WASHINGTON (Reuters) - Verizon Communications Inc and AT&T were big winners in the U.S. government's auction of wireless licenses that raised a record $19.59 billion, the Federal Communication Commission said on Thursday.

Verizon Wireless, a joint venture with Vodafone Group Plc, won the nationwide "C" block of the auction, giving it control of a major piece of the airwaves being vacated by television broadcasters as they move to digital signals in early 2009.

AT&T won 227 licenses from among the "B" block of regional licenses, but Internet leader Google Inc, while it submitted a serious bid for the C block, in the end won no licenses, the FCC said.

Frontier Wireless, a partner of U.S. satellite television company EchoStar, gained airwaves in the "E" block of the auction, covering almost all of the United States.

"I think the auction was certainly a significant success," FCC Chairman Kevin Martin told reporters, citing the money raised and the C block requirement that it be accessible to any device or software application.

The 700-megahertz spectrum is considered valuable because it can go long distances and penetrate thick walls.

Although major existing phone carriers won a large chunk of the airwaves, Martin said a large percentage of the licenses also went to smaller companies who would provide new competition in the wireless business.

According to Stifel Nicolaus analyst Rebecca Arbogast, AT&T spent a total of about $6.64 billion and Verizon spent $9.63 billion at the auction.

In addition to the nationwide C block, Verizon Wireless also won 25 licenses in the "A"
block, another chunk of regional spectrum.

"It was really heavily weighted by AT&T and Verizon, which got the lions share of the licenses," said Arbogast. "It means that the two big guys just got much bigger."

"Anybody who was hoping this auction would yield a new player is obviously going to be disappointed by the results," she said.

The "D" block of spectrum, that was to have been shared with public safety agencies, did not meet its minimum bid requirement in the auction that ended Tuesday.

Industry analysts have speculated that the D block's $1.3 billion minimum price was too high, or that the rules for negotiations with emergency responders were too onerous.

(Additional reporting by Sinead Carew in New York; Editing by Tim Dobbyn)
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