I think therein lies some of the complexity in terms of how we see these things evolve, keep in mind, I mean, Oncor, as we stated, a complex system, a significant 900-megahertz incumbent. And so clearly, we've had engagement and conversations with them going back well into time, not always about transactions, but certainly with a deeper understanding and appreciation of what we're doing and paying attention to what's happening around them.

Rob touched on it a bit, but kind of the regional, the community effect, I don't think could be understated. We've been kind of looking towards that point in time where we start seeing the impact of the individual

deals that we have and the effect both at the macro level, that creates momentum in its own right. This is, if I say it in a positive light, an industry of followers where we're capturing momentum based on the first to go that we absolutely see play out in regional levels as well already, where the reasons that an individual territory like Texas might move forward, are unique necessarily to an individual utility.

They tend to be more pervasive across the region. The regulatory environment is consistent across the region. And that builds confidence in each of these utilities and underscores the critical importance of having infrastructure like broadband to support the initiatives that they're trying to put together. So it's a combination of things. Also, I'd say it is reflected. You mentioned kind of the transition of them in the DI scorecard. Part of the reason why we're tracking the 20 metrics there is to keep -- and some of those are public and some of them are private. But keep visibility to the things that we believe matter over a longer duration of time as we're focusing our teams and our efforts to keep the ball moving on all these opportunities.

George Frederick Sutton

Craig-Hallum Capital Group LLC, Research Division

So just further on the regional neighborhood concept, and this is a question I would have in the past asked Morgan O'Brien. When we think of the network of network opportunities, does this when we start to put contiguous spaces together, does this help promote that network theme? And can you give us an update there?

Robert H. Schwartz

President, CEO & Director

Yes. Thanks, George. It's very much so, just to answer you quickly. There's a long list of use cases that we've shared, and we put in a lot of our materials that we've published.

But to me, the obvious compelling one is mutual aid, right? So [indiscernible] was talking about these crises that have occurred, weather incidences, other things that occur. Mutual aid is the concept that really plays into what Ryan said, these utilities work together. So when you say that there are utilities that border, storms come through Georgia, there are hundreds of trucks that roll into that area from neighboring utilities in order to be able to help repair and restore service as fast as possible.

That's the union between utilities and the benefit but understand that the communications in those trucks today is not interoperable, right? Those are 2-way radio systems, legacy systems that are unique discrete systems and frequencies, but getting on a collective system. And that starts with voice communications and what's the front line, the important workers that are going after store services, but it then gets into cyber mutual aid, which is a topic that's talked about the Edison Electric Institute, it gets into understanding the data patterns of how to optimize the utilization of power, right?

Transmission goes across these boundaries as well. And transmission is often the most challenging weakest link of how we're solving the energy challenges that are occurring with growing demand aspects of the marketplace. I'm sure you've all seen a lot of the [indiscernible] now about the data center demand because of the growing AI requirements. Utilities have to look at that not as just a point problem, but it's a full network problem from generation to the distribution and consumption of that power.

And so a more effective management of that entire network, not just within 1 service territory, but across service territories and across the nation. In Texas, specifically, that's lot of the ERCOT footprint. That's the regulator that oversees that area.

And so knowing how to more efficiently both generate, manage the power through transmission and also manage consumption. I mentioned some of the stuff that went on with the Gas & Electric Conference as an example. The desire to put large processing power, large compute on the edge of the network. They call it AMI. It's the metering that we see on the size of our houses today, but soon that will be a large processing AI power to both control things that are happening within your house, but also within the neighborhood and being able to say, how can we be more efficient, because power is all about peak consumption.

And so if we can lower the peak consumption by using the generators that are attached to these networks by using the battery storage, the solar in a more efficient way, we can better feed the new uses of power like data centers and industrialized users within the enterprise.

Christopher Guttman-McCabe

Chief Regulatory & Communications Officer

And George, it's Chris. I would sort of pile on and just say, when we talk about the network of networks, we're talking about scale and scope. And to some extent, that's scale and scope in mutual aid, as Rob referenced, or an understanding of network performance, but it's also scale and scope in research and development and scale and scope in buying power and things like that.

And one of the meet facts that was introduced to us in the recent past was when you look at our 6 and now 7 customers collectively combined, they're larger than U.S. Cellular, right? So now they themselves are driving a level of scale, and it will be scale and deployment and it will be scale in, as I said, like research and development and access. So we see this network of network being both national and to the point you raised the regional but the benefits will flow across a wide range of needs for the utilities.

Operator

Our next question comes from Walter Piecyk from LightShed.

Unknown Analyst

This is Joe on for Walt. Kind of a follow-on. So when these service territories overlap, I get that the licenses don't match the specific county lines. Did the utilities have any way to achieve that 100% coverage of the transmission footprint? Like are you able to design a shared model or some sort of solution? Or do you -- with CBRS to closely align to that territory?

Robert H. Schwartz

President, CEO & Director

Joe, thanks for the question and a great segue, I think, for the last question because really when we look at the nation spectrum footprint, which, as we everyone knows we have spectrum in every county of the nation. We look at it as a contiguous eventual coverage as we build out the nation. So when we have [indiscernible] utilities, that could be Ameren Energy or that could be Oncor, LCRA as examples. Those utilities already worked together before we're even in this business. I talked about mutual aid and other things. But as they get into the wireless, this is LTE, like 4G, 5G and evolving from there, it's built to have the capability of sharing their infrastructure, right?

When you take your phone to Europe and roam across countries and seamlessly use it, that's what it's built for. And so absolutely, we'll have sharing between utilities. And so if there's a county that LCRA has and Oncor doesn't, they'll likely find ways to share that. But to be clear, as Ryan talked about all the opportunities for Anterix to continue to develop products and services that's a capability that has that scale and scope that Chris talked about.

And so for us to be able to, on a centralized basis, play a role in helping coordinate and creating value out of that. And that value can be for the utilities to be sharing it and therefore, defraying the cost and lowering the cost to consumers that value can be sharing those networks with third parties because there's opportunities to be able to say they are like-minded users like possibly gas companies or municipal utilities that could also leverage that infrastructure investment in new critical communications. And so those seams will tighten tremendously as these networks get built and they get interconnected using the off-the-shelf capabilities of LTE, but then as we add more and more layers of capabilities and services to be able to create that seamless usage across utility networks.

Unknown Analyst

And then another question. On the 5 x 5 update, if that does go through, what would be the next steps kind of to leverage that opportunity? And then kind of a question, I guess, for Chris, since I'm not -- I

don't understand all the politics in utility world. Does it matter who wins the election? Is there potentially more support from one side versus the other?

Christopher Guttman-McCabe

Chief Regulatory & Communications Officer

Yes, great questions. I'll start with the latter and then back up. What we are pursuing both with our 3 x 3 opportunity and then going forward, hopefully, with our 5 x 5 opportunity, it is really apolitical. In fact, our first reporting order was a 5-0 vote. So we had Republicans and Democrats, and it was led by a Republican Commission over the last several years. All of the great work out of the FCC has been led by Chairwoman Rosenworcel and a Democratic Commission. And so we don't see sort of any impact sort of in terms of political impact of the election.

Now what we have learned, what everyone knows is that the regulatory bodies and government slowdown around an election. But next step is to hopefully secure a notice of proposed rulemaking out of the FCC. I think we've put together really collectively, a really compelling case for them to move forward because it is an intersection of the utility goals of government, all the things Rob, Ryan, everybody has talked about the resiliency, the decarbonization.

So it fits all of that. And then you combine that with really smart spectrum policy which, obviously, the commission embrace that in the 3 x 3 and contemplated it with regard to the 5 x 5. So again, I think we've made a very compelling case. And then -- but we just have work to do to make sure it's on the radar screen of the commission.

And then to move it forward. It is going to be a multiyear process. That is normal, but we believe that this is a very valuable opportunity for the entire ecosystem. And so we're excited to move forward. And 1 core point is when we filed last time, it was the Enterprise Wireless Alliance and Anterix. This time, the co-petitioners span, as I referenced, I mean, just the trade associations alone represent 80% of the electricity consumers in the country. So having that broad swath of support. And then when you add in, you go beyond the co-petitioners you really do get to who's who of utility representation.

Operator

[Operator Instructions] Our next question comes from Griffin Boss from B. Riley Securities.

Griffin Taylor Boss

B. Riley Securities, Inc., Research Division

So I just want to be clear, jumping back to the last question related to the overlap in service territory. So LCRA and Xcel, are -- they will coordinate with Oncor for potential network access in those overlapping counties. And then -- so is that sort of the template that would be used across the country in other parts of the country with other utilities?

Robert H. Schwartz

President, CEO & Director

So without getting into anything that's under NDA, I would say, broadly, we continue to play a role in helping our existing customers coordinate to assure that they can utilize the territories. The concept is historically not as roaming, right, from a -- just from a simplicity standpoint. So again, it's a technology that -- it's a function that's native in the LTE technology. And so but the scale and scope benefit we bring is that as you can think about a utility that has neighbors on all sides, not just on one side in some of these cases, as we're developing now in 15 states, but hopefully soon across the whole nation. We will play the role to help orchestrate that national -- that national aspect of how can you go from 1 territory to another and be able to manage those borders. But Ryan, do you want to add to that?

Ryan Gerbrandt

Chief Operating Officer

Yes. Let me add a little bit, Griffin. I mean, so this isn't particularly unique to any particular territory. I mean as much as we like to think as kind of the footprints of utilities as being very absolute and finite,

reality is they're not. Utilities have relatively flaggy borders, even operate different kinds of service territories where they might have transmission or they might have actual electric consumers or frankly more they might have gas consumers. And what they look to do when they're building these systems is obviously to optimize where the maximum value will be that they can realize given the use case that they go through, but they have a long history of kind of cooperating in a lot of those footprints with all of these neighboring utilities.

And in fact, we talked a little bit about some of the developments that we've been making with the ecosystem in the Utility Strategic Advisory Board that helps give us visibility and guidance to where some strategic direction goes and needs for the industry. The methods to share, the processes to share are a major component of some of the things that are being explored in those conversations already because it is a pretty common nature feature of what we're trying to do. And our role and our ability to be able to help influence and design and then implement those kind of capabilities is exactly the kind of things that we're focused on across the sector and things that really need to get done at a national level to be able to provide the maximum value across a larger set of constituents as possible. So hope that helps.

Griffin Taylor Boss

B. Riley Securities, Inc., Research Division

Yes, absolutely. I appreciate it. And then so what was the clearing price of prior auctions in the area served by Oncor? Do you have that data?

Robert H. Schwartz

President, CEO & Director

Not at our fingertips, we can share, but I'm sure Natasha can follow up with you, Griffin, and provide it to you. As you know, there's a lot of different comparables over the historical auctions and some of the more recent private transactions as well. But I think just to kind of round it out, the price paid, I think, as Tom -- as Tim indicated, is we think of as fair market value, good value based on the \$102.5 million, representing about that \$9.3 million pops across their particular 95 counties.

As you understand, spectrum pricing is just like real estate. And so if you're looking for an acre of land in any one of those counties versus another county around the nation, like an expensive place like San Francisco or New York, the prices are very different. And so you really have to get down to the county level to understand the mix of counties within one particular utility that we transact with versus another and so that's the way we look at it, and that's the way really most utilities have approached it and as have prior spectrum auctions.

Operator

And ladies and gentlemen, at this time and showing no additional questions, I'd like to turn the floor back over to management for any closing remarks.

Robert H. Schwartz

President, CEO & Director

Thank you, and thanks, everyone, for your participation this morning. Again, we couldn't be any more excited to be able to share all of these good news, both the progress this past year and being off to such a great start this particular year. So we appreciate your support and patience and look forward to sharing more progress with you all soon. Thank you. .

Operator

Thank you. Ladies and gentlemen, that does conclude today's conference call and presentation. We do thank you for joining. You may now disconnect your lines.

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