

CROWN CASTLE INTERNATIONAL CORP

Form 10-K

February 16, 2010

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

or

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-16441

CROWN CASTLE INTERNATIONAL CORP.

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	76-0470458 (I.R.S. Employer Identification No.)
1220 Augusta Drive, Suite 500, Houston, Texas (Address of principal executive offices)	77057-2261 (Zip Code)
(713) 570-3000 (Registrant's telephone number, including area code)	
Securities Registered Pursuant to Section 12(b) of the Act Common Stock, \$.01 par value Rights to Purchase Series A Participating Cumulative Preferred Stock	Name of Each Exchange on Which Registered New York Stock Exchange New York Stock Exchange
Securities Registered Pursuant to Section 12(g) of the Act: NONE.	

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive DataFile required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definitions of a large accelerated filer, accelerated filer and smaller reporting company in rule 12B-2 of the Exchange Act. Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

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The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$6.6 billion as of June 30, 2009, the last business day of the registrant's most recently completed second fiscal quarter, based on the New York Stock Exchange closing price on that day of \$24.02 per share.

Applicable Only to Corporate Registrants

As of February 5, 2010, there were 292,896,876 shares of Common Stock outstanding.

Documents Incorporated by Reference

The information required to be furnished pursuant to Part III of this Form 10-K will be set forth in, and incorporated by reference from, the registrant's definitive proxy statement for the annual meeting of stockholders (the 2010 Proxy Statement), which will be filed with the Securities and Exchange Commission not later than 120 days after the end of the fiscal year ended December 31, 2009.

Table of Contents**CROWN CASTLE INTERNATIONAL CORP.****TABLE OF CONTENTS**

	Page
<u>PART I</u>	
Item 1. <u>Business</u>	1
Item 1A. <u>Risk Factors</u>	8
Item 1B. <u>Unresolved Staff Comments</u>	14
Item 2. <u>Properties</u>	14
Item 3. <u>Legal Proceedings</u>	15
Item 4. <u>Submissions of Matters to a Vote of Security Holders</u>	15
<u>PART II</u>	
Item 5. <u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	16
Item 6. <u>Selected Financial Data</u>	18
Item 7. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	20
Item 7A. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	40
Item 8. <u>Financial Statements and Supplementary Data</u>	43
Item 9. <u>Changes in and Disagreements With Accountants on Accounting and Financial Disclosure</u>	83
Item 9A. <u>Controls and Procedures</u>	83
Item 9B. <u>Other Information</u>	86
<u>PART III</u>	
Item 10. <u>Directors and Executive Officers of the Registrant</u>	86
Item 11. <u>Executive Compensation</u>	86
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management</u>	86
Item 13. <u>Certain Relationships and Related Transactions</u>	86
Item 14. <u>Principal Accountant Fees and Services</u>	86
<u>PART IV</u>	
Item 15. <u>Exhibits, Financial Statement Schedules</u>	87
<u>Signatures</u>	95

Cautionary Language Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements that are based on our management's expectations as of the filing date of this report with the Securities and Exchange Commission (SEC). Statements that are not historical facts are hereby identified as forward-looking statements. In addition, words such as estimate, anticipate, project, plan, intend, believe, expect, likely, predicted, and similar expressions are intended to identify forward-looking statements. Such statements include plans, projections and estimates contained in *Item 1. Business*,

Item 3. Legal Proceedings, *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* (MD&A) and *Item 7A. Quantitative and Qualitative Disclosures About Market Risk* herein.

Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including prevailing market conditions, the risk factors described under *Item 1A. Risk Factors* herein and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected.

Table of Contents

Unless this Form 10-K indicates otherwise or the context otherwise requires, the terms, we, our, our company, the company or us as used in Form 10-K refer to Crown Castle International Corp. (CCIC), a Delaware corporation organized on April 20, 1995, and its subsidiaries. Unless this Form 10-K indicates otherwise or the context otherwise requires, Global Signal refers to the former Global Signal Inc. and its subsidiaries which merged into a subsidiary of ours in January 2007 (Global Signal Merger). Unless this Form 10-K indicates otherwise or the context otherwise requires, the terms CCUSA and in the U.S. refer to our CCUSA segment while the terms CCAL and in Australia refer to our CCAL segment.

PART I

Item 1. Business Overview

We own, operate and lease towers, rooftop installations and other communication structures (collectively, towers) for wireless communications. Our core business is renting space on our towers via long-term contracts in various forms, including license, sublease and lease agreements. Our towers can accommodate multiple customers (co-location) for antennas and other equipment necessary for the transmission of wireless signals for mobile telephones and other devices. Revenues derived from this site rental business represented 92% of our 2009 consolidated revenues. Our site rental revenues are of a recurring nature, and typically in excess of 90% have been contracted for in a prior year. We seek to increase our site rental revenues by adding more tenants on our towers, which we expect to result in significant incremental cash flow due to our relatively fixed tower operating costs.

Information concerning our tower portfolio as of December 31, 2009 is as follows:

We owned, leased or managed approximately 24,000 towers.

We have approximately 22,200 towers in the United States, including Puerto Rico (U.S.), approximately 1,600 towers in Australia, and the remainder of our towers are located in Canada.

Approximately 54% and 71% of our towers in the U.S. are located in the 50 and 100 largest U.S. basic trading areas (BTAs), respectively. Through our Australia tower portfolio, we have a strategic presence in each of Australia's major metropolitan areas, including Sydney, Melbourne, Brisbane, Adelaide and Perth.

Our customers include many of the world's major wireless communications companies. In the U.S., Verizon Wireless, AT&T, Sprint Nextel and T-Mobile accounted for a combined 76% and 73% of our 2009 CCUSA and consolidated revenues, respectively. In Australia, our customers include Telstra, Optus and a joint venture between Vodafone and Hutchison (VHA).

Our site rental revenues typically result from long-term contracts with (1) initial terms of five to 15 years, (2) multiple renewal periods at the option of the tenant of five to ten years each, and (3) limited termination rights for our customers. The weighted-average remaining life of our customers' contracts was approximately seven years, exclusive of renewals at the customers' option.

We owned in fee or had perpetual or long-term easements in the land and other properties (collectively land) on which approximately 5,700 of our towers reside, and we leased, subleased or licensed (collectively leased) the land on which approximately 17,600 of our towers reside. In addition, we managed approximately 700 towers owned by third parties where we had the right to market space on the tower or where we had sublease agreements with the tower owner. The leases for the land under our towers had an average remaining life of approximately 32 years, weighted based on site rental gross margin.

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To a lesser extent, we also provide certain network services relating to our towers, including antenna installations and subsequent augmentation, network design and site selection, site acquisition, site development and other services.

Table of Contents

Strategy

Our strategy is to increase long-term stockholder value by translating anticipated future growth in our core site rental business into growth of our results of operations on a per share basis. We believe our strategy is consistent with our mission to deliver the highest level of service to our customers at all times – striving to be their critical partner as we assist them in growing efficient, ubiquitous wireless networks. The key elements of our strategy are to:

Organically grow the revenues and cash flows from our towers. We seek to maximize the site rental revenues derived from our towers by co-locating additional tenants on our towers through long-term contracts as our customers deploy and improve their wireless networks. We seek to maximize additional tenant co-locations through our focus on customer service and deployment speed and by leveraging our web-based proprietary tools. Due to the relatively fixed nature of the costs to operate our towers (which tend to increase at approximately the rate of inflation), we expect the increased revenues from rent received from additional co-locations and the related subsequent impact from contracted escalations to result in incremental site rental gross margin and growth in our operating cash flows. We believe there is considerable additional future demand for our existing towers based on their location (significant presence in 92 of the top 100 BTAs in the U.S.) and the anticipated growth in the wireless communications industry.

Allocate capital efficiently. We seek to allocate our available capital, including the cash produced by our operations, in a manner that will enhance per share operating results. During 2009, we limited our discretionary investments, including a reduction in discretionary capital expenditures, in order to increase liquidity available to retire debt and settle certain of our interest rate swaps. During 2010, we expect to increase our investment in discretionary capital expenditures and other discretionary investments from 2009 levels, as a result of our financing activity during 2009 and the beginning of 2010 that extended and laddered our debt maturities. Our discretionary investments have historically included those shown below (in no particular order):

purchase shares of our own common stock (common stock) from time to time;

acquire towers;

acquire land under towers;

selectively construct towers and distributed antenna systems;

make improvements and structural enhancements to our existing towers; and

purchase or redeem our debt or preferred stock.

Our long-term strategy is based on our belief that opportunities will be created by the expected continuation of growth in the wireless communications industry, which depends on the demand for wireless telephony and data services by consumers. Despite the recent economic weakness and uncertainty, demand during 2009 continued to grow for wireless services including with respect to data services and third generation (3G) and fourth generation (4G) technologies. Data services have driven growth in the wireless communication industry, while the rate of growth of voice services and wireless users has slowed. The following is a discussion of certain growth trends in the wireless communications industry:

We expect wireless carriers will continue their focus on improving network quality and capacity by adding additional antennas and other equipment for the transmission of their services in an effort to improve customer retention and satisfaction.

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Our customers have introduced, and we believe they plan to (1) continue to deploy, next generation wireless technologies, including 3G and 4G, and (2) expand their offerings of wireless data technology, such as email, internet and mobile video. We expect these next generation technologies and others, including long-term evolution (LTE) and WiMAX, to translate into additional demand for tower space, although the timing and rate of this growth is difficult to predict.

We have seen, and anticipate there could be other, new entrants into the wireless communications industry that should deploy regional or national wireless networks for voice and data services.

The Federal Communications Commission (FCC) auctioned spectrum licenses in the Advanced Wireless Services Auction No. 66 during 2006 and the 700 MHz Band Auction No. 73 in 2008. This spectrum has enabled next generation networks, such as T-Mobile's 3G network and Verizon's 4G network, and we expect that these spectrum auctions and future auctions could continue to enable next generation networks, enable one or more new entrants into the wireless communications industry and encourage more innovation.

Table of Contents

Consumers are increasing their use of wireless voice and data services, as was evident in 2009. According to the most recent Cellular Telecommunications & Internet Association (CTIA) U.S. wireless industry survey and other published reports:

Wireless data service revenues for the first half of 2009 increased by 31% over the first half of 2008 and now represent approximately 28% of the total average revenue per user.

Wireless penetration in the U.S. increased to 91% as of June 30, 2009, with wireless users exceeding 276 million, a 5% year-over-year increase of nearly 14 million subscribers.

The percentage of U.S. households with no wireline communications and only wireless communications increased to in excess of 20% as of June 30, 2009.

Minutes of use exceeded 1.1 trillion for the first half of 2009, which represents a year-over-year increase of 3%.

Many countries outside of the U.S. have wireless penetration rates exceeding 100% and have wireless networks faster and even more robust than the U.S. This wireless activity outside of the U.S. may be a leading indicator for U.S. wireless communications. See also *Item 1. The Company CCAL*.

2009 Highlights and Recent Developments

See *Item 7. MD&A* and our consolidated financial statements for a discussion of developments and activities occurring in 2009 and the beginning of 2010, including the issuance of \$4.8 billion face value of debt and the repayment and repurchase of \$4.4 billion face value of debt in conjunction with laddering and extending the maturities of our debt.

The Company

Virtually all of our operations are located in the U.S. and Australia. We conduct our operations principally through subsidiaries of Crown Castle Operating Company (CCOC), including (1) certain subsidiaries which operate our tower portfolios in the U.S. and (2) a 77.6% owned subsidiary that operates our Australia tower portfolio. For more information about our operating segments, as well as financial information about the geographic areas in which we operate, see note 19 to our consolidated financial statements and *Item 7. MD&A*.

CCUSA

Site Rental. The core business of CCUSA is the renting of antenna space on our towers. To a much lesser extent, we lease access to our distributed antenna systems. We predominately rent to wireless carriers under long-term contracts for the transmission of a variety of wireless signals related to wireless voice and data transmission. At December 31, 2009, CCUSA owned, leased or managed approximately 22,400 towers. The vast majority of our CCUSA towers are located in the U.S., with concentrations in the 100 largest BTAs.

Most of our CCUSA towers were acquired from the four largest wireless carriers (or their predecessors) through transactions consummated during the last decade, including (1) approximately 10,700 towers from Global Signal in 2007, of which approximately 6,600 were originally acquired from Sprint, (2) approximately 4,800 towers during 1999 to 2000 from companies now part of Verizon Wireless, (3) approximately 2,700 towers during 1999 to 2000 from companies now part of AT&T, as well as (4) other smaller acquisitions from companies now part of T-Mobile and other independent tower operators.

We generally receive monthly rental payments from tenants, payable under site leases. We have existing master lease agreements with most wireless carriers, including Verizon Wireless, AT&T, Sprint Nextel, T-Mobile and, Clearwire which provide certain terms (including economic terms) that govern leases on our towers entered into by such parties during the term of their master lease agreements. The lease agreements with our tenants typically result from long-term contracts with (1) initial terms of five to 15 years, (2) multiple renewal periods at the option of the tenant of five to ten years each, (3) limited termination rights for our customers, and (4) contractual escalations of the rental price. More recently, we have negotiated up to 15 year terms for both initial and renewal periods for certain of our customers and are endeavoring to continue that trend. As of December 31, 2009, our customer contracts at CCUSA have a weighted-average current term of ten years with a

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weighted average of approximately seven years remaining on this ten year current term, exclusive of renewals at the customer's option.

Table of Contents

Our tenant leases have a high renewal rate because of (1) the critical location of our towers within our customers' networks, (2) customers' cost associated with relocation of its antennas and other equipment to another tower, and (3) zoning and other barriers associated with the construction of new towers. With limited exceptions, the customer lease agreements may not be terminated. In general, each customer lease agreement which is renewable will automatically renew at the end of its term unless the customer provides prior notice of its intent not to renew.

See note 18 to our consolidated financial statements for a tabular presentation of the minimum rental cash payments due to us by tenants pursuant to lease agreements without consideration of tenant renewal options.

The average monthly rental payment of a new tenant added to a tower varies based on (1) the different regions in the U.S., (2) aggregate customer volume, and (3) the type of signal transmitted by the tenant, primarily as a result of the physical size of the antenna installation and related equipment. We also routinely receive rental payment increases in connection with lease amendments, pursuant to which our customers add additional antennas or other equipment to towers on which they already have equipment pursuant to pre-existing lease agreements.

Approximately two-thirds of our direct site operating expenses consist of ground lease expenses and the remainder includes property taxes, repairs and maintenance, employee compensation and related benefit costs, and utilities. Our operating expenses tend to escalate at approximately the rate of inflation. As a result of the relatively fixed nature of these expenditures, the co-location of additional tenants is achieved at a low incremental operating cost, resulting in high incremental operating cash flows. Our tower portfolio requires minimal sustaining capital expenditures, including tower maintenance and other non-discretionary capital expenditures, and are typically less than 2% of site rental revenues.

Network Services. To a lesser extent, we also offer our customers certain network services relating to our towers. We have grown our network services business over the last several years as a result of management's emphasis on this business, including our focus on customer service and increasing our market share for installation on our towers. Our network services primarily consist of antenna installations and subsequent augmentations, as well as site acquisition services, engineering services, permitting, other construction services, and other services related to network deployments. We have the capability and expertise to install, with the assistance of our network of subcontractors, equipment and antenna systems for our customers. These activities are typically non-recurring and highly competitive, with a number of local competitors in most markets. We typically bill for our antenna installation services on a cost-plus profit basis and to a lesser extent on a fixed price basis. Network services revenues are received primarily from wireless communications companies or their agents.

Customers. We work extensively with large national wireless carriers, and in general, our customers are primarily comprised of providers of wireless voice and data services who operate national or regional networks. Approximately 53% of 2009 CCUSA site rental revenues are with customers (or their parent companies) who are rated investment grade including Verizon Wireless (a joint venture of Verizon Communications and Vodafone), AT&T and T-Mobile (a subsidiary of Deutsche Telecom). In addition to the four largest customers (see table below), our 2009 new tenant additions were derived from second tier and emerging wireless customers, such as those offering flat rate calling plans and wireless data technologies. The following table summarizes the net revenues from our four largest customers expressed as a percentage of CCUSA's and our consolidated revenues for 2009. See *Item 1A. Risk Factors*.

Customer	% of 2009 CCUSA Net Revenues	% of 2009 Consolidated Net Revenues
Sprint Nextel	23%	22%
AT&T	21%	20%
Verizon Wireless	19%	18%
T-Mobile	13%	13%
Total	76%	73%

In addition, new entrants in the wireless industry are emerging as new technologies become available and the FCC authorizes additional spectrum for use. A recent example is Clearwire, a provider of wireless mobile internet services.

Table of Contents

Sales and Marketing. The CCUSA sales organization markets our towers within the wireless communications industry with the objectives of renting space on existing towers and on new towers prior to construction as well as obtaining network services related to our towers. We seek to become the critical partner and preferred independent tower provider for our customers and increase customer satisfaction relative to our peers by leveraging our (1) technological tools, (2) process centric approach, and (3) customer relationships.

We use public and proprietary databases to develop targeted marketing programs focused on carrier network build-outs, modifications, site additions, new tower builds, distributed antenna systems and network services. Information about our customers' existing location of antenna space, leases, marketing strategies, capital spend plans, deployment status, and actual wireless carrier signal strength measurements taken in the field is analyzed to match specific towers in our portfolios with potential new site demand. We have developed a patented web-based tool that stores key tower information above and beyond normal property management information, including data on actual customer signal strength, demographics, site readiness and competitive structures. In addition, the web-based tool assists us in estimating potential demand for our towers with greater speed and accuracy. We believe these and other tools we have developed assist our customers in their site selection and deployment of their wireless networks and provide us with an opportunity to have proactive discussions with them regarding their wireless infrastructure deployment plans and the timing and location of their demand for our towers. A key aspect to our sales and marketing strategy is a continued emphasis on our process centric approach to reduce cycle time related to new leasing and amendments, which helps provide our customers with faster deployment of their networks.

A team of national account directors maintains our relationships with our largest customers. These directors work to develop tower leasing opportunities, network services contracts and site management opportunities, as well as to ensure that customers' tower needs are efficiently translated into new leases on our towers. Sales personnel in our area offices develop and maintain local relationships with our customers that are expanding their networks, entering new markets, bringing new technologies to market or requiring maintenance or add-on business. In addition to our full-time sales and marketing staff, a number of senior managers and officers spend a significant portion of their time on sales and marketing activities and call on existing and prospective customers.

Competition. CCUSA competes with (1) other independent tower owners which also provide site rental and network services, (2) wireless carriers which build, own and operate their own tower networks and lease space to other wireless communication companies, and (3) owners of alternative facilities, including rooftops, water towers, broadcast towers, distributed antenna systems, and utility poles. Some of the larger independent tower companies with which CCUSA competes in the U.S. include American Tower Corporation, SBA Communications Corporation, Global Tower Partners and TowerCo. Wireless carriers that own and operate their own tower networks generally are substantially larger and have greater financial resources than we have. We believe that tower location and capacity, deployment speed, quality of service and price have been and will continue to be the most significant competitive factors affecting the leasing of a tower.

Competitors in the network services business include site acquisition consultants, zoning consultants, real estate firms, right-of-way consulting firms, construction companies, tower owners and managers, radio frequency engineering consultants, telecommunications equipment vendors who can provide turnkey site development services through multiple subcontractors, and our customers' internal staffs. We believe that our customers base their decisions on the outsourcing of network services on criteria such as a company's experience, track record, local reputation, price and time for completion of a project.

CCAL

Our primary business in Australia is the renting of antenna space on towers to our customers. CCAL is owned 77.6% by us and 22.4% by Permanent Nominees (Aust) Ltd, acting on behalf of a group of professional and private investors led by Todd Capital Limited. CCAL is the largest independent tower operator in Australia. As of December 31, 2009, CCAL had approximately 1,600 towers, with a strategic presence in each of Australia's major metropolitan areas, including Sydney, Melbourne, Brisbane, Adelaide and Perth. The majority of CCAL's towers were acquired from Optus (in 2000) and Vodafone (in 2001). CCAL also provides a range of services including site maintenance and property management services for towers owned by third parties.

For 2009, CCAL comprised 5% of our consolidated net revenues. CCAL's principal customers are Telstra, Optus and VHA. For 2009, these three customers accounted for approximately 95% of CCAL's revenues. In June 2009, Vodafone and Hutchison merged their Australian operations in a joint venture named VHA Pty Ltd., with the intention to market primarily under the name Vodafone.

Table of Contents

In Australia, CCAL competes with wireless carriers, which own and operate their own tower networks; service companies that provide site maintenance and property management services; and other site owners, such as broadcasters and building owners. The other significant tower owners in Australia are Broadcast Australia, an independent operator of broadcast towers, and Telstra and Optus, wireless carriers. We believe that tower location, capacity, quality of service, deployment speed and price within a geographic market are the most significant competitive factors affecting the leasing of a tower.

All of the major carriers in Australia have deployed extensive 3G networks which provide high bandwidth wireless services that are generally more robust and faster than typically experienced in the U.S. In addition, the wireless penetration rate in Australia is nearly 115% (i.e., the number of devices exceeds population), compared with 91% in the U.S. These 3G networks utilize a large number of our towers.

Employees

At January 31, 2010, we employed approximately 1,200 people worldwide, including approximately 1,100 in the U.S. We are not a party to any collective bargaining agreements. We have not experienced any strikes or work stoppages, and management believes that our employee relations are satisfactory.

Regulatory Matters

To date, we have not incurred any material fines or penalties or experienced any material adverse effects to our business as a result of any domestic or international regulations. The summary below is based on regulations currently in effect, and such regulations are subject to review and modification by the applicable governmental authority from time to time. If we fail to comply with applicable laws and regulations, we may be fined or even lose our rights to conduct some of our business.

United States

Federal Regulations. Both the FCC and the Federal Aviation Administration (FAA) regulate towers used for wireless communications, radio and television broadcasting. Such regulations control the siting, lighting and marking of towers and may, depending on the characteristics of particular towers, require the registration of tower facilities with the FCC and the issuance of determinations confirming no hazard to air traffic. Wireless communications devices operating on towers are separately regulated and independently licensed based upon the particular frequency used. In addition, the FCC and the FAA have developed standards to consider proposals for new or modified tower and antenna structures based upon the height and location, including proximity to airports. Proposals to construct or to modify existing tower and antenna structures above certain heights are reviewed by the FAA to ensure the structure will not present a hazard to aviation, which determination may be conditioned upon compliance with lighting and marking requirements. The FCC requires its licensees to operate communications devices only on towers that comply with FAA rules and are registered with the FCC, if required by its regulations. Where tower lighting is required by FAA regulation, tower owners bear the responsibility of notifying the FAA of any tower lighting outage and ensuring the timely restoration of such outages. Failure to comply with the applicable requirements may lead to civil penalties.

Local Regulations. The U.S. Telecommunications Act of 1996 amended the Communications Act of 1934 to preserve state and local zoning authorities' jurisdiction over the siting of communications towers. The law, however, limits local zoning authority by prohibiting actions by local authorities that discriminate between different service providers of wireless services or ban altogether the provision of wireless services. Additionally, the law prohibits state and local restrictions based on the environmental effects of radio frequency emissions to the extent the facilities comply with FCC regulations.

Local regulations include city and other local ordinances (including subdivision and zoning ordinances), approvals for construction, modification and removal of towers, and restrictive covenants imposed by community developers. These regulations vary greatly, but typically require us to obtain approval from local officials prior to tower construction. Local zoning authorities may render decisions that prevent the construction or modification of towers or place conditions on such construction or modifications that are responsive to community residents

Table of Contents

concerns regarding the height, visibility and other characteristics of the towers. To expedite the deployment of wireless networks, the FCC issued a declaratory ruling in November 2009 establishing timeframes for the review of applications by local and state governments of 90 days for co-locations and 150 days for new tower construction. If a jurisdiction fails to act within these timeframes, the applicant may file a claim for relief in court. Notwithstanding this declaratory ruling, decisions of local zoning authorities may also adversely affect the timing and cost of tower construction and modification.

Other Regulations. We hold, through certain of our subsidiaries, certain licenses for radio transmission facilities granted by the FCC, including licenses for common carrier microwave service, commercial and private mobile radio service, specialized mobile radio and paging service, which are subject to additional regulation by the FCC. Our FCC license relating to our 1670-1675 MHz U.S. nationwide spectrum license (Spectrum) contains certain conditions related to the services that may be provided thereunder, the technical equipment used in connection therewith and the circumstances under which it may be renewed. We are required to obtain the FCC's approval prior to assigning or transferring control of our FCC licenses.

Australia

Federal Regulations. Carrier licenses and nominated carrier declarations issued under the Australian Telecommunications Act 1997 authorize the use of network units for the supply of telecommunications services to the public. The definition of network units includes line links and base stations used for wireless telephony services but does not include tower infrastructure. Accordingly, CCAL as a tower owner and operator does not require a carrier license under the Australian Telecommunications Act 1997. Similarly, because CCAL does not own any transmitters or spectrum, it does not currently require any apparatus or spectrum licenses issued under the Australian Radiocommunications Act 1992.

Carriers have a statutory obligation to provide other carriers with access to towers, and if there is a dispute (including a pricing dispute), the matter may be referred to the Australian Competition and Consumer Commission for resolution. As a non-carrier, CCAL is not subject to this regime, and our customers negotiate site access on a commercial basis.

While the Australian Telecommunications Act 1997 grants certain exemptions from planning laws for the installation of low impact facilities, newly constructed towers are expressly excluded from the definition of low impact facilities. Accordingly, in connection with the construction of towers, CCAL is subject to state and local planning laws which vary on a site by site basis. Structural enhancements may be undertaken on behalf of a carrier without state and local planning approval under the general maintenance power under the Australian Telecommunications Act 1997, although these enhancements may be subject to state and local planning laws if CCAL is unable to obtain carrier cooperation to use such power. For a limited number of towers, CCAL is also required to install aircraft warning lighting in compliance with federal aviation regulations. In Australia, a carrier may arguably be able to utilize the maintenance power under the Australian Telecommunications Act 1997 to remain as a tenant on a tower after the expiration of a site license or sublease; however, CCAL's customer access agreements generally limit the ability of customers to do this, and, even if a carrier did utilize this power, the carrier would be required to pay for CCAL's financial loss, which would roughly equal the site rental revenues that would have otherwise been payable.

Local Regulations. In Australia there are various local, state and territory laws and regulations which relate to, among other things, town planning and zoning restrictions, standards and approvals for the design, construction or alteration of a structure or facility, and environmental regulations. As in the U.S., these laws vary greatly, but typically require tower owners to obtain approval from governmental bodies prior to tower construction and to comply with environmental laws on an ongoing basis.

Environmental Matters

To date, we have not incurred any material fines or penalties or experienced any material adverse effects to our business as a result of any domestic or international environmental regulations or matters. See *Item 1A. Risk Factors*.

Table of Contents

The construction of new towers and, in some cases, the modification of existing towers in the U.S. may be subject to environmental review under the National Environmental Policy Act of 1969, as amended (NEPA) which requires federal agencies to evaluate the environmental impact of major federal actions. The FCC has promulgated regulations implementing NEPA which require applicants to investigate the potential environmental impact of the proposed tower construction. Should the proposed tower construction present a significant environmental impact, the FCC must prepare an environmental impact statement, subject to public comment. If the proposed construction or modification of a tower may have a significant impact on the environment, the FCC's approval of the construction or modification could be significantly delayed.

Our operations are subject to federal, state and local laws and regulations relating to the management, use, storage, disposal, emission, and remediation of, and exposure to, hazardous and non-hazardous substances, materials and wastes. As an owner, lessee or operator of real property, we are subject to certain environmental laws that impose strict, joint-and-several liability for the cleanup of on-site or off-site contamination relating to existing or historical operations; and we could also be subject to personal injury or property damage claims relating to such contamination. In general, license agreements prohibit our customers from using or storing any hazardous substances on our tower sites in violation of applicable environmental laws and require our customers to provide notice of certain environmental conditions caused by them.

As licensees and tower owners, we are also subject to regulations and guidelines that impose a variety of operational requirements relating to radio frequency emissions. As employers, we are subject to Occupational Safety and Health Administration (and similar occupational health and safety legislation in Australia) and similar guidelines regarding employee protection from radio frequency exposure. The potential connection between radio frequency emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years.

We have compliance programs and monitoring projects to help assure that we are in substantial compliance with applicable environmental laws. Nevertheless, there can be no assurance that the costs of compliance with existing or future environmental laws will not have a material adverse effect on us.

Item 1A. Risk Factors

You should carefully consider all of the risks described below, as well as the other information contained in this document, when evaluating your investment in our securities.

Our substantial level of indebtedness could adversely affect our ability to react to changes in our business, and the terms of our debt instruments limit our ability to take a number of actions that our management might otherwise believe to be in our best interests. In addition, if we fail to comply with our covenants, our debt could be accelerated.

As a result of our substantial indebtedness:

we may be more vulnerable to general adverse economic and industry conditions;

we may find it more difficult to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements or to refinance our existing indebtedness;

we are or will be required to dedicate a substantial portion of our cash flows from operations to the payment of principal and interest on our debt and our interest rate swaps (based on the yield curve in effect as of December 31, 2009), thereby reducing the available cash flow to fund other projects;

we may have limited flexibility in planning for, or reacting to, changes in our business and in the industry;

we may have a competitive disadvantage relative to other companies in our industry with less debt;

we may be required to issue equity securities or securities convertible into equity or sell some of our assets, possibly on unfavorable terms, in order to meet payment obligations; and

we may be limited in our ability to take advantage of strategic business opportunities, including tower development and mergers and acquisitions.

Currently we have debt instruments in place that limit in certain circumstances our ability to incur indebtedness, pay dividends, create liens, sell assets and engage in certain mergers and acquisitions. Our subsidiaries, under their debt instruments, are also required to maintain specific financial ratios. Our ability to comply with the financial ratio covenants under these instruments and to satisfy our debt obligations will depend on our future operating performance. If we fail to comply with the debt restrictions, we will be in default under those instruments, which

Table of Contents

would cause the maturity of a substantial portion of our long-term indebtedness to be accelerated. If our operating subsidiaries were to default on the debt, the trustee could seek to foreclose the collateral securing the debt, in which case we could lose the towers and the revenues associated with the towers.

CCIC and CCOC are holding companies and conduct all of their operations through their subsidiaries. Accordingly, CCIC's and CCOC's respective sources of cash to pay interest and principal on their outstanding indebtedness and preferred stock are distributions relating to their respective ownership interests in their subsidiaries from the net earnings and cash flow generated by such subsidiaries or from proceeds of debt or equity offerings. Earnings and cash flow generated by their subsidiaries are first applied by such subsidiaries in conducting their operations, including the service of their respective debt obligations after which any excess cash flow generally may be paid to a holding company. However, their subsidiaries are legally distinct from the holding companies and, unless they guarantee such debt, have no obligation to pay amounts due on their debt or to make funds available to us for such payment.

We have a substantial amount of indebtedness. In the event we do not repay or refinance such indebtedness, we could face substantial liquidity issues and might be required to issue equity securities or securities convertible into equity securities, or sell some of our assets to meet our debt payment obligations.

We have a substantial amount of indebtedness (approximately \$6.4 billion as of January 31, 2010), which we will need to refinance or repay. See *Item 7. MD&A Liquidity and Capital Resources* for a tabular presentation of our contractual debt maturities. We are also required to redeem all outstanding shares of our 6.25% convertible preferred stock in August 2012 for approximately \$318.0 million, in addition to any unpaid dividends on that preferred stock. We plan on endeavoring to refinance the 2006 tower revenue notes on or before their anticipated repayment date in 2011. There can be no assurances we will be able to refinance our indebtedness on commercially reasonable terms, or terms, including with respect to interest rates, as favorable as our current debt and preferred stock, or at all.

If our tower revenue notes, which were issued by our U.S. tower subsidiaries that comprised substantially all of our U.S. towers prior to the Global Signal Merger and had an aggregate outstanding principal amount of \$3.2 billion as of January 31, 2010, are not repaid in full by their anticipated repayment dates, which range from 2011 to 2020, then the interest rates on those notes will increase substantially (by the greater of (1) an additional 5% per annum over their current rates or (2) the amount, if any, by which the sum of the following exceeds the note rate for a class of tower revenue notes: the yield to maturity on the applicable anticipated repayment date of the United States treasury security having a term closest to ten years, plus 5%, plus the post-anticipated repayment date spread for such class of tower revenue notes) and monthly amortization payments will commence. If this occurs, then substantially all of the cash flows of those tower subsidiaries must be applied to repay the principal of the tower revenue notes.

In addition, based on current interest rates and the yield curve in effect as of December 31, 2009, our interest rate swaps are in a substantial liability position. See *Item 1A. Risk Factors Our interest rate swaps are currently in a substantial liability position and will need to be cash settled within the next two years, which could adversely affect our financial condition.*

The global credit and capital markets are undergoing a period of substantial volatility and disruption, and the global economy is experiencing weakness and uncertainty. Although the credit markets have improved during 2009, we believe that this volatile credit environment has resulted in increased interest rates in the marketplace in general and for us specifically as compared to periods immediately prior to 2007. Any renewed financial turmoil, worsening credit environment, economic weakness and uncertainty could impact the availability and cost of debt financing, including with respect to any refinancing of the obligations described above.

If we are unable to refinance or renegotiate our debt, we cannot guarantee that we will be able to generate enough cash flows from operations or that we will be able to obtain enough capital to service our debt, pay our obligations under our convertible preferred stock or fund our planned capital expenditures. In such an event, we could face substantial liquidity issues and might be required to issue equity securities or securities convertible into equity securities, or sell some of our assets to meet our debt payment obligations. Failure to refinance indebtedness when required could result in a default under such indebtedness. Assuming we meet certain financial ratios, we have the ability under our debt instruments to incur additional indebtedness, and any additional indebtedness we incur could exacerbate the risks described above.

Table of Contents

Our interest rate swaps are currently in a substantial liability position and will need to be cash settled within the next two years, which could adversely affect our financial condition.

We have used interest rate swaps to hedge our interest rate risk, which could adversely affect our financial condition. As a result of our interest rate swaps, we would not benefit from the recent declines in benchmark interest rates if the declines remain when we ultimately cash settle these obligations. As of January 31, 2010, our outstanding forward-starting interest rate swaps had a combined notional amount of \$5.0 billion; and the liability, totaled \$408.4 million on a settlement basis. In addition, we have interest rate swaps, with a combined notional amount of \$600.0 million that will be settled over 2010 and 2011 and would currently result in total payments by us of \$3.3 million on a settlement basis as of January 31, 2010. See *Item 7A. Quantitative and Qualitative Disclosures About Market Risk* for the cash obligations by year of maturity, based on current interest rates and the yield curve in effect as of December 31, 2009, required to settle the forward-starting interest rate swaps.

Our business depends on the demand for wireless communications and towers, and we may be adversely affected by any slowdown in such demand.

Demand for our towers depends on the demand for antenna space from our customers, which, in turn, depends on the demand for wireless telephony and data services by their customers. The willingness of our customers to utilize our infrastructure, or renew existing leases on our towers, is affected by numerous factors, including:

consumer demand for wireless services;

availability and capacity of our towers and the land under those towers;

location of our towers and alternative towers;

financial condition of our customers, including their availability and cost of capital;

willingness of our customers to maintain or increase their capital expenditures;

increased use of network sharing, roaming, joint development, or resale agreements by our customers;

mergers or consolidations among our customers;

governmental regulations, including local and state restrictions on the proliferation of towers;

cost of constructing towers;

technological changes, including those affecting (1) the number or type of towers or other communications sites needed to provide wireless communications services to a given geographic area and (2) the obsolescence of certain existing wireless networks; and

our ability to efficiently satisfy our customers' service requirements.

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A slowdown in demand for wireless communications or our towers may negatively impact our growth or otherwise have a material adverse effect on us.

A substantial portion of our revenues is derived from a small number of customers, and the loss, consolidation or financial instability of, or network sharing among, any of our limited number of customers may materially decrease revenues and reduce demand for our towers and network services.

For 2009, approximately 73% of our consolidated revenues was derived from Sprint Nextel, AT&T, Verizon Wireless and T-Mobile, which represented 22%, 20%, 18% and 13%, respectively, of our consolidated net revenues. The loss of any one of our large customers as a result of bankruptcy, insolvency, consolidation, merger with other customers of ours or otherwise may materially decrease our revenues and have other adverse effects on our business. We cannot guarantee that leases (including management agreements) with our major customers will not be terminated or that these customers will renew their lease agreements with us. See also *Item 1. Business The Company*.

Consolidation among our customers may result in duplicate or overlapping parts of networks, which may result in a reduction of sites and have a negative effect on revenues and cash flows.

Consolidation among our customers will likely result in duplicate or overlapping parts of networks, which may result in a reduction of cell sites and impact revenues from our towers. In addition, consolidation may result in a reduction in such customers' future capital expenditures in the aggregate because their expansion plans may be similar. In the last several years, certain of our larger carrier customers have merged, including Cingular Wireless

Table of Contents

(now known as AT&T) with AT&T Wireless in October 2004 and Sprint with Nextel in August 2005. Any industry consolidation could decrease the demand for our towers, which in turn may result in a reduction in our revenues and cash flows.

Sales or issuances of a substantial number of shares of our common stock may adversely affect the market price of our common stock.

Future sales or issuances of a substantial number of shares of our common stock or other equity related securities may adversely affect the market price of our common stock. As of February 5, 2010, we had 292.9 million shares of common stock outstanding, and we reserved (1) 11.2 million shares of common stock for future issuance under our various stock compensation plans and (2) 8.6 million shares of common stock for the conversion of our outstanding convertible preferred stock. If we are not able to refinance our debt over the long-term, we may face liquidity issues and might be required to issue equity securities or securities convertible into equity securities which may cause the price of our common stock to decline significantly.

In addition, a small number of stockholders own a significant percentage of our outstanding common stock. If any one of these stockholders, or any group of our stockholders, sells a large quantity of shares of our common stock, or the public market perceives that existing stockholders might sell a large quantity of shares of our common stock, the market price of our common stock may significantly decline.

A wireless communications industry slowdown may materially and adversely affect our business (including reducing demand for our towers and network services) and the business of our customers.

In past years, the wireless communications industry has periodically experienced general slowdowns which negatively affected the factors described in these risk factors, thereby reducing demand for tower space and network services. Similar slowdowns in the future may reduce consumer demand for wireless services or negatively impact the debt and equity markets accessed by the wireless communications industry, thereby causing carriers to delay or abandon implementation of new systems, technologies and coverage areas. Beginning in 2008, the global credit and capital markets have undergone substantial volatility and disruption, and the economy is experiencing weakness and uncertainty. There can be no assurances that such a difficult economic environment will not adversely impact the wireless communications industry, which may materially and adversely affect our business, including by reducing demand for our towers and network services. In addition, such a slowdown may increase competition for site rental customers and network services. A wireless communications industry slowdown may result in the write-off of some or all of our goodwill and our inability to utilize our net operating loss carryforwards.

As a result of competition in our industry, including from some competitors with significantly more resources or less debt than we have, we may find it more difficult to achieve favorable rental rates on our new or renewing customer leases.

Our growth is dependent on entering into new customer leases as well as renewing or reletting customer leases when existing customer leases terminate. We face competition for site rental customers from various sources, including:

other independent tower owners or operators;

wireless carriers that own and operate their own towers and lease antenna space to other wireless communication companies;

owners of alternative facilities including rooftops, water towers, distributed antenna systems, broadcast towers and utility poles; and

new alternative deployment methods in the wireless communication industry.

Wireless carriers that own and operate their own tower portfolios are generally substantially larger and have greater financial resources than we have. Competition in our industry may make it more difficult for us to attract new customers, maintain or increase our gross margins or maintain or increase our market share.

Table of Contents

New technologies may significantly reduce demand for our towers and negatively impact our revenues.

Improvements in the efficiency of wireless networks could reduce the demand for our towers. For example, signal combining technologies that permit one antenna to service multiple frequencies and, thereby, multiple customers may reduce the need for our towers. In addition, other technologies, such as wireless mesh networks, Wi-Fi, femtocells, satellite transmission systems (such as low earth orbiting), and distributed antenna systems, may, in the future, serve as substitutes for or alternatives to leasing that might otherwise be anticipated or expected on our towers had such technologies not existed. Any significant reduction in tower leasing demand resulting from the previously mentioned technologies or other technologies may negatively impact our revenues or otherwise have a material adverse effect on us.

New wireless technologies may not deploy or be adopted by customers as rapidly or in the manner projected.

There can be no assurances that new wireless services and technologies, such as 4G, will be introduced or deployed as rapidly or in the manner projected by the wireless or broadcast industries. In addition, demand and customer adoption rates for such new technologies may be lower or slower than anticipated for numerous reasons. As a result, growth opportunities and demand for our towers as a result of such technologies may not be realized at the times or to the extent anticipated.

If we fail to retain rights to the land under our towers, our business may be adversely affected.

Our real property interests relating to the land on which our towers reside consist primarily of leasehold and sub-leasehold interests, fee interests, easements, licenses and rights-of-way. A loss of these interests may interfere with our ability to conduct our business and generate revenues. For various reasons, we may not always have the ability to access, analyze and verify all information regarding titles and other issues prior to completing an acquisition of towers. Further, we may not be able to renew ground leases on commercially viable terms. Our ability to retain rights to the land on which our towers reside depends on our ability to purchase such land or to renegotiate and extend the terms of the leases relating to such land. Approximately 10% of our site rental gross margins for the year ended December 31, 2009 are derived from towers where the leases for the land under such towers have final expiration dates of less than ten years. If we are unable to retain rights to the land on which our towers reside may have a material adverse effect on us.

Our network services business has historically experienced significant volatility in demand, which reduces the predictability of our results.

The operating results of our network services business for any particular period may vary significantly and should not necessarily be considered indicative of longer-term results for this activity. Our network services business may be adversely impacted by various factors including competition, economic weakness and uncertainty, and changes in the type and volume of work performed and our market share.

If we fail to comply with laws or regulations which regulate our business and which may change at any time, we may be fined or even lose our right to conduct some of our business.

A variety of federal, state, local and foreign laws and regulations apply to our business, including those discussed in *Item 1. Business*. Failure to comply with applicable requirements may lead to civil penalties or require us to assume indemnification obligations or breach contractual provisions. We cannot guarantee that existing or future laws or regulations, including state and local tax laws, will not adversely affect our business, increase delays or result in additional costs. These factors may have a material adverse effect on us.

If radio frequency emissions from wireless handsets or equipment on our towers are demonstrated to cause negative health effects, potential future claims could adversely affect our operations, costs and revenues.

The potential connection between radio frequency emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years. We cannot guarantee that claims relating to radio frequency emissions will not arise in the future or that the results of such studies will not be adverse to us.

Table of Contents

Public perception of possible health risks associated with cellular and other wireless communications may slow or diminish the growth of wireless companies, which may in turn slow or diminish our growth. In particular, negative public perception of, and regulations regarding, these perceived health risks may slow or diminish the market acceptance of wireless communications services. If a connection between radio emissions and possible negative health effects were established, our operations, costs and revenues may be materially and adversely affected. We currently do not maintain any significant insurance with respect to these matters.

Certain provisions of our certificate of incorporation, by-laws and operative agreements and domestic and international competition laws may make it more difficult for a third party to acquire control of us or for us to acquire control of a third party, even if such a change in control would be beneficial to our stockholders.

We have a number of anti-takeover devices in place that will hinder takeover attempts and may reduce the market value of our common stock. Our anti-takeover provisions include:

a staggered board of directors;

the authority of the board of directors to issue preferred stock without approval of the holders of our common stock; and

advance notice requirements for director nominations and actions to be taken at annual meetings.

Our by-laws permit special meetings of the stockholders to be called only upon the request of our Chief Executive Officer or a majority of the board of directors, and deny stockholders the ability to call such meetings. Such provisions, as well as the provisions of Section 203 of the Delaware General Corporation Law, may impede a merger, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

In addition, domestic and international competition laws may prevent or discourage us from acquiring towers or tower networks in certain geographical areas or impede a merger, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

We may be adversely effected by exposure to changes in foreign currency exchange rates relating to our operations in Australia.

Our Australian operations expose us to fluctuations in foreign currency exchange rates. For 2009, approximately 5% of our consolidated net revenues were denominated in Australian dollars. Economic weakness and uncertainty has heightened the volatility of foreign currency exchange rates over the past two years. We have not historically engaged in significant hedging activities relating to our Australian operations, and we may suffer future losses as a result of changes in currency exchange rates.

Available Information and Certifications

We maintain an internet website at www.crowncastle.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K (and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934) are made available, free of charge, through the investor relations section of our internet website at <http://investor.crowncastle.com> as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

In addition, our corporate governance guidelines, business practices and ethics policy and the charters of our Audit Committee, Compensation Committee and Nominating & Corporate Governance Committee are available through the investor relations section of our internet website at <http://www.crowncastle.com/investor/corpgovernance.asp>, and such information is also available in print to any stockholder who requests it.

We submitted the Chief Executive Officer certification required by Section 303A.12(a) of the New York Stock Exchange (NYSE) Listed Company Manual, relating to compliance with the NYSE s corporate governance listing standards, to the NYSE on June 18, 2009 with no qualifications. We have included the certifications of our Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 and related rules as Exhibits 31.1 and 31.2 to this Annual Report on Form 10-K.

Table of Contents**Item 1B. Unresolved Staff Comments**

None.

Item 2. Properties

The following sets forth details concerning our principal offices:

Location	Function	Property Interest
Houston, Texas	Corporate headquarters and other CCUSA operations	Owned
Canonsburg, Pennsylvania	Corporate headquarters and other CCUSA operations	Owned
Sydney, Australia	CCAL headquarters	Leased

In addition to these principal offices, CCUSA leases and maintains area offices located in (1) Charlotte, North Carolina, (2) Alpharetta, Georgia, and (3) Phoenix, Arizona, which are in addition to the area office operated from our Canonsburg, Pennsylvania corporate office. The principal responsibilities of these area offices are to manage the renting of tower space on a local basis, maintain the towers already located in the area and service our customers in the area. In addition, we lease additional, smaller district offices, which report to the area offices, in locations with high tower concentrations.

Towers are vertical metal structures generally ranging in height from 50 to 500 feet. In addition, wireless communications equipment may also be placed on building rooftops and other structures. Towers are generally located on tracts of land of up to five acres. These tracts of land support the towers, equipment shelters and, where applicable, guyed wires to stabilize the structure.

See *Item 1. Business Overview* for information regarding our tower portfolio including with respect to our real property interests and for a discussion of the location of our towers in the U.S. and Australia, including the percentage of our U.S. towers in the top 50 and 100 BTAs. See *Item 7. MD&A Liquidity and Capital Resources Contractual Cash Obligations* for a tabular presentation of the remaining terms to final expiration of the leases for the land which we do not own and on which our towers are located as of December 31, 2009.

Our tower revenue notes issued in 2010 and 2006 are effectively secured by approximately 6,800 of our towers and the cash flows from those towers. Governing documents relating to another approximately 4,900 towers prevent liens from being granted on those towers without approval of a subsidiary of Verizon; however, distributions paid from the entities that own those towers will also service the tower revenue notes. In addition, approximately 1,200 and 7,900 of our towers and the cash flows derived from these towers are effectively pledged as security for our 2009 securitized notes and the 7.75% secured notes, respectively. See note 7 to our consolidated financial statements.

Substantially all of our towers can accommodate another tenant either as currently constructed or with appropriate modifications to the tower. Additionally, if so inclined as a result of customer demand, we could generally also tear down an existing tower and reconstruct another tower in its place with additional capacity, subject to certain restrictions. As of December 31, 2009, the average number of tenants per tower is approximately 2.9 on our towers. The following is a summary of the number of existing tenants per tower as of December 31, 2009 (see *Item 7. MD&A Accounting and Reporting Matters Critical Accounting Policies and Estimates* for a discussion of our impairment evaluation and our towers with no tenants).

Number of Tenants	Percent of Towers
Greater than five	9%
Five	7%
Four	13%
Three	18%
Two	24%
Less than two	29%
Total	100%

Table of Contents

Item 3. *Legal Proceedings*

We are periodically involved in legal proceedings that arise in the ordinary course of business along with a stockholder derivative lawsuit as described below. Most of these proceedings arising in the ordinary course of business involve disputes with landlords, vendors, collection matters involving bankrupt customers, zoning and variance matters, condemnation or wrongful termination claims. While the outcome of these matters cannot be predicted with certainty, management does not expect any pending matters to have a material adverse effect on us.

In February 2007, plaintiffs filed a consolidated petition styled *In Re Crown Castle International Corp. Derivative Litigation*, Cause No. 2006-49592; in the 234th Judicial District Court, Harris County, Texas which consolidated five stockholder derivative lawsuits filed in 2006. The lawsuit names various of our current and former directors and officers. The lawsuit makes allegations relating to our historic stock option practices and alleges claims for breach of fiduciary duty and other similar matters. Among the forms of relief, the lawsuit seeks alleged monetary damages sustained by CCIC. In October 2009, the plaintiffs' claims with respect to the consolidated petition styled *In Re Crown Castle International Corp. Derivative Litigation*, Cause No. 2006-49592, in the 234th Judicial District Court, Harris County, Texas were dismissed with prejudice. This order to dismiss is appealable by the plaintiff.

Item 4. *Submissions of Matters to a Vote of Security Holders*

None.

Table of Contents**PART II****Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***
Price Range of Common Stock

Our common stock is listed and traded on the NYSE under the symbol CCI. The following table sets forth for the calendar periods indicated the high and low sales prices per share of our common stock as reported by NYSE.

	High	Low
2009:		
First Quarter	\$ 21.99	\$ 15.40
Second Quarter	27.23	19.96
Third Quarter	32.32	22.73
Fourth Quarter	39.99	29.47
2008:		
First Quarter	\$ 41.67	\$ 30.35
Second Quarter	43.24	34.69
Third Quarter	38.91	26.37
Fourth Quarter	28.75	8.75

As of February 5, 2010, there were approximately 840 holders of record of our common stock.

Dividend Policy

We have never declared or paid any cash dividends on our common stock. It is our current policy to retain our cash provided by operating activities to finance the expansion of our operations, to reduce our debt or to purchase our own stock (either common or preferred). Future declaration and payment of cash dividends, if any, will be determined in light of the then-current conditions, including our earnings, cash flows from operations, capital requirements, financial condition, our relative market capitalization, taxable income, taxpayer status, and other factors deemed relevant by the board of directors. In addition, our ability to pay dividends is limited by the terms of our debt instruments under certain circumstances and the terms of our convertible preferred stock.

The holders of our 6.25% Convertible Preferred Stock are entitled to receive cumulative dividends at the rate of 6.25% per annum, payable on a quarterly basis. We have the option to pay the dividends on such series of preferred stock in cash or in shares of common stock. The number of shares of common stock required to be issued to pay such dividends is dependent upon the market value of our common stock at the time such dividend is required to be paid. In 2009 and 2008, dividends on our 6.25% Convertible Preferred Stock were paid in each of those years utilizing approximately \$19.9 million in cash. We may choose to continue cash payments of the dividends in the future in order to avoid dilution caused by the issuance of common stock as dividends on our preferred stock.

Equity Compensation Plans

Certain information with respect to our equity compensation plans is set forth in Item 12 herein.

Table of Contents**Performance Graph**

The following performance graph is a comparison of the five year cumulative stockholder return on our common stock against the cumulative total return of the NYSE Market Index and the Dow Jones Telecommunication Equipment Index for the period commencing December 31, 2004 and ending December 31, 2009. The performance graph assumes an initial investment of \$100.0 in our common stock and in each of the indices. The performance graph and related text are based on historical data and are not necessarily indicative of future performance.

Company/Index/Market	Years Ended December 31,					
	2004	2005	2006	2007	2008	2009
Crown Castle International Corp.	\$ 100.0	\$ 161.72	\$ 194.11	\$ 250.00	\$ 105.65	\$ 234.62
NYSE Market Index	100.0	106.95	126.05	134.35	79.41	99.10
DJ Telecommunication Equipment Index	100.0	101.39	118.08	121.95	72.49	109.33

The performance graph above and related text are being furnished solely to accompany this annual report on Form 10-K pursuant to Item 201(e) of Regulation S-K, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of ours, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Table of Contents**Item 6. Selected Financial Data**

Our selected historical consolidated financial and other data set forth below for each of the five years in the period ended December 31, 2009, and as of December 31, 2009, 2008, 2007, 2006 and 2005 have been derived from our consolidated financial statements. Acquisitions and dispositions can affect the year-to-year comparability of our results. In January 2007, we completed the Global Signal Merger. The results of operations from Global Signal have been included in our results from January 12, 2007. The Global Signal Merger significantly increased our tower portfolio and impacted the comparability of our 2009, 2008 and 2007 results and changes in financial condition to prior periods. The information set forth below should be read in conjunction with *Item 1. Business*, *Item 7. MD&A* and our consolidated financial statements.

	Years Ended December 31,				
	2009(b)	2008(b)	2007(b)	2006	2005
	(In thousands of dollars, except per share amounts)				
Statement of Operations Data:					
Net revenues:					
Site rental	\$ 1,543,192	\$ 1,402,559	\$ 1,286,468	\$ 696,724	\$ 597,125
Network services and other	142,215	123,945	99,018	91,497	79,634
Total net revenues	1,685,407	1,526,504	1,385,486	788,221	676,759
Operating expenses:					
Costs of operations(a):					
Site rental	456,560	456,123	443,342	212,454	197,355
Network services and other	92,808	82,452	65,742	60,507	54,630
Total costs of operations	549,368	538,575	509,084	272,961	251,985
General and administrative	153,072	149,586	142,846	104,532	113,910
Restructuring charges (credits)			3,191	(391)	2,615
Asset write-down charges(c)	19,237	16,888	65,515	2,945	2,925
Acquisition and integration costs(d)		2,504	25,418	1,503	
Depreciation, amortization and accretion	529,739	526,442	539,904	285,244	281,118
Operating income (loss)	433,991	292,509	99,528	121,427	24,206
Interest expense and amortization of deferred financing costs(e)	(445,882)	(354,114)	(350,259)	(162,328)	(133,806)
Impairment of available-for-sale securities(g)		(55,869)	(75,623)		
Gains (losses) on purchases and redemptions of debt(e)	(91,079)	42		(5,843)	(283,797)
Net gain (loss) on interest rate swaps(f)	(92,966)	(37,888)		491	(1,130)
Interest and other income (expense)	5,413	2,101	9,351	(2,120)	2,484
Income (loss) before income taxes	(190,523)	(153,219)	(317,003)	(48,373)	(392,043)
Benefit (provision) for income taxes(h)	76,400	104,361	94,039	(843)	(3,225)
Income (loss) from continuing operations	(114,123)	(48,858)	(222,964)	(49,216)	(395,268)
Income (loss) from discontinued operations, net of tax				5,657	848
Income (loss) before cumulative effect of change in accounting principle	(114,123)	(48,858)	(222,964)	(43,559)	(394,420)
Cumulative effect of change in accounting principle for asset retirement obligations					(9,031)
Net income (loss)(i)	(114,123)	(48,858)	(222,964)	(43,559)	(403,451)
Less: Net income (loss) attributable to the noncontrolling interest	209		(151)	(1,666)	(3,525)
Net income (loss) attributable to CCIC stockholders	(114,332)	(48,858)	(222,813)	(41,893)	(399,926)
	(20,806)	(20,806)	(20,805)	(20,806)	(49,356)

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Dividends on preferred stock, net of losses on purchases of preferred stock(j)

Net income (loss) attributable to CCIC stockholders after deduction of dividends on preferred stock, net of losses on purchases of preferred stock

\$ (135,138) \$ (69,664) \$ (243,618) \$ (62,699) \$ (449,282)

Income (loss) from continuing operations attributable to CCIC stockholders per common share basic and diluted

\$ (0.47) \$ (0.25) \$ (0.87) \$ (0.33) \$ (2.02)

Weighted-average common shares outstanding basic and diluted (in

thousands)

286,622 282,007 279,937 207,245 217,759

Table of Contents

	Years Ended December 31,				
	2009(b)	2008(b)	2007(b)	2006	2005
	(In thousands of dollars, except per share amounts)				
Other Data:					
Summary cash flow information:					
Net cash provided by (used for) operating activities	\$ 571,256	\$ 513,001	\$ 350,355	\$ 275,759	\$ 204,912
Net cash provided by (used for) investing activities	(172,145)	(476,613)	(791,448)	(432,499)	(264,140)
Net cash provided by (used for) financing activities	214,396	47,717	(77,782)	678,914	(445,636)
Ratio of earnings to fixed charges(k)					
Balance Sheet Data (at period end):					
Cash and cash equivalents	\$ 766,146	\$ 155,219	\$ 75,245	\$ 592,716	\$ 65,408
Property and equipment, net	4,895,983	5,060,126	5,051,055	3,246,446	3,294,333
Total assets	10,956,606	10,361,722	10,488,133	5,007,464	4,131,317
Total net interest rate swap liabilities (assets)	300,040	541,171	65,341	(2,200)	475
Total debt and other long-term obligations(e)	6,579,150	6,102,189	6,072,103	3,516,294	2,273,206
Redeemable preferred stock	315,654	314,726	313,798	312,871	311,943
Total CCIC stockholders' equity	2,936,241	2,715,865	3,166,911	756,281	1,178,376

- (a) Exclusive of depreciation, amortization and accretion shown separately.
- (b) See introductory remarks regarding the Global Signal Merger.
- (c) 2007 is inclusive of \$57.6 million related to the write-off of substantially all of our Modeo assets other than the Spectrum. See note 20 to our consolidated financial statements.
- (d) Acquisition and integration costs are related to the Global Signal Merger. The integration of Global Signal was completed in the first quarter of 2008. See notes 3 and 20 to our consolidated financial statements.
- (e) Over the last five years, we have used debt to refinance other debt and fund discretionary investments such as acquisitions and purchases of common stock. We maintain debt leverage at levels that we believe optimize our weighted-average cost of capital. The following is a discussion of our debt activity for each of the last five years. See also note 7 to our consolidated financial statements.

During 2009, we issued \$2.9 billion face value of debt and purchased and repaid \$2.4 billion face value of debt and the remainder was held in cash at year end. These refinancings extended and laddered the maturities of our debt portfolio and increased our weighted-average cost of debt. We incurred losses on the purchase and repayment of this debt.

During 2008, we made no material changes in our debt.

During 2007, \$1.8 billion of mortgage loans remained outstanding as a result of the Global Signal Merger. We borrowed an aggregate \$725.0 million under term loans and a revolving credit facility and predominately used the proceeds to purchase our common stock.

During 2006, we increased our debt by approximately \$1.2 billion and primarily used the proceeds to fund the cash consideration of the Global Signal Merger, the Mountain Union Telecom, LLC acquisition and purchases of our common stock.

During 2005, we lowered our weighted-average interest rate by refinancing our high yield debt with the proceeds from \$1.9 billion of tower revenue notes. We incurred losses on the purchase of the high yield notes and the 4% convertible notes.

- (f) The 2008 amount predominately represents losses on our interest rate swaps with a subsidiary of Lehman Brothers Holdings Inc. that no longer qualify for hedge accounting. The 2009 amount represents losses on various interest rate swaps that no longer qualify for hedge accounting and includes swaps that no longer are economic hedges.
- (g) In 2008 and 2007, we recorded impairment charges related to an other-than-temporary decline in the value of our investment in FiberTower Corporation (FiberTower). See note 6 to our consolidated financial statements.
- (h) In 2006 and 2005, we had a full valuation allowance on our deferred tax assets. As a result of a deferred tax liability recorded in connection with the Global Signal Merger, we recorded tax benefits during 2009, 2008 and 2007. 2008 includes tax benefits of \$74.9 million resulting from the completion of the Internal Revenue Service (IRS) examination of our federal tax return for 2004. See note 10 to our consolidated financial statements.
- (i) No cash dividends were declared or paid in 2009, 2008, 2007, 2006 or 2005.
- (j) Includes net losses of \$12.0 million on purchases of preferred stock in 2005. Following the redemption of the 8 1/4% Convertible Preferred Stock in December 2005, dividends on preferred stock relate solely to the 6.25% Convertible Preferred Stock.

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- (k) For purposes of computing the ratio of earnings to fixed charges, earnings represent income (loss) from continuing operations before income taxes, cumulative effect of change in accounting principle and fixed charges. Fixed charges consist of interest expense, the interest component of operating leases, amortization of deferred financing costs and dividends on preferred stock classified as liabilities. For 2009, 2008, 2007, 2006 and 2005 earnings were insufficient to cover fixed charges by \$190.5 million, \$153.2 million, \$318.4 million, \$49.7 million and \$392.0 million, respectively.

Table of Contents

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* **General Overview**

Overview

We own, lease or manage approximately 24,000 towers for wireless communications, including the towers acquired in the Global Signal Merger (see note 3 to our consolidated financial statements). Revenues generated from our core site rental business represented 92% of our 2009 consolidated revenues. CCUSA, our largest operating segment, accounted for 95% of our 2009 site rental revenues, of which 79% were derived from the four largest wireless carriers in the U.S. Our site rental revenues are of a recurring nature, and typically, in excess of 90% have been contracted for in a prior year. See *Item 1. Business* for a further discussion of our business, including certain key terms of our lease agreements.

The following are certain highlights of our business fundamentals, as further discussed in this Form 10-K, including in *Item 1. Business* and this *MD&A*:

potential growth resulting from wireless network expansion;

site rental revenues under long-term leases with contractual escalations;

revenues predominately from large wireless carriers;

majority of land under our towers under long-term control;

relatively fixed tower operating costs;

high incremental cash flows on organic revenue growth;

minimal sustaining capital expenditure requirements;

majority of our debt has contractual maturities longer than five years and has fixed rate coupons; and

significant cash flows from operations.

Our long-term strategy is to increase stockholder value by translating anticipated future growth in our core site rental business into growth in our results of operations on a per share basis. The key elements of our strategy are (see *Item 1. Business* for further discussion):

to organically grow revenues and cash flows from our towers by co-locating additional tenants on our existing towers; and

to allocate capital efficiently (in no particular order: purchase our own common stock, enter into strategic tower acquisitions, selectively construct or acquire towers and distributed antenna systems, acquire the land on which towers are located, improve and

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structurally enhance our existing towers, and purchase or redeem our debt or preferred stock). See *Item 7. MD&A Liquidity and Capital Resources Overview*.

Our long-term strategy is based on our belief that opportunities will be created by the expected continued growth in the wireless communications industry, which is predominately driven by the demand for wireless telephony and data services by consumers. As a result of such expected growth in the wireless communications industry, we believe that the demand for our towers will continue and result in organic growth of our revenues due to the co-location of additional tenants on our existing towers. We expect that new tenant additions or modifications of existing installations (collectively referred to as *tenant additions*) on our towers should result in significant incremental cash flow due to the relatively fixed costs to operate a tower (which tend to increase at approximately the rate of inflation). Certain of the growth trends in the wireless communications industry are discussed in *Item 1. Business Strategy*.

The following is a discussion of certain recent events which may impact our business and our strategy or the wireless communications industry:

Consumer wireless voice and data service usage increased according to a CTIA U.S. wireless industry survey and other published reports (see *Item 1. Business Strategy*).

The auctions of spectrum licenses in the FCC 700 MHz Band Auction No. 73 completed in March 2008 and the FCC Advanced Wireless Services Auction No. 66 have enabled next generation networks, and we expect that these spectrum auctions and future auctions should continue to enable next generation networks and may possibly enable one or more new entrants into the wireless communications industry and encourage more innovation.

Table of Contents

During 2009, the consolidation of wireless carriers continued with the acquisition of several smaller wireless carriers, most notably Verizon's acquisition of Alltel Corp., a provider of wireless services to primarily rural markets, and the VHA joint venture in Australia between Vodafone and Hutchison. We do not expect lease cancellations from duplicate or overlapping networks as a result of these acquisitions to have a material adverse effect on our results.

In March 2009, we entered into an agreement to provide certain management, construction and acquisition services for a third party as to certain tower opportunities in the United States for a period of 24 months. The arrangement should permit us to maintain our construction and acquisition capacities and expertise and further our good relationships with certain major customers with limited capital commitments and expenditures as to such towers.

The challenging credit markets and economic weakness and uncertainty continued during 2009. However, the credit markets improved during 2009 from the fourth quarter of 2008, as seen in the decrease in credit spreads and improved liquidity in the market place. The economic outlook improved somewhat during 2009 but remains uncertain, and a pronounced or prolonged expansion of the economy is not assured. The following is a discussion of the potential impact on us from the credit markets and economy:

Historically, aggregate capital spending and the associated demand for our towers by wireless communication companies have been relatively stable over the last several years, although we did see reductions during prior economic downturns. Despite the economic weakness and uncertainty, demand has continued to grow for wireless services, which has historically been the predominate driver of demand for our towers over the long-term; and we expect that growth trend to continue over the foreseeable future. In addition, the effects of the economic weakness, including the impact of any customer defaults and bankruptcies, have not significantly impacted our existing recurring revenues. Consequently, we currently do not anticipate any material impact on our revenues over the foreseeable future. In addition, we expect site rental revenues for 2010 of between \$1.6 billion and \$1.7 billion, representing growth rates from 2009 of between 7% and 8%.

During 2009 and the beginning of 2010, we issued \$4.8 billion face value of debt in five transactions with stated interest rates ranging from 4.5% to 9% and final contractual maturities between 2015 and 2040, and we also increased the commitment to \$400.0 million on our revolving credit agreement and extended its maturity until 2013. These refinancings have extended and laddered the maturity dates on a substantial majority of our debt. Although our refinancings over the last year increased our weighted-average cost of debt, two of our offerings were rated investment grade, and overall our credit spreads declined from last year. As a result of the challenging credit markets, any additional refinancing, such as the potential refinancing of the 2006 tower revenue notes, or future issuances may further increase our weighted-average cost of debt. In addition to our actions related to refinancing debt in response to the challenging credit markets, beginning in late 2008 and continuing throughout 2009, we reduced our discretionary capital expenditures in order to increase liquidity available to retire certain of our indebtedness. During 2010, we expect to increase our investment in other discretionary investments from 2009 levels, including with respect to discretionary capital expenditures. See note 7 to our consolidated financial statements, *Item 7. MD&A Liquidity and Capital Resources* and *Item 1A. Risk Factors*.

Results of Operations

The following discussion of our results of operations should be read in conjunction with *Item 1. Business*, *Item 7. MD&A Liquidity and Capital Resources* and our consolidated financial statements. The following discussion of our results of operations is based on our consolidated financial statements prepared in accordance with generally accepted accounting principles in the U.S. which require us to make estimates and judgments that affect the reported amounts (see *Item 7. MD&A Accounting and Reporting Matters Critical Accounting Policies and Estimates* and note 2 to our consolidated financial statements).

Table of Contents*Comparison of Consolidated Results*

The following is a comparison of our 2009, 2008 and 2007 consolidated results of operations:

	Years Ended December 31,			% Change	
	2009	2008	2007	2009 vs. 2008	2008 vs. 2007
	(In thousands of dollars)				
Net revenues:					
Site rental	\$ 1,543,192	\$ 1,402,559	\$ 1,286,468	10%	9%
Network services and other	142,215	123,945	99,018	15	25
	1,685,407	1,526,504	1,385,486	10	10
Operating expenses:					
Costs of operations(a):					
Site rental	456,560	456,123	443,342		3
Network services and other	92,808	82,452	65,742	13	25
Total costs of operations	549,368	538,575	509,084	2	6
General and administrative	153,072	149,586	142,846	2	5
Restructuring charges (credits)			3,191	*	*
Asset write-down charges	19,237	16,888	65,515	*	*
Acquisition and integration costs		2,504	25,418	*	*
Depreciation, amortization and accretion	529,739	526,442	539,904	1	(3)
Operating income (loss)	433,991	292,509	99,528	48	194
Interest expense and amortization of deferred financing costs	(445,882)	(354,114)	(350,259)	26	1
Impairment of available-for-sale securities		(55,869)	(75,623)	*	*
Gains (losses) on purchases and redemptions of debt	(91,079)	42		*	*
Net gain (loss) on interest rate swaps	(92,966)	(37,888)		*	*
Interest and other income (expense)	5,413	2,101	9,351	*	*
Income (loss) before income taxes	(190,523)	(153,219)	(317,003)	*	*
Benefit (provision) for income taxes	76,400	104,361	94,039	*	*
Net income (loss)	(114,123)	(48,858)	(222,964)	*	*
Less: Net income (loss) attributable to the noncontrolling interest	209		(151)	*	*
Net income (loss) attributable to CCIC stockholders	\$ (114,332)	\$ (48,858)	\$ (222,813)	*	*

* Percentage is not meaningful

(a) Exclusive of depreciation, amortization and accretion shown separately.

2009 and 2008. Our consolidated results of operations for 2009 and 2008, respectively, predominately consist of our CCUSA segment, which accounted for (1) 95% and 94% of consolidated net revenues, (2) 95% and 94% of consolidated gross margins, and (3) 101% and 79% of consolidated net income (loss) attributable to CCIC stockholders. Our operating segment results for 2009 and 2008, including CCUSA, are discussed below (see *Item 7. MD&A Results of Operations Comparison of Operating Segments*).

2008 and 2007. Our consolidated results of operations for 2008 and 2007, respectively, predominately consist of our CCUSA segment, which accounted for (1) 94% and 94% of consolidated net revenues, (2) 94% and 94% of consolidated gross margins, and (3) 79% and 96% of

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consolidated net income (loss) attributable to CCIC stockholders. Our operating segment results for 2008 and 2007, including CCUSA, are discussed below (see *Item 7. MD&A Results of Operations Comparison of Operating Segments*).

Comparison of Operating Segments

Our reportable operating segments for 2009 are (1) CCUSA, primarily consisting of our U.S. tower operations, and (2) CCAL, our Australian tower operations. Our financial results are reported to management and the board of directors in this manner.

Table of Contents

See note 19 to our consolidated financial statements for segment results and a reconciliation of net income (loss) to Adjusted EBITDA (defined below).

Our measurement of profit or loss currently used to evaluate our operating performance and operating segments is earnings before interest, taxes, depreciation, amortization and accretion, as adjusted (Adjusted EBITDA). Our measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in the tower sector, and is not a measure of performance calculated in accordance with U.S. generally accepted accounting principles (GAAP).

We define Adjusted EBITDA as net income (loss) plus restructuring charges (credits), asset write-down charges, acquisition and integration costs, depreciation, amortization and accretion, interest expense and amortization of deferred financing costs, gains (losses) on purchases and redemptions of debt, net gain (loss) on interest rate swaps, impairment of available-for-sale securities, interest and other income (expense), benefit (provision) for income taxes, cumulative effect of a change in accounting principle, income (loss) from discontinued operations and stock-based compensation expense (see note 14 to our consolidated financial statements). The calculation of Adjusted EBITDA for our operating segments is set forth in note 19 to our consolidated financial statements. Adjusted EBITDA is not intended as an alternative measure of operating results or cash flows from operations as determined in accordance with GAAP, and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted EBITDA is discussed further under *Item 7. MD&A Accounting and Reporting Matters Non-GAAP Financial Measures*.

CCUSA 2009 and 2008. Net revenues for 2009 increased by \$163.0 million, or 11%, from 2008. This increase in net revenues resulted from an increase in site rental revenues of \$141.9 million, or 11%, for the same periods. This increase in site rental revenues was impacted by the following items in no particular order: new tenant additions across our entire portfolio inclusive of straight-line accounting for certain lease escalations, straight-line accounting from renewal of customer leases, escalations net of the impact of straight-line accounting and cancellations of customer leases. See *Item 7. MD&A Accounting and Reporting Matters Critical Accounting Policies and Estimates* for a further discussion of our revenue recognition policies. Tenant additions were influenced by the previously mentioned growth in the wireless communications industry. Although we continued to derive a large portion of our site rental revenues from the four largest wireless carriers in the U.S., a significant portion of our new tenant additions were from second tier and emerging wireless customers such as those offering flat rate calling plans and wireless data only technologies, such as Clearwire, a provider of wireless mobile internet services.

Network services and other revenues for 2009 increased by \$21.2 million, or 19%, from 2008, and the related gross margin increased by \$10.1 million, or 28%, from 2008. The increase in network services and other revenues and the related gross margin reflects (1) the volatility and variable nature of the network services business as these revenues are not under long-term contract, (2) as well as an increase in our market share for installations on our towers driven partially by our focus on delivering customer service and our emphasis on execution and expanding market share in the service business.

Site rental gross margins for 2009 increased by \$141.3 million, or 16%, from 2008. The increase in the site rental gross margins was related to the previously mentioned 11% increase in site rental revenues. Site rental gross margins as a percentage of site rental revenues for 2009 increased by three percentage points from 2008 to 70% primarily as a result of the high incremental margins associated with tenant additions given the relatively fixed costs to operate a tower. The \$141.3 million incremental margin represents 100% of the related increase in site rental revenues.

General and administrative expenses for 2009 increased by \$7.7 million, or 6%, from 2008. General and administrative expenses are inclusive of stock-based compensation charges, which increased by \$3.3 million from 2008 to 2009, as discussed further in note 14 to our consolidated financial statements. In addition to stock-based compensation, the increase in general and administrative expenses was primarily due to the increase in salary and employee benefits, including an increase in the annual bonus accrual due to 2009 performance and other non-recurring expenses, partially offset by the realization of certain cost management initiatives. General and administrative expenses were 9% of net revenues for both 2009 and 2008. Typically, our general and administrative expenses do not significantly increase as a result of the co-location of additional tenants on our towers.

Table of Contents

Adjusted EBITDA for 2009 increased by \$147.0 million, or 18%, from 2008. Adjusted EBITDA was positively impacted by the growth in our site rental business including the high incremental margin on the tenant additions.

Depreciation, amortization and accretion for 2009 increased by \$3.2 million, or less than 1%, from 2008. The small increase is consistent with the movement in our fixed assets and intangible assets, which did not materially change between 2008 and 2009.

During 2009, we repaid or purchased \$2.3 billion of face value debt using cash from our issuances of debt in order to extend and ladder the maturities of our debt portfolio. As a result of purchasing and early retiring certain of our debt, we incurred a net loss of \$91.1 million for 2009, inclusive of make whole payments. The increase in interest expense and amortization of deferred financing costs of \$92.6 million, or 26%, in 2009 resulted predominately from our total debt increasing by \$462.6 million and the impact of completing the refinancings at a higher weighted-average cost of debt. The refinancing of the 2006 mortgage loan did not qualify for hedge accounting as the actual refinancing was not consistent with that anticipated as part of hedge accounting, which resulted in discontinuing hedge accounting and reclassifying \$132.9 million from accumulated other comprehensive income (AOCI) to earnings during 2009. This loss was partially offset by gains on interest rate swaps that resulted from a decrease in the liability for those swaps not subject to hedge accounting. For a further discussion of the debt refinancings and the interest rate swaps see notes 7 and 8 to our consolidated financial statements, *Item 7. MD&A Liquidity and Capital Resources* and *Item 7A. Quantitative and Qualitative Disclosures About Market Risk*.

In 2008, we recorded a non-cash impairment charge of \$55.9 million related to a decline in the fair value of our investment in FiberTower that was deemed to be other-than-temporary. Any potential future write-downs are limited to the carrying value of our investment of \$4.2 million as of December 31, 2009.

Benefit (provision) for income taxes for 2009 was a benefit of \$77.7 million compared to \$106.6 million for 2008. The benefit for income taxes for 2009 is inclusive of a \$20.6 million reversal of state tax valuation allowances. The effective tax rate for 2009 differs from the federal statutory rate due predominately to these state tax benefits. The effective tax rate for 2008 differs from the federal statutory rate predominately due to income tax benefits resulting from the completion of the IRS examination and a full valuation allowance on our unrealized capital losses from our investment in FiberTower. As of December 31, 2009, we are limited to recognizing approximately \$15 million of future federal tax benefits since we currently expect that other additional benefits would have a full valuation allowance because our history of tax operating losses prevents us from determining that it is more likely than not that we may not realize such benefits. See note 10 to our consolidated financial statements.

Net income (loss) attributable to CCIC stockholders for 2009 was a loss of \$115.4 million, inclusive of (1) net losses from repayments and purchases and early retirement of debt of \$91.1 million and (2) net losses from interest rate swaps of \$93.0 million. Net income (loss) attributable to CCIC stockholders for 2008 was a loss of \$38.4 million, inclusive of (1) non-cash impairment charges of \$55.9 million related to our investment in FiberTower, (2) losses on the change in the fair value of certain interest rate swaps of \$37.9 million, and (3) tax benefits of \$74.9 million resulting from the completion of an IRS examination. The increase in net loss was predominately due to (1) the previously mentioned charges and benefits, (2) the previously mentioned increase in interest expense of \$92.6 million, and are partially offset by (3) growth in our core site rental business.

CCAL 2009 and 2008. The increases and decreases between 2009 and 2008 are inclusive of exchange rate fluctuations. The average exchange rate of Australian dollars to U.S dollars for 2009 was approximately 0.79 a decrease of 7% from approximately 0.85 for the same period in the prior year. See *Item 7A. Quantitative and Qualitative Disclosures About Market Risk*.

Total net revenues for 2009 decreased by \$4.1 million, or 5%, from 2008. Site rental revenues for 2009 decreased by \$1.2 million, or 2%, from 2008. The decrease in the exchange rate negatively impacted net revenues and site rental revenues by approximately \$6.5 million and \$5.9 million, respectively, and accounted for a decline of 7% and 8%, respectively, for 2009 from 2008. Site rental revenues were also impacted by various other factors, including, in no particular order: new tenant additions on our towers, straight-line accounting from renewal of customer leases, escalations net of the impact of straight-line accounting and cancellations of customer leases. Net revenues were also impacted by a \$2.9 million decrease in network services and other revenues. The decrease in network services and other revenues reflects the quarterly volatility and variable nature of the network services business as these revenues are not under long-term contract. See *Item 1. Business The Company CCAL*.

Table of Contents

Adjusted EBITDA for 2009 decreased by \$0.9 million, or 2%, from 2008. Adjusted EBITDA was negatively impacted by the exchange rate fluctuations. Site rental gross margins decreased by \$1.1 million, or 2%, for 2009 from \$54.7 million, while site rental gross margin as a percentage of site rental revenues was 70% for both periods.

Net income (loss) attributable to CCIC stockholders for 2009 was net income of \$1.1 million, compared to a net loss of \$10.5 million for 2008. The change from net loss to net income was primarily driven by a decrease in interest expense and amortization of deferred financing costs of \$9.7 million, the majority of which was due to a decrease in the variable interest rate of our intercompany debt.

CCUSA 2008 and 2007. Net revenues for 2008 increased by \$133.4 million, or 10%, from 2007. This increase in net revenues resulted from an increase in site rental revenues of \$109.7 million, or 9%, for the same periods. This increase in site rental revenues was driven primarily by \$82 million from new tenant additions across our entire portfolio inclusive of the impact of straight-line accounting for certain lease escalators. In addition to new tenant additions, our site rental revenues are influenced by various factors, including (in no particular order) (1) escalations net of the impact of straight line accounting, (2) impact of straight line accounting from renewal of customer leases, (3) new towers acquired or constructed, (4) a full year of revenues from our Spectrum lease, and (5) cancelation of customer leases. See *Item 7. MD&A Accounting and Reporting Matters Critical Accounting Policies and Estimates* for a further discussion of our revenue recognition policies. Tenant additions were influenced by the previously mentioned growth in the wireless communications industry. We continued to derive a large portion of our site rental revenues and new tenant additions from the four largest carriers in the U.S. In addition to the four largest carriers, our 2008 net revenues and new tenant additions were also derived from second tier and emerging wireless customers such as those offering flat rate calling plans and wireless data technologies.

Network services and other revenues for 2008 increased by \$23.7 million, or 26%, from 2007. The increase in network services and other revenues was as a result of performing services on a larger portfolio of towers due to the Global Signal Merger. Global Signal did not operate a network services business, so the network services and other revenues performed on the Global Signal towers increased during 2007 and 2008 as we began marketing services for those towers. The network services business is typically non-recurring, and the volume of activity can vary significantly from period to period in relation to tenant additions on our towers.

Site rental gross margins for 2008 increased by \$98.3 million, or 12%, from 2007. The increase in site rental gross margins was related to the previously mentioned 9% increase in site rental revenues primarily driven by tenant additions. Site rental gross margins as a percentage of site rental revenues for 2008 increased by two percentage points from 2007 to 67%, primarily as a result of the high incremental margins associated with tenant additions given the relatively fixed costs to operate a tower. The \$98.3 million incremental margin represents 90% of the related increase in site rental revenues.

General and administrative expenses for 2008 increased by \$7.3 million, or 6%, from 2007 but decreased to 9% of total net revenues from 10% of total net revenues over the same period. General and administrative expenses are inclusive of stock-based compensation charges as discussed further in note 14 to our consolidated financial statements. The increase in general and administrative expenses was due primarily to the increase in stock-based compensation. Typically, our general and administrative expenses do not significantly increase as a result of the co-location of additional tenants on our towers, as indicated by the decrease in general and administrative expenses as a percentage of net revenues from 2007 to 2008.

Adjusted EBITDA for 2008 increased by \$102.9 million, or 14%, from 2007. Adjusted EBITDA was positively impacted by the growth in our site rental business including the high incremental margin on the tenant additions.

Acquisition and integration costs for 2008 were \$2.5 million compared to \$25.4 million in 2007. The decrease resulted from the completion of the integration of the Global Signal tower portfolio during the first quarter of 2008. See notes 3 and 20 to our consolidated financial statements.

Depreciation, amortization and accretion for 2008 decreased by \$13.6 million, or 3%, from 2007. The decrease resulted from towers acquired from Global Signal with short useful lives (as defined by GAAP) that were fully depreciated at December 31, 2007. Our tower assets are recorded at cost (estimated replacement cost for those acquired) and are depreciated using a useful life that is defined as the period equal to the shorter of 20 years or the term of the underlying ground lease (including renewal options). See *Item 7. MD&A Accounting and Reporting Matters Critical Accounting Policies and Estimates*.

Table of Contents

Interest expense and amortization of deferred financing costs for 2008 increased by \$4.3 million, or 1%, from 2007. We made no material changes in our indebtedness during 2007 and 2008 other than the mortgage loans (\$1.8 billion) that remained outstanding as obligations after the Global Signal Merger (on January 11, 2007) and the issuance of term loans (\$650.0 million) in January and March 2007. Our weighted-average interest rate for 2008 was relatively consistent with 2007 as a result of virtually all of our debt having fixed rate coupons. See *Item 7.*

MD&A Liquidity and Capital Resources Overview.

In 2007 and 2008, we recorded non-cash impairment charges of \$75.6 million and \$55.9 million, respectively, related to declines in the fair value of our investment in FiberTower that was deemed other-than-temporary. Any potential future write-downs are limited to the carrying value of our investment of \$4.2 million as of December 31, 2008. See note 6 to our consolidated financial statements.

Benefit (provision) for income taxes for 2008 was a benefit of \$106.6 million compared to \$95.3 million for 2007. The tax benefits for 2008 include tax benefits of \$74.9 million resulting from the completion of the IRS examination of our U.S. federal tax return for 2004. The effective tax rate for 2008 differs from the federal statutory rate due predominately to income tax benefits resulting from the completion of the IRS examination and a full valuation allowance on our unrealized capital losses from our investment in FiberTower. See note 10 to our consolidated financial statements.

Net income (loss) attributable to CCIC stockholders for 2008 was a loss of \$38.4 million, inclusive of (1) non-cash impairment charges of \$55.9 million related to our investment in FiberTower, (2) losses on the change in fair value of certain interest rate swaps of \$37.9 million, and (3) tax benefits of \$74.9 million resulting from the completion of an IRS examination. Net loss for 2007 was \$214.9 million, inclusive of (1) a non-cash impairment charge of \$75.6 million related to our investment in FiberTower, (2) the asset write-down and restructuring charges related to Modeo totaling \$60.7 million, and (3) acquisition and integration costs related to the Global Signal Merger of \$25.4 million. The improvement in net loss was predominately due to the incremental gross margin in our site rental business of \$98.3 million and the impact of the previously mentioned charges and benefits.

CCAL 2008 and 2007. The increases and decreases between 2007 and 2008 are inclusive of exchange rate fluctuations. The average exchange rate of Australian dollars to U.S dollars for 2008 was approximately 0.85, an increase of 2% from approximately 0.84 for the same period in the prior year. See *Item 7A. Quantitative and Qualitative Disclosures About Market Risk.*

Total net revenues for 2008 increased by \$7.6 million, or 9%, from 2007. The increase in total net revenues was influenced by various factors, including tenant additions on our towers and towers acquired after the third quarter of 2007. Network services and other revenues and tenant additions were influenced by the continued development of several 3G networks in Australia. See *Item 1. Business The Company CCAL.*

Adjusted EBITDA for 2008 increased by \$5.6 million, or 14%, from 2007. Adjusted EBITDA was positively impacted by the same factors that drove the increase in site rental revenues. More specifically, site rental gross margins increased by \$5.0 million, or 10%, for 2008 from \$49.7 million in the prior year. The \$5.0 million incremental margin represents 78% of the related increase in site rental revenues.

Net income (loss) attributable to CCIC stockholders for 2008 was a net loss of \$10.5 million, an increase in net loss of \$2.6 million from 2007. The increase in net loss was primarily driven by a \$8.9 million increase in interest expense and amortization of deferred financing costs resulting predominately from an inter-company borrowing between segments, partially offset by the growth in the site rental business. The proceeds of the inter-company borrowing were primarily utilized to fund the capital return in May 2007 in order to increase the leverage of the CCAL business.

Impact of Inflation. Other than the towers acquired from Global Signal, the majority of our towers were acquired between 1999 and 2001; tower assets and related depreciation expense do not reflect the impact of inflation occurring subsequent to the acquisition of these towers. The impact of inflation has not historically had a significant impact on our results of operations, including with respect to each of the years presented herein.

Table of Contents

Liquidity and Capital Resources

Overview

General. Our site rental business is generally characterized by a stable cash flow stream generated by revenues under long-term contracts that should be recurring for the foreseeable future. Over the last five years, our cash from operations have exceeded our cash interest payments and sustaining capital expenditures and provided us with cash available for discretionary investments. We seek to allocate the cash produced by our operations in a manner that will enhance per share operating results. Cash flows from our site rental operations grew in 2009, and we expect that trend to continue over the long-term. Our cash interest expense is expected to increase in 2010 as a result of our debt issuances during 2009 and the beginning of 2010. Given the conditions in the credit markets, during 2009 we limited our discretionary investments, including a reduction in discretionary capital expenditures, in order to increase liquidity available to retire debt and settle certain of our interest rate swaps. During 2010, we expect to increase our investment of our available cash in discretionary investments such as those discussed in *Item 1. Business Strategy*.

Liquidity Position. The following is a summary of our capitalization and liquidity position. See *Item 7A. Quantitative and Qualitative Disclosures About Market Risk* and notes 7 and 9 to our consolidated financial statements for additional information regarding our debt.

	December 31, 2009 Pro Forma(a) (In thousands of dollars)
Cash and cash equivalents(b)	\$ 483,378
Undrawn revolver availability(c)	400,000
Debt and other long-term obligations	6,379,189
Interest rate swap liability, net	300,040
Redeemable preferred stock	315,654
Stockholders' equity	2,871,654

(a) Pro forma for the refinancing of the 2005 tower revenue notes in January 2010 and the repayment and purchases of debt in January 2010. See *Item 7. MD&A Liquidity and Capital Resources Financing Activities*.

(b) Exclusive of \$218.5 million of restricted cash.

(c) As of January 31, 2010; availability at any point in time is subject to certain restrictions based on our then current leverage.

In addition to cash on hand and undrawn revolver availability, we expect to generate between \$575 million to \$625 million of cash flows from operating activities over the next 12 months. As CCIC is a holding company, this cash flow from operations is generated by our operating subsidiaries.

Recent Events. In light of the economic weakness and the current challenging credit markets, we have taken the following actions to manage our debt maturities and build liquidity with cash flows from operations.

During 2009, we limited our discretionary investments, including a reduction in discretionary capital expenditures, in order to increase liquidity available to retire debt and settle certain of our interest rate swaps. Of the \$571.3 million of cash flows from operating activities that we generated during full year 2009, we used \$173.5 million of such cash flow on capital expenditures. We currently expect to use at least \$225 million in 2010 on capital expenditures as we increase our investment of available cash in discretionary investments.

During 2009 and the beginning of 2010, we issued \$4.8 billion face value of debt in five transactions with stated interest rates ranging from 4.5% to 9% and final contractual maturities between 2015 and 2040, and we also increased the commitment to \$400.0 million on our revolving credit agreement and extended its maturity until 2013. We received proceeds of \$4.6 billion from these issuances net of discounts and fees. We repaid and repurchased an aggregate \$4.4 billion face value of debt using \$4.6 billion of cash resulting in a loss of \$153.8 million. As a result of these refinancings, we effectively laddered the maturities of our outstanding indebtedness. In addition, as of December 31, 2009 after giving effect to the issuance of the 2010 tower revenue notes in January 2010 and the repayment and repurchase of debt, we increased our cash on hand by \$328.2 million from the prior year. See *Item 7. MD&A Liquidity and Capital Resources Financing Activities* for a discussion of these issuances and retirements.

Table of Contents

As a result of these actions, approximately 70% of our debt outstanding as of January 31, 2010 was issued during 2009 and the beginning of 2010. Over the next twelve months we have no debt maturing other than nominal principal payments on amortizing debt. We plan on endeavoring to refinance the 2006 tower revenue notes on or before their anticipated repayment date in November 2011. Our ability to obtain borrowings that are securitized by tower cash flows and are at commercially reasonable terms will depend on various factors, such as our ability to generate cash flows on our existing towers, the state of the capital markets and other factors such as those in *Item 1A. Risk Factors*. If we are unable to refinance our debt with similar instruments, we may explore other forms of financing, which may include other forms of debt or issuances of equity or equity related securities.

Our tower revenue notes (totaling \$3.2 billion) have final maturities ranging from 2035 to 2040 and anticipated repayment dates of November 2011 for the \$1.55 billion 2006 tower revenue notes and between 2015 and 2020 for the 2010 tower revenue notes. If our tower revenue notes are not repaid in full by their anticipated repayment dates, then the interest rates increase by approximately 5% per annum (to approximately 11%) and substantially all of the cash flows of the subsidiaries issuing the tower revenue notes (Excess Cash Flow, as defined in the tower revenue notes indenture) will be used to repay principal. Excess Cash Flow of the issuers of the tower revenue notes was approximately \$375 million for full year 2009, representing approximately two-thirds of our annualized consolidated cash flows from operations for 2009. Should we not repay our tower revenue notes by their anticipated repayment dates, we anticipate having sufficient liquidity to operate our existing business with no impact on our operations. See *Item 7A. Quantitative and Qualitative Disclosures About Market Risk* for a tabular presentation of our debt maturities as of December 31, 2009, pro forma for the issuance of the 2010 tower revenue notes and the repayment and purchases of debt in January 2010.

Long-term Strategy. We seek to maintain a capital structure that we believe drives long-term shareholder value and optimizes our weighted-average cost of capital. Over the long term, we target leverage of approximately five times Adjusted EBITDA and interest coverage of approximately three times Adjusted EBITDA, subject to various factors such as the availability and cost of capital and the potential long-term return on our discretionary investments. In furtherance of this long-term strategy, we contemplate funding our discretionary investments primarily with operating cash flows and, in certain instances, potential future debt financings and issuances of equity or equity related securities. As a result, anticipated future growth in site rental cash flows and corresponding increases in Adjusted EBITDA should reduce our leverage. Conversely, as our cash flows and Adjusted EBITDA grow we may seek to increase our debt in nominal dollars to maintain or achieve a certain targeted leverage.

Summary Cash Flows Information

	Years Ended December 31,		
	2009	2008	2007
	(In thousands of dollars)		
Net cash provided by (used for):			
Operating activities	\$ 571,256	\$ 513,001	\$ 350,355
Investing activities	(172,145)	(476,613)	(791,448)
Financing activities	214,396	47,717	(77,782)
Effect of exchange rate changes on cash	(2,580)	(4,131)	1,404
Net increase (decrease) in cash and cash equivalents	\$ 610,927	\$ 79,974	\$ (517,471)

Operating Activities

The increase in net cash provided by operating activities for 2009 from 2008 and 2007 was due primarily to the growth in our core site rental business. We expect net cash provided by operating activities for the year ended December 31, 2010 will increase from the year ended December 31, 2009, primarily as a result of our anticipated growth in our core site rental business, partially offset by higher cash interest expense. Changes in working capital, and particularly changes in deferred rental revenues, prepaid ground leases and accrued interest, can have a significant impact on our net cash from operating activities from period to period, largely due to the timing of payments and receipts.

We pay minimal cash income taxes as a result of generating taxable losses and our usage of net operating loss carryforwards. Despite our history of taxable operating losses, we expect to generate taxable income in the future to ultimately realize our federal operating loss of \$1.8 billion and begin to pay substantial federal income taxes in roughly seven years based on current projections.

Table of Contents*Investing Activities*

Capital Expenditures. Our capital expenditures can be generally categorized as sustaining or discretionary. Sustaining capital expenditures include capitalized costs related to (1) maintenance activities on our towers, which are generally related to replacements and upgrades that extend the life of the asset, (2) vehicles, (3) information technology equipment, and (4) office equipment. Discretionary capital expenditures, which we also commonly refer to as revenue-generating capital expenditures, include (1) purchases of land under towers, (2) tower improvements in order to support additional site rentals, (3) the construction or purchase of towers, and (4) the construction of distributed antenna systems.

A summary of our capital expenditures for the last three years is as follows:

	For Years Ended December 31,		
	2009	2008	2007
	(In thousands of dollars)		
Discretionary:			
Land purchases	\$ 25,495	\$ 201,255	\$ 133,032
Construction or purchases of towers	18,683	132,301	91,490
Tower improvements and other	101,298	90,111	52,165
Sustaining	28,059	27,065	23,318
Total	\$ 173,535	\$ 450,732	\$ 300,005

As previously mentioned, during 2009 we reduced our capital expenditures from our 2008 levels in order to increase liquidity available to retire debt and settle certain of our interest rate swaps. These reductions included reductions of our purchases of land, construction and purchase of towers. Our decisions regarding discretionary capital expenditures are influenced by the availability and cost of capital and expected returns on alternative investments. The following is a discussion of certain aspects of our capital expenditures.

Other than sustaining capital expenditures, which we expect to be approximately \$27 million to \$32 million for the year ended December 31, 2010, our capital expenditures are discretionary and are made with respect to activities we believe exhibit sufficient potential to improve our long-term results of operations on a per share basis. We expect to invest at least \$225 million of our cash flow on capital expenditures in 2010, with approximately \$100 million of our capital expenditures targeted for our existing tower assets related to customer installations and related capacity improvement, which represents our highest yielding investment because it results in a recurring revenue stream from the related customer lease agreement.

We increased our purchases of land from 2007 to 2008 because of our focus on maintaining long-term control of our assets. While we reduced our purchases of land during 2009, we expect to retain long-term control of our towers by continuing to supplement land purchases with (1) extensions of the terms of ground leases for land under our towers and (2) acquisitions of land on installment, which requires substantially less liquidity than purchases of land. In the fourth quarter of 2009, we began to increase our purchases of land, and we expect to increase our land purchases in 2010 from our 2009 levels.

Acquisition of Global Signal. See notes 3 and 20 to our consolidated financial statements.

Financing Activities

In light of the current challenges in the credit markets and consistent with our previously mentioned strategy to prudently manage liquidity, our financing activities for 2008 and 2009 included purchases of common stock at reduced levels from our past practices and a reduction in our relative leverage. However, we are still committed to our long-term strategy to allocate our capital to drive long-term stockholder value, which may include making discretionary investments such as purchases of our debt and common stock.

Table of Contents

The following is a summary of the significant financing transactions completed in 2009 which are obligations of CCIC or are guaranteed by CCIC. As holding companies, unless they obtain other forms of financing, CCIC and CCOC require distributions or dividends from subsidiaries or the use of their cash on hand to fund their obligations. See also note 7 to our consolidated financial statements.

9% Senior Notes. In January 2009, CCIC issued \$900.0 million principal amount of 9% senior notes due 2015 in a public offering. The 9% senior notes bear interest at a rate of 9.0% per annum, payable semi-annually beginning on July 15, 2009. We received proceeds of \$795.7 million, net of fees and discounts. We used a portion of the net proceeds to retire (1) a portion of our 2006 mortgage loan, (2) a portion of our 2004 mortgage loan, and (3) the amount outstanding under our revolving credit facility.

7.125% Senior Notes. In October 2009, CCIC issued \$500.0 million principal amount of 7.125% senior notes due 2019 in a public offering. The 7.125% senior notes bear interest at a rate of approximately 7.1% per annum, payable semi-annually beginning on May 1, 2010. We received proceeds of \$490.0 million, net of fees and discounts. We used the net proceeds to purchase certain indebtedness during January 2010.

Credit Agreement. In January 2007, CCOC entered into a credit agreement that provided a senior secured revolving credit facility that is guaranteed by CCIC. In December 2009, we amended the revolving credit facility to extend the maturity until September 2013 and increase the total revolving commitment to \$400.0 million. As of December 31, 2009, the revolving credit facility was undrawn. Availability of the revolving credit facility at any time is determined by certain financial ratios. We may use the availability under the revolving credit facility for general corporate purposes, which may include the financing of capital expenditures, acquisitions, and purchases of our common or preferred stock. The revolving credit facility bears interest at prime rate or LIBOR plus a credit spread based on our consolidated leverage ratio.

The following is a summary of significant financing transactions completed in 2009 and the beginning of 2010 that are obligations of subsidiaries of CCIC and which are not obligations of, or guaranteed by, CCIC. See also note 7 to our consolidated financial statements.

7.75% Secured Notes. In April 2009, we issued \$1.2 billion principal amount of 7.75% secured notes due 2017. The 7.75% secured notes are obligations of the subsidiaries that held a portion of the U.S. towers acquired in the Global Signal Merger and that were previously obligated under the 2006 mortgage loan. The 7.75% secured notes will be paid solely from the cash flows generated from operations of the towers held directly and indirectly by the issuers and the guarantors of such notes. These 7.75% secured notes bear interest at a rate of 7.75% per annum, payable quarterly beginning on August 1, 2009. We received proceeds of \$1.15 billion, net of fees and discounts, from the 7.75% secured notes offering. As discussed herein, we have used the net proceeds, together with existing cash balances, to repay the portion of our 2006 mortgage loan not previously purchased. See also note 7 to our consolidated financial statements.

2009 Securitized Notes. In July 2009, we issued \$250.0 million principal amount of 2009 securitized notes, with a weighted-average interest rate of 7.1%, pursuant to an indenture. Such subsidiaries hold a portion of the U.S. towers acquired in the Global Signal Merger and that were previously obligated under the 2004 mortgage loan. We received proceeds of \$244.6 million, net of fees, from the issuance of the 2009 securitized notes. We have used the net proceeds to repay the portion of our 2004 mortgage loan not previously purchased.

The 2009 securitized notes consist of two tranches that amortize during the period beginning in January 2010 and ending in 2019 and the period beginning in 2019 and ending in 2029, respectively. The life of the 2009 securitized notes is substantially longer than the five year balloon maturities that we previously obtained in the securitization market, which is due in part to the longer remaining current term of our customer leases. The 2009 securitized debt was rated investment grade with tranche ratings of A2 and A3 from Moody's and A- from Fitch.

2010 Tower Revenue Notes. In January 2010, we issued \$1.9 billion principal amount of 2010 tower revenue notes at a weighted-average rate of 5.75% pursuant to the indenture governing the existing tower revenue notes. We received proceeds of \$1.9 billion, net of fees. We have used the net proceeds to repay the portion of our 2005 tower revenue notes not previously purchased.

Table of Contents

The 2010 tower revenue notes consist of three series of \$300.0 million, \$350.0 million and \$1.25 billion principal amount with anticipated repayments dates of 2015, 2017 and 2020, respectively. The weighted-average life of the 2010 tower revenue notes is substantially longer than the five year anticipated life of the prior tower revenue notes, which is due in part to the longer remaining current term of our customer leases. All three series of the 2010 tower revenue notes were rated investment grade (A2 from Moody's and A from Fitch). Beginning with our anticipated refinancing of the 2006 tower revenue notes, we may separate the collateral underlying the tower revenue notes subject to certain provisions, including rating agency confirmation, which should increase flexibility with respect to any potential future refinancing of the 2006 tower revenue notes.

Debt Purchases and Repayments. See notes 7 and 23 to our consolidated financial statements for a summary of our purchases and repayments of debt during 2009 and 2010, respectively, including the gains (losses) on purchases and repayments. In January 2010, we refinanced our 2005 tower revenue notes and purchased portions of our 9% senior notes, 7.75% secured notes and 2009 securitized notes, which resulted in an aggregate loss of \$62.8 million.

Common Stock Activity. As of December 31, 2009, 2008 and 2007 we had 292.7 million, 288.5 million and 282.5 million common shares outstanding, respectively. We may purchase our common stock in the future as we seek to allocate capital to discretionary investments in a manner that will enhance per share results. See *Item 1. Business Strategy*.

Preferred Stock Dividends. We have the option to pay dividends on our 6.25% convertible preferred stock in cash or shares of common stock (valued at 95% of the current market value of the common stock, as defined) (see *Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*). Since 2005 we have elected to pay the dividends in cash and expect to continue to do so for the foreseeable future. We are required to redeem all outstanding shares of our 6.25% convertible preferred stock on August 15, 2012 at a price equal to the liquidation preference plus accumulated and unpaid dividends. The shares of 6.25% convertible preferred stock are convertible, at the option of the holder, in whole or in part at any time, into shares of common stock at a conversion price of \$36.875 per share of common stock. Under certain circumstances, we generally have the right to convert the 6.25% convertible preferred stock, in whole or in part, into 8.6 million shares of common stock if the price per share of our common stock equals or exceeds 120% of the conversion price or \$44.25 for at least 20 trading days in any consecutive 30-day trading period.

Interest Rate Swaps. We enter into interest rate swaps to manage and reduce our interest rate risk, including the use of interest rate swaps to hedge the variability in cash flows from changes in LIBOR on anticipated refinancing and outstanding variable rate debt. See *Item 7A.*

Quantitative and Qualitative Disclosures About Market Risk and note 8 to our consolidated financial statements for a further discussion of our use of interest rate swaps, including the potential impact on our cash obligations and our earnings and information concerning interest rate swaps that no longer represent economic hedges.

Restricted Cash. Pursuant to the indenture governing our operating companies' debt, all rental cash receipts of the issuers of these debt instruments and their subsidiaries are restricted and held by an indenture trustee. The restricted cash in excess of required reserve balances is subsequently released to us in accordance with the terms of the indentures. See also notes 2 and 7 to our consolidated financial statements.

Table of Contents*Contractual Cash Obligations*

The following table summarizes our contractual cash obligations as of December 31, 2009, (1) with the exception of interest rate swaps, which are as of January 31, 2010 and (2) after giving effect to the refinancing of the 2005 tower revenue notes and purchases of debt in January 2010. These contractual cash obligations relate primarily to our outstanding borrowings and ground lease obligations. The debt maturities reflect contractual maturity dates and do not consider the impact of the principal payments that will commence following the anticipated repayment dates on the tower revenue notes (see footnote (b)).

Contractual Obligations (a)	2010	2011	Years Ending December 31,				Totals
			2012	2013	2014	Thereafter	
			(In thousands of dollars)				
Debt and other long-term obligations(b)	\$ 18,415	\$ 29,831	\$ 26,121	\$ 26,760	\$ 626,586	\$ 5,763,806	\$ 6,491,519
Interest payments on debt and other long-term obligations(b) (c)	392,659	399,443	445,794	444,575	435,116	5,681,139	7,798,726
Lease obligations(d)	289,335	296,193	300,613	303,625	304,503	3,714,613	5,208,882
Interest rate swaps(e)	205,616	206,101					411,717
Redeemable preferred stock			318,050				318,050
Dividend payments on redeemable preferred stock(f)	19,877	19,877	14,907				54,661
Other	2,410	1,911	898				5,219
Total contractual obligations	\$ 928,312	\$ 953,356	\$ 1,106,383	\$ 774,960	\$ 1,366,205	\$ 15,159,558	\$ 20,288,774

(a) The following items are in addition to the obligations disclosed in the above table:

We have a legal obligation to perform certain asset retirement activities, including requirements upon lease termination to remove towers or remediate the land upon which our towers reside. The cash obligations disclosed in the above table, as of December 31, 2009, are exclusive of estimated undiscounted future cash outlays for asset retirement obligations of approximately \$1.8 billion. As of December 31, 2009, the net present value of these asset retirement obligations was approximately \$58.8 million.

We are obligated under letters of credit to various landlords, insurers and other parties in connection with certain contingent retirement obligations under various tower land leases and certain other contractual obligations. The letters of credit were issued through one of CCUSA's lenders in amounts aggregating \$14.1 million and expire on various dates through August 2011.

We are obligated to pay or reimburse others for property taxes related to our towers. See note 17 to our consolidated financial statements.

We have unrecognized tax benefits of \$3.2 million as of December 31, 2009. See note 10 to our consolidated financial statements.

- (b) If the tower revenue notes are not repaid in full by their anticipated repayment dates (ranging from 2011 to 2020) then the interest rate increases by an additional approximately 5% per annum and monthly principal payments commence using the Excess Cash Flow of the issuers of the tower revenue notes. The tower revenue notes are presented based on their contractual maturity dates and include the impact of an assumed 5% increase in interest rate that would occur following the anticipated repayment dates but exclude the impact of monthly principal payments that would commence using Excess Cash Flow of the issuers of the tower revenue notes. The full year 2009 Excess Cash Flow of the issuers was approximately \$375 million, without consideration of the tower revenue notes purchased by CCIC, which represents approximately two-thirds of our consolidated cash flows from operations for 2009. Should the tower revenue notes not be retired by their respective anticipated repayment dates, we anticipate having sufficient liquidity to operate our existing business with no impact on our operations.
- (c) Interest payments on the floating rate debt are based on estimated rates currently in effect.
- (d) Amounts relate primarily to lease obligations for the land on which our towers reside, and are based on the assumption that payments will be made through the end of the period for which we hold renewal rights. See table below summarizing remaining terms to expiration.
- (e) Our interest rate swaps require cash settlement to or from us in the future. Amounts represent cash settlement values as of January 31, 2010 based on the interest rate and yield curve in effect at that time. See *Item 7A. Quantitative and Qualitative Disclosures About Market Risk*.

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- (f) The dividends on the preferred stock can be paid in cash or common stock at our election. See note 12 to our consolidated financial statements.

Table of Contents

The following table summarizes as of December 31, 2009 the remaining terms to expiration (including renewal terms at our option) of (1) the leases for the land on which approximately 17,600 of our towers reside and (2) agreements to manage approximately 700 towers owned by third parties where we had sublease agreements with the tower owner. In addition, we own in fee or have perpetual or long-term easements in the land on which approximately 5,700 of our towers reside (24% of total towers and 31% of our site rental gross margin as of December 31, 2009). See *Item 1A. Risk Factors*.

Remaining Term, In Years	Percent of Total Towers	Percent of Total Site Rental Gross Margins(a) (b)
20+ years	33%	32%
10 - 20 years	31%	27%
6 - 9 years	7%	6%
4 - 5 years	2%	2%
2 - 3 years	1%	1%
0 - 1 year	2%	1%
Total	76%	69%

(a) For the year ended December 31, 2009.

(b) Without consideration of the term of the customer lease agreement.

Debt Covenants

Our debt obligations contain certain financial covenants with which CCIC or our subsidiaries must maintain compliance in order to avoid the imposition of certain restrictions. Various of our debt obligations also place other restrictions on CCIC or our subsidiaries, including the ability to incur debt and liens, purchase our securities, make capital expenditures, dispose of assets, undertake transactions with affiliates, make other investments and pay dividends. We are permitted to issue additional indebtedness at CCIC and at our operating subsidiaries if no covenant violations occur (including the below mentioned restrictive covenants) and certain other requirements are met, which may include rating agency confirmations. See note 7 to our consolidated financial statements for further discussion of our debt covenants.

Factors that are likely to determine our subsidiaries' ability to comply with their current and future debt covenants include their (1) financial performance, (2) levels of indebtedness, and (3) debt service requirements. Given the current level of indebtedness of our subsidiaries, the primary risk of a debt covenant violation would be from a deterioration of a subsidiary's financial performance. Should a covenant violation occur in the future as a result of a shortfall in financial performance (or for any other reason), we might be required to make principal payments earlier than currently scheduled and may not have access to additional borrowings under these facilities as long as the covenant violation continues. Any such early principal payments would have to be made from our existing cash balances or cash from operations. If our operating subsidiaries were to default on the debt, the trustee could seek to pursue the collateral securing the debt, in which case we could lose the towers and the future revenues associated with the towers. We currently have no financial covenant violations; and based upon our current expectations, we believe our operating results will be sufficient to comply with our debt covenants over the near and long-term. See *Item 1A. Risk Factors*.

The financial maintenance covenants under our debt agreements, exclusive of cash trap reserve covenants, are as follows:

	Debt	Current Covenant Requirement	Pro forma as of December 31, 2009	At Inception
Consolidated Leverage Ratio(b)	Credit Agreement	<7.50	6.1(a)	8.9
Consolidated Interest Coverage Ratio(c)	Credit Agreement	>2.00	2.6(a)	1.9

(a) Pro forma for refinancing of the 2005 tower revenue notes in January 2010 and the repayment and purchases of debt in January 2010.

(b) For consolidated CCIC, ratio of Consolidated Total Debt (as defined in the credit agreement) to Consolidated Adjusted EBITDA (as defined in the credit agreement) for the most recent completed quarter multiplied by four; at inception the covenant requirement was less than 9.25 and stepped down thereafter.

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- (c) For consolidated CCIC, ratio of Consolidated Adjusted EBITDA for the most recent completed quarter multiplied by four to Consolidated Pro forma Debt Service (as defined in the credit agreement).

Table of Contents

The following are the ratios applicable to the cash trap reserve covenants under our debt agreements that could require the cash flows generated by the issuers and their subsidiaries to be deposited in a reserve account and not released to us.

	Debt	Current Covenant Requirement(a)	Pro forma as of December 31, 2009	At Inception
Debt Service Coverage Ratio(b)	2006 Tower Revenue Notes	>1.75	2.9(c)	2.3
Debt Service Coverage Ratio(b)	2010 Tower Revenue Notes	>1.75	2.9(c)	2.9
Debt Service Coverage Ratio(b)	2009 Securitized Notes	>1.30	2.4	2.4
Consolidated Fixed Charge Coverage Ratio(b)	7.75% Secured Notes	>1.35	2.6	2.5

(a) The 2009 securitized notes and tower revenue notes also have amortization coverage thresholds of 1.15 and 1.45, respectively, which could result in applying current and future cash in the reserve account to prepay the debt with applicable prepayment consideration. For the 7.75% secured notes, if the Consolidated Fixed Charge Coverage Ratio is equal to or less than 1.20 and the aggregate amount of cash deposited in the reserve account exceeds \$100.0 million, the issuing subsidiaries will be required to commence an offer to purchase the 7.75% secured notes using the cash in the reserve account.

(b) Ratio of Net Cash Flow to the amount of interest to be paid over the succeeding 12 months per the terms of the respective debt agreement.

(c) Pro forma for the refinancing of the 2005 tower revenue notes in January 2010 and the repayment and purchases of debt in January 2010.

The 9% senior notes and 7.125% senior notes contain restrictive covenants with which we and our restricted subsidiaries must comply, subject to a number of exceptions and qualifications, including restrictions on our ability to incur incremental debt, issue preferred stock, guarantee debt, pay dividends, repurchase our capital stock, use assets as security in other transactions, sell assets or merge with or into other companies, and make certain investments. Certain of these covenants are not applicable if there is no event of default and if the ratio of our Consolidated Debt (as defined in the senior notes indenture) and to our Adjusted Consolidated Cash Flows (as defined in the senior notes indenture) is less than 7.0 to 1. As of January 31, 2010, such restrictions were not applicable because there has been no event of default and our ratio of Consolidated Debt to Adjusted Consolidated Cash Flows is less than 7.0 to 1; and based on our estimates of Consolidated Debt to Adjusted Consolidated Cash Flows and our current indebtedness, we do not expect such restrictions to be applicable. The 9% senior notes and 7.125% senior notes do not contain any financial maintenance covenants.

Off-balance Sheet Arrangements

We have no off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Accounting and Reporting Matters*Related Party Transactions*

See notes 13 and 16 to our consolidated financial statements.

Critical Accounting Policies and Estimates

The following is a discussion of the accounting policies and estimates that we believe (1) are most important to the portrayal of our financial condition and results of operations and (2) require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The critical accounting policies and estimates for 2009 are not intended to be a comprehensive list of our accounting policies and estimates. See note 2 to our consolidated financial statements for a summary of our significant accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP, with no need for management's judgment. In other cases, management is required to exercise judgment in the application of accounting principles with respect to particular transactions.

Revenue Recognition. Site rental revenues are recognized on a monthly basis over the fixed, non-cancelable term of the relevant lease or agreement with terms generally ranging from five to 15 years. In accordance with applicable accounting standards, these revenues are recognized on a monthly basis, regardless of whether the payments from the customer are received in equal monthly amounts. If the payment terms call for fixed escalations (as in fixed dollar or fixed percentage increases) or rent free periods, the effect is recognized on a straight-line basis over the fixed, non-cancelable term of the agreement. When calculating our straight-line rental revenues, we consider all fixed elements of tenant leases escalation provisions, even if such escalation provisions also include a variable element. As a result of recognizing revenue on a

straight-line basis, a portion of the revenue in a given

Table of Contents

period represents cash collected or contractually collectible in other periods. We record an allowance for uncollectible deferred site rental revenues for which increases or reversals of this allowance impact our site rental revenues. See note 2 to our consolidated financial statements.

To a lesser extent, we provide network services, such as antenna installations and subsequent augmentation, network design and site selection, site acquisition services, site development and other services. Network services revenues are generally recognized using the completed contract method. Under the completed contract method, revenues and costs for a particular project are recognized in total at the completion date. When using the completed contract method of accounting for network services revenues, we must accurately determine the completion date for the project in order to record the revenues and costs in the proper period. For antenna installations, we consider the project complete when the customer can begin transmitting its signal through the antenna. Although we don't typically incur losses on our network services because we typically enter into cost-plus profit contracts, we must also be able to estimate losses on uncompleted contracts, as such losses must be recognized as soon as they are known. We use the completed contract method for our network services projects, because our projects have a short duration (generally less than one year). We do not believe that our use of the completed contract method for network services projects produces financial position and operating results that differ substantially from the percentage-of-completion method.

Some of our arrangements with our customers call for the performance of multiple revenue-generating activities and typically would include both site rental and network services. However, we do not always provide the antenna installation services on our towers as the customer may obtain a third party to complete these services. In cases where we do perform the antenna installation on our towers, we determine whether the multiple deliverables are to be accounted for separately or on a combined basis. In order to be accounted for separately, the undelivered items must (1) have stand-alone value to the customer, (2) have reliably determinable fair value on a separate basis, and (3) have delivery which is probable and under our control. In addition, the delivered item must have stand-alone value to the customer. Allocation of recognized revenue in such arrangements is based on the relative fair value of the separately delivered items. We have generally determined that it is appropriate to account for antenna installation activities separately from the customer's subsequent site rentals.

Accounting for Long-Lived Assets – Valuation. As of December 31, 2009, our largest asset was our telecommunications towers (representing approximately \$4.1 billion, or 84%, of our \$4.9 billion in net book value of property and equipment), followed by intangible assets and goodwill (approximately \$2.4 billion and \$2.0 billion in net book value, respectively, resulting predominately from the Global Signal Merger in 2007 and other acquisitions of large tower portfolios). The vast majority (approximately \$2.3 billion net book value at December 31, 2009) of our identifiable intangibles relate to the site rental contracts and customer relationships intangible assets. See note 2 to our consolidated financial statements for further information regarding the nature and composition of the site rental contracts and customer relationships intangible assets.

We allocate the purchase price of acquisitions to the assets acquired and liabilities assumed based on their estimated fair value at the date of acquisition. Any purchase price in excess of the net fair value of the assets acquired and liabilities assumed is allocated to goodwill. In the case of the Global Signal Merger, we paid a purchase price that resulted in goodwill for two primary reasons (1) as a strategic measure to ensure that we maintained a tower portfolio of a comparable size to our largest competitor and (2) to deliver the needed control premium necessary to effect the transaction. The fair value of the vast majority of our assets and liabilities is determined by using either:

- (1) estimates of replacement costs (for tangible fixed assets such as towers) or
- (2) discounted cash flow valuation methods (for estimating identifiable intangibles such as site rental contracts and customer relationships and above-market and below-market leases).

The purchase price allocation requires subjective estimates that, if incorrectly estimated, could be material to our consolidated financial statements including the amount of depreciation, amortization and accretion expense. The most important estimates for measurement of tangible fixed assets are (1) the cost to replace the asset with a new asset and (2) the economic useful life after giving effect to age, quality and condition. The most important estimates for measurement of intangible assets are (1) discount rates and (2) timing and amount of cash flows including estimates regarding customer renewals and cancellations. The determination of the final purchase price allocation could extend over several quarters resulting in the use of preliminary estimates that are subject to adjustment until finalized.

Table of Contents

We record the fair value of obligations to perform certain asset retirement activities, including requirements, pursuant to our ground leases, to remove towers or remediate the land upon which our towers reside. In determining the fair value of these asset retirement obligations we must make several subjective and highly judgmental estimates such as those related to: (1) timing of cash flows, (2) future costs and (3) discount rates. See notes 2 and 17 to our consolidated financial statements.

Accounting for Long-Lived Assets Useful Lives. We are required to make subjective assessments as to the useful lives of our tangible and intangible assets for purposes of determining depreciation, amortization and accretion expense that, if incorrectly estimated, could be material to our consolidated financial statements. Depreciation expense for our property and equipment is computed using the straight-line method over the estimated useful lives of our various classes of tangible assets. The substantial portion of our property and equipment represents the cost of our towers which is depreciated with an estimated useful life equal to the shorter of (1) 20 years or (2) the term of the lease (including optional renewals) for the land under the tower.

The useful life of our intangible assets are estimated based on the period over which the intangible asset is expected to benefit us and gives consideration to the expected useful life of other assets to which the useful life may relate. Amortization expense for intangible assets is computed using the straight-line method over the estimated useful life of each of the intangible assets. The useful life of the site rental contracts and customer relationships intangible assets is limited by the maximum depreciable life of the tower (20 years), as a result of the interdependency of the tower and site rental contracts and customer relationships. In contrast, the site rental contracts and customer relationships are estimated to provide economic benefits for several decades because of the low rate of customer cancellations and high rate of renewals experienced to date. Thus, while site rental contracts and customer relationships are valued based upon the fair value of the site rental contracts and customer relationships which includes assumptions regarding both (1) customers exercise of optional renewals contained in the acquired contracts and (2) renewals of the acquired contracts past the contractual term including exercisable options, the site rental contracts are amortized over a period not to exceed 20 years as a result of the useful life being limited by the depreciable life of the tower.

Accounting for Long-Lived Assets Impairment Evaluation Intangibles. We review the carrying values of property and equipment, intangible assets and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. We utilize the following dual grouping policy for purposes of determining the unit of account for testing impairment of the site rental contracts and customer relationships:

- (1) we pool site rental contracts and customer relationships intangible assets and property and equipment into portfolio groups and
- (2) we separately pool site rental contracts and customer relationships by significant customer or by customer grouping for individually insignificant customers, as appropriate.

We first pool site rental contracts and customer relationships intangible assets and property and equipment into portfolio groups for purposes of determining the unit of account for impairment testing, because we view towers as portfolios and a tower in a given portfolio and its related customer contracts are not largely independent of the other towers in the portfolio. We re-evaluate the appropriateness of the pooled groups at least annually. This use of grouping is based in part on (1) our limitations regarding disposal of towers, (2) the interdependencies of tower portfolios and (3) the manner in which towers are traded in the marketplace. The vast majority of our site rental contracts and customer relationships intangible assets and property and equipment are pooled into the U.S. owned tower group. Secondly, and separately, we pool site rental contracts and customer relationships by significant customer or by customer grouping for individually insignificant customers, as appropriate, for purposes of determining the unit of account for impairment testing because we associate the value ascribed to site rental contracts and customer relationships intangible assets to the underlying contracts and related customer relationships acquired.

Our determination that an adverse event or change in circumstance has occurred that indicates that the carrying amounts may not be recoverable will generally involve (1) a deterioration in an asset's financial performance compared to historical results, (2) a shortfall in an asset's financial performance compared to forecasted results, or (3) changes affecting the utility of the asset. When considering the utility of our assets, we consider events that would meaningfully impact (1) our towers or (2) our customer relationships. For example, consideration would be

Table of Contents

given to events that impact (1) the structural integrity and longevity of our towers or (2) our ability to derive benefit from our existing customer relationships, including events such as bankruptcy or insolvency or loss of a significant customer. During 2009, there were no events or circumstances that caused us to review the carrying value of our intangible assets and property and equipment due in part to our assets performing consistently with or better than our expectations.

If the sum of the estimated future cash flows (undiscounted) from an asset, or portfolio group, significant customer or customer group (for individually insignificant customers), as applicable, is less than its carrying amount, an impairment loss is recognized. If the carrying value were to exceed the undiscounted cash flows, measurement of an impairment loss would be based on the fair value of the asset, which would generally be based on an estimate of discounted future cash flows. The most important estimates for such calculations of undiscounted cash flows are (1) the expected additions of new tenants and equipment on our towers and (2) estimates regarding customer cancellations and renewals of contracts. We could record impairments in the future if changes in long-term market conditions, expected future operating results or the utility of the assets results in changes for our impairment test calculations which negatively impact the fair value of our property and equipment and intangible assets, or if we changed our unit of account in the future.

When grouping assets into pools for purposes of impairment evaluation, we also consider individual towers within a grouping for which we currently have no tenants. Approximately 2% of our total towers currently have no tenants. We continue to pay operating expenses on these towers in anticipation of obtaining tenants on these towers in the future, primarily because of the individual tower site demographics. In fact, we have current visibility to potential tenants on roughly two-thirds of these towers. To the extent we do not believe there are long-term prospects of obtaining tenants on an individual tower and all other possible avenues for recovering the carrying value of the tower have been exhausted, including sale of the tower, we appropriately reduce the carrying value of such towers.

Accounting for Long-Lived Assets Impairment Evaluation Goodwill. All of our goodwill is recorded at CCUSA. We test goodwill for impairment on an annual basis, regardless of whether adverse events or changes in circumstances have occurred. The annual test begins with goodwill and all intangible assets being allocated to applicable reporting units. Goodwill is then tested using a two-step process that begins with an estimation of fair value of the reporting unit using an income approach, which looks to the present value of expected future cash flows. The first step, commonly referred to as a step one impairment test, is a screen for potential impairment while the second step measures the amount of impairment if there is an indication from the first step that one exists. Our reporting units are the operating segments since segment management operates their respective tower portfolios as a single network. Our measurement of the fair value for goodwill is based on an estimate of discounted future cash flows of the reporting unit. The most important estimates for such calculations are (1) expected additions of new tenants and equipment on our towers, (2) estimates regarding customer cancellations and renewal of customer contracts, (3) the terminal multiple for our projected cash flows, (4) our weighted-average cost of capital, (5) and control premium.

On October 1, 2009, we performed our annual goodwill impairment test. The results of this test indicated that goodwill was not impaired at either of our reporting units. The fair value of our net assets as measured by our market capitalization was almost four times greater than the aggregate carrying amount of the reporting units as of December 31, 2009. Although we currently are not at risk of failing a step one impairment test, a future change in our reporting units (unit of account) or assumptions surrounding the most important estimates included in our impairment test could result in the recognition of an impairment.

Interest Rate Swaps. We enter into interest rate swaps to manage and reduce our interest rate risk. The designation of our interest rate swaps as cash flow hedges requires judgment including with respect to the required assessment of the effectiveness of hedging relationships both at inception and on an on-going basis. We have designated certain of our interest rate swaps as cash flow hedges, which as of December 31, 2009 consists of certain interest rate swaps hedging the tower revenue notes. The effective portion of changes in fair value of interest rate swaps designated as cash flow hedges is recorded in AOCI and is recognized in earnings when the hedged item affects earnings. In contrast, the change in fair value of interest rate swaps related to hedge ineffectiveness and for those not designated as cash flow hedges is immediately marked to market in earnings.

Table of Contents

In assessing effectiveness of our forward-starting swaps both at inception and on an on-going basis, we must make several highly subjective and judgmental estimates such as assessing: (1) those related to the timing, amount, nature and probability of these future expected refinancings and (2) whether it is probable that the counterparties to our swaps will not default. The state of the current credit markets makes these estimates regarding future refinancings especially difficult. As of December 31, 2009, we have estimated that it is probable the expected refinancing of both the 2005 tower revenue notes and 2006 tower revenue notes will occur (see below regarding the January 2010 refinancing of the 2005 tower revenue notes). Following completion of the refinancing of the 2005 tower revenue notes, we may change our assessment of the future expected refinancing of the 2006 tower revenue notes, including a reduction in expected principal amount. As a result, we may prospectively discontinue hedge accounting or reclassify some or all of the unrealized loss from AOCI into earnings during 2010.

Although the 2006 mortgage loan was refinanced, the issuance of the 7.75% secured notes in April 2009 did not qualify for hedge accounting as the actual refinancing was not consistent with that anticipated as part of hedge accounting. Since it was determined in April 2009 that the hedged transaction did not and would not occur, we discontinued hedge accounting and reclassified the entire loss (\$132.9 million) from AOCI to earnings in the second quarter of 2009 for these specific interest rate swaps. The refinancing of the 2004 Mortgage Loan in 2009 and the 2005 tower revenue notes in 2010 qualified as the respective hedged forecasted transaction.

Currently, we have elected to not early settle the forward-starting interest rate swaps that hedged the refinancing of the 2006 mortgage loan and the 2005 tower revenue notes although they have been refinanced at a fixed rate during 2009 and early 2010. As a result, these swaps are no longer economic hedges of our exposure to LIBOR on anticipated refinancing of our existing debt, and changes in the fair value of the swaps following the related refinancing are recorded in earnings until settlement. These non-economic hedges have a combined notional value of \$3.5 billion inclusive of the 2005 tower revenue swaps de-designated in January 2010, and the combined settlement value is a liability of approximately \$329.1 million as of January 31, 2010.

The fair value of our interest rate swaps is determined using the income approach and is predominately based on observable interest rate yield curves and, to a lesser extent, the contract counterparty's credit risk and our non-performance risk. The determination of the credit risk input is highly subjective and is primarily based on credit default swap spreads including indexes of comparable securities and management's knowledge of current credit spreads in the debt market. As of December 31, 2009, a 50 basis point change in our credit spread would change the fair value of our interest rate swaps by less than one percent. Our credit valuation allowance at December 31, 2009 decreased by \$61.2 million, or 82%, to \$13.8 million from the prior year primarily due to a decrease in the credit risk assumption related to ourselves as well as a 49% decrease in the cash settlement value.

As of December 31, 2009, our outstanding forward-starting interest rate swaps had a combined notional amount of \$5.0 billion and totaled \$314.4 million on a settlement basis. As of December 31, 2009, we have recorded \$199.5 million, net of tax, in AOCI related to interest rate swaps designated as hedges. During 2009, we recorded \$57.9 million, net of tax, in earnings related to interest rate swaps not designated as hedges and \$2.5 million, net of tax, related to hedge ineffectiveness. In January 2010, we refinanced the 2005 tower revenue notes and expect to reclassify an aggregate loss of \$155.3 million from AOCI into earnings over a five-year period.

See also *Item 7A. Quantitative and Qualitative Disclosures About Market Risk* and notes 2, 8 and 9 to our consolidated financial statements.

Deferred Income Taxes. We record deferred income tax assets and liabilities on our consolidated balance sheet related to events that impact our financial statements and tax returns in different periods. In order to compute these deferred tax balances, we first analyze the differences between the book basis and tax basis of our assets and liabilities (referred to as temporary differences). These temporary differences are then multiplied by current tax rates to arrive at the balances for the deferred income tax assets and liabilities. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the asset will not be realized. We recognize a tax position if it is more likely than not it will be sustained upon examination. The tax position is measured at the largest amount that is greater than 50 percent likely of being realized upon ultimate settlement.

The change in our net deferred income tax balances during a period generally results in a deferred income tax provision or benefit in our consolidated statement of operations and comprehensive income (loss). If our expectations about the future tax consequences of past events should prove to be inaccurate, the balances of our deferred income tax assets and liabilities could require significant adjustments in future periods. Such adjustments could cause a material effect on our results of operations for the period of the adjustment. See note 10 to our consolidated financial statements.

Table of Contents

Before giving effect to any valuation allowances, we are in an overall net deferred tax asset position that includes deferred tax assets of \$75.1 million charged to AOCI resulting from our interest rate swap liabilities. We have recorded a valuation allowance on our net deferred tax assets since it is more likely than not that the asset will not be realized. The valuation allowance in effect limits our ability to recognize tax benefits in our results of operations in the future. The amount, if any, of our valuation allowance is currently largely driven by our interest rate swap liability the fair value of which can vary based on movements in market interest rates.

Impact of Accounting Standards Issued But Not Yet Adopted and Those Adopted in 2009

In December 2007, the Financial Accounting Standards Board (FASB) issued guidance that established accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. These amendments to the accounting standards clarify that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. These amendments to the accounting standards require consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. On January 1, 2009, we adopted these amendments. The adoption of these amendments did not have a material impact on our consolidated financial statements. As a result of these amendments, we have prospectively recorded the income or losses applicable to the non-controlling interest of CCAL even though the noncontrolling stockholders share of the cumulative losses exceeds their equity interests.

In December 2007, the FASB issued certain amendments that established principles and requirements for recognizing and measuring identifiable assets and goodwill acquired, liabilities assumed and any noncontrolling interest in an acquisition, at their fair value as of the acquisition date. These amendments will change the accounting treatment of certain items, including that (1) acquisition and restructuring costs will be generally expensed as incurred, (2) noncontrolling interests will be valued at fair value at the acquisition date, (3) in certain circumstances acquired contingent liabilities will be recorded at fair value at the acquisition date and subsequently measured at either the higher of such amount or the amount determined under existing guidance for non-acquired contingencies, and (4) changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date will affect provision for income taxes. The provisions of the amended accounting guidance are applied prospectively to our business combinations for which the acquisition date is on or after January 1, 2009. These amendments may have a material impact on business combinations after adoption. The impact from application of these amendments depends on the facts and circumstances of business combinations after adoption.

See note 2 to our consolidated financial statements for further discussion of recently issued accounting standards and the related impact on our consolidated financial statements.

Non-GAAP Financial Measures

Our measurement of profit or loss currently used to evaluate the operating performance of our operating segments is earnings before interest, taxes, depreciation, amortization and accretion, as adjusted, or Adjusted EBITDA. Our definition of Adjusted EBITDA is set forth in *Item 7. MD&A Results of Operations Comparison of Operating Segments*. Our measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in the tower sector and as used in the historical financial statements of Global Signal, and is not a measure of performance calculated in accordance with GAAP. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income or loss, net income or loss, cash flows provided by (used for) operating, investing and financing activities or other income statement or cash flow statement data prepared in accordance with GAAP.

We believe Adjusted EBITDA is useful to an investor in evaluating our operating performance because:

it is the primary measure used by our management to evaluate the economic productivity of our operations, including the efficiency of our employees and the profitability associated with their performance, the realization of contract revenue under our long-term contracts, our ability to obtain and maintain our customers and our ability to operate our site rental business effectively;

it is the primary measure of profit and loss used by management for purposes of making decisions about allocating resources to, and assessing the performance of, our operating segments;

it is similar to the measure of current financial performance generally used in our debt covenant calculations;

Table of Contents

although specific definitions may vary, it is widely used in the tower sector to measure operating performance without regard to items such as depreciation, amortization and accretion, which can vary depending upon accounting methods and the book value of assets; and

we believe it helps investors meaningfully evaluate and compare the results of our operations from (1) period to period and (2) to our competitors by removing the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our operating results.

Our management uses Adjusted EBITDA:

with respect to compliance with our debt covenants, which require us to maintain certain financial ratios including, or similar to, Adjusted EBITDA;

as the primary measure of profit and loss for purposes of making decisions about allocating resources to, and assessing the performance of, our operating segments;

as a performance goal in employee annual incentive compensation;

as a measurement of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our operating results;

in presentations to our board of directors to enable it to have the same measurement of operating performance used by management;

for planning purposes, including preparation of our annual operating budget;

as a valuation measure in strategic analyses in connection with the purchase and sale of assets; and

in determining self-imposed limits on our debt levels, including the evaluation of our leverage ratio and interest coverage ratio.

There are material limitations to using a measure such as Adjusted EBITDA, including the difficulty associated with comparing results among more than one company, including our competitors, and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net income or loss. Management compensates for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with their analysis of net income (loss).

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Our primary exposures to market risks are related to changes in interest rates and foreign currency exchange rates which may adversely affect our results of operations and financial position. We seek to manage exposure to changes in interest rates where economically prudent to do so by utilizing predominately fixed rate debt and interest rate swaps. We do not currently hedge against foreign currency exchange risks.

Interest Rate Risk

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Our interest rate risk relates primarily to the impact of interest rate movements on the following, inclusive of the refinancing of the 2005 tower revenue notes issued January 2010 and the repayment and purchases of debt in January 2010.

the potential refinancing of our existing debt, of which we currently anticipate refinancing the 2006 tower revenue notes between now and November 2011;

our \$632.1 million of floating rate debt representing approximately 10% of total debt, of which \$600 million has been fixed until December 2011 through interest rate swaps;

interest rate swaps that no longer represent economic hedges; and

potential future borrowings of incremental debt.

Table of Contents

The discussion and tables presented below summarize our market risk exposure to interest rates, including our use of interest rate swaps to manage and reduce this risk.

Anticipated Refinancing of Existing Debt

During 2009 and January 2010, we issued \$4.8 billion face value of debt and thereby extended the maturity of our debt portfolio. By the end of 2011, we expect to refinance our 2006 tower revenue notes; and we have entered into interest rate swaps to hedge the variability in cash flows from changes in LIBOR on this anticipated refinancing. We do not hedge our exposure to changes in credit spreads on this anticipated refinancing, as the rates fixed by our interest rate swaps are exclusive of any credit spread. Our refinancings over the last year have increased our weighted-average cost of debt as a result of the challenging credit markets. Our prospective debt financings may result in an increase in our weighted-average cost of debt depending upon the state of the credit markets at the time of such financings.

See *Item 7. MD&A Liquidity and Capital Resources Overview* for a discussion of the tower revenue notes anticipated repayment dates (ranging from 2011 to 2020) and the associated increase in interest rate and principal amortization following the anticipated repayment date.

Floating Rate Debt

We manage our exposure to market interest rates on our existing debt by (1) controlling the mix of fixed and floating rate debt and (2) utilizing interest rate swaps to hedge variability in cash flows from changes in LIBOR on our outstanding floating rate debt. As of December 31, 2009, we had \$632.1 million of floating rate debt, of which \$600.0 million is effectively converted to a fixed rate through an interest rate swap until December 2011. As a result, a hypothetical unfavorable fluctuation in market interest rates on our existing debt of two percentage points over a twelve-month period would increase our interest expense by approximately \$0.6 million.

Interest Rate Swaps

Our interest rate swaps have an aggregate settlement value of \$411.7 million as of January 31, 2010, and they are contractually due and payable between June 2010 and November 2011. These liability positions resulted from LIBOR declining below the fixed rate of these interest rate swaps. The stated rate of our future debt refinancing is exclusive of the impact of the interest rate swaps and reflects the benefit of the declines in LIBOR. From an economic perspective, we have fixed our exposure to LIBOR on the anticipated refinancing, and the swap liabilities represent the opportunity cost of not benefiting from the declines in LIBOR. See the following table and in note 8 to our consolidated financial statements.

A hypothetical decrease of 100 basis points in the prevailing LIBOR yield curve as of December 31, 2009 would increase the liability for our swaps on a settlement value basis by nearly \$270 million, and a hypothetical increase in rates would reduce the liability by a similar amount. We immediately mark to market in earnings interest rate swaps that are not designated as hedges. As a result, we estimate that the impact of the hypothetical unfavorable movement of 100 basis points would decrease earnings by approximately \$205 million, and an opposite hypothetical increase in LIBOR would positively impact earnings by a similar amount, inclusive of the impact of the swaps hedging the 2005 tower revenue notes that we de-designated in January 2010.

As of February 2, 2010 our interest rate swaps are with Morgan Stanley, the Royal Bank of Scotland plc and Calyon who have credit ratings of A2 or better from Moody's. See note 8 to our consolidated financial statements and the tables below.

Potential Future Borrowings of Incremental Debt

We typically do not hedge our exposure to interest rates on potential future borrowings of incremental debt for a substantial period prior to issuance. See *Item 7. MD&A Liquidity and Capital Resources* regarding our short-term liquidity strategy.

Table of Contents

The following tables provide information about our market risk related to changes in interest rates. The future principal payments, weighted-average interest rates and the interest rate swaps are presented as of December 31, 2009, after giving effect to the refinancing of the 2005 tower revenue notes in January 2010. These debt maturities reflect contractual maturity dates, exclusive of other long-term obligations that are de minimus, and do not consider the impact of the principal payments that will commence following the anticipated repayment dates on the tower revenue notes (see footnote (b)). See notes 7 and 8 to our consolidated financial statements for additional information regarding our debt and interest rate swaps.

	Future Principal Payments and Interest Rates by the Debt Instruments					Contractual Year of Maturity		
	2010	2011	2012	2013	2014	Thereafter	Total	Fair Value(a)
	(Dollars in thousands)							
Fixed rate debt (b)	\$ 11,915	\$ 16,653(b)	\$ 17,969	\$ 18,722	\$ 18,970	\$ 5,754,477	\$ 5,838,706	\$ 6,020,611
Average interest rate (b)(c)	6.3%	6.3%(b)	6.3%	6.3%	6.3%	7.9%	7.9%	
Variable rate debt	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 606,125	\$	\$ 632,125	\$ 616,322
Average interest rate (d)	1.7%	1.7%	1.7%	1.7%	1.7%		1.7%	

	Notional Amounts and Interest Rates by the Year of Maturity of the Interest Rate Swaps							
	2010	2011	2012	2013	2014	Thereafter	Total	Fair Value(e)
	(Dollars in thousands)							
Interest Rate Swaps:								
Variable to Fixed Forward-starting (f)	\$ 1,900,000	\$ 3,100,000	\$	\$	\$	\$	\$ 5,000,000	\$ (300,602)
Average Fixed Rate(g)	5.2%	5.2%					5.2%	
Variable to Fixed	\$ (d)	\$ 600,000	\$	\$	\$	\$	\$ 600,000(d)	\$ 562
Average Fixed Rate(g)	(d)	1.3%					1.3%(d)	

- (a) The fair value of our debt is based on indicative quotes (that is, non-binding quotes) from brokers that require judgment to interpret market information, including implied credit spreads for similar borrowings on recent trades or bid/ask offers. These fair values are not necessarily indicative of the amount which could be realized in a current market exchange.
- (b) As previously discussed, the 2006 tower revenue notes have an anticipated repayment date in November 2011 and the 2010 tower revenue notes have anticipated repayment dates ranging from 2015 to 2020. If the tower revenue notes are not repaid in full by their anticipated repayment dates then the interest rate increases by an additional approximately 5% per annum and monthly principal payments commence using the Excess Cash Flow of the issuers of the tower revenue notes. The tower revenue notes are presented based on their contractual maturity dates ranging from 2036 to 2040 and include the impact of an assumed 5% increase in interest rate that would occur following the anticipated repayment dates but exclude the impact of monthly principal payments that would commence using Excess Cash Flow of the issuers of the tower revenue notes. The Excess Cash Flow of such issuers was approximately \$375 million for the annualized quarter ended December 31, 2009 without consideration of the tower revenue notes purchase by CCIC.
- (c) The average interest rate represents the weighted-average stated coupon rate (see footnote (b)).
- (d) The interest rate on our variable rate debt represents the rate currently in effect.
- (e) The fair value of interest rate swaps is determined using the income approach and is predominately based on observable interest rates and yield curves. The fair value predominately results from the difference between the fixed rate and the prevailing LIBOR yield curve and, to a lesser extent, the contract counterparties and our credit risk. As of December 31, 2009, the net liability on a cash settlement basis of approximately \$313.9 million has been reduced by \$13.8 million, related to credit risk (primarily our non-performance risk), to reflect the interest rate swaps at fair.
- (f) These interest rate swaps are forward-starting interest rate swaps that hedge exposure to variability in future cash flows attributable to changes in LIBOR on the expected future refinancing of our fixed rate debt. These interest rate swaps have a contractual maturity on their respective effective dates upon which they will be terminated and settled in cash. See note 8 to our consolidated financial statements for additional information regarding our forward-starting interest rate swaps.
- (g) Exclusive of any applicable credit spreads.

Table of Contents

Foreign Currency Risk

The vast majority of our foreign currency risk is related to the Australian dollar which is the functional currency of CCAL. CCAL represented 5% of our consolidated revenues and 4% of our consolidated operating income for 2009. As of December 31, 2009, the Australian dollar exchange rate had strengthened compared to the U.S. dollar by approximately 5% from the average rate for 2008. See *Item 7. MD&A Results of Operations Comparison of Operating Segments*.

Foreign exchange markets have recently been volatile, and we expect foreign exchange markets to continue to be volatile over the near term. We believe the risk related to our financial instruments (exclusive of inter-company financing deemed a long-term investment) denominated in Australian dollars is not significant to our financial condition. A hypothetical increase or decrease of 25% in Australian dollar exchange rate would increase or decrease the fair value of our financial instruments by approximately \$5 million.

Item 8. *Financial Statements and Supplementary Data*

Crown Castle International Corp. and Subsidiaries

Index to Consolidated Financial Statements

	Page
<u>Report of KPMG LLP, Independent Registered Public Accounting Firm</u>	44
<u>Consolidated Balance Sheet as of December 31, 2009 and 2008</u>	45
<u>Consolidated Statement of Operations and Comprehensive Income (Loss) for each of the three years in the period ended December 31, 2009</u>	46
<u>Consolidated Statement of Cash Flows for each of the three years in the period ended December 31, 2009</u>	47
<u>Consolidated Statement of Equity for each of the three years in the period ended December 31, 2009</u>	48
<u>Notes to Consolidated Financial Statements</u>	49

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

Crown Castle International Corp.:

We have audited the accompanying consolidated balance sheets of Crown Castle International Corp. and subsidiaries (the Company) as of December 31, 2009 and 2008, and the related consolidated statements of operations and comprehensive income (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2009. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule II. These consolidated financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Crown Castle International Corp. and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

The Company adopted the provisions of Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (included in FASB ASC Topic 820, *Fair Value Measurements and Disclosures*), effective January 1, 2008.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Crown Castle International Corp.'s internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 15, 2010 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Pittsburgh, Pennsylvania
February 15, 2010

Table of Contents**CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEET**

(In thousands of dollars, except share amounts)

	December 31,	
	2009	2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 766,146	\$ 155,219
Restricted cash	213,514	147,852
Receivables net of allowance of \$5,497 and \$6,267, respectively	44,431	37,621
Deferred site rental receivables, net	13,347	29,650
Prepaid expenses	68,551	74,295
Deferred income tax assets	76,089	28,331
Other current assets	13,955	12,200
Total current assets	1,196,033	485,168
Restricted cash	5,000	5,000
Deferred site rental receivables, net of allowance of \$3,600 and \$-0-, respectively	261,566	144,474
Property and equipment, net	4,895,983	5,060,126
Goodwill	1,984,804	1,983,950
Site rental contracts and customer relationships, net	2,302,256	2,441,254
Other intangible assets, net	103,166	110,078
Deferred financing costs and other assets, net	207,798	131,672
Total assets	\$ 10,956,606	\$ 10,361,722
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 33,053	\$ 33,808
Accrued interest	69,476	16,771
Deferred revenues	179,649	174,213
Interest rate swaps	160,121	52,539
Other accrued liabilities	94,610	90,810
Short-term debt, current maturities of debt and other obligations	217,196	466,217
Total current liabilities	754,105	834,358
Debt and other long-term obligations	6,361,954	5,635,972
Deferred ground lease payables	236,444	199,399
Deferred income tax liabilities	74,117	40,446
Interest rate swaps	140,481	488,632
Other liabilities	137,766	132,324
Total liabilities	7,704,867	7,331,131
Commitments and contingencies (note 17)		
Redeemable preferred stock, \$0.1 par value; 20,000,000 shares authorized; shares issued and outstanding: December 31, 2009 and 2008 6,361,000; stated net of unamortized issue costs; mandatory redemption and aggregate liquidation value of \$318,050	315,654	314,726
CCIC stockholders' equity:		
Common stock, \$.01 par value; 600,000,000 shares authorized; shares issued and outstanding: December 31, 2009 292,729,684 and December 31, 2008 288,464,431	2,927	2,885

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Additional paid-in capital	5,685,874	5,614,507
Accumulated other comprehensive income (loss)	(124,224)	(408,329)
Accumulated deficit	(2,628,336)	(2,493,198)
Total CCIC stockholders' equity	2,936,241	2,715,865
Noncontrolling interest	(156)	
Total equity	2,936,085	2,715,865
Total liabilities and equity	\$ 10,956,606	\$ 10,361,722

See accompanying notes to consolidated financial statements.

Table of Contents**CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)****(In thousands of dollars, except per share amounts)**

	Years Ended December 31,		
	2009	2008	2007
Net revenues:			
Site rental	\$ 1,543,192	\$ 1,402,559	\$ 1,286,468
Network services and other	142,215	123,945	99,018
	1,685,407	1,526,504	1,385,486
Operating expenses:			
Costs of operations(a):			
Site rental	456,560	456,123	443,342
Network services and other	92,808	82,452	65,742
General and administrative	153,072	149,586	142,846
Restructuring charges (credits)			3,191
Asset write-down charges	19,237	16,888	65,515
Acquisition and integration costs		2,504	25,418
Depreciation, amortization and accretion	529,739	526,442	539,904
Total operating expenses	1,251,416	1,233,995	1,285,958
Operating income (loss)	433,991	292,509	99,528
Interest expense and amortization of deferred financing costs	(445,882)	(354,114)	(350,259)
Impairment of available-for-sale securities		(55,869)	(75,623)
Gains (losses) on purchases and redemptions of debt	(91,079)	42	
Net gain (loss) on interest rate swaps	(92,966)	(37,888)	
Interest and other income (expense)	5,413	2,101	9,351
Income (loss) before income taxes	(190,523)	(153,219)	(317,003)
Benefit (provision) for income taxes	76,400	104,361	94,039
Net income (loss)	(114,123)	(48,858)	(222,964)
Less: Net income (loss) attributable to the noncontrolling interest	209		(151)
Net income (loss) attributable to CCIC stockholders	(114,332)	(48,858)	(222,813)
Dividends on preferred stock	(20,806)	(20,806)	(20,805)
Net income (loss) attributable to CCIC stockholders after deduction of dividends on preferred stock	\$ (135,138)	\$ (69,664)	\$ (243,618)
Net income (loss)	\$ (114,123)	\$ (48,858)	\$ (222,964)
Other comprehensive income (loss):			
Available-for-sale securities, net of taxes of \$0, \$0, and \$0:			
Unrealized gains (losses), net of taxes	6,799	(55,869)	(76,776)
Amounts reclassified into results of operations, net of taxes		55,869	57,529
Derivative instruments, net of taxes of \$60,324, \$48,879 and \$26,442:			
Net change in fair value of cash flow hedging instruments net of taxes	80,789	(392,993)	(40,042)
Amounts reclassified into results of operations, net of taxes	154,891	6,949	1,963

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Foreign currency translation adjustments	41,399	(48,451)	19,916
Comprehensive income (loss)	169,755	(483,353)	(260,374)
Less: Comprehensive income (loss) attributable to the noncontrolling interest	(18)		1,273
Comprehensive income (loss) attributable to CCIC stockholders	\$ 169,773	\$ (483,353)	\$ (261,647)
Net income (loss) attributable to CCIC common stockholders, after deduction of dividends on preferred stock, per common share basic and diluted	\$ (0.47)	\$ (0.25)	\$ (0.87)
Weighted-average common shares outstanding basic and diluted (in thousands)	286,622	282,007	279,937

(a) Exclusive of depreciation, amortization and accretion shown separately.

See accompanying notes to consolidated financial statements.

Table of Contents**CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF CASH FLOWS****(In thousands of dollars)**

	Years Ended December 31,		
	2009	2008	2007
Cash flows from operating activities:			
Net income (loss)	\$ (114,123)	\$ (48,858)	\$ (222,964)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:			
Depreciation, amortization and accretion	529,739	526,442	539,904
Gains (losses) on purchases and redemptions of long-term debt	91,079	(42)	
Amortization of deferred financing costs and other non-cash interest	61,357	24,830	23,913
Stock-based compensation expense	29,225	25,896	21,621
Asset write-down charges	19,237	16,888	65,515
Deferred income tax benefit (provision)	(74,410)	(113,557)	(98,914)
Income (expense) from forward-starting interest rate swaps	90,302	34,111	
Impairment of available-for-sale securities		55,869	75,623
Other adjustments	821	(1,745)	(1,180)
Changes in assets and liabilities, excluding the effects of acquisitions:			
Increase (decrease) in accrued interest	52,705	(1,031)	3,170
Increase (decrease) in accounts payable	(1,703)	(2,564)	7,592
Increase (decrease) in deferred revenues, deferred ground lease payables, other accrued liabilities and other liabilities	9,317	80,701	4,720
Decrease (increase) in receivables	(4,830)	(5,010)	3,966
Decrease (increase) in prepaid expenses, deferred site rental receivables and other assets	(117,460)	(78,929)	(72,611)
Net cash provided by (used for) operating activities	571,256	513,001	350,355
Cash flows from investing activities:			
Proceeds from disposition of property and equipment	3,988	1,855	2,909
Payment for acquisitions (net of cash acquired) of businesses	(2,598)	(27,736)	(494,352)
Capital expenditures	(173,535)	(450,732)	(300,005)
Net cash provided by (used for) investing activities	(172,145)	(476,613)	(791,448)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	2,726,348		650,000
Proceeds from issuance of capital stock	45,049	8,444	31,176
Principal payments on debt and other long-term obligations	(6,500)	(6,500)	(4,875)
Purchases and redemptions of long-term debt	(2,191,719)	(282)	
Purchases of capital stock (\$-0-, \$-0- and \$600,450 from related parties)	(3,003)	(44,685)	(729,811)
Borrowings under revolving credit agreements	50,000	94,400	75,000
Payments under revolving credit agreements	(219,400)		
Payments for financing costs	(67,760)	(1,527)	(9,108)
Payments for forward-starting interest rate swap settlements	(36,670)		
Net (increase) decrease in restricted cash	(62,071)	17,745	(33,089)
Dividends on preferred stock	(19,878)	(19,878)	(19,879)
Capital distribution to noncontrolling interest holders of CCAL			(37,196)
Net cash provided by (used for) financing activities	214,396	47,717	(77,782)

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Effect of exchange rate changes on cash	(2,580)	(4,131)	1,404
Net increase (decrease) in cash and cash equivalents	610,927	79,974	(517,471)
Cash and cash equivalents at beginning of year	155,219	75,245	592,716
Cash and cash equivalents at end of year	\$ 766,146	\$ 155,219	\$ 75,245

See accompanying notes to consolidated financial statements.

Table of Contents**CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF EQUITY**

(In thousands of dollars, except share amounts)

	Common Stock		CCIC Stockholders' Equity		Accumulated Other Comprehensive Income (loss)		Unrealized Gains (Losses) on Available-for-sale Securities		Accumulated Noncontrolling Interest	Total
	Shares	(\$.01 Par)	Additional Paid-In Capital	Foreign Currency Translation Adjustments	Derivative Instruments					
Balance, January 1, 2007	202,080,546	\$ 2,021	\$ 2,873,858	\$ 56,780	\$ (11,027)	\$ 19,247	\$ (2,184,598)	\$ 29,052	\$ 785,333	
Cumulative effect to prior year accumulated deficit related to the adoption of FIN 48 (note 10)							4,682		4,682	
Acquisition of noncontrolling interest										