

## Exhibit 9

Excerpts of Crown Castle International Corporation  
2010 Annual Report

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

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

**For the fiscal year ended December 31, 2010**

**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)**

**Delaware**

**(State or other jurisdiction  
of incorporation or organization)**

**76-0470458**

**(I.R.S. Employer  
Identification No.)**

**1220 Augusta Drive, Suite 500, Houston Texas 77057-2261**

**(Address of principal executive offices) (Zip Code)**

**(713) 570-3000**

**(Registrant's telephone number, including area code)**

**Securities Registered Pursuant to  
Section 12(b) of the Act**

**Name of Each Exchange  
on Which Registered**

Common Stock, \$.01 par value

New York Stock Exchange

Rights to Purchase Series A Participating  
Cumulative Preferred Stock

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 ☐

Indicated 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 ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$10.4 billion as of June 30, 2010, 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 \$37.26 per share.

**Applicable Only to Corporate Registrants**

As of February 5, 2011, there were 290,888,523 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 "2011 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, 2010.

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### 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 include (1) expectations regarding anticipated growth in the wireless communication industry, carriers' investments in their networks, new tenant additions and demand for our towers, (2) availability of cash flows for, and plans regarding, future discretionary investments including capital expenditures, (3) anticipated growth in future revenues, margins, and operating cash flows, and (4) expectations regarding the credit markets, our availability and cost of capital, and our ability to service our debt and comply with debt covenants.

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.

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 this 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, 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 and other wireless infrastructure, including distributed antenna system ("DAS") networks in the U.S. and rooftop installations (unless the context otherwise suggests or requires, references herein to "towers" include such other wireless infrastructure). Our core business is renting space on our towers via long-term contracts in various forms, including license, sublease and lease agreements (collectively, "contracts"). Our towers can accommodate multiple customers ("co-location") for antennas and other equipment necessary for the transmission of signals for wireless communication devices. We seek to increase our site rental revenues by adding more tenants on our towers, which we expect to result in significant incremental cash flows due to our relatively fixed tower operating costs.

Information concerning our towers as of December 31, 2010 is as follows:

- We owned, leased or managed approximately 23,900 towers, inclusive of 43 completed DAS networks with a varying number of discrete antenna locations ("nodes").
- We have approximately 22,300 towers in the United States, including Puerto Rico ("U.S."), and approximately 1,600 towers in Australia.
- 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. Our towers have a significant presence in 92 of the top 100 BTAs in the U.S. In Australia, 57% of our towers are located in the six major metropolitan areas.
- We owned in fee or had perpetual or long-term easements in the land and other property interests (collectively, "land") on which approximately 34% of our site rental gross margin is derived, and we leased, subleased or licensed (collectively "leased") the land on which approximately 65% of our site rental gross margin is derived. In addition, we managed approximately 600 towers owned by third parties. The leases for the land under our towers had an average remaining life of approximately 31 years, weighted based on site rental gross margin.

Information concerning our customers and site rental contracts as of December 31, 2010 is as follows:

- Our customers include many of the world's major wireless communications companies. In the U.S., Verizon Wireless, AT&T, Sprint Nextel ("Sprint") and T-Mobile accounted for a combined 77% and 73% of our 2010 CCUSA and consolidated revenues, respectively. In Australia, our customers include Telstra, Optus and a joint venture between Vodafone and Hutchison ("VHA").
- Revenues derived from our site rental business represented 91% of our 2010 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.
- 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, (3) limited termination rights for our customers, and (4) contractual escalations of the rental price.
- Our customer contracts have a weighted-average remaining life of approximately eight years, exclusive of renewals at the customers' option, and represent \$15.3 billion of expected future cash inflows.

To a lesser extent, we also provide certain network services relating to our towers, primarily consisting of antenna installations and subsequent augmentations, as well as the following additional services: site acquisition, architectural and engineering, zoning and permitting, other construction and other services related to network development.

#### 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 new tenant additions or modifications of existing installations (collectively, "new tenant additions") 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 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 2010, we increased our discretionary investments from 2009 levels, as a result of the financial flexibility afforded by financing activities completed during 2009 and 2010 that extended our debt maturities. Our discretionary investments have historically included those shown below (in no particular order):
  - purchase shares of our common stock ("common stock") from time to time;
  - acquire towers;
  - acquire land under towers;
  - selectively construct towers;
  - 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 additional demand for our towers will be created by the expected continued growth in the wireless communications industry, which is predominately driven by the demand for wireless voice and data services by consumers. We believe that additional demand for wireless infrastructure will create future growth opportunities for us. We believe that such demand for our towers will continue, will result in organic growth of our revenues due to the co-location of additional tenants on our existing towers and will create other growth opportunities for us such as demand for new towers. However, our results of operations may not always be indicative of the extent of changing demand for our towers in any given period as a result of the application of straight-line accounting.

During 2010, consumer demand for wireless data services continued to grow, driven by user-friendly wireless devices, such as smartphones, high speed networks and a robust offering of software applications. This growth in data services is in contrast to the slowing growth rate in voice services as the role of wireless devices expands. The following is a discussion of the recent growth and our expectations for growth trends in the U.S. wireless communications industry:

- We expect that consumers' growing demands for network speed and quality will likely result in wireless carriers continuing their focus on improving network quality and expanding capacity by adding additional antennas and other equipment for the transmission of their services in an effort to improve customer retention and satisfaction.
- Our customers have introduced, and we believe they plan to continue to deploy, next generation wireless technologies, including 3G and 4G, in response to consumer demand for high speed networks. We expect these next generation technologies and others, including LTE, HSPA+ 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.
- Spectrum licensed by the Federal Communications Commission ("FCC") in 2006 and 2008 has enabled next generation networks, and we expect these and future auctions should continue to enable next generation networks in the U.S.
- Consumers are increasing their use of wireless voice and data services according to recent U.S. wireless industry reports.
  - Wireless data services grew in 2010 as consumers increased their wireless use of e-mail, internet, social networking, music and video sharing. Wireless data service revenues for the first half of 2010 were nearly \$25 billion, which represents a 27% increase over the first half of 2009 and accounted for more than 25% of all wireless services revenues.<sup>(a)</sup>
  - Wireless connections were nearly 293 million as of June 30, 2010, which represents a year-over-year increase of over 16 million subscribers, or 6%.<sup>(a)</sup>
  - Wireless data consumption per line increased by 450% between the first quarter of 2009 and the second quarter of 2010.<sup>(b)</sup>
  - Wireless devices are trending toward more bandwidth intensive devices such as smartphones, laptops, netbooks, tablets and other emerging and embedded devices. In particular smartphone shipments are expected to grow by 55% in 2010 from 2009.<sup>(c)</sup> Despite the growth in smartphones, market penetration for smartphones was approximately 30% at the end of 2010 and is expected to surpass 50% by the end of 2011.<sup>(d)</sup>
  - Access to the internet by mobile devices has continued to grow during 2010 with 59% of the U.S. population

accessing the internet on their phones in 2010, up from 25% in 2009.<sup>(e)</sup>

- (a) Source: Cellular Telecommunications & Internet Association ("CTIA")
- (b) Source: Federal Communications Commission
- (c) Source: International Data Corporation ("IDC")
- (d) Source: Morgan Stanley Research
- (e) Source: Pew Research Center

## 2010 Highlights and Recent Developments

See "Item 7. MD&A" and our consolidated financial statements for a discussion of developments and activities occurring in 2010, including the refinancing of \$3.5 billion face value of debt and the settlement of all remaining forward-starting interest rate swaps.

## 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 16 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, including co-locating tenants on our indoor and outdoor DAS networks, which are located in areas in which zoning restrictions or other barriers may prevent or delay the deployment of a tower and often are attached to public right-of-way infrastructure such as utility poles and street lights. We predominately rent space to wireless carriers under long-term contracts for their antennas which transmit a variety of signals related to wireless voice and data. As a result, we believe our towers are integral to our customers' network and their ability to serve their customers.

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 Inc. ("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 long-term contracts. We have existing master lease agreements with most wireless carriers, including Verizon Wireless, AT&T, Sprint, T-Mobile and Clearwire, which provide certain terms (including economic terms) that govern contracts on our towers entered into by such parties during the term of their master lease agreements. Over the last several years, we have negotiated 15-year terms for both initial and renewal periods for certain of our customers, which often included fixed escalations. We continue to endeavor to negotiate with our existing customer base for longer contractual terms, which often may contain fixed escalation rates.

Our customer contracts have a high renewal rate because of (1) the integral nature of our towers within our customers' networks, (2) customers' cost associated with relocation of their 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 contracts may not be terminated. In general, each customer contract 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 15 to our consolidated financial statements for a tabular presentation of the minimum rental cash payments due to us by tenants pursuant to contract 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 contract amendments, pursuant to which our customers add additional antennas or other equipment to towers on which they already have equipment pursuant to pre-existing contract 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 cash operating expenses tend to escalate at approximately the rate of inflation, partially offset by reductions in cash ground lease expenses from our purchases of land. 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.

We have an agreement to provide certain management, construction and acquisition services for a third party as to certain tower opportunities in the U.S. with an initial period through March 2011. The arrangement was entered into to permit us to maintain our construction and acquisition capabilities and expertise and further our good relationships with certain major customers with limited capital commitments and expenditures as to such towers.

*Network Services.* To a lesser extent, we also offer wireless communication companies and their agents certain network services relating to our towers. For 2010, approximately 71% of network services and other revenues related to antenna installations and subsequent augmentation (collectively, "installation services"), and the remainder related to the following additional services: site acquisition, architectural and engineering, zoning and permitting, other construction and other services related to network development. We do not always provide the installation services on our towers as the customer may obtain a third party to complete these services, as reflected in our quarterly market share for installation services on our towers, which has ranged between one-quarter to two-thirds over the last two years (see also "*Competition*" below). We have grown our network services business over the last several years as a result of our focus on customer service and increasing our market share for installation services on our towers. 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. Nearly all of our antenna installation services are billed on a cost-plus profit basis.

*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. The following table summarizes the net revenues from our four largest customers expressed as a percentage of CCUSA's and our consolidated revenues for 2010. See "*Item 1A. Risk Factors.*"

<u>Customer</u>	<u>% of 2010 CCUSA Net Revenues</u>	<u>% of 2010 Consolidated Net Revenues</u>
AT&T	22%	21%
Verizon Wireless	22%	21%
Sprint	21%	20%
T-Mobile	12%	11%
Total	77%	73%

In addition to our four largest customers, new tenant additions for 2010 were derived from customers offering emerging wireless technologies, such as those offering wireless data only technologies and, to a lesser extent, national wireless carriers other than those mentioned in the table above, such as those offering flat rate calling plans. New entrants in the wireless industry are emerging as new technologies become available, including Clearwire, a provider of WiMAX wireless mobile data services.

*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 expansions, including DAS networks, and any related network services. We attempt to match specific towers in our portfolio with potential new site demand by obtaining and analyzing information, including our customers' existing antenna locations, tenant contracts, marketing strategies, capital spend plans, deployment status, and actual wireless carrier signal strength measurements taken in the field. We have developed a 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 and network service 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, DAS networks, 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, 2010, CCAL had approximately 1,600 towers with 57% of such towers located in the six major metropolitan areas, including Sydney, Melbourne, Brisbane, Perth, Adelaide and the Australian Capital Territory. 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 2010, CCAL comprised 5% of our consolidated net revenues. CCAL's principal customers are Telstra, Optus and VHA, which collectively accounted for approximately 93% of CCAL's 2010 revenues. In June 2009, Vodafone and Hutchison merged their Australian operations in a joint venture named VHAPty Ltd., with the intention to market primarily under the name Vodafone.

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.

### **Employees**

At January 31, 2011, 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 and 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 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*

We are required to comply with a variety of federal, state and local regulations and laws in the U.S., including the FCC and Federal Aviation Administration ("FAA") regulations and those discussed under "*Environmental*" below.

*Federal Regulations.* Both the FCC and the 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' 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.

*Environmental.* We are required to comply with a variety of federal, state and local environmental laws and regulations protecting environmental quality, including air and water quality and wildlife protection. 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."*

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, our customer contracts 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.

*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. In 2007, after receiving FCC approval, we entered into a long-term lease of the Spectrum with an initial term through 2013.

### *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 voice 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 requirement, 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 that vary on a site by site basis, typically requiring us to obtain approval from local offices prior to tower construction, subject to certain exceptions. 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.

### **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 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 voice and data services by their customers. The willingness of our customers to utilize our infrastructure, or renew or extend existing contracts 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;
- 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;
- changes in, or success of, our customers' business models;
- 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

## Exhibit 10

OEB's CCTA Decision, the CCTA Settlement Agreement  
and the transcripts from the hearing

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

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

**For the fiscal year ended December 31, 2010**

**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)

**Delaware**

(State or other jurisdiction  
of incorporation or organization)

**76-0470458**

(I.R.S. Employer  
Identification No.)

**1220 Augusta Drive, Suite 500, Houston Texas 77057-2261**

(Address of principal executive offices) (Zip Code)

**(713) 570-3000**

(Registrant's telephone number, including area code)

Securities Registered Pursuant to  
Section 12(b) of the Act

Name of Each Exchange  
on Which Registered

Common Stock, \$.01 par value

New York Stock Exchange

Rights to Purchase Series A Participating  
Cumulative Preferred Stock

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 ☐

Indicated 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 ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$10.4 billion as of June 30, 2010, 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 \$37.26 per share.

**Applicable Only to Corporate Registrants**

As of February 5, 2011, there were 290,888,523 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 "2011 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, 2010.

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# CROWN CASTLE INTERNATIONAL CORP.

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### 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 include (1) expectations regarding anticipated growth in the wireless communication industry, carriers' investments in their networks, new tenant additions and demand for our towers, (2) availability of cash flows for, and plans regarding, future discretionary investments including capital expenditures, (3) anticipated growth in future revenues, margins, and operating cash flows, and (4) expectations regarding the credit markets, our availability and cost of capital, and our ability to service our debt and comply with debt covenants.

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.

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 this 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, 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 and other wireless infrastructure, including distributed antenna system ("DAS") networks in the U.S. and rooftop installations (unless the context otherwise suggests or requires, references herein to "towers" include such other wireless infrastructure). Our core business is renting space on our towers via long-term contracts in various forms, including license, sublease and lease agreements (collectively, "contracts"). Our towers can accommodate multiple customers ("co-location") for antennas and other equipment necessary for the transmission of signals for wireless communication devices. We seek to increase our site rental revenues by adding more tenants on our towers, which we expect to result in significant incremental cash flows due to our relatively fixed tower operating costs.

Information concerning our towers as of December 31, 2010 is as follows:

- We owned, leased or managed approximately 23,900 towers, inclusive of 43 completed DAS networks with a varying number of discrete antenna locations ("nodes").
- We have approximately 22,300 towers in the United States, including Puerto Rico ("U.S."), and approximately 1,600 towers in Australia.
- 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. Our towers have a significant presence in 92 of the top 100 BTAs in the U.S. In Australia, 57% of our towers are located in the six major metropolitan areas.
- We owned in fee or had perpetual or long-term easements in the land and other property interests (collectively, "land") on which approximately 34% of our site rental gross margin is derived, and we leased, subleased or licensed (collectively "leased") the land on which approximately 65% of our site rental gross margin is derived. In addition, we managed approximately 600 towers owned by third parties. The leases for the land under our towers had an average remaining life of approximately 31 years, weighted based on site rental gross margin.

Information concerning our customers and site rental contracts as of December 31, 2010 is as follows:

- Our customers include many of the world's major wireless communications companies. In the U.S., Verizon Wireless, AT&T, Sprint Nextel ("Sprint") and T-Mobile accounted for a combined 77% and 73% of our 2010 CCUSA and consolidated revenues, respectively. In Australia, our customers include Telstra, Optus and a joint venture between Vodafone and Hutchison ("VHA").
- Revenues derived from our site rental business represented 91% of our 2010 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.
- 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, (3) limited termination rights for our customers, and (4) contractual escalations of the rental price.
- Our customer contracts have a weighted-average remaining life of approximately eight years, exclusive of renewals at the customers' option, and represent \$15.3 billion of expected future cash inflows.

To a lesser extent, we also provide certain network services relating to our towers, primarily consisting of antenna installations and subsequent augmentations, as well as the following additional services: site acquisition, architectural and engineering, zoning and permitting, other construction and other services related to network development.

#### 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 new tenant additions or modifications of existing installations (collectively, "new tenant additions") 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 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 2010, we increased our discretionary investments from 2009 levels, as a result of the financial flexibility afforded by financing activities completed during 2009 and 2010 that extended our debt maturities. Our discretionary investments have historically included those shown below (in no particular order):
  - purchase shares of our common stock ("common stock") from time to time;
  - acquire towers;
  - acquire land under towers;
  - selectively construct towers;
  - 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 additional demand for our towers will be created by the expected continued growth in the wireless communications industry, which is predominately driven by the demand for wireless voice and data services by consumers. We believe that additional demand for wireless infrastructure will create future growth opportunities for us. We believe that such demand for our towers will continue, will result in organic growth of our revenues due to the co-location of additional tenants on our existing towers and will create other growth opportunities for us such as demand for new towers. However, our results of operations may not always be indicative of the extent of changing demand for our towers in any given period as a result of the application of straight-line accounting.

During 2010, consumer demand for wireless data services continued to grow, driven by user-friendly wireless devices, such as smartphones, high speed networks and a robust offering of software applications. This growth in data services is in contrast to the slowing growth rate in voice services as the role of wireless devices expands. The following is a discussion of the recent growth and our expectations for growth trends in the U.S. wireless communications industry:

- We expect that consumers' growing demands for network speed and quality will likely result in wireless carriers continuing their focus on improving network quality and expanding capacity by adding additional antennas and other equipment for the transmission of their services in an effort to improve customer retention and satisfaction.
- Our customers have introduced, and we believe they plan to continue to deploy, next generation wireless technologies, including 3G and 4G, in response to consumer demand for high speed networks. We expect these next generation technologies and others, including LTE, HSPA+ 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.
- Spectrum licensed by the Federal Communications Commission ("FCC") in 2006 and 2008 has enabled next generation networks, and we expect these and future auctions should continue to enable next generation networks in the U.S.
- Consumers are increasing their use of wireless voice and data services according to recent U.S. wireless industry reports.
  - Wireless data services grew in 2010 as consumers increased their wireless use of e-mail, internet, social networking, music and video sharing. Wireless data service revenues for the first half of 2010 were nearly \$25 billion, which represents a 27% increase over the first half of 2009 and accounted for more than 25% of all wireless services revenues.<sup>(a)</sup>
  - Wireless connections were nearly 293 million as of June 30, 2010, which represents a year-over-year increase of over 16 million subscribers, or 6%.<sup>(a)</sup>
  - Wireless data consumption per line increased by 450% between the first quarter of 2009 and the second quarter of 2010.<sup>(b)</sup>
  - Wireless devices are trending toward more bandwidth intensive devices such as smartphones, laptops, netbooks, tablets and other emerging and embedded devices. In particular smartphone shipments are expected to grow by 55% in 2010 from 2009.<sup>(c)</sup> Despite the growth in smartphones, market penetration for smartphones was approximately 30% at the end of 2010 and is expected to surpass 50% by the end of 2011.<sup>(d)</sup>
  - Access to the internet by mobile devices has continued to grow during 2010 with 59% of the U.S. population

accessing the internet on their phones in 2010, up from 25% in 2009.<sup>(e)</sup>

- (a) Source: Cellular Telecommunications & Internet Association ("CTIA")
- (b) Source: Federal Communications Commission
- (c) Source: International Data Corporation ("IDC")
- (d) Source: Morgan Stanley Research
- (e) Source: Pew Research Center

## 2010 Highlights and Recent Developments

See "Item 7. MD&A" and our consolidated financial statements for a discussion of developments and activities occurring in 2010, including the refinancing of \$3.5 billion face value of debt and the settlement of all remaining forward-starting interest rate swaps.

## 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 16 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, including co-locating tenants on our indoor and outdoor DAS networks, which are located in areas in which zoning restrictions or other barriers may prevent or delay the deployment of a tower and often are attached to public right-of-way infrastructure such as utility poles and street lights. We predominately rent space to wireless carriers under long-term contracts for their antennas which transmit a variety of signals related to wireless voice and data. As a result, we believe our towers are integral to our customers' network and their ability to serve their customers.

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 Inc. ("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 long-term contracts. We have existing master lease agreements with most wireless carriers, including Verizon Wireless, AT&T, Sprint, T-Mobile and Clearwire, which provide certain terms (including economic terms) that govern contracts on our towers entered into by such parties during the term of their master lease agreements. Over the last several years, we have negotiated 15-year terms for both initial and renewal periods for certain of our customers, which often included fixed escalations. We continue to endeavor to negotiate with our existing customer base for longer contractual terms, which often may contain fixed escalation rates.

Our customer contracts have a high renewal rate because of (1) the integral nature of our towers within our customers' networks, (2) customers' cost associated with relocation of their 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 contracts may not be terminated. In general, each customer contract 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 15 to our consolidated financial statements for a tabular presentation of the minimum rental cash payments due to us by tenants pursuant to contract 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 contract amendments, pursuant to which our customers add additional antennas or other equipment to towers on which they already have equipment pursuant to pre-existing contract 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 cash operating expenses tend to escalate at approximately the rate of inflation, partially offset by reductions in cash ground lease expenses from our purchases of land. 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.

We have an agreement to provide certain management, construction and acquisition services for a third party as to certain tower opportunities in the U.S. with an initial period through March 2011. The arrangement was entered into to permit us to maintain our construction and acquisition capabilities and expertise and further our good relationships with certain major customers with limited capital commitments and expenditures as to such towers.

*Network Services.* To a lesser extent, we also offer wireless communication companies and their agents certain network services relating to our towers. For 2010, approximately 71% of network services and other revenues related to antenna installations and subsequent augmentation (collectively, "installation services"), and the remainder related to the following additional services: site acquisition, architectural and engineering, zoning and permitting, other construction and other services related to network development. We do not always provide the installation services on our towers as the customer may obtain a third party to complete these services, as reflected in our quarterly market share for installation services on our towers, which has ranged between one-quarter to two-thirds over the last two years (see also "*Competition*" below). We have grown our network services business over the last several years as a result of our focus on customer service and increasing our market share for installation services on our towers. 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. Nearly all of our antenna installation services are billed on a cost-plus profit basis.

*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. The following table summarizes the net revenues from our four largest customers expressed as a percentage of CCUSA's and our consolidated revenues for 2010. See "*Item 1A. Risk Factors.*"

<u>Customer</u>	<u>% of 2010 CCUSA Net Revenues</u>	<u>% of 2010 Consolidated Net Revenues</u>
AT&T	22%	21%
Verizon Wireless	22%	21%
Sprint	21%	20%
T-Mobile	12%	11%
Total	77%	73%

In addition to our four largest customers, new tenant additions for 2010 were derived from customers offering emerging wireless technologies, such as those offering wireless data only technologies and, to a lesser extent, national wireless carriers other than those mentioned in the table above, such as those offering flat rate calling plans. New entrants in the wireless industry are emerging as new technologies become available, including Clearwire, a provider of WiMAX wireless mobile data services.

*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 expansions, including DAS networks, and any related network services. We attempt to match specific towers in our portfolio with potential new site demand by obtaining and analyzing information, including our customers' existing antenna locations, tenant contracts, marketing strategies, capital spend plans, deployment status, and actual wireless carrier signal strength measurements taken in the field. We have developed a 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 and network service 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, DAS networks, 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, 2010, CCAL had approximately 1,600 towers with 57% of such towers located in the six major metropolitan areas, including Sydney, Melbourne, Brisbane, Perth, Adelaide and the Australian Capital Territory. 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 2010, CCAL comprised 5% of our consolidated net revenues. CCAL's principal customers are Telstra, Optus and VHA, which collectively accounted for approximately 93% of CCAL's 2010 revenues. In June 2009, Vodafone and Hutchison merged their Australian operations in a joint venture named VHAPty Ltd., with the intention to market primarily under the name Vodafone.

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.

### **Employees**

At January 31, 2011, 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 and 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 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*

We are required to comply with a variety of federal, state and local regulations and laws in the U.S., including the FCC and Federal Aviation Administration ("FAA") regulations and those discussed under "*Environmental*" below.

*Federal Regulations.* Both the FCC and the 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' 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.

*Environmental.* We are required to comply with a variety of federal, state and local environmental laws and regulations protecting environmental quality, including air and water quality and wildlife protection. 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."*

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, our customer contracts 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.

*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. In 2007, after receiving FCC approval, we entered into a long-term lease of the Spectrum with an initial term through 2013.

### *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 voice 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 requirement, 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 that vary on a site by site basis, typically requiring us to obtain approval from local offices prior to tower construction, subject to certain exceptions. 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.

### **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 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 voice and data services by their customers. The willingness of our customers to utilize our infrastructure, or renew or extend existing contracts 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;
- 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;
- changes in, or success of, our customers' business models;
- 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