

Tamar E. Finn
Brett P. Ferenchak
tamar.finn@morganlewis.com
brett.ferenchak@morganlewis.com

January 11, 2018

Via Overnight Courier

Carlotta S. Stauffer, Commission Clerk
Florida Public Service Commission
Gerald Gunter Building
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399

RECEIVED-PPSC
2018 JAN 16 AM 11:09
COMMISSION
CLERK

Re: Application of Lightower Fiber Networks II, LLC for Authority to Provide Telecommunications Service Within the State of Florida

Dear Ms. Stauffer:

On behalf of Lightower Fiber Networks II, LLC, enclosed for filing is an original and one (1) copy of an Application for Authority to Provide Local Exchange Telecommunications Services within the State of Florida. Also enclosed is a check in the amount of \$500.00 to cover the requisite filing fee.

Please date-stamp the extra copy of this filing and return it in the envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

Tamar E. Finn
Brett P. Ferenchak

Counsel for Lightower Fiber Networks II, LLC

Check received with filing and forwarded to filer for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check:

- COM _____
- AFD _____
- APA _____
- ECO _____
- ENG _____
- GCL _____
- IDM I
- CLK _____

Morgan, Lewis & Bockius LLP

1111 Pennsylvania Avenue, NW
Washington, DC 20004
United States

T +1.202.739.3000
F +1.202.739.3001

FLORIDA PUBLIC SERVICE COMMISSION

OFFICE OF TELECOMMUNICATIONS

APPLICATION FORM

FOR

AUTHORITY TO PROVIDE TELECOMMUNICATIONS COMPANY SERVICE WITHIN THE STATE OF FLORIDA

Instructions

- A. This form is used as an application for an original certificate and for approval of transfer of an existing certificate. In the case of a transfer, the information provided shall be for the transferee (See Page 8).
- B. Print or type all responses to each item requested in the application. If an item is not applicable, please explain.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. Once completed, submit the original and one copy of this form along with a non-refundable application fee of **\$500.00** to:

**Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770**

- E. A filing fee of **\$500.00** is required for the transfer of an existing certificate to another company.
- F. If you have questions about completing the form, contact:

**Florida Public Service Commission
Office of Telecommunications
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600**

1. This is an application for (check one):

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority rather than apply for a new certificate.

2. Name of company: **Lightower Fiber Networks II, LLC**

3. Name under which applicant will do business (fictitious name, etc.):

Lightower Fiber Networks II, LLC

4. Official mailing address:

Street/Post Office Box: **80 Central Street**

City: **Boxborough**

State: **Massachusetts**

Zip: **01719**

5. Florida address:

Street/Post Office Box: **c/o CT Corporation System
1200 South Pine Island Rd.**

City: **Plantation**

State: **Florida**

Zip: **33324**

6. Structure of organization:

Individual

Foreign Corporation

General Partnership

Other, please specify:

Limited Liability Company

Corporation

Foreign Partnership

Limited Partnership

If individual, provide:

Name: _____
Title: _____
Street/Post Office Box: _____
City: _____
State: _____
Zip: _____
Telephone No.: _____
Fax No.: _____
E-Mail Address: _____
Website Address: _____

7. **If incorporated in Florida**, provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is:

8. **If foreign corporation**, provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is:

See Exhibit A for Lighttower's Certificate of Authority to Transact Business in Florida.

9. **If using fictitious name (d/b/a)**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida. The Florida Secretary of State fictitious name registration number is:

10. **If a limited liability partnership**, please proof of registration to operate in Florida. The Florida Secretary of State registration number is:

11. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

Name: _____
Title: _____
Street/Post Office Box: _____
City: _____
State: _____
Zip: _____
Telephone No.: _____
Fax No.: _____
E-Mail Address: _____
Website Address: _____

12. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable. The Florida registration number is:

13. Provide **F.E.I. Number**: **010570431**

14. Who will serve as liaison to the Commission in regard to the following?

(a) The application:

Name: **Tamar E. Finn & Brett Ferenchak**
Title: **Outside Counsel at Morgan, Lewis & Bockius LLP**
Street Name & Number: **1111 Pennsylvania Avenue, N.W.**
Post Office Box:
City: **Washington**
State: **DC**
Zip: **20004**
Telephone No.: **202-739-6000**
Fax No.: **202-739-6001**
E-Mail Address: tamar.finn@morganlewis.com
brett.ferenchak@morganlewis.com
Website Address: www.morganlewis.com

(b) Official point of contact for the ongoing operations of the company:

Name: **Jason Campbell**
Title: **Chief Operations Officer**
Street Name & Number: **80 Central Street**
Post Office Box:
City: **Boxborough**
State: **Massachusetts**
Zip: **01719**
Telephone No.: **978-264-6033**
Fax No.: **978-264-6133**
E-Mail Address: jcampbell@lighttower.com
Website Address: www.lighttower.com

(c) Where will you officially designate as your place of publicly publishing your schedule (a/k/a tariffs or price lists)?

Florida Public Service Commission

Website – Website address: <http://www.lighttower.com/contracts>

Other – Please provide address:

15. List the states in which the applicant:

- (a) has operated as a telecommunications company.

Lightower provides intrastate telecommunications service in Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and Virginia.

- (b) has applications pending to be certificated as a telecommunications company.

Lightower does not have any telecommunications certificate applications pending at this time, but is in the process of seeking certification in California, Georgia, Texas.

- (c) is certificated to operate as a telecommunications company.

Lightower is currently authorized to provide intrastate telecommunications service in Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, and Virginia.

- (d) has been denied authority to operate as a telecommunications company and the circumstances involved.

Lightower has not been denied requested certification in any jurisdiction, nor has any authority been permanently revoked by any authority.

- (e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

To management's knowledge, Lightower has not incurred any regulatory penalties for violations of telecommunications statutes.

- (f) has been involved in civil court proceedings with another telecommunications entity, and the circumstances involved.

Lightower has not been involved in civil court proceedings with another telecommunications entity.

16. Have any of the officers, directors, or any of the ten largest stockholders previously been:

(a) adjudged bankrupt, mentally incompetent (and not had his or her competency restored), or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Yes No

If yes, provide explanation.

(b) granted or denied a certificate in the State of Florida (this includes active and canceled certificates). Yes No

If yes, provide explanation and list the certificate holder and certificate number.

(c) an officer, director, partner or stockholder in any other Florida certificated or registered telephone company. Yes No

If yes, give name of company and relationship. If no longer associated with company, give reason why not.

Applicant is affiliated through common indirect ownership with Fibernet Direct Florida LLC ("FiberNet- FL") Crown Castle NG East LLC ("CCNG East") and Sunesys, LLC ("Sunesys"). In addition, Applicant, Fibernet-FL, CCNG East and Sunesys share certain officers.

17. Submit the following:

(a) **Managerial capability**: resumes of employees/officers of the company that would indicate sufficient managerial experiences of each. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume. **See Exhibit B.**

(b) **Technical capability**: resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume. **See Exhibit B.**

(c) **Financial Capability**: applicant's audited financial statements for the most recent three (3) years. If the applicant does not have audited financial statements, it shall so be stated. Unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet,
2. income statement, and
3. statement of retained earnings.

Applicant does not maintain its own financial statements. In support of its financial qualifications to operate within Florida, attached as Exhibit C are the financial statements of its ultimate parent company, Crown Castle International Corp. ("Crown Castle") a publicly traded Delaware corporation (NYSE: CCI). As shown in the financial statements, Applicant is financially qualified to operate within the State of Florida.

Note: *It is the applicant's burden to demonstrate that it possesses adequate managerial capability, technical capability, and financial capability. Additional supporting information can be supplied at the discretion of the applicant.*

THIS PAGE MUST BE COMPLETED AND SIGNED

REGULATORY ASSESSMENT FEE: I understand that all telephone companies must pay a regulatory assessment fee. Regardless of the gross operating revenue of a company, a minimum annual assessment fee, as defined by the Commission, is required.

RECEIPT AND UNDERSTANDING OF RULES: I acknowledge receipt and understanding of the Florida Public Service Commission's rules and orders relating to the provisioning of telecommunications company service in Florida.

APPLICANT ACKNOWLEDGEMENT: By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide telecommunications company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "**Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083.**"

I understand that any false statements can result in being denied a certificate of authority in Florida.

COMPANY OWNER OR OFFICER

Print Name: Monica Gambino
Title: Vice President – Legal
Telephone No.: 724-416-2516
E-Mail Address: monica.gambino@crowncastle.com

Signature:  Date: 1-10-18

LIST OF EXHIBITS

- Exhibit A - Authority to Transact Business
- Exhibit B - Managerial and Technical Qualifications
- Exhibit C - Financial Statements for Crown Castle

Exhibit A

Authority to Transact Business



November 6, 2017

FLORIDA DEPARTMENT OF STATE

Division of Corporations

LIGHTOWER FIBER NETWORKS II, LLC
1220 AUGUST DR, STE 600
HOUSTON, TX 77057US

Qualification documents for LIGHTOWER FIBER NETWORKS II, LLC were filed on November 2, 2017, and assigned document number M17000009395. Please refer to this number whenever corresponding with this office.

Your limited liability company is authorized to transact business in Florida as of the file date.

This document was electronically received and filed under FAX audit number H17000289472.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. If the annual report is not filed by May 1st, a \$400 late fee will be added.

A Federal Employer Identification Number (FEI/EIN) will be required when this report is filed. Apply today with the IRS online at:

<https://sa.www4.irs.gov/modiein/individual/index.jsp>.

Please notify this office if the limited liability company address changes.

Should you have any questions regarding this matter, please contact this office at the address given below.

Yasemin Y Sulker
Regulatory Specialist II
Registration/Qualification Section
Division of Corporations

Letter Number: 717A00022391

Exhibit B

Managerial and Technical Qualifications

James D. Young, Fiber Solutions Senior Vice President and Chief Operating Officer

James Young has been SVP and COO of Lightower since November 1, 2017, the closing date of Crown Castle International Corp.'s ("Crown Castle") acquisition of LTS Group Holdings LLC, ultimate pre-closing parent of Lightower; Lightower is now an indirect wholly-owned subsidiary of Crown Castle. Mr. Young served as Crown Castle's President – Tower Operations from October 2005 until February 2009, at which time he was appointed as Crown Castle's Senior Vice President and Chief Operating Officer. Prior to joining Crown Castle and since 2000, Mr. Young was Region Vice President – Engineering & Operations at Nextel where he oversaw site development, radio frequency engineering and fixed network elements for Nextel's network in the northeastern United States. From 1997 to 2000, Mr. Young was Vice President, Network/Operations – Florida with Nextel, during which time he oversaw site development, radio frequency and network support for Nextel's network in Florida.

Rob Shanahan, Fiber Solutions Senior Advisor

Rob Shanahan was the President of Lightower from 2008 until the company's acquisition by Crown Castle, on November 1, 2017, when he transitioned to Senior Advisor. As a veteran in the communications space, Rob Shanahan brings to Lightower over 30 years of industry experience. Since 2008, Mr. Shanahan has led Lightower from a small, dark fiber provider to a full-service, metro-fiber powerhouse through strong organic growth and seven successful acquisitions. In 1998, Mr. Shanahan co-founded Conversent Communications and served as President and CEO until its acquisition in 2006. Mr. Shanahan's experience in management also includes serving as a Regional Vice President of Brooks Fiber and a General Manager for Frontier Communications. Mr. Shanahan received a B.S. from Marist College.

Eric Sandman, Fiber Solutions Chief Financial Officer

Eric Sandman joined Lightower through the acquisition of Verosity Technology Partners. While at Verosity, Mr. Sandman served as Chief Executive Officer and was a member of the board of directors. He also served as Senior Vice President and Chief Financial Officer of NEON Communication Group (formerly Globix Corporation). Prior to joining NEON, Mr. Sandman was with Northeast Utilities where he reported to the CFO and worked on M&A and corporate strategy activities. Mr. Sandman received an M.B.A. from Carnegie Mellon University and a B.S. in Electrical Engineering from the University of Maine.

Doug Dalissandro, Fiber Solutions Chief Revenue Officer

Doug Dalissandro brings over 24 years of telecommunications experience to Lightower, where he has led the sales and marketing departments since 2009. Prior to Lightower, Mr. Dalissandro has held various executive and sales management positions, including Executive Vice President of Sales for One Communications and Executive Vice President of Sales & Marketing for Conversent Communications. Before joining Conversent, Mr. Dalissandro was Vice President of Sales at Teleglobe. Mr. Dalissandro received a bachelor's degree in Communications from Ohio University.

Jason Campbell, Fiber Solutions Chief Operations Officer

Jason Campbell brings 17 years of telecommunications engineering and operations experience to Lightower. Mr. Campbell is responsible for Operations, Fiber & Network Engineering and Information Systems, and has held these responsibilities at Lightower since 2008. Prior to joining Lightower, Mr. Campbell served as the Vice President of Operations and the Vice President of Network Planning for One Communications. He has held various other

telecommunication positions including Vice President of Engineering at Conversent Communications. Mr. Campbell received a bachelor's degree from New England College.

Philip Olivero, Fiber Solutions Chief Technology Officer

As Chief Technology Officer, Mr. Olivero oversees the company's product and market development. Mr. Olivero came to Lightower with the merger with Sidera Networks where he served as Executive Vice President and Chief Technology Officer. Prior to this role, he was the Vice President of Engineering at AboveNet, where he was responsible for all aspects of engineering across AboveNet's fiber, optical and IP/Ethernet networks. Mr. Olivero also has served in executive level engineering and operations positions at FiberTower, XO Communications and Fundy Communications (Canada) and held several management positions of increasing responsibility at MCI and Bell Canada. Mr. Olivero holds a Bachelor of Science in Electrical Engineering from the University of Waterloo (Canada).

David Mayer, Fiber Solutions General Counsel

David Mayer brings over 25 years of telecommunications and law expertise to Lightower. Before joining Lightower, Mr. Mayer was Chief Executive Officer of the private equity fund Viridian Investment Partners. Prior to this, he served as the Executive Vice President of Corporate Development for One Communications. From 1999 through 2006, Mr. Mayer was General Counsel and Executive Vice President of Business Development for Conversent Communications. Before joining Conversent, Mr. Mayer was in private practice primarily to the communications industry. Mr. Mayer received a B.A. from Yale and a J.D. from the University of Texas.

Exhibit C

Financial Statements for Crown Castle

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, 2016
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 600, 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, \$0.01 par value

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 Data File 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 \$34.1 billion as of June 30, 2016, 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 \$101.43 per share.

Applicable Only to Corporate Registrants

As of February 15, 2017 there were 360,538,298 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 "2017 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, 2016.

Item 8. *Financial Statements and Supplementary Data*

Crown Castle International Corp. and Subsidiaries
Index to Consolidated Financial Statements and Financial Statement Schedules

	<u>Page</u>
<u>Report of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm</u>	<u>46</u>
<u>Consolidated Balance Sheet as of December 31, 2016 and 2015</u>	<u>47</u>
<u>Consolidated Statement of Operations and Comprehensive Income (Loss) for each of the three years in the period ended December 31, 2016</u>	<u>48</u>
<u>Consolidated Statement of Cash Flows for each of the three years in the period ended December 31, 2016</u>	<u>49</u>
<u>Consolidated Statement of Equity for each of the three years in the period ended December 31, 2016</u>	<u>50</u>
<u>Notes to Consolidated Financial Statements</u>	<u>53</u>
<u>Schedule II - Valuation and Qualifying Accounts</u>	<u>84</u>
<u>Schedule III - Schedule of Real Estate and Accumulated Depreciation</u>	<u>85</u>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Crown Castle International Corp.

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Crown Castle International Corp. and its subsidiaries ("the Company") as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A.(b). Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it classifies debt issuance costs in 2016.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Pittsburgh, Pennsylvania
February 22, 2017

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(In thousands of dollars, except share amounts)

	December 31,	
	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 567,599	\$ 178,810
Restricted cash	124,547	130,731
Receivables, net of allowance of \$11,314 and \$9,574, respectively	373,532	313,296
Prepaid expenses	128,721	133,194
Other current assets	130,362	225,214
Total current assets	1,324,761	981,245
Deferred site rental receivables	1,317,658	1,306,408
Property and equipment, net	9,805,315	9,580,057
Goodwill	5,757,676	5,513,551
Site rental contracts and customer relationships, net	3,298,778	3,421,180
Other intangible assets, net	351,294	358,735
Long-term prepaid rent and other assets, net	819,610	775,790
Total assets	\$ 22,675,092	\$ 21,936,966
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 188,516	\$ 159,629
Accrued interest	97,019	66,975
Deferred revenues	353,005	322,623
Other accrued liabilities	221,066	199,923
Current maturities of debt and other obligations	101,749	106,219
Total current liabilities	961,355	855,369
Debt and other long-term obligations	12,069,393	12,043,740
Other long-term liabilities	2,087,229	1,948,636
Total liabilities	15,117,977	14,847,745
Commitments and contingencies (see note 14)		
CCIC stockholders' equity:		
Common stock, \$.01 par value; 600,000,000 shares authorized; shares issued and outstanding: December 31, 2016—360,536,659 and December 31, 2015—333,771,660	3,605	3,338
4.50% Mandatory Convertible Preferred Stock, Series A, \$.01 par value; 20,000,000 shares authorized; shares issued and outstanding: December 31, 2016—0 and December 31, 2015—9,775,000; aggregate liquidation value: December 31, 2016—0 and December 31, 2015—\$977,500	—	98
Additional paid-in capital	10,938,236	9,548,580
Accumulated other comprehensive income (loss)	(5,888)	(4,398)
Dividends/distributions in excess of earnings	(3,378,838)	(2,458,397)
Total equity	7,557,115	7,089,221
Total liabilities and equity	\$ 22,675,092	\$ 21,936,966

See accompanying notes to consolidated financial statements.

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.		
	2016	2015	2014
Net revenues:			
Site rental	\$ 3,233,307	\$ 3,018,413	\$ 2,866,613
Network services and other	687,918	645,438	672,143
	<u>3,921,225</u>	<u>3,663,851</u>	<u>3,538,756</u>
Operating expenses:			
Costs of operations ^(a) :			
Site rental	1,023,350	963,869	906,152
Network services and other	417,171	357,557	400,454
General and administrative	371,031	310,921	257,296
Asset write-down charges	34,453	33,468	14,246
Acquisition and integration costs	17,453	15,678	34,145
Depreciation, amortization and accretion	1,108,551	1,036,178	985,781
Total operating expenses	<u>2,972,009</u>	<u>2,717,671</u>	<u>2,598,074</u>
Operating income (loss)	949,216	946,180	940,682
Interest expense and amortization of deferred financing costs	(515,032)	(527,128)	(573,291)
Gains (losses) on retirement of long-term obligations	(52,291)	(4,157)	(44,629)
Interest income	796	1,906	315
Other income (expense)	(8,835)	57,028	11,993
Income (loss) from continuing operations before income taxes	373,854	473,829	335,070
Benefit (provision) for income taxes	(16,881)	51,457	11,244
Income (loss) from continuing operations	<u>356,973</u>	<u>525,286</u>	<u>346,314</u>
Discontinued operations (see note 3):			
Income (loss) from discontinued operations, net of tax	—	19,690	52,460
Net gain (loss) from disposal of discontinued operations, net of tax	—	979,359	—
Income (loss) from discontinued operations, net of tax	<u>—</u>	<u>999,049</u>	<u>52,460</u>
Net income (loss)	356,973	1,524,335	398,774
Less: Net income (loss) attributable to the noncontrolling interest	—	3,343	8,261
Net income (loss) attributable to CCIC stockholders	<u>356,973</u>	<u>1,520,992</u>	<u>390,513</u>
Dividends on preferred stock	(32,991)	(43,988)	(43,988)
Net income (loss) attributable to CCIC common stockholders	<u>\$ 323,982</u>	<u>\$ 1,477,004</u>	<u>\$ 346,525</u>
Net income (loss)	<u>\$ 356,973</u>	<u>\$ 1,524,335</u>	<u>\$ 398,774</u>
Other comprehensive income (loss):			
Interest rate swaps reclassified into results of operations, net of taxes	—	18,725	63,148
Foreign currency translation adjustments	(1,490)	(14,137)	(25,432)
Amounts reclassified into discontinued operations for foreign currency translation adjustments (see note 3)	—	(25,678)	—
Total other comprehensive income (loss)	<u>(1,490)</u>	<u>(21,090)</u>	<u>37,716</u>
Comprehensive income (loss)	<u>355,483</u>	<u>1,503,245</u>	<u>436,490</u>
Less: Comprehensive income (loss) attributable to the noncontrolling interest	—	—	6,545
Comprehensive income (loss) attributable to CCIC stockholders	<u>\$ 355,483</u>	<u>\$ 1,503,245</u>	<u>\$ 429,945</u>
Net income (loss) attributable to CCIC common stockholders, per common share:			
Income (loss) from continuing operations, basic	\$ 0.95	\$ 1.45	\$ 0.91
Income (loss) from discontinued operations, basic	\$ —	\$ 2.99	\$ 0.13
Net income (loss) attributable to CCIC common stockholders, basic	<u>\$ 0.95</u>	<u>\$ 4.44</u>	<u>\$ 1.04</u>
Income (loss) from continuing operations, diluted	\$ 0.95	\$ 1.44	\$ 0.91
Income (loss) from discontinued operations, diluted	\$ —	\$ 2.98	\$ 0.13
Net income (loss) attributable to CCIC common stockholders, diluted	<u>\$ 0.95</u>	<u>\$ 4.42</u>	<u>\$ 1.04</u>
Weighted-average common shares outstanding (in thousands):			
Basic	340,349	333,002	332,302
Diluted	340,879	334,062	333,265
Dividends/distributions declared per share	\$ 3.61	\$ 3.35	\$ 1.87

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

See accompanying notes to consolidated financial statements.

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

	Years Ended December 31,		
	2016	2015	2014
Cash flows from operating activities:			
Net income (loss) from continuing operations	\$ 356,973	\$ 525,286	\$ 346,314
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:			
Depreciation, amortization and accretion	1,108,551	1,036,178	985,781
Gains (losses) on retirement of long-term obligations	52,291	4,157	44,629
Gains (losses) on settled swaps	2,608	(54,475)	—
Amortization of deferred financing costs and other non-cash interest	14,333	37,126	80,854
Stock-based compensation expense	79,338	60,773	51,497
Asset write-down charges	34,453	33,468	14,246
Deferred income tax benefit (provision)	8,603	(60,618)	(21,859)
Other non-cash adjustments, net	2,451	(8,915)	(25,679)
Changes in assets and liabilities, excluding the effects of acquisitions:			
Increase (decrease) in accrued interest	30,044	32	1,361
Increase (decrease) in accounts payable	10,600	(5,287)	12,281
Increase (decrease) in deferred revenues, deferred ground lease payables, other accrued liabilities and other liabilities	195,998	325,880	397,363
Decrease (increase) in receivables	(58,664)	12,668	(77,116)
Decrease (increase) in prepaid expenses, deferred site rental receivables, long-term prepaid rent, restricted cash and other assets	(55,315)	(112,248)	(209,475)
Net cash provided by (used for) operating activities	<u>1,782,264</u>	<u>1,794,025</u>	<u>1,600,197</u>
Cash flows from investing activities:			
Payment for acquisitions of businesses, net of cash acquired	(556,854)	(1,102,179)	(461,651)
Capital expenditures	(873,883)	(908,892)	(758,535)
Receipts from foreign currency swaps	8,141	54,475	—
Other investing activities, net	12,364	(3,138)	3,477
Net cash provided by (used for) investing activities	<u>(1,410,232)</u>	<u>(1,959,734)</u>	<u>(1,216,709)</u>
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	5,201,010	1,000,000	845,750
Principal payments on debt and other long-term obligations	(95,787)	(102,866)	(116,426)
Purchases and redemptions of long-term debt	(4,044,834)	(1,069,337)	(836,899)
Payments under revolving credit facility	(4,565,000)	(1,360,000)	(698,000)
Borrowings under revolving credit facility	3,440,000	1,790,000	1,019,000
Payments for financing costs	(41,533)	(19,642)	(15,899)
Net proceeds from issuance of capital stock	1,325,865	—	—
Purchases of capital stock	(24,936)	(29,657)	(21,872)
Dividends/distributions paid on common stock	(1,239,158)	(1,116,444)	(624,297)
Dividends paid on preferred stock	(43,988)	(43,988)	(44,354)
Net (increase) decrease in restricted cash	(7,931)	16,458	30,010
Net cash provided by (used for) financing activities	<u>(96,292)</u>	<u>(935,476)</u>	<u>(462,987)</u>
Net increase (decrease) in cash and cash equivalents - continuing operations	275,740	(1,101,185)	(79,499)
Discontinued operations (see note 3):			
Net cash provided by (used for) operating activities	—	2,700	65,933
Net cash provided by (used for) investing activities	113,150	1,103,577	(26,196)
Net increase (decrease) in cash and cash equivalents - discontinued operations	113,150	1,106,277	39,737
Effect of exchange rate changes on cash	(101)	(1,902)	(8,012)
Cash and cash equivalents at beginning of year	178,810	175,620 ^(a)	223,394 ^(a)
Cash and cash equivalents at end of year	\$ 567,599	\$ 178,810	\$ 175,620 ^(a)

(a) Inclusive of cash and cash equivalents included in discontinued operations.

See accompanying notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EQUITY
(In thousands of dollars, except share data)

	CCIC Stockholders' Equity										
	Common Stock		4.50% Mandatory Convertible Preferred Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss) ("AOCI")			Dividends/Distributions in Excess of Earnings	Noncontrolling interest from discontinued operations	Total
	Shares	(\$0.01 Par)	Shares	(\$0.01 Par)		Foreign Currency Translation Adjustments	Derivative Instruments	Total AOCI			
Balance, December 31, 2013	334,070,016	\$ 3,341	9,775,000	\$ 98	\$9,482,769	\$ 58,261	\$ (81,873)	\$ (23,612)	\$ (2,535,879)	\$ 14,458	\$6,941,175
Stock-based compensation related activity, net of forfeitures	79,490	1	—	—	51,496	—	—	—	—	—	51,497
Purchases and retirement of capital stock	(292,874)	(3)	—	—	(21,869)	—	—	—	—	—	(21,872)
Other comprehensive income (loss) ^(a)	—	—	—	—	—	(23,716)	63,148	39,432	—	(1,716)	37,716
Common stock dividends/distributions	—	—	—	—	—	—	—	—	(626,074)	—	(626,074)
Preferred stock dividends	—	—	—	—	—	—	—	—	(43,988)	—	(43,988)
Net income (loss)	—	—	—	—	—	—	—	—	390,513	8,261	398,774
Balance, December 31, 2014	333,856,632	\$ 3,339	9,775,000	\$ 98	\$9,512,396	\$ 34,545	\$ (18,725)	\$ 15,820	\$ (2,815,428)	\$ 21,003	\$6,737,228

(a) See the consolidated statement of operations and comprehensive income (loss) for the components of "total other comprehensive income (loss)" and note 9 with respect to the reclassification adjustment.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EQUITY
(In thousands of dollars, except share data)

	CCIC Stockholders' Equity										
	Common Stock		4.50% Mandatory Convertible Preferred Stock		Additional Paid-In Capital	AOCI			Dividends/Distributions in Excess of Earnings	Noncontrolling Interest from discontinued operations	Total
	Shares	(\$.01 Par)	Shares	(\$.01 Par)		Foreign Currency Translation Adjustments	Derivative Instruments	Total AOCI			
Balance, December 31, 2014	333,856,632	\$ 3,339	9,775,000	\$ 98	\$9,512,396	\$ 34,545	\$(18,725)	\$15,820	\$ (2,815,428)	\$ 21,003	\$6,737,228
Stock-based compensation related activity, net of forfeitures	251,554	2	—	—	65,838	—	—	—	—	—	65,840
Purchases and retirement of capital stock	(336,526)	(3)	—	—	(29,654)	—	—	—	—	—	(29,657)
Other comprehensive income (loss) ^(a)	—	—	—	—	—	(38,943)	18,725	(20,218)	—	(872)	(21,090)
Disposition of CCAL	—	—	—	—	—	—	—	—	—	(23,474)	(23,474)
Common stock dividends/distributions	—	—	—	—	—	—	—	—	(1,119,973)	—	(1,119,973)
Preferred stock dividends	—	—	—	—	—	—	—	—	(43,988)	—	(43,988)
Net income (loss)	—	—	—	—	—	—	—	—	1,520,992	3,343	1,524,335
Balance, December 31, 2015	333,771,660	\$ 3,338	9,775,000	\$ 98	\$9,548,580	\$ (4,398)	\$ —	\$ (4,398)	\$ (2,458,397)	\$ —	\$7,089,221

(a) See the consolidated statement of operations and comprehensive income (loss) for the components of "total other comprehensive income (loss)" and note 9 with respect to the reclassification adjustment.

See accompanying notes to consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EQUITY
(In thousands of dollars, except share data)

	CCIC Stockholders' Equity										
	Common Stock		4.50% Mandatory Convertible Preferred Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss) ("AOCI")			Dividends/Distributions in Excess of Earnings	Noncontrolling interest from discontinued operations	Total
	Shares	(\$.01 Par)	Shares	(\$.01 Par)		Foreign Currency Translation Adjustments	Derivative Instruments	Total AOCI			
Balance, December 31, 2015	333,771,660	\$ 3,338	9,775,000	\$ 98	\$ 9,548,580	\$ (4,398)	\$ —	\$ (4,398)	\$ (2,458,397)	\$ —	\$ 7,089,221
Stock-based compensation related activity, net of forfeitures	263,782	2	—	—	86,271	—	—	—	—	—	86,273
Purchases and retirement of capital stock	(289,531)	(3)	—	—	(24,933)	—	—	—	—	—	(24,936)
Net proceeds from issuances of Common Stock (see note 12)	15,178,064	152	—	—	1,325,713	—	—	—	—	—	1,325,865
Other comprehensive income (loss) ^(a)	—	—	—	—	—	(1,490)	—	(1,490)	—	—	(1,490)
Recognition of excess tax benefit	—	—	—	—	2,623	—	—	—	—	—	2,623
Common stock dividends/distributions	—	—	—	—	—	—	—	—	(1,244,423)	—	(1,244,423)
Preferred stock dividends	—	—	—	—	—	—	—	—	(32,991)	—	(32,991)
Conversion of preferred stock to common stock (see note 12)	11,612,684	116	(9,775,000)	(98)	(18)	—	—	—	—	—	—
Net income (loss)	—	—	—	—	—	—	—	—	356,973	—	356,973
Balance, December 31, 2016	360,536,659	\$ 3,605	—	\$ —	\$ 10,938,236	\$ (5,888)	\$ —	\$ (5,888)	\$ (3,378,838)	\$ —	\$ 7,557,115

(a) See the consolidated statement of operations and comprehensive income (loss) for the components of "total other comprehensive income (loss)."

See accompanying notes to consolidated financial statements.