CROWN CASTLE INTERNATIONAL CORP
Form 10-K
February 22, 2016

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

FORM 10-K

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

For the fiscal year ended December 31, 2015
or

o 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, $.01 par value	New York Stock Exchange
4.50% Mandatory Convertible Preferred Stock, Series A, $.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 x No o

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 o No x

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 x No o

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 x No o

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. o

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 x Accelerated filer o Non-accelerated filer o Smaller reporting company o

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately $26.6 billion as of June 30, 2015, 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 $80.30 per share.

Applicable Only to Corporate Registrants

As of February 15, 2016 there were 333,768,610 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 "2016 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, 2015.

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," any variations of these words 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 industry, carriers' investments in their networks, tenant additions, customer consolidation or ownership changes, or demand for our wireless infrastructure, (2) expectations regarding non-renewals of tenant leases (including the impact of the decommissioning of the former Leap Wireless, MetroPCS and Clearwire networks), (3) availability and adequacy of cash flows and liquidity for, or plans regarding, future discretionary investments including capital expenditures, (4) potential benefits of our discretionary investments, (5) anticipated growth in our future revenues, margins, Adjusted EBITDA, and operating cash flows, (6) expectations regarding our capital structure and the credit markets, our availability and cost of capital, or our ability to service our debt and comply with debt covenants and the benefits of any future refinancings, (7) expectations related to remaining qualified as a real estate investment trust ("REIT"), and the advantages, benefits or impact of, or opportunities created by, our REIT status, (8) the realization and utilization of our net operating loss carryforwards ("NOLs"), and (9) our dividend policy, including the timing, amount, growth or tax characterization of any dividends.

Such forward-looking statements should, therefore, be considered in light of various risks, uncertainties and assumptions, including prevailing market conditions, 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. As used herein, the term "including," and any variation thereof, means "including without limitation." The use of the word "or" herein is not exclusive.

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. and its predecessor (organized in 1995), as applicable, each a Delaware corporation (together, "CCIC"), and their subsidiaries.

PART I

Item 1. Business

Overview

We own, operate and lease shared wireless infrastructure, including: (1) towers and other structures, such as rooftops (collectively, "towers"), and (2) small cell networks supported by fiber (collectively, "small cells," and together with towers, "wireless infrastructure"). Our core business is providing access, including space or capacity, to our shared wireless infrastructure via long-term contracts in various forms, including license, sublease and lease agreements (collectively, "leases"). We seek to increase our site rental revenues by adding more tenants on our shared wireless infrastructure, which we expect to result in significant incremental cash flows due to our relatively fixed operating costs.

Effective January 1, 2014, we commenced operating as a REIT for U.S. federal income tax purposes. See "Item 1. Business—Industry Highlights and Company Developments—REIT Election."

Certain information concerning our business as of December 31, 2015 is as follows:

- We owned, leased or managed approximately 40,000 towers and 16,000 fiber miles in the United States, including Puerto Rico ("U.S.").
- Approximately 56% and 71% of our towers are located in the 50 and 100 largest U.S. basic trading areas ("BTAs"), respectively. Our towers have a significant presence in each of the top 100 BTAs.
- We owned, including fee interests and perpetual easements, land and other property interests (collectively, "land") on which approximately one-third of our site rental gross margin is derived, and we leased, subleased, managed or licensed (collectively, "leased") the land interests on which approximately two-thirds of our site rental gross margin is derived. The leases for the land interests under our towers had an average remaining life in excess of 30 years, weighted based on site rental gross margin.

Certain information concerning our customers and site rental leases as of and for the year ended December 31, 2015 is as follows:

- Our customers include AT&T, T-Mobile, Verizon Wireless and Sprint, which collectively accounted for 90% of our 2015 site rental revenues.
- Site rental revenues represented 82% of our 2015 consolidated net revenues and site rental gross margin represented 88% of our 2015 consolidated gross margin.
- Our site rental revenues are of a recurring nature, and typically in excess of 90% have been contracted for in a prior year, excluding the impact of current year acquisitions.
- Our site rental revenues typically result from long-term leases 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 tenants, and (4) contractual escalations of the rental price.
- Exclusive of renewals at the tenants' option, our tenant leases have a weighted-average remaining life of approximately six years and represent $20 billion of expected future cash inflows.

As part of our effort to provide comprehensive wireless infrastructure solutions, we offer certain network services relating to our wireless infrastructure, consisting of (1) the following site development services relating to existing or new tenant equipment installations on our wireless infrastructure: site acquisition, architectural and engineering, or zoning and permitting (collectively, "site development services") and (2) tenant equipment installation or subsequent augmentations (collectively, "installation services").

Strategy

Our strategy is to create long-term stockholder value via a combination of (1) growing cash flows generated from our portfolio of wireless infrastructure, (2) returning a meaningful portion of our cash provided by operating activities to our stockholders in the form of dividends and (3) investing capital efficiently to grow cash flows and long-term dividends per share. We measure our efforts to create "long-term stockholder value" by the combined payment of dividends to stockholders and growth in our per share results. The key elements of our strategy are to:

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- Grow cash flows from our wireless infrastructure. We seek to maximize the site rental cash flows derived from our wireless infrastructure by adding tenants on our wireless infrastructure through long-term leases. We believe that the rapid growth in wireless connectivity will result in considerable future demand for our existing wireless infrastructure. We seek to maximize additional tenancy on our wireless infrastructure by working with wireless customers to quickly provide them access to our wireless infrastructure via new tenant additions or modifications of existing tenant equipment installations (collectively, "tenant additions") to enable them to expand coverage and capacity in order to meet increasing demand for wireless connectivity. We expect increases in our site rental cash flows from tenant additions and the related subsequent impact from contracted escalations to result in growth in our operating cash flows as our wireless infrastructure has relatively fixed operating costs (which tend to increase at the rate of inflation). Substantially all of our wireless infrastructure can accommodate additional tenancy, either as currently constructed or with appropriate modifications to the structure (which may include extensions or structural reinforcement), from which we expect to generate high incremental returns.
- Return cash provided by operating activities to stockholders in the form of dividends. We believe that distributing a meaningful portion of our cash provided by operating activities appropriately provides stockholders with increased certainty for a portion of expected long-term stockholder value while still retaining sufficient flexibility to invest in our business and deliver growth. We believe this decision reflects the translation of the high-quality, long-term contractual cash flows of our business into stable capital returns to stockholders.
- Invest capital efficiently to grow cash flows and long-term dividends per share. We seek to invest our available capital, including the net cash provided by our operating activities and external financing sources, in a manner that will increase long-term stockholder value on a risk-adjusted basis. Our historical investments have included the following (in no particular order):

purchase shares of our common stock from time to time;
acquire or construct wireless infrastructure;
acquire land interests under towers;
make improvements and structural enhancements to our existing wireless infrastructure; or
purchase, repay or redeem our debt.

Our strategy to create long-term stockholder value is based on our belief that additional demand for our wireless infrastructure will be created by the expected continued growth in demand for wireless connectivity. We believe that such demand for our wireless infrastructure will continue, will result in growth of our cash flows due to tenant additions on our existing wireless infrastructure, and will create other growth opportunities for us, such as demand for new wireless infrastructure.

2015 Industry Highlights and Company Developments

See "Item 1. Business—Overview," "Item 1. Business—The Company," "Item 7. MD&A" and our consolidated financial statements for a discussion of certain recent developments and activities, including (1) the increase in our quarterly common stock dividend, (2) our May 2015 sale of our formerly 77.6% owned Australian subsidiary ("CCAL"), (3) our August 2015 acquisition of Quanta Fiber Networks, Inc. ("Sunesys Acquisition"), and (4) our recent financing activities.

REIT Election. We commenced operating as a REIT for U.S. federal income tax purposes effective January 1, 2014. As a REIT, we are generally entitled to a deduction for dividends that we pay and therefore are not subject to U.S. federal corporate income tax on our net taxable income that is currently distributed to our stockholders. We also may be subject to certain federal, state, local, and foreign taxes on our income or assets, including (1) alternative minimum taxes, (2) taxes on any undistributed income, (3) taxes related to our taxable REIT subsidiaries ("TRSs"), (4) certain state, local, or foreign income taxes, (5) franchise taxes, (6) property taxes and (7) transfer taxes. In addition, we could in certain circumstances be required to pay an excise or penalty tax, which could be significant in amount, in order to utilize one or more relief provisions under the Internal Revenue Code of 1986, as amended ("Code") to maintain qualification for taxation as a REIT.

In August 2014, we received a favorable private letter ruling from the Internal Revenue Service ("IRS"), which provides that the real property portion of our small cells and the related rents qualify as real property and rents from real property, respectively, under the rules governing REITs. During the fourth quarter of 2015, we completed the necessary steps to include our small cells that were previously included in one or more wholly-owned TRSs in the

REIT effective January 2016.

Substantially all of our revenues are in the REIT. Additionally, we have included in TRSs certain other assets and operations. Those TRS assets and operations will continue to be subject, as applicable, to federal and state corporate income taxes or to foreign taxes in the jurisdictions in which such assets and operations are located. Our foreign assets and operations (including our tower operations in Puerto Rico) most likely will be subject to foreign income taxes in the jurisdictions in which such assets and operations are located, regardless of whether they are included in a TRS or not.

To remain qualified and be taxed as a REIT, we will generally be required to distribute at least 90% of our REIT taxable income, after the utilization of our NOLs, (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders (see notes 2 and 11 to our consolidated financial statements). Our quarterly common stock dividend will delay the utilization of our NOLs and may cause certain of the NOLs to expire without utilization.

Wireless Industry Update. During 2015, consumer demand for wireless connectivity continued to grow due to increases in wireless data consumption and increased penetration of bandwidth intensive devices. This growth in wireless consumption is driven by the increased usage of wireless applications, including (1) mobile entertainment (such as mobile video, mobile applications, and social networking), (2) mobile internet usage (such as email and web browsing) and (3) machine-to-machine applications (also known as "the Internet of Things"). As a result, consumer wireless devices are trending toward bandwidth-intensive devices such as smartphones, laptops, tablets and other emerging devices.

The major wireless carriers continue to upgrade and enhance their networks, which has translated into additional demand for our wireless infrastructure. We expect that consumers' growing wireless consumption will likely result in wireless carriers continuing to invest in their networks and focus on improving network quality and capacity by adding additional antennas or other equipment for the transmission of their services to wireless infrastructure in an effort to improve customer retention or satisfaction. Additionally, spectrum licensed by the Federal Communications Commission ("FCC") has enabled continued wireless carrier network development. We expect this development and the potential availability of additional spectrum through government auctions to enable continued future carrier network development and potential demand for our wireless infrastructure.

The Company

Following the sale of CCAL in May 2015, virtually all of our operations are located in the U.S. We conduct substantially all of our operations through subsidiaries of Crown Castle Operating Company ("CCOC"). For more information about our operating segment, see note 16 to our consolidated financial statements and "Item 7. MD&A."

Site Rental. Our core business is providing access, including space or capacity, to our shared wireless infrastructure in the U.S, which predominately consists of towers and small cells. We predominately provide access to wireless carriers under long-term leases for their antennas which transmit a variety of signals related to wireless connectivity. Our small cells are primarily located outdoors. To a lesser extent, we offer fiber solutions including dark fiber and lit fiber. We believe our wireless infrastructure is integral to our customers' networks and their ability to serve their customers.

We acquired ownership interests or exclusive rights to the majority of our towers from the four largest wireless carriers (or their predecessors) through transactions consummated since 1999, including transactions with (1) AT&T in 2013 ("AT&T Acquisition"), (2) T-Mobile in 2012 ("T-Mobile Acquisition"), (3) Global Signal Inc. in 2007 ("Global Signal Acquisition") , which had originally acquired the majority of its towers from Sprint, (4) companies now part of Verizon Wireless during 1999 and 2000, and (5) companies now part of AT&T during 1999 and 2000. Our small cell assets include those acquired from NextG Networks, Inc. in 2012 ("NextG Acquisition") and the Sunesys Acquisition in 2015.

We generally receive monthly rental payments from tenants, payable under long-term leases. We have existing master lease agreements with most wireless carriers, including AT&T, T-Mobile, Verizon Wireless and Sprint; such agreements provide certain terms (including economic terms) that govern leases on our wireless infrastructure entered into by such carriers during the term of their master lease agreements. We generally negotiate initial contract terms of five to 15 years, with multiple renewal periods at the option of the tenant of five to ten years each, and our leases typically include fixed escalations. We continue to endeavor to negotiate with our existing customer base for longer contractual terms, which often contain fixed escalation rates.

Our tenant leases have historically had a high renewal rate. With limited exceptions, our tenant leases may not be terminated prior to the end of their current term, and non-renewals have averaged approximately 2% of site rental revenues over the last five years. See "Item 1A. Risk Factors" regarding future anticipated non-renewals as a result of the decommissioning, at least in part, of the former Leap Wireless, MetroPCS and Clearwire networks ("Acquired Networks"). In general, each tenant lease which is renewable will automatically renew at the end of its term unless the tenant 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 tenant agreements without consideration of tenant renewal options.

The average monthly rental payment of a new tenant added to wireless infrastructure can vary based on (1) aggregate tenant volume, (2) the different regions in the U.S., or (3) the physical size, weight and shape of the antenna installation and related equipment. With respect to our small cells, the amount of the monthly payments can also be influenced by similar factors, as well as the amount or cost of (1) construction for initial and subsequent tenants, (2) fiber strands, (3) equipment at the site, or (4) any upfront payments received. We also routinely receive rental payment increases in connection with lease amendments, pursuant to which our tenants add additional antennas or other equipment to wireless infrastructure on which they already have equipment pursuant to preexisting leases.

In excess of two-thirds of our direct site operating expenses consist of lease expenses and the remainder includes property taxes, repairs and maintenance, employee compensation or related benefit costs, or utilities. Our cash operating expenses tend to escalate at approximately the rate of inflation, partially offset by reductions in cash lease expenses from our purchases of land interests. As a result of the relatively fixed nature of these expenditures, the addition of new tenants is achieved at a low incremental operating cost, resulting in high incremental operating cash flows. Our wireless infrastructure portfolio requires minimal sustaining capital expenditures, including maintenance or other non-discretionary capital expenditures, and are typically approximately 2% of net revenues. See note 15 to our consolidated financial statements for a tabular presentation of the rental cash payments owed by us to landlords pursuant to our contractual agreements.

Network Services. As part of our effort to provide comprehensive solutions, we offer certain network services relating to our wireless infrastructure, predominately consisting of (1) site development services and (2) installation services. For 2015, 65% of our network services and other revenues related to installation services, and the remainder predominately related to site development services. We have grown our network service revenues over the last several years as a result of increased volumes resulting from carrier network upgrades, promoting site development services, expanding the scope of our services, and our focus on customer service and deployment speed. We have the capability and expertise to install, with the assistance of our network of subcontractors, equipment or antenna systems for our customers. We do not always provide the installation services or site development services for our customers on our wireless infrastructure as third parties also provide these services (see also "—Competition" below). These activities are typically non-recurring and highly competitive, with a number of local competitors in most markets. Typically, our installation services are billed on a cost-plus profit basis and site development services are billed on a fixed fee basis.

Customers. We work extensively with large national wireless carriers, and in general, our customers are primarily comprised of providers of wireless connectivity that operate national or regional networks. Our four largest customers (AT&T, T-Mobile, Verizon Wireless and Sprint) collectively accounted for 90% of our 2015 site rental revenues. See "Item 1A. Risk Factors" and note 16 to our consolidated financial statements.

Sales and Marketing. Our sales organization markets our wireless infrastructure within the wireless industry with the objective of providing access to existing wireless infrastructure or to new wireless infrastructure prior to construction. We seek to become the critical partner and preferred independent wireless infrastructure provider for our customers and increase customer satisfaction relative to our peers by leveraging our (1) customer relationships, (2) process-centric approach, and (3) technological tools.

A team of national account directors maintains our relationships with our largest customers. These directors work to develop wireless infrastructure leasing, as well as to ensure that customers' wireless infrastructure needs are efficiently translated into new leases on our wireless infrastructure. 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 or 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 or prospective customers.

Competition. We face competition for site rental tenants from various sources, including (1) other independent wireless infrastructure owners or operators, including towers, rooftops, broadcast towers, utility poles, fiber providers, distributed antenna systems ("DAS") or other small cells, or (2) new alternative deployment methods in the wireless industry.

Some of the larger independent tower companies with which we compete include American Tower Corporation and SBA Communications Corporation. We believe that tower location, deployment speed, quality of service, capacity and price have been and will continue to be the most significant competitive factors affecting the leasing of wireless infrastructure. See "Item 1A. Risk Factors."

Competitors in our network services offering include site acquisition consultants, zoning consultants, real estate firms, right-of-way consulting firms, construction companies, tower owners or managers, radio frequency engineering consultants, telecommunications equipment vendors who can provide turnkey site development services through multiple subcontractors, or our customers' internal staff. 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, or time for completion of a project.

Sale of CCAL. On May 28, 2015, we completed the sale of our formerly 77.6% owned Australian subsidiary, CCAL, to a consortium of investors led by Macquarie Infrastructure and Real Assets. At closing, we received net proceeds of approximately $1.1 billion after accounting for our ownership interest, repayment of intercompany debt owed to us by CCAL and estimated transaction fees and expenses, exclusive of the impact of foreign currency swaps related to the CCAL sale.

CCAL had historically been a separate operating segment. The sale of our CCAL operating segment is treated as discontinued operations for all periods presented and represents a strategic shift for us to focus on U.S. operations. See note 3 to our consolidated financial statements.

Employees

At January 31, 2016, we employed approximately 2,700 people. 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

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

Federal Regulations. Both the FCC and the FAA regulate towers used for wireless communications, radio, or television broadcasting. Such regulations control the siting, lighting, or 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 or antenna structures based upon the height or location, including proximity to airports. Proposals to construct or to modify existing tower or 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 or 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 and small cells. The law, however, limits local zoning authority by prohibiting actions by local authorities that discriminate between different service providers of wireless communications or ban altogether the provision of wireless communications. 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 small cells, 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, or other characteristics of the towers. Over the last several years, there have been several developments related to FCC regulations and legislation that assist in expediting and streamlining the deployment of wireless networks, including establishing timeframes for reviews by local and state governments. Notwithstanding such legislative and FCC actions, decisions of local zoning authorities may also adversely affect the timing or cost of wireless infrastructure construction or modification.

Some of our small cell related subsidiaries hold authorization to provide intrastate telecommunication services as competitive local exchange carriers ("CLEC") in numerous states and to provide domestic interstate telecommunication services as authorized by the FCC. These small cell subsidiaries are primarily regulated by state public service commissions which have jurisdiction over public rights-of-way. CLEC status, in certain cases, helps promote access to such public rights-of-way, which is beneficial to the deployment of our small cells on a timely basis. Status as a CLEC often allows us to deploy our small cells in locations where zoning restrictions might otherwise delay, restrict, or prevent building or expanding traditional wireless tower sites or traditional wireless rooftop sites. See "Item 1A. Risk Factors."

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 or, 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, or remediation of, or exposure to, hazardous or non-hazardous substances, materials, or 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; or 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 wireless infrastructure 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 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, licenses for common carrier microwave service, which are subject to additional regulation by the FCC. We also have an FCC license relating to our 1670-1675 MHz U.S. nationwide spectrum license ("Spectrum"), which we have leased to a third party through 2023, subject to the lessee's option to purchase the Spectrum.

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.

Risks Relating to Our Business

Our business depends on the demand for our wireless infrastructure, driven primarily by demand for wireless connectivity, and we may be adversely affected by any slowdown in such demand. Additionally, a reduction in carrier network investment may materially and adversely affect our business (including reducing demand for tenant additions or network services).

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

- consumer demand for wireless connectivity;
- availability or capacity of our wireless infrastructure or associated land interests;
- location of our wireless infrastructure;
- financial condition of our customers, including their profitability and availability or cost of capital;
- willingness of our customers to maintain or increase their network investment or changes in their capital allocation strategy;
- availability and cost of spectrum for commercial use;
- 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 or state restrictions on the proliferation of wireless infrastructure;
- cost of constructing wireless infrastructure;
- technological changes, including those (1) affecting the number or type of wireless infrastructure needed to provide wireless connectivity to a given geographic area or which may otherwise serve as substitute or alternative to our wireless infrastructure or (2) resulting in the obsolescence or decommissioning of certain existing wireless networks;

or

- our ability to efficiently satisfy our customers' service requirements.

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A slowdown in demand for wireless connectivity or our wireless infrastructure may negatively impact our growth or otherwise have a material adverse effect on us. If our customers or potential customers are unable to raise adequate capital to fund their business plans, as a result of disruptions in the financial and credit markets or otherwise, they may reduce their spending, which could adversely affect our anticipated growth or the demand for our wireless infrastructure or network services.

The amount, timing, and mix of our customers' network investment is variable and can be significantly impacted by the various matters described in these risk factors. Changes in carrier network investment typically impact the demand for our wireless infrastructure. As a result, changes in carrier plans such as delays in the implementation of new systems, new technologies (including small cells), or plans to expand coverage or capacity may reduce demand for our wireless infrastructure. Furthermore, the wireless industry could experience a slowdown or slowing growth rates as a result of numerous factors, including a reduction in consumer demand for wireless connectivity or general economic conditions. There can be no assurances that weakness or uncertainty in the economic environment will not adversely impact the wireless industry, which may materially and adversely affect our business, including by reducing demand for our wireless infrastructure or network services. In addition, a slowdown may increase competition for site rental customers or network services. A wireless industry slowdown or a reduction in carrier network investment may materially and adversely affect our business. For a further discussion of our risks relating to network services, see "—Our network services business has historically experienced significant volatility in demand, which reduces the predictability of our results" below.

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

For 2015, our site rental revenues by customer were as follows:

The loss of any one of our large customers as a result of consolidation, merger, bankruptcy, insolvency, network sharing, roaming, joint development, resale agreements by our customers or otherwise may result in (1) a material decrease in our revenues, (2) uncollectible account receivables, (3) an impairment of our deferred site rental receivables, wireless infrastructure assets, intangible assets, or (4) other adverse effects to our business. We cannot guarantee that leases with our major customers will not be terminated or that these customers will renew their leases with us. In addition to our four largest customers, we also derive a portion of our revenues and anticipated future growth from new entrants offering or contemplating offering wireless services; such customers may be smaller or have less financial resources than our four largest customers, have business models which may not be successful, or may require additional capital. See also "Item 1. Business—The Company" and note 16 to our consolidated financial statements.

Consolidation among our customers will likely result in duplicate or overlapping parts of networks, for example where they are co-residents on a tower, which may result in the termination or non-renewal of tenant leases and impact revenues from our wireless infrastructure. We expect that any termination of tenant leases as a result of this potential consolidation would be spread over multiple years. Such consolidation may result in a reduction in such customers' future network investment in the aggregate because their expansion plans may be similar. Wireless carrier consolidation could decrease the demand for our wireless infrastructure, which in turn may result in a reduction in our revenues or cash flows.

In recent years, AT&T, T-Mobile and Sprint acquired Leap Wireless, MetroPCS, and Clearwire, respectively. During 2016, we expect site rental revenues to be impacted by non-renewals of $70 million to $80 million as a result of the decommissioning of the Acquired Networks. The Acquired Networks represented approximately 10% of our net revenues for the year ended December 31, 2015. We currently expect potential non-renewals from the decommissioning of the Acquired Networks to be approximately 60% of current run-rate site rental revenues related to the Acquired Networks, with the majority of such non-renewals to occur predominately from 2016 through 2018. Depending on the eventual network deployment and decommissioning plans of AT&T, T-Mobile and Sprint, the impact and timing of such non-renewals may vary from our expectations.

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 tenant agreements without consideration of tenant renewal options.

The business model for our small cell operations contains certain differences from our traditional site rental business, resulting in different operational risks. If we do not successfully operate that business model or identify or manage those operational risks, such operations may produce results that are less than anticipated.

The business model for our small cell operations contains certain differences from our traditional tower operations, including differences relating to customer contract terms, landlord demographics, ownership of certain network assets, operational oversight requirements (including requirements for service level agreements regarding network performance and maintenance), and applicable laws. While our small cell operations have certain risks that are similar to our tower operations, they also have certain operational risks that are different from our traditional site rental business, including the (1) use of competitive local exchange carrier, which we refer to as CLEC status, (2) use of public rights-of-ways and franchise agreements, (3) use of poles owned solely by, or jointly with, third parties, or (4) risks relating to overbuilding. We cannot be certain that we will be successful in maintaining right-of-way agreements, obtaining future agreements on acceptable terms, or that our CLEC status will be recognized. In addition, the rate at which wireless carriers adopt or prioritize small cells may be lower or slower than we anticipate. Our small cell operations will also expose us to different safety or liability risks or hazards than our traditional site rental business as a result of numerous factors, including the location or nature of the assets involved. Because small cells are comparatively new technologies and are continuing to evolve, there may be other risks related to small cells of which we are not yet aware.

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

As a result of our substantial indebtedness:

- we may be more vulnerable to general adverse economic or industry conditions;
- we may find it more difficult to obtain additional financing to fund discretionary investments or other general corporate requirements or to refinance our existing indebtedness;
- we are or will be required to dedicate a substantial portion of our cash flows from operations to the payment of principal or interest on our debt, thereby reducing the available cash flows to fund other projects, including the discretionary investments discussed in "Item 1. Business";
- we may have limited flexibility in planning for, or reacting to, changes in our business or in the industry;
- we may have a competitive disadvantage relative to other companies in our industry with less debt;
- we may be adversely impacted by changes in interest rates;
- we may be required to issue equity securities or securities convertible into equity or sell some of our assets, possibly on unfavorable terms, in order to meet payment obligations;
- we may be limited in our ability to take advantage of strategic business opportunities, including wireless infrastructure development or mergers and acquisitions; or
- we could fail to remain qualified for taxation as a REIT as a result of limitations on our ability to declare and pay dividends to stockholders as a result of restrictive covenants in our debt instruments or the terms of our 4.50% Mandatory Convertible Preferred Stock, Series A ("Convertible Preferred Stock").

Currently we have debt instruments in place that limit in certain circumstances our ability to incur additional indebtedness, pay dividends, create liens, sell assets, or engage in certain mergers and acquisitions, among other things. In addition, the credit agreement governing our senior unsecured credit facility agreement ("2016 Credit Facility") contains financial maintenance covenants. Our ability to comply with these covenants or to satisfy our debt obligations will depend on our future operating performance. If we violate the restrictions in our debt instruments or fail to comply with our financial maintenance covenants, we will be in default under those instruments, which in some cases would cause the maturity of a substantial portion of our long-term indebtedness to be accelerated. Furthermore, if the limits on our ability to pay dividends prevent us from satisfying our REIT distribution requirements, we could fail to remain qualified for taxation as a REIT. If these limits do not jeopardize our qualification for taxation as a REIT but nevertheless prevent us from distributing 100% of our REIT taxable income, we will be subject to federal and state corporate income taxes, and potentially a nondeductible excise tax, on our undistributed taxable income. If our operating subsidiaries were to default on their debt, the trustee could seek to foreclose the collateral securing such debt, in which case we could lose the wireless infrastructure and the revenues associated with the wireless infrastructure. See "Item 7. MD&A—Liquidity and Capital Resources—Debt Covenants" for a further discussion of our debt covenants.

CCIC is a holding company that conducts all of its operations through its subsidiaries. Accordingly, CCIC's sources of cash to pay interest or principal on its outstanding indebtedness are distributions relating to its respective ownership interests in its subsidiaries from the net earnings and cash flows generated by such subsidiaries or from proceeds of debt or equity offerings. Earnings and cash flows generated by CCIC's subsidiaries are first applied by such subsidiaries to conduct their operations, including servicing their respective debt obligations, after which any excess cash flows generally may be paid to such holding company, in the absence of any special conditions such as a continuing event of default. However, CCIC's subsidiaries are legally distinct from the holding company and, unless they guarantee such debt, have no obligation to pay amounts due on their debt or to make funds available to us for such payment.

If we fail to pay scheduled dividends on the Convertible Preferred Stock, in cash, common stock, or any combination of cash and common stock, we will be prohibited from paying dividends on our common stock, which may jeopardize our status as a REIT.

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

We have a substantial amount of indebtedness (approximately $12.1 billion as of February 15, 2016), which we will need to refinance or repay. See "Item 7. MD&A—Liquidity and Capital Resources" for a tabular presentation of our contractual debt maturities. There can be no assurances we will be able to refinance our indebtedness (1) on commercially reasonable terms, (2) on terms, including with respect to interest rates, as favorable as our current debt, or (3) at all.

Economic conditions and the credit markets have historically experienced, and may continue to experience, periods of volatility, uncertainty, or weakness that could impact the availability or cost of debt financing, including any refinancing of the obligations described above or on our ability to draw the full amount of our $2.5 billion revolving credit facility ("2016 Revolver"), that, as of February 15, 2016, has $2.1 billion of undrawn availability.

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

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

Future sales or issuances of common stock or other equity related securities may adversely affect the market price of our common stock, including any shares of our common stock issued to finance capital expenditures, finance acquisitions or repay debt. Our business strategy contemplates access to external financing to fund certain discretionary investments, which may include issuances of common stock or other equity related securities. In August 2015, we established an "at-the-market" stock offering program ("ATM Program") through which we may, from time to time, issue and sell shares of our common stock having an aggregate gross sales price of up to $500.0 million to or through sales agents. As of February 15, 2016, we had 333.8 shares of common stock outstanding.

We have reserved 12.3 million and 14.5 million of shares of common stock, respectively, for issuance in connection with awards granted under our various stock compensation plans and our Convertible Preferred Stock, which will automatically convert into common stock on November 1, 2016. See "Item 7. MD&A—Liquidity and Capital Resources—Preferred Stock." The dividends on our Convertible Preferred Stock may also be paid in cash or, subject to certain limitations, shares of common stock or any combination of cash and shares of common stock.

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

As a result of competition in our industry, we may find it more difficult to achieve favorable rental rates on our new or renewing tenant leases.

Our growth is dependent on our entering into new tenant leases (including amendments to leases upon modification of an existing installation), as well as renewing or renegotiating tenant leases when existing tenant leases terminate. Competition in our industry may make it more difficult for us to attract new customers, maintain or increase our gross margins, or maintain or increase our market share. We face competition for site rental tenants from various sources, including (1) other independent wireless infrastructure owners or operators, including towers, rooftops, broadcast towers, utility poles, fiber providers, DAS or other small cells, or (2) new alternative deployment methods in the wireless industry.

Our small cell operations may have different competitors than our traditional site rental business, including other owners of small cells or fiber, as well as new entrants into small cells, some of which may have larger networks or greater financial resources than we have.

New technologies may reduce demand for our wireless infrastructure or negatively impact our revenues.

Improvements in the efficiency, architecture, and design of wireless networks may reduce the demand for our wireless infrastructure. For example, new technologies that may promote network sharing, joint development, or resale agreements by our customers, such as signal combining technologies or network functions virtualization, may reduce the need for our wireless infrastructure. In addition, other technologies, such as WiFi, DAS, femtocells, other small cells, or satellite (such as low earth orbiting) and mesh transmission systems may, in the future, serve as substitutes for, or alternatives to, leasing that might otherwise be anticipated or expected on wireless infrastructure had such technologies not existed. In addition, new technologies that enhance the range, efficiency, and capacity of wireless equipment could reduce demand for our wireless infrastructure. Any significant reduction in demand for our wireless infrastructure resulting from the new technologies may negatively impact our revenues or otherwise have a material adverse effect on us.

The expansion or development of our business, including through acquisitions, increased product offerings or other strategic growth opportunities, may cause disruptions in our business, which may have an adverse effect on our business, operations or financial results.

We seek to expand and develop our business, including through acquisitions, increased product offerings (such as small cells and fiber), or other strategic growth opportunities. In the ordinary course of our business, we review, analyze, and evaluate various potential transactions or other activities in which we may engage. Such transactions or activities could cause disruptions in, increase risk or otherwise negatively impact our business. Among other things, such transactions and activities may:

- disrupt our business relationships with our customers, depending on the nature of or counterparty to such transactions and activities;
- direct the time or attention of management away from other business operations;
- fail to achieve revenue or margin targets, operational synergies or other benefits contemplated;
- increase operational risk or volatility in our business; or
- result in current or prospective employees experiencing uncertainty about their future roles with us, which might adversely affect our ability to retain or attract key managers or other employees.

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

The property interests on which our wireless infrastructure resides, including the land interests under our towers, consist of leasehold and sub-leasehold interests, fee interests, easements, licenses, and rights-of-way. A loss of these interests may interfere with our ability to conduct our business or generate revenues. For various reasons, we may not always have the ability to access, analyze, or verify all information regarding titles or other issues prior to purchasing wireless infrastructure. Further, we may not be able to renew ground leases on commercially viable terms. Our ability to retain rights to the land interests on which our towers reside depends on our ability to purchase such land, including fee interests and perpetual easements, or renegotiate or extend the terms of the leases relating to such land. Approximately 11% of our site rental gross margins for the year ended December 31, 2015 were derived from towers where the leases for the interests under such towers had final expiration dates of less than ten years. If we are unable to retain rights to the property interests on which our wireless infrastructure resides, our business may be adversely

affected.
As of December 31, 2015, approximately 54% of our towers were leased or subleased or operated and managed under master leases, subleases, or other agreements with AT&T, Sprint, and T-Mobile. We have the option to purchase these towers at the end of their respective lease terms. We have no obligation to exercise such purchase options. We may not have the required available capital to exercise our right to purchase some or all of these towers at the time these options are exercisable. Even if we do have

available capital, we may choose not to exercise our right to purchase these towers or some or all of the T-Mobile or AT&T towers for business or other reasons. In the event that we do not exercise these purchase rights, or are otherwise unable to acquire an interest that would allow us to continue to operate these towers after the applicable period, we will lose the cash flows derived from such towers, which may have a material adverse effect on our business. In the event that we decide to exercise these purchase rights, the benefits of the acquisition of these towers may not exceed the costs, which could adversely affect our business. Additional information concerning these towers and the applicable purchase options as of December 31, 2015 is as follows:

- Approximately 23% of our towers are leased or subleased or operated and managed under a master prepaid lease or other related agreements with AT&T for a weighted-average initial term of approximately 28 years, weighted on site rental gross margin. We have the option to purchase the leased and subleased towers from AT&T at the end of the respective lease or sublease terms for aggregate option payments of approximately $4.2 billion, which payments, if exercised, would be due between 2032 and 2048.
- Approximately 16% of our towers are leased or subleased or operated and managed for an initial period of 32 years (through May 2037) under master leases, subleases or other agreements with Sprint. We have the option to purchase in 2037 all (but not less than all) of the leased and subleased Sprint towers from Sprint for approximately $2.3 billion.
- Approximately 15% of our towers are leased or subleased or operated and managed under a master prepaid lease or other related agreements with T-Mobile for a weighted-average initial term of approximately 28 years, weighted on site rental gross margin. We have the option to purchase the leased and subleased towers from T-Mobile at the end of the respective lease or sublease terms for aggregate option payments of approximately $2.0 billion, which payments, if exercised, would be due between 2035 and 2049. In addition, through the T-Mobile Acquisition, there are another approximately 1% of our towers subject to a lease and sublease or other related arrangements with AT&T. We have the option to purchase these towers that we do not otherwise already own at the end of their respective lease terms for aggregate option payments of up to approximately $405 million, which payments, if exercised, would be due between 2018 and 2032 (less than $10 million would be due before 2025).

Under master lease or master prepaid lease arrangements we have with AT&T, Sprint and T-Mobile, certain of our subsidiaries lease or sublease, or are otherwise granted the right to manage and operate, towers from bankruptcy remote subsidiaries of such carriers. If one of these bankruptcy remote subsidiaries should become a debtor in a bankruptcy proceeding and is permitted to reject the underlying ground lease, our subsidiaries could lose their interest in the applicable sites. If our subsidiaries were to lose their interest in the applicable sites or if the applicable ground leases were to be terminated, we would lose the cash flow derived from the towers on those sites, which may have a material adverse effect on our business. We have similar bankruptcy risks with respect to sites that we operate under management agreements.

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

The operating results of our network services business for any particular period may vary significantly and should not necessarily be considered indicative of longer-term results for this activity. Our network services business is generally driven by demand for our wireless infrastructure and may be adversely impacted by various factors, including:

- competition;
- the timing and amount of customer network investments;
- the rate and volume of customer deployment plans;
- unforeseen delays or challenges relating to work performed;
- economic weakness or uncertainty;
- our market share; or
- changes in the size, scope, or volume of work performed.

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

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

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

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

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

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

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

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

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

- a staggered board of directors, which is currently being phased out but will not be fully declassified until our annual meeting of stockholders in May 2016;
- the authority of the board of directors to issue preferred stock without approval of the holders of our common stock; and
- advance notice requirements for director nominations or actions to be taken at annual meetings.

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

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

We may be vulnerable to security breaches that could adversely affect our operations, business, operations, and reputation.

Despite existing security measures, certain of our wireless infrastructure may be vulnerable to damage, disruptions, or shutdowns due to unauthorized access, computer viruses, cyber-attacks, and other security breaches. An attack attempt or security breach could potentially result in (1) interruption or cessation of certain of our services to our customers, (2) our inability to meet expected levels of service, or (3) data transmitted over our customers' networks being compromised. We cannot guarantee that our security measures will not be circumvented, resulting in customer network failures or interruptions that could impact our customers' network availability and have a material adverse effect on our business, financial condition, or operational results. We may be required to expend significant resources to protect against or recover from such threats. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed, and we could lose customers. Further, the perpetrators of cyber-attacks are not restricted to particular groups or persons. These attacks may be committed by our employees or external actors operating in any geography. Any such events could result in legal claims or penalties, disruption in operations, misappropriation of sensitive data, damage to our reputation, negative market perception, or costly response measures, which could adversely affect our business.

Risks Relating to Our REIT Election

Future dividend payments to our stockholders will reduce the availability of our cash on hand available to fund future discretionary investments, and may result in a need to incur indebtedness or issue equity securities to fund growth opportunities. In such event, the then current economic, credit market or equity market conditions will impact the availability or cost of such financing, which may hinder our ability to grow our per share results of operations.

During each of the first three quarters of 2015, we paid a quarterly common stock dividend of $0.82 per share, totaling approximately $821.1 million. In October 2015, we increased our quarterly dividend, beginning in the fourth quarter of 2015, from an annual amount of $3.28 per share to an annual amount of $3.54 per share. As such, we declared a quarterly dividend of $0.885 per share in October 2015, which represented an increase of 8% from the quarterly dividend declared during each of the first three quarters of 2015. We currently expect such dividends to result in aggregate annual cash payments of approximately $1.2 billion during the next 12 months. Over time, we expect to increase our dividend per share generally commensurate with our realized growth in cash flows. Future dividends are subject to the approval of our board of directors. See notes 12 and 19 to our consolidated financial statements.

Effective January 1, 2014, we commenced operating as a REIT for U.S. federal income tax purposes. To remain qualified and be taxed as a REIT, we will generally be required to distribute at least 90% of our REIT taxable income after the utilization of any available NOLs, (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders. Our quarterly cash common stock dividend will delay the utilization of our NOLs and may cause certain of the NOLs to expire without utilization. See also "Item 7. MD&A—General Overview—Common Stock Dividend" and "Item 1. Business—2015 Industry Highlights and Company Developments—REIT Election."

As discussed in "Item 1. MD&A—Business—Strategy," we seek to invest our capital, including the net cash provided by our operating activities as well as external financing sources, in a manner that we believe will increase long-term stockholder value on a risk-adjusted basis. Our historical discretionary investments have included the following (in no particular order): purchasing our common stock, acquiring or constructing wireless infrastructure, acquiring land interests under towers, improving or structurally enhancing our existing wireless infrastructure, or purchasing, repaying or redeeming our debt. External financing, including debt, equity, and equity-related issuances to fund future discretionary investments either (1) may not be available to us or (2) may not be accessible by us at terms that would result in the investment of the net proceeds raised yielding incremental growth in our per share operating results. As a result, future dividend payments may hinder our ability to grow our per share results of operations or otherwise adversely affect our ability to execute our business plan.

See also "—If we fail to pay scheduled dividends on the Convertible Preferred Stock, in cash, common stock, or any combination of cash and common stock, we will be prohibited from paying dividends on our common stock, which may jeopardize our status as a REIT" below.

Remaining qualified to be taxed as a REIT involves highly technical and complex provisions of the US Internal Revenue Code. Failure to remain qualified as a REIT would result in our inability to deduct dividends to stockholders when computing our taxable income, which would reduce our available cash.

Effective January 1, 2014, we commenced operating as a REIT for U.S. federal tax purposes. As a REIT, we are generally entitled to a deduction for dividends that we pay and therefore are not subject to U.S. federal corporate income tax on our net taxable income that is currently distributed to our common stockholders.

While we intend to operate so that we remain qualified as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given that we will qualify as a REIT for any particular year.

If, in any taxable year, we fail to qualify for taxation as a REIT and are not entitled to relief under the Code , then:

- we will not be allowed a deduction for dividends paid to stockholders in computing our taxable income;
- we will be subject to federal and state income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates; and
- if such failure to qualify occurs after the effective date of our election to be taxed as a REIT for U.S. federal income tax purposes, we would be disqualified from re-electing REIT status for the four taxable years following the year during which we were so disqualified.

Although we may have federal NOLs available to reduce any taxable income, to the extent our federal NOLs have been utilized or are otherwise unavailable, any such corporate tax liability could be substantial, would reduce the amount of cash available for other purposes and might necessitate the borrowing of additional funds or the liquidation of some investments to pay any additional tax liability. Accordingly, funds available for investment would be reduced.

Under the Code, for taxable years beginning before 2018, no more than 25% of the value of the assets of a REIT may be represented by securities of one or more TRSs or other non-qualifying assets. For taxable years beginning in 2018, the limit on the value of assets of a REIT that may be represented by securities of one or more TRSs or other non-qualifying assets will reduce to 20%. These current or future limitations may affect our ability to make additional investments in non-REIT qualifying operations or assets, or in any operations held through TRSs. The net income of our TRSs is not required to be distributed to us, and income that is not distributed to us generally will not be subject to the REIT income distribution requirement. However, there may be limitations on our ability to accumulate earnings in our TRSs and the accumulation or reinvestment of significant earnings in our TRSs could result in adverse tax treatment. In particular, if the accumulation of cash in our TRSs causes the fair market value of our securities in our TRSs or certain other non-qualifying assets to exceed current or future limitations of the fair market value of our assets at the end of any quarter, then we may fail to remain qualified as a REIT.

Complying with REIT requirements, including the 90% distribution requirement, may limit our flexibility or cause us to forgo otherwise attractive opportunities, including certain discretionary investments and potential financing alternatives.

To remain qualified and be taxed as a REIT, we will generally be required to distribute at least 90% of our REIT taxable income after the utilization of any available NOLs (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders. We commenced declaring regular quarterly dividends to our common stockholders beginning with the first quarter of 2014. See notes 12 and 19 to our consolidated financial statements. Any such dividends, however, are subject to the determination and approval of our board of directors based on then-current and anticipated future conditions, including our earnings, net cash provided by operating activities, capital requirements, financial condition, our relative market capitalization, our existing federal NOLs of approximately $1.3 billion, of which substantially all are available to offset REIT taxable income, or other factors deemed relevant by our board of directors.

To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our REIT taxable income (after the application of available NOLs, if any), we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders for a calendar year is less than a minimum amount specified under the Code.

From time to time, we may generate REIT taxable income greater than our cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments. If we do not have other funds available in these situations, we could be required to borrow funds on unfavorable terms, sell assets at disadvantageous prices, or distribute amounts that would otherwise be invested in future acquisitions to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT dividend requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce our equity. Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect the value of our common stock. Furthermore, the REIT dividend requirements may increase the financing we need to fund capital expenditures, future growth, or expansion initiatives, which would increase our total leverage.

In addition to satisfying the distribution test, to remain qualified as a REIT for tax purposes, we will need to continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets and the ownership of our capital stock. Compliance with these tests will require us to refrain from certain activities and may hinder our ability to make certain attractive investments, including the purchase of non-qualifying assets, the expansion of non-real estate activities, or investments in the businesses to be conducted by our TRSs, and to that extent, limit our opportunities and our flexibility to change our business strategy. Furthermore, acquisition opportunities in domestic or international markets may be adversely affected if we need or require the target company to comply with some REIT requirements prior to completing any such acquisition. In addition, our conversion to a REIT may result in investor pressures not to pursue growth opportunities that are not immediately accretive.

Moreover, if we fail to comply with certain asset ownership tests, at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification. As a result, we may be required to liquidate assets in adverse market conditions or forgo otherwise attractive investments. These actions may reduce our income and amounts available for distribution to our stockholders.

If we fail to pay scheduled dividends on the Convertible Preferred Stock, in cash, common stock, or any combination of cash and common stock, we will be prohibited from paying dividends on our common stock, which may jeopardize our status as a REIT.

The terms of the Convertible Preferred Stock provide that, unless accumulated dividends have been paid or set aside for payment on all outstanding Convertible Preferred Stock for all past dividend periods, no dividends may be declared or paid on our common stock. If that were to occur, the inability to pay dividends on our common stock might jeopardize our status as a REIT for U.S. federal income tax purposes. See note 12 to our consolidated financial statements.

We have limited experience operating as a REIT. Our failure to successfully operate as a REIT may adversely affect our financial condition, cash flow, the per share trading price of our common stock, or our ability to satisfy debt service obligations.
We have limited operating history as a REIT. In addition, our senior management team has limited experience operating a REIT. We cannot assure you that our past experience will be sufficient to operate our company successfully as a REIT, including our ability to remain qualified as a REIT. Failure to maintain REIT status could adversely affect our financial condition, results of operations, cash flow, or ability to satisfy debt service obligations.
REIT related ownership limitations and transfer restrictions may prevent or restrict certain transfers of our capital stock.
In order for us to continue to satisfy the requirements for REIT qualification, our capital stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year (other than the first year for which an election to be a REIT has been made). Also, not more than 50% of the value of the outstanding shares of our capital stock may be owned, directly or indirectly, by five or fewer “individuals” (as defined in the Code to include certain entities such as private foundations) during the last half of a taxable year (other than the first taxable year for which an election to be a REIT has been made). In order to facilitate compliance with the REIT rules, our Charter includes provisions that implement REIT-related ownership limitations and transfer restrictions that generally prohibit any person (as defined in our Charter) from beneficially or constructively owning, or being deemed to beneficially or constructively own by virtue of the attribution provisions of the Code, more than 9.8%, by value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock, or 9.8% in aggregate value of the outstanding shares of all classes and series of our capital stock, including our common stock and any shares of our Convertible Preferred Stock. In addition, our Charter provides for certain other ownership limitations and transfer restrictions. Under applicable constructive ownership rules, any shares of capital stock owned by certain affiliated owners generally would be added together for purposes of the ownership limitations. These ownership limitations and transfer restrictions could have the effect of delaying, deferring or preventing a transaction or a change in control of our company that might involve a premium price for our capital stock or otherwise might be in the best interest of our stockholders.
Available Information and Certifications
We maintain an internet website at www.crowncastle.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K (and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934) are made available, free of charge, through the investor relations section of our internet website at http://investor.crowncastle.com and at the SEC's website at http://sec.gov as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. You may also read or copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.
In addition, our corporate governance guidelines, business practices, and ethics policy and the charters of our Audit Committee, Compensation Committee and Nominating & Corporate Governance Committee are available through the investor relations section of our internet website at http://www.crowncastle.com/investor/corporateGovernance.aspx, and such information is also available in print to any stockholder who requests it.
We submitted the Chief Executive Officer certification required by Section 303A.12(a) of the New York Stock Exchange ("NYSE") Listed Company Manual, relating to compliance with the NYSE's corporate governance listing standards, to the NYSE on June 8, 2015 with no qualifications. We have included the certifications of our Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 and related rules as Exhibits 31.1 and 31.2 to this Annual Report on Form 10-K.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Offices

Our principal corporate headquarters is owned and located in Houston, Texas. In addition, we have offices throughout the U.S. in locations convenient for the management and operation of our wireless infrastructure with significant consideration being given to the amount of our wireless infrastructure located in a particular area.

Wireless Infrastructure

We own, lease or manage approximately 40,000 towers geographically dispersed throughout the U.S. Towers are vertical metal structures generally ranging in height from 50 to 300 feet. In addition, our customers' wireless equipment may also be placed on building rooftops and other structures. Our towers are located on tracts of land with an average size of approximately 15,000 square feet. These tracts of land support the towers, equipment shelters, and where applicable, guy-wires to stabilize the structure.

Additionally, we own approximately 16,000 miles of fiber supporting our small cells designed to facilitate wireless connectivity. The majority of our fiber are located in major metropolitan areas. Our small cells are typically 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, including utility poles or street lights.

See "Item 1. Business—Overview" for information regarding our wireless infrastructure portfolio including our land interests and for a discussion of the location of our towers, including the percentage of our towers in the top 50 and 100 BTAs. See "Item 7. MD&A—Liquidity and Capital Resources—Contractual Cash Obligations" for a tabular presentation of the remaining terms to final expiration of the leases for the land interests which we do not own and on which our towers are located as of December 31, 2015.

As of February 15, 2016, approximately 48% of our debt is secured. Certain of our wireless infrastructure is held in subsidiaries whose equity interests have been pledged, directly or indirectly, along with other collateral to secure such indebtedness. See note 8 to our consolidated financial statements.

Approximately 54% of our towers are leased or subleased or operated and managed under master leases, subleases, or other agreements with AT&T, Sprint, and T-Mobile. We have the option to purchase these towers at the end of their respective lease terms. We have no obligation to exercise such purchase options. See note 1 to our consolidated financial statements and "Item 1A. Risk Factors" for a further discussion.

Substantially all of our wireless infrastructure can accommodate additional tenancy either as currently constructed or with appropriate modifications to the structure (which may include extensions or structural reinforcement). Additionally, if so inclined as a result of a customer request for a tenant addition, we could generally replace an existing tower with another tower in its place providing additional capacity, subject to certain restrictions.

As of December 31, 2015, the average number of tenants (defined as a unique license or any related amendments thereto for count purposes) per tower is approximately 2.2 on our towers. The following chart sets forth the number of existing tenants per tower as of December 31, 2015 (see "Item 7. MD&A—Accounting and Reporting Matters—Critical Accounting Policies and Estimates" for a discussion of our impairment evaluation and our towers with no tenants).

Item 3. Legal Proceedings

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

Item 4. Mine Safety Disclosures

N/A

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Price Range of Common Stock

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

	High [(a)]	Low [(a)]
2015:		
First Quarter	$89.44	$78.57
Second Quarter	87.46	80.11
Third Quarter	86.56	75.78
Fourth Quarter	88.18	78.28
2014:		
First Quarter	$76.54	$68.44
Second Quarter	77.95	71.29
Third Quarter	81.00	72.53
Fourth Quarter	84.97	74.45

(a) Prices per share reflect the high and low sale prices per share, unadjusted for common stock dividends declared and paid. See notes 12 and 19 to our consolidated financial statements.

As of February 15, 2016, there were approximately 790 holders of record of our common stock.

Dividend Policy

Effective January 1, 2014, we commenced operating as a REIT for U.S. federal income tax purposes. To remain qualified and be taxed as a REIT, we will generally be required to distribute at least 90% of our REIT taxable income after the utilization of any available NOLs, (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders. See also "Item 7. MD&A—General Overview—Common Stock Dividend," "Item 1. Business—2015 Industry Highlights and Company Developments—REIT Election," and notes 11 and 12 to our consolidated financial statements.

During the first quarter of 2014, we commenced paying a quarterly cash dividend on our common stock. In October 2014, we increased our quarterly cash dividend, beginning in the fourth quarter of 2014, from an annual amount of $1.40 to $3.28 per share. As such, we paid a quarterly cash dividend of $0.82 per share in the fourth quarter of 2014, which represented an increase of $0.47 per share from the $0.35 per share quarterly dividend declared during each of the first three quarters of 2014.

During each of the first three quarters of 2015, we paid a quarterly common stock dividend of $0.82 per share, totaling approximately $821.1 million. In October 2015, we increased our quarterly dividend, beginning in the fourth quarter of 2015, from an annual amount of $3.28 per share to an annual amount of $3.54 per share. As such, we declared a quarterly dividend of $0.885 per share in October 2015, which represented an increase of 8% from the quarterly dividend declared during each of the first three quarters of 2015. We currently expect such dividends to result in aggregate cash payments of approximately $1.2 billion during the next 12 months. Over time, we expect to increase our dividend per share generally commensurate with our realized growth in cash flows.

The declaration amount and payment of any future dividends, however, are subject to the determination and approval of our board of directors based on then-current or anticipated future conditions, including our earnings, net cash provided by operating activities, capital requirements, financial condition, our relative market capitalization, our existing NOLs, or other factors deemed relevant by our board of directors. In addition, our ability to pay dividends is limited by the terms of our debt instruments under certain circumstances.

Unregistered Sales of Equity Securities and Use of Proceeds

The following table summarizes information with respect to purchase of our equity securities during the fourth quarter of 2015:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
	(In thousands)			
October 1 - October 31, 2015	—	$—	—	—
November 1 - November 30, 2015	1	85.74	—	—
December 1 - December 31, 2015	—	—	—	—
Total	1	$85.74	—	—

We paid $0.1 million in cash to effect these purchases. The shares purchased relate to shares withheld in connection with the payment of withholding taxes upon vesting of restricted stock.

Equity Compensation Plans

Certain information with respect to our equity compensation plans is set forth in "Item 12. Security Ownership of Certain Beneficial Owners and Management" herein.

Performance Graph

The following performance graph is a comparison of the five year cumulative stockholder return on our common stock against the cumulative total return of the S&P 500 Market Index, the Dow Jones U.S. Telecommunications Equipment Index and the FTSE NAREIT All Equity REITs Index for the period commencing December 31, 2010 and ending December 31, 2015. The performance graph assumes an initial investment of $100.0 in our common stock and in each of the indices. The performance graph and related text are based on historical data and are not necessarily indicative of future performance.

	Years Ended December 31,					
Company/Index/Market	2010	2011	2012	2013	2014	2015
Crown Castle International Corp.	100.00	102.21	164.64	167.53	184.04	210.42
S&P 500 Market Index	100.00	102.11	118.45	156.82	178.28	180.75
DJ US Telecommunications Equipment Index	100.00	92.10	101.08	122.75	141.42	126.14
FTSE NAREIT All Equity REITs Index	100.00	108.29	129.73	133.44	170.83	177.18

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

Item 6. Selected Financial Data

Our selected historical consolidated financial and other data set forth below for each of the five years in the period ended December 31, 2015, and as of December 31, 2015, 2014, 2013, 2012 and 2011 have been derived from our consolidated financial statements. The information set forth below should be read in conjunction with "Item 1. Business," "Item 7. MD&A" and our consolidated financial statements. CCAL is presented on a discontinued operations basis for all periods presented. See note 3 to our consolidated financial statements regarding our sale of CCAL in 2015.

	Years Ended December 31,				
	2015 [a]	2014 [a]	2013 [a]	2012	2011
	(In thousands of dollars, except per share amounts)				
Statement of Operations Data:					
Net revenues:					
Site rental	$3,018,413	$2,866,613	$2,371,380	$2,001,049	$1,744,993
Network services and other	645,438	672,143	494,371	285,287	161,522
Net revenues	3,663,851	3,538,756	2,865,751	2,286,336	1,906,515
Operating expenses:					
Costs of operations[b]:					
Site rental	963,869	906,152	686,873	503,661	446,868
Network services and other	357,557	400,454	304,144	173,762	96,057
Total costs of operations	1,321,426	1,306,606	991,017	677,423	542,925
General and administrative	310,921	257,296	213,519	184,911	151,737
Asset write-down charges	33,468	14,246	13,595	15,226	21,986
Acquisition and integration costs	15,678	34,145	25,574	18,216	3,310
Depreciation, amortization and accretion	1,036,178	985,781	741,342	591,428	522,681
Operating income (loss)	946,180	940,682	880,704	799,132	663,876
Interest expense and amortization of deferred financing costs	(527,128)	(573,291)	(589,630)	(601,031)	(507,264)
Gains (losses) on retirement of long-term obligations	(4,157)	(44,629)	(37,127)	(131,974)	—
Interest income	1,906	315	956	4,089	187
Other income (expense)	57,028	11,993	(3,902)	(5,363)	(5,603)
Income (loss) from continuing operations before income taxes	473,829	335,070	251,001	64,853	151,196
Benefit (provision) for income taxes[c]	51,457	11,244	(191,000)	60,144	(6,126)
Income (loss) from continuing operations	525,286	346,314	60,001	124,997	145,070
Discontinued operations:					
Income (loss) from discontinued operations, net of tax	19,690	52,460	33,900	75,891	26,390
Net gain (loss) from disposal of discontinued operations, net of tax	979,359	—	—	—	—
Income (loss) from discontinued operations, net of tax	999,049	52,460	33,900	75,891	26,390
Net income (loss)	1,524,335	398,774	93,901	200,888	171,460
Less: Net income (loss) attributable to the noncontrolling interest	3,343	8,261	3,790	12,304	383
Net income (loss) attributable to CCIC stockholders	1,520,992	390,513	90,111	188,584	171,077
Dividends on preferred stock and losses on purchases of preferred stock	(43,988)	(43,988)	(11,363)	(2,629)	(22,940)

Net income (loss) attributable to CCIC common stockholders	$1,477,004	$346,525	$78,748	$185,955	$148,137
Income (loss) from continuing operations attributable to CCIC common stockholders, per common share - basic (d)	$1.45	$0.91	$0.16	$0.42	$0.43
Income (loss) from continuing operations attributable to CCIC common stockholders, per common share - diluted (d)	$1.44	$0.91	$0.16	$0.42	$0.43
Weighted-average common shares outstanding (in thousands):					
Basic (d)(f)	333,002	332,302	298,083	289,285	283,821
Diluted (d)(f)	334,062	333,265	299,293	291,270	285,947
Dividends/distributions declared per share	$3.35	$1.87	$—	$—	$—

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	Years Ended December 31,				
	2015 [(a)]	2014 [(a)]	2013 [(a)]	2012	2011
	(In thousands of dollars, except per share amounts)				
Other Data:					
Summary cash flow information:					
Net cash provided by (used for) operating activities	$1,794,025	$1,600,197	$1,171,059	$710,984	$585,539
Net cash provided by (used for) investing activities	(1,959,734)	(1,216,709)	(5,459,285)	(4,152,200)	(384,254)
Net cash provided by (used for) financing activities	(935,476)	(462,987)	4,063,133	3,786,803	(275,712)
Ratio of earnings to fixed charges[(e)]	1.6	1.4	1.3	1.1	1.2
Balance Sheet Data (at period end):					
Cash and cash equivalents	$178,810	$151,312	$200,526	$405,682	$59,767
Property and equipment, net	9,580,057	8,982,783	8,764,031	6,714,481	4,662,245
Total assets	22,036,245	21,143,276	20,594,908	16,088,709	10,545,096
Total debt and other long-term obligations	12,249,238	11,920,861	11,594,500	11,611,242	6,885,699
Total CCIC stockholders' equity[(f)]	7,089,221	6,716,225	6,926,717	2,938,748	2,386,245

(a) Inclusive of the impact of acquisitions. See note 4 to our consolidated financial statements for a discussion of our acquisitions during 2013, 2014, and 2015. In addition, during 2012, we acquired (1) rights to approximately 7,100 towers through the T-Mobile Acquisition and (2) NextG Networks, Inc., the then largest U.S operator of outdoor DAS, a type of small cells.

(b) Exclusive of depreciation, amortization and accretion, which are shown separately.

(c) See note 11 to our consolidated financial statements regarding our income taxes, including our REIT election.

(d) Basic net income (loss) attributable to CCIC common stockholders, per common share excludes dilution and is computed by dividing net income (loss) attributable to CCIC common stockholders by the weighted-average number of common shares outstanding during the period. Diluted income (loss) attributable to CCIC common stockholders, per common share is computed by dividing net income (loss) attributable to CCIC common stockholders by the weighted-average number of common shares outstanding during the period plus any potential dilutive common share equivalents, including shares issuable (1) upon the vesting of unvested restricted stock awards ("RSAs") and unvested restricted stock units ("RSUs"), as determined under the treasury stock method and (2) upon conversion of our Convertible Preferred Stock, as determined under the if-converted method. See note 2 to our consolidated financial statements.

(e) For purposes of computing the ratio of earnings to fixed charges, earnings represent income (loss) before income taxes and fixed charges less interest capitalized. Fixed charges consist of interest expense, amortized premiums, discounts and capitalized expenses related to indebtedness, interest capitalized and the interest component of operating lease expense.

(f) In October 2013, we issued 41.4 million shares of common stock, which generated net proceeds of $3.0 billion, and approximately 9.8 million shares of Convertible Preferred Stock, which generated net proceeds of $950.9 million, to partially fund the AT&T Acquisition (collectively, "October 2013 Equity Financings"). See notes 4 and 12 to our consolidated financial statements regarding the AT&T Acquisition and October 2013 Equity Financings.

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

General Overview

Overview

We own, operate, and lease shared wireless infrastructure. See "Item 1. Business" for a further discussion of our business, including our long-term strategy, our REIT status, certain key terms of our lease agreements, and growth trends in the wireless industry. Site rental revenues represented 82% of our 2015 consolidated net revenues. The vast majority of our site rental revenues is of a recurring nature and has been contracted for in a prior year.

Business Fundamentals and Results

The following are certain highlights of our business fundamentals and results as of and for the year ended December 31, 2015:

- Effective January 1, 2014, we commenced operating as a REIT for U.S. federal income tax purposes (see "Item 1. Business—2015 Industry Highlights and Company Developments—REIT Election").
- Potential growth resulting from wireless network expansion and new entrants
  - We expect wireless carriers will continue their focus on improving network quality and expanding capacity by adding additional antennas or other equipment on our wireless infrastructure.
  - We expect existing and potential new wireless carrier demand for our wireless infrastructure will result from (1) new technologies, (2) increased usage of wireless applications (including mobile entertainment, mobile internet usage, and machine-to-machine applications), (3) adoption of other emerging and embedded wireless devices (including smartphones, laptops, tablets, and other devices), (4) increasing smartphone penetration, (5) wireless carrier focus on expanding quality and capacity, or (6) the availability of additional spectrum.
  - Substantially all of our wireless infrastructure can accommodate additional tenancy, either as currently constructed or with appropriate modifications to the structure.
  - Wireless carriers continue to invest in their networks.
    - Our site rental revenues grew $152 million, or 5%, from full year 2014 to 2015. This growth was predominately comprised of the following, exclusive of the impact of straight-line accounting:
  - An approximate 6% increase from new leasing activity.
  - An approximate 3% increase from cash escalations.
  - An approximate 4% decrease in site rental revenues caused by the non-renewal of tenant leases, primarily resulting from Sprint's decommissioning of its legacy Nextel iDEN network.
- Site rental revenues under long-term tenant leases with contractual escalations
  - Initial terms of five to 15 years with multiple renewal periods at the option of the tenant of five to ten years each.
  - Weighted-average remaining term of approximately six years, exclusive of renewals at the tenant's option, currently representing approximately $20 billion of expected future cash inflows.
- Revenues predominately from large wireless carriers
  - Approximately 90% of our site rental revenues were derived from AT&T, T-Mobile, Verizon, and Sprint. See also "Item 1A. Risk Factors" and note 16 to our consolidated financial statements.
- Majority of land interests under our towers under long-term control
  - Nearly 90% and more than 75% of our site rental gross margin is derived from towers that reside on land that we own or control for greater than ten and 20 years, respectively. The aforementioned amounts include towers that reside on land interests that are owned, including fee interests and perpetual easements, which represent approximately one-third of our site rental gross margin.
- Relatively fixed wireless infrastructure operating costs
  - Our wireless infrastructure operating costs tend to increase at approximately the rate of inflation and are not typically influenced by tenant additions.
- Minimal sustaining capital expenditure requirements
  - Sustaining capital expenditures represented approximately 3% of net revenues.
- Debt portfolio with long-dated maturities extended over multiple years, with the majority of such debt having a fixed rate (see "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" for a further discussion of our debt)
  - After giving effect to our 2016 Refinancings described below, 81% of our debt has fixed rate coupons.

Our debt service coverage and leverage ratios were comfortably within their respective financial maintenance covenants. See "Item 7. MD&A—Liquidity and Capital Resources—Debt Covenants" for a further discussion of our debt covenants.

During the second quarter 2015, we (1) issued $1.0 billion aggregate principal amount of the May 2015 tower revenue notes, (2) repaid $250.0 million of August 2010 tower revenue notes with an anticipated repayment date of August 2015, (3) repaid all of the previously outstanding WCP securitized notes, and (4) repaid a portion of our outstanding borrowings under our previously outstanding 2012 Credit Facility.

In January 2016, we completed a new senior unsecured $5.5 billion 2016 Credit Facility and utilized the proceeds, together with cash on hand, to repay all outstanding borrowings under the previously outstanding 2012 Credit Facility. See "Item 7. MD&A—Liquidity and Capital Resources—Credit Facility."

In February 2016, we issued $1.5 billion aggregate principal amount of investment grade senior unsecured notes and utilized the proceeds, along with cash on hand, to (1) repay in full all outstanding borrowings under the $1.0 billion Senior Unsecured 364-Day Revolving Credit Facility ("364-Day Facility")(and, in connection therewith, terminate all commitments thereunder), and (2) to repay $500.0 million of outstanding borrowings under the 2016 Revolver. See "Item 7. MD&A—Liquidity and Capital Resources—Financing Activities."

Collectively, the completion of the 2016 Credit Facility, the repayment of the 2012 Credit Facility, the issuance of $1.5 billion senior unsecured notes and the use of proceeds from such notes are referred to herein as the "2016 Refinancings."

- Significant cash flows from operations

Net cash provided by operating activities was $1.8 billion.

We expect to grow our core business of providing access to our wireless infrastructure as a result of contractual escalators and anticipated demand for our wireless infrastructure.

- Returning cash flows provided by operations to stockholders in the form of dividends (see also "Item 1. Business")

During 2015, we paid common stock dividends totaling approximately $1.1 billion. See "Item 7. MD&A—General Overview—Common Stock Dividend" for a discussion of the increase to our quarterly dividend in the fourth quarter of 2015.

- Investing capital efficiently to grow long-term dividends per share (see also "Item 1. Business")

Discretionary capital expenditures of $804.0 million, including wireless infrastructure improvements in order to support additional site rentals, construction of wireless infrastructure, and land purchases. See also discussion of the Sunesys Acquisition below.

Common Stock Dividend

During each of the first three quarters of 2015, we paid a quarterly common stock dividend of $0.82 per share, totaling approximately $821.1 million. In October 2015, we increased our quarterly dividend, beginning in the fourth quarter of 2015, from an annual amount of $3.28 per share to an annual amount of $3.54 per share. As such, we declared a quarterly dividend of $0.885 per share in October 2015, which represented an increase of 8% from the quarterly dividend declared during each of the first three quarters of 2015. We currently expect such dividends to result in aggregate annual cash payments of approximately $1.2 billion during the next 12 months. Over time, we expect to increase our dividend per share generally commensurate with our realized growth in cash flows. Future dividends are subject to the approval of our board of directors. See notes 12 and 19 to our consolidated financial statements.

Sale of CCAL

In May 2015, we entered into a definitive agreement to sell our 77.6% owned Australian subsidiary, CCAL, to a consortium of investors led by Macquarie Infrastructure and Real Assets. On May 28, 2015, we completed the sale of CCAL. At closing, we received net proceeds of approximately $1.1 billion after accounting for our ownership interest, repayment of intercompany debt owed to us by CCAL and estimated transaction fees and expenses, exclusive of the impact of foreign currency swaps related to the CCAL sale. See note 3 to our consolidated financial statements.

As part of the sale of CCAL, in January 2016, we received an installment payment of approximately $124 million from the Buyer, inclusive of the impact of the related foreign currency swap (see note 9 to our consolidated financial statements). During the second quarter 2015, we used net proceeds from the sale of CCAL, together with net proceeds from the May 2015 tower revenue notes, to (1) repay $250.0 million aggregate principal amount of August 2010 tower revenue notes with an anticipated repayment date of August 2015, (2) repay all of the previously outstanding WCP securitized notes, (3) repay portions of outstanding borrowings under our previously outstanding 2012 Credit Facility, and (4) to pay related fees and expenses. See note 8 to our consolidated financial statements.

We entered into foreign currency swaps to manage and reduce our foreign currency risk associated with the sale of CCAL. These swaps are not included in discontinued operations. See note 9 to our consolidated financial statements.

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Sunesys Acquisition

In April 2015, we entered into a definitive agreement to acquire Sunesys for approximately $1.0 billion in cash, subject to certain limited adjustments. On August 4, 2015, we closed the Sunesys Acquisition utilizing $835.0 million in 2012 Revolver borrowings and cash on hand. Prior to the closing, Sunesys was a wholly owned subsidiary of Quanta Services, Inc., and a fiber services provider that owned or had rights to nearly 10,000 miles of fiber in major metropolitan markets across the U.S., including Los Angeles, Philadelphia, Chicago, Atlanta, Silicon Valley, and northern New Jersey. Approximately 60% of Sunesys' fiber miles were located in the top 10 BTAs. See note 4 to our consolidated financial statements.

Outlook Highlights

The following are certain highlights of our 2016 outlook that impact our business fundamentals described above.

- We expect that our full year 2016 site rental revenue growth will benefit from similar levels of tenant additions as in 2015, as large wireless carriers continue to upgrade and enhance their networks, partially offset by an increase in non-renewals of tenant leases primarily resulting from anticipated non-renewals from our customers' decommissioning of the Acquired Networks. See "Item 1A. Risk Factors" for a further discussion of non-renewals. See note 15 to our consolidated financial statements.
- We expect total capital expenditures for 2016 to equal or exceed 2015 levels with a continued increase in the construction of new small cells. We also expect sustaining capital expenditures of approximately 2% of net revenues for full year 2016.

Results of Operations

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

Comparison of Consolidated Results

The following is a comparison of our 2015, 2014 and 2013 consolidated results of operations:

	Years Ended December 31,			Percent Change	
	2015	2014	2013	2015 vs. 2014	2014 vs. 2013
	(In thousands of dollars)				
Net revenues:					
Site rental	$3,018,413	$2,866,613	$2,371,380	5 %	21 %
Network services and other	645,438	672,143	494,371	(4)%	36 %
Net revenues	3,663,851	3,538,756	2,865,751	4 %	23 %
Operating expenses:					
Costs of operations[(a)]:					
Site rental	963,869	906,152	686,873	6 %	32 %
Network services and other	357,557	400,454	304,144	(11)%	32 %
Total costs of operations	1,321,426	1,306,606	991,017	1 %	32 %
General and administrative	310,921	257,296	213,519	21 %	21 %
Asset write-down charges	33,468	14,246	13,595	*	*
Acquisition and integration costs	15,678	34,145	25,574	*	*
Depreciation, amortization and accretion	1,036,178	985,781	741,342	5 %	33 %
Total operating expenses	2,717,671	2,598,074	1,985,047	5 %	31 %
Operating income (loss)	946,180	940,682	880,704	1 %	7 %
Interest expense and amortization of deferred financing costs	(527,128)	(573,291)	(589,630)	(8)%	(3)%
Gains (losses) on retirement of long-term obligations	(4,157)	(44,629)	(37,127)	*	*
Interest income	1,906	315	956	*	*
Other income (expense)	57,028	11,993	(3,902)	*	*
Income (loss) from continuing operations before income taxes	473,829	335,070	251,001	*	*
Benefit (provision) for income taxes	51,457	11,244	(191,000)	*	*
Income (loss) from continuing operations	525,286	346,314	60,001	*	*
Discontinued operations:					
Income (loss) from discontinued operations, net of tax	19,690	52,460	33,900	*	*
Net gain (loss) from disposal of discontinued operations, net of tax	979,359	—	—	*	*
Income (loss) from discontinued operations, net of tax	999,049	52,460	33,900	*	*
Net income (loss)	1,524,335	398,774	93,901	*	*
	3,343	8,261	3,790	*	*

Less: Net income (loss) attributable to the noncontrolling interest					
Net income (loss) attributable to CCIC stockholders	$1,520,992	$390,513	$90,111	*	*
Dividends on preferred stock	$(43,988)	$(43,988)	$(11,363)	*	*
Net income (loss) attributable to CCIC common stockholders	$1,477,004	$346,525	$78,748		

* Percentage is not meaningful
(a) Exclusive of depreciation, amortization and accretion, which are shown separately.

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Results of Operations

We have determined that presently, following the sale of CCAL, we have one reportable operating segment consisting of our U.S. operations, which is consistent with our current operational and financial reporting structure. Our financial results are currently reported to the chief operating decision maker and the board of directors in this manner.

Prior to its sale in May 2015, CCAL, our previously 77.6% owned subsidiary that owned and operated towers in Australia, was a reportable segment. As a result of the sale of CCAL, our historical financial statements have been reclassified for all periods presented to include CCAL on a discontinued operations basis. See also "Item 7. MD&A—General Overview—Sale of CCAL."

We will continue our evaluation of our operating segments following the disposition of CCAL, and our change in strategic focus primarily to our U.S. business. To the extent we make changes to our financial reporting or organizational structure, including the integration of the Sunesys Acquisition, we will evaluate any impact such changes may have to our segment reporting.

Our measurement of profit or loss currently used to evaluate our operating performance and operating segments is earnings before interest, taxes, depreciation, amortization and accretion, as adjusted ("Adjusted EBITDA"). Our measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in the tower sector or other similar providers of wireless infrastructure, and is not a measure of performance calculated in accordance with U.S. GAAP. See "Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP Financial Measures" for a discussion of our use of Adjusted EBITDA, including its definition and a reconciliation to net income (loss).

2015 and 2014. See note 4 in our consolidated financial statements for further discussion of the impact of the Sunesys Acquisition.

Net revenues for 2015 increased by $125.1 million, or 4%, from 2014. This increase in net revenues resulted from (1) an increase in site rental revenues of $151.8 million, or 5%, and (2) a decrease in network services and other revenues of $26.7 million, or 4%, in each case as compared to 2014. This increase in site rental revenues was impacted by the following items, inclusive of straight-line accounting, in no particular order: tenant additions across our entire portfolio, renewals or extensions of tenant leases, escalations, construction of new wireless infrastructure including small cells, acquisitions, including the Sunesys Acquisition, and non-renewals of tenant leases, predominately Sprint's decommissioning of its legacy Nextel iDEN network. Tenant additions were influenced by our customers' ongoing efforts to improve network quality and capacity. See also "Item 1. Business—The Company" and "Item 1. Business—2015 Industry Highlights and Company Developments."

Site rental gross margins for 2015 increased by $94.1 million, or 5%, from 2014. The increase in the site rental gross margins was related to the previously mentioned 5% increase in site rental revenues.

Network services and other revenues for 2015 decreased $26.7 million, or 4%, from 2014, and is a reflection of (1) the volume of activity from carrier network enhancements and (2) the volume and mix of network services and other work. Our network services offering is of a variable nature as these revenues are not under long-term contracts.

Network services and other gross margin for 2015 increased by $16.2 million, or 6%, from 2014, and is a reflection of changes in the volume and mix of network services and other work.

General and administrative expenses for 2015 increased by $53.6 million, or 21%, from 2014 and represented 8% of net revenues in 2015 and 7% of net revenues in 2014. General and administrative expenses are inclusive of stock-based compensation charges. See also note 13 to our consolidated financial statements. The increase in general and administrative expenses was related to the growth in our business, including the expansion in size of our wireless infrastructure portfolio primarily due to acquisitions and growth in small cells.

Adjusted EBITDA for 2015 increased by $67.9 million, or 3%, from 2014. Adjusted EBITDA was positively impacted by the growth in our site rental activities, partially offset by the aforementioned increase in general and administrative expenses.

Depreciation, amortization, and accretion for 2015 increased by $50.4 million, or 5%, from 2014. This increase predominately resulted from capital expenditures and acquisitions, including the Sunesys Acquisition.

Interest expense and amortization of deferred financing costs decreased by $46.2 million, or 8%, from 2014 to 2015, primarily as a result of a $44.4 million decrease in the amortization of previously settled interest rate swaps.

As a result of repaying and redeeming certain of our debt, we incurred net losses of $4.2 million and $44.6 million for 2015 and 2014, respectively. For a further discussion of the debt refinancings, see note 8 to our consolidated financial statements, "Item 7. MD&A—Liquidity and Capital Resources" and "Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

Our acquisition and integration expenses for 2014 were $34.1 million and were related to our 2012 and 2013 acquisitions. See notes 1 and 4 to our consolidated financial statements.
Other income (expense) for 2015 was income of $57.0 million, compared to income of $12.0 million for 2014. This change was predominately a result of gains recorded during 2015 on foreign currency swaps that we entered into to manage and reduce our foreign currency risk related to our May 2015 sale of CCAL. See note 9 to our consolidated financial statements.
The benefit (provision) for income taxes for 2015 was a benefit of $51.5 million compared to a benefit of $11.2 million for 2014. For 2015, the effective tax rate differed from the federal statutory rate predominately due to (1) our REIT status, including the dividends paid deduction, and (2) the de-recognition of net deferred tax liabilities related to the inclusion of small cells in the REIT in January 2016, which resulted in a non-cash income tax benefit of $33.8 million. For 2014, the effective tax rate differed from the federal statutory rate predominately due to our REIT status, including the dividends paid deduction. See "Item 7. MD&A—Accounting and Reporting Matters—Critical Accounting Policies and Estimates" and note 11 to our consolidated financial statements.
Income from discontinued operations, net of tax, decreased from 2014 to 2015 due to the sale of CCAL occurring mid-period on May 28, 2015. In addition, during 2015, we recorded a gain on the sale of discontinued operations, net of tax, of $1.0 billion.
Net income (loss) attributable to CCIC stockholders for 2015 was income of $1.5 billion compared to income of $390.5 million for 2014. The increase in net income was predominately due to a the gain recorded on the sale of CCAL.
2014 and 2013. See note 4 to our consolidated financial statements for further discussion of the impact of the the AT&T Acquisition.
Net revenues for 2014 increased by $673.0 million, or 23%, from 2013. This increase in net revenues resulted from an increase in (1) site rental revenues of $495.2 million, or 21%, and (2) network services and other revenues of $177.8 million, or 36%, in each case as compared to 2013. The AT&T Acquisition increased our site rental revenues for 2014 compared to 2013. See note 4 to our consolidated financial statements. This increase in site rental revenues was also impacted by the following items, inclusive of straight-line accounting, in no particular order: tenant additions across our entire portfolio, renewals or extensions of tenant leases, escalations, construction of new wireless infrastructure, other acquisitions, and non-renewals of tenant leases. Tenant additions were influenced by our customers' upgrading to long-term evolution ("LTE") networks and their ongoing efforts to improve network quality and capacity. See also "Item 1. Business—The Company."
Site rental gross margins for 2014 increased by $276.0 million, or 16%, from 2013. The increase in site rental gross margins was related to the previously mentioned 21%, increase in site rental revenues, primarily as a result of the AT&T Acquisition (which had lower initial margins due to lower average tenancy that the average tenancy for our other wireless infrastructure) and the growth in our site rental activities.
Network services and other revenues for 2014 increased $177.8 million, or 36%, from 2013, and is a reflection of (1) the volume of activity from carrier network enhancements such as LTE upgrades, (2) changes in volume and mix, and (3) the expansion in size of our wireless infrastructure portfolio due to the T-Mobile Acquisition and AT&T Acquisition. Our network services offering is of a variable nature as these revenues are not under long-term contracts.
Network services and other gross margin for 2014 increased by $81.5 million, or 43%, from 2013, primarily as a result of the previously mentioned factors that increased network services and other revenues.
General and administrative expenses for 2014 increased by $43.8 million, or 21%, from 2013 and represented 7% of net revenues in both 2014 and 2013. General and administrative expenses are inclusive of stock-based compensation charges. See also note 13 to our consolidated financial statements. The increase in general and administrative expenses in nominal dollars was commensurate with the growth in our business, including (1) the expansion in size of our wireless infrastructure portfolio primarily due to acquisitions and (2) the growth in network services. Typically, our general and administrative expenses do not significantly increase as a result of tenant additions on our existing wireless infrastructure.
Adjusted EBITDA for 2014 increased by $335.5 million, or 20%, from 2013. Adjusted EBITDA was positively impacted by the AT&T Acquisition and the growth in our site rental and network services activities.

Depreciation, amortization, and accretion for 2014 increased by $244.4 million, or 33%, from 2013. The increase predominately resulted from the fixed asset and intangible asset additions recorded related to the AT&T Acquisition. Interest expense and amortization of deferred financing costs decreased $16.3 million, or 3%, from 2013 to 2014, as a result of our refinancing activities, partially offset by additional borrowings under the 2012 Credit Facility to partially fund the AT&T Acquisition. During 2014, we issued $850.0 million of 4.875% senior notes, which provided us with funding to (1) repay $300.0

million of the January 2010 tower revenue notes and (2) redeem all of the previously outstanding 7.125% senior notes. In 2013 and 2014, we completed several debt transactions, resulting in (1) lowering our average cost of debt, (2) funding for our acquisitions, (3) the refinancing of certain of our debt, and (4) the extension of certain of our debt maturities. As a result of repaying and redeeming certain of our debt, we incurred net losses of $44.6 million and $37.1 million for 2014 and 2013, respectively. For a further discussion of the debt refinancings, see note 8 to our consolidated financial statements, "Item 7. MD&A—Liquidity and Capital Resources" and "Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

Our acquisition and integration expenses for 2014 and 2013 were $34.1 million and $25.6 million, respectively, and related to our 2012 and 2013 acquisitions. See note 4 to our consolidated financial statements.

The benefit (provision) for income taxes for 2014 was a benefit of $11.2 million compared to a provision of $191.0 million for 2013. For 2014, the effective tax rate differed from the federal statutory rate predominately due to our REIT status, including the dividends paid deduction. For 2013, the effective tax rate differed from the federal statutory rate predominately due to the de-recognition of deferred tax assets and liabilities related to our REIT election resulting in a non-cash income tax charge of $67.4 million. See "Item 7. MD&A—Accounting and Reporting Matters—Critical Accounting Policies and Estimates" and note 11 to our consolidated financial statements.

Net income (loss) attributable to CCIC stockholders for 2014 was income of $390.5 million compared to income of $90.1 million for 2013. The increase in net income was predominately due to a change in our benefit (provision) for income taxes due to our REIT status as further discussed herein.

Dividends on preferred stock for 2014 and 2013 represented the dividends related to our Convertible Preferred Stock.

Liquidity and Capital Resources

Overview

General. Our core business generates revenues under long-term leases (see "Item 7. MD&A—General Overview—Overview") predominately from the largest U.S. wireless carriers. Our strategy is to create long-term stockholder value via a combination of (1) growing cash flows generated from our portfolio of wireless infrastructure, (2) returning a meaningful portion of our cash provided by operating activities to our stockholders in the form of dividends and (3) investing capital efficiently to grow cash flows and long-term dividends per share. We measure our efforts to create "long-term stockholder value" by the combined payment of dividends to stockholders and growth in our per share results. See "Item 1. Business—Strategy" for a further discussion of our strategy.

We have and expect to continue to engage in discretionary investments that we believe will maximize long-term stockholder value. Our historical discretionary investments include (in no particular order): purchasing our common stock, acquiring or constructing wireless infrastructure, acquiring land interests under towers, improving and structurally enhancing our existing wireless infrastructure, and purchasing, repaying, or redeeming our debt. Based on recent small cell activity, we expect to spend an increased percentage of our discretionary investments on the construction of new small cell networks. We seek to fund our discretionary investments with both net cash provided by operating activities and cash available from financing capacity, such as the use of our undrawn availability from the 2016 Revolver, debt financings and issuances of equity or equity related securities.

We seek to maintain a capital structure that we believe drives long-term stockholder value and optimizes our weighted-average cost of capital. We target a leverage ratio of approximately four to five times Adjusted EBITDA and interest coverage of approximately three times Adjusted EBITDA, subject to various factors such as the availability and cost of capital and the potential long-term return on our discretionary investments. We may choose to increase or decrease our leverage or coverage from these targets for various periods of time.

Effective January 1, 2014, we commenced operating as a REIT for U.S. federal income tax purposes. We expect to continue to pay minimal cash income taxes as a result of our REIT status and our NOLs. See "Item 1. Business—2015 Industry Highlights and Company Developments—REIT Election," "Item 7. MD&A—General Overview" and note 11 to our consolidated financial statements.

Liquidity Position. The following is a summary of our capitalization and liquidity position. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" and note 8 to our consolidated financial statements for additional information regarding our debt.

	As of December 31, 2015	
	Actual	As Adjusted[c]
	(In thousands of dollars)	
Cash and cash equivalents[a]	$178,810	$119,789
Undrawn revolving credit facility availability[b]	1,205,000	2,145,000
Restricted cash	135,731	135,731
Debt and other long-term obligations	12,249,238	12,099,749
Total equity	7,089,221	7,058,691

(a) Exclusive of restricted cash.

(b) Availability at any point in time is subject to reaffirmation of the representations and warranties in, and there being no default under, our credit agreement. See "Item 7. MD&A—Liquidity and Capital Resources—Financing Activities" and "Item 7. MD&A—Liquidity and Capital Resources—Debt Covenants."

(c) Amounts represent the Company's capitalization and liquidity position as of December 31, 2015, after giving effect to the receipt of the installment payment from the sale of CCAL in January 2016 and our 2016 Refinancings.

Over the next 12 months:

- Our liquidity sources may include (1) cash on hand, (2) net cash provided by operating activities (net of cash interest payments), (3) undrawn availability from our 2016 Revolver, and (4) issuances of equity pursuant to our ATM Program. Our liquidity uses over the next 12 months are expected to include (1) debt service obligations of approximately $89 million (principal payments), (2) common stock dividend payments expected to be $3.54 per share, or an aggregate of approximately $1.2 billion, subject to future approval by our board of directors (see "Item 7. MD&A—General Overview—Common Stock Dividend"), (3) Convertible Preferred Stock dividend payments of approximately $45 million, and (4) sustaining and discretionary capital expenditures (expected to be equal to or greater than current levels). During the next 12 months, we expect that our liquidity sources should be sufficient to cover our expected uses. As CCIC is a holding company, this cash flow from operations is generated by our operating subsidiaries.
- We have no scheduled contractual debt maturities other than principal payments on amortizing debt. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" for a tabular presentation of our debt maturities as of December 31, 2015 and a discussion of anticipated repayment dates.

Summary Cash Flows Information

	Years Ended December 31,		
	2015	2014	2013
	(In thousands of dollars)		
Net cash provided by (used for):			
Operating activities	$1,794,025	$1,600,197	$1,171,059
Investing activities	(1,959,734)	(1,216,709)	(5,459,285)
Financing activities	(935,476)	(462,987)	4,063,133
Net increase (decrease) in cash and cash equivalents - continuing operations	(1,101,185)	(79,499)	(225,093)
Discontinued operations (see note 3):			
Net cash provided by (used for) operating activities	2,700	65,933	66,597
Net cash provided by (used for) financing activities	1,103,577	(26,196)	(61,684)
Net increase (decrease) in cash and cash equivalents - discontinued operations	1,106,277	39,737	4,913

Operating Activities

The increase in net cash provided by operating activities for 2015 from 2014 was due primarily to growth in our core business, including a net benefit from changes in working capital. The increase in net cash provided by operating activities for 2014 from 2013 was due primarily to (1) the AT&T Acquisition, (2) growth in our core business and net benefit from changes in working capital, and (3) growth in our network services. Changes in working capital (including changes in accounts receivable, deferred site rental receivables, deferred rental revenues, prepaid ground leases, restricted cash, and accrued interest) can have a significant impact on net cash provided by operating activities, largely due to the timing of prepayments and receipts. We expect to grow our net cash provided by operating activities in the future (exclusive of movements in working capital) if we realize expected growth in our core business.

Investing Activities

Capital Expenditures

Our capital expenditures are categorized as discretionary or sustaining, as described below.

- Discretionary capital expenditures are those capital expenditures made with respect to activities which we believe exhibit sufficient potential to enhance long-term stockholder value. They consist of improvements to existing wireless infrastructure, construction of new wireless infrastructure, and, to a lesser extent, purchases of land assets under towers as we seek to manage our interests in the land beneath our towers. Improvements to existing wireless infrastructure to accommodate tenant additions typically vary based on, among other factors: (1) the type of wireless infrastructure, (2) the scope, volume, and mix of work performed on the wireless infrastructure, (3) existing capacity prior to installation, or (4) changes in structural engineering regulations and standards. Our decisions regarding capital expenditures are influenced by the availability and cost of capital and expected returns on alternative uses of cash, such as payments of dividends and investments.
- Sustaining capital expenditures consist of (1) corporate-related capital improvements and (2) maintenance on our wireless infrastructure assets that enable our customers' ongoing quiet enjoyment of the wireless infrastructure.

A summary of our capital expenditures for the last three years is as follows (in thousands of dollars):

Discretionary capital expenditures increased from 2014 to 2015 primarily as a result of (1) improvements to existing wireless infrastructure to accommodate new leasing and (2) the construction of new small cells. Our sustaining capital expenditures have historically been less than 2% of net revenues annually and were approximately 3% of net revenues in 2015 due to expansion of our office facilities. See "Item 7. MD&A—General Overview—Outlook Highlights" for a discussion of our expectations surrounding 2016 capital expenditures.

Sale of CCAL. See note 3 to our consolidated financial statements for a discussion of our May 2015 sale of CCAL, our previously 77.6% owned Australian subsidiary.

Foreign Currency Swaps. During May 2015, in conjunction with our sale of CCAL, we entered into foreign currency swaps to manage and reduce our foreign currency risk associated with the sale of CCAL. See note 9 to our consolidated financial statements.

Acquisitions. Acquisitions consist of the acquisition of businesses such as towers and small cells, including fiber portfolios. See notes 4 and 6 to our consolidated financial statements for a discussion of the 2015 Sunesys Acquisition, 2014 Land Acquisitions, and 2013 AT&T Acquisition.

Financing Activities

We seek to allocate cash generated by our operations in a manner that will enhance long-term stockholder value, which may include various financing activities, such as (in no particular order) paying dividends on our common stock (currently expected to total an aggregate of approximately $1.2 billion during the next 12 months, subject to future approval by our board of directors), paying dividends on our Convertible Preferred Stock (expected to be approximately $45 million in 2016), purchasing our common stock, or purchasing, repaying, or redeeming our debt. See note 12 to our consolidated financial statements.

In 2014, our financing activities predominately related to (1) paying an aggregate of $624.3 million in dividends on our common stock, (2) amending our previously outstanding 2012 Credit Facility and (3) issuing $850.0 million of 4.875% senior notes, due in April 2022, which provided us with funding to repay $300.0 million of January 2010 tower revenue notes and redeem all of the previously outstanding 7.125% senior notes. See "Item 7. MD&A—Liquidity and Capital Resources—Overview" and note 8 to our consolidated financial statements.

In 2015, our financing activities predominately related to (1) paying an aggregate of $1.1 billion in dividends on our common stock, (2) amending our previously outstanding 2012 Credit Facility and (3) issuing $1.0 billion in May 2015 tower revenue notes which provided us with funding to repay $250.0 million aggregate principal amount of August 2010 tower revenue notes, redeem all of the previously outstanding WCP securitized notes, and repay portions of outstanding borrowings under our previously outstanding 2012 Credit Facility. See also "Item 7. MD&A—General Overview—Common Stock Dividend" for a discussion of the increase to our common stock dividend during the fourth quarter of 2015.

In January 2016, we completed a new senior unsecured $5.5 billion 2016 Credit Facility and utilized the proceeds, together with cash on hand, to repay all outstanding borrowings under the previously outstanding 2012 Credit Facility. See "Item 7. MD&A—Liquidity and Capital Resources—Credit Facility."

In February 2016, we issued $1.5 billion aggregate principal amount of investment grade senior unsecured notes ("2016 Senior Unsecured Notes"), which consist of (1) $600.0 million aggregated principal amount of 3.4% senior notes with a final maturity date of February 2021, and (2) $900.0 million aggregate principal amount of 4.45% senior notes with a final maturity date of February 2026.

We used the net proceeds from the 2016 Senior Unsecured Notes offering, together with cash on hand, to (1) repay in full all outstanding borrowings under the 364-Day Facility (and, in connection therewith, terminate all commitments thereunder), and (2) to repay $500.0 million of outstanding borrowings under the 2016 Revolver.

Incurrences, Purchases and Repayments of Debt. See notes 8 and 19 to our consolidated financial statements for a discussion of our recent issuances, purchases, and repayments of debt. Our debt issuances extended the maturities of our debt portfolio, provided funding for our acquisitions and our repayment of previously existing debt, and lowered our cost of debt. See "Item 7. MD&A—Liquidity and Capital Resources—Overview—Liquidity Position." After giving effect to our 2016 Refinancings, approximately 48% of our debt is secured. Certain of our wireless infrastructure is held in subsidiaries whose equity interests have been pledged, directly or indirectly, along with other collateral to secure such indebtedness. See notes 8 and 19 to our consolidated financial statements.

Common Stock. As of December 31, 2015, 2014, and 2013, we had 333.8 million, 333.9 million, and 334.1 million common shares outstanding, respectively. In October 2013, we issued 41.4 million shares of common stock, the net proceeds of which were used to partially fund the AT&T Acquisition. During the year ended December 31, 2015, we paid an aggregate of $1.1 billion in dividends on our common stock. See "Item 1. Business—Strategy" and note 12 to our consolidated financial statements.

ATM Program. In August 2015, we established an ATM Program through which we may, from time to time, issue and sell shares of our common stock having an aggregate gross sales price of up to $500.0 million to or through sales agents. Sales, if any, under the ATM Program may be made by means of ordinary brokers' transactions on the New

York Stock Exchange or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or, subject to our specific instructions, at negotiated prices. We intend to use the net proceeds from any sales under the ATM Program for general corporate purposes, which may include the funding of future acquisitions or investments and the repayment or repurchase of any outstanding indebtedness. As of February 15, 2016, no shares of common stock were sold under the ATM Program. See note 12 to our consolidated financial statements.

Convertible Preferred Stock. In October 2013, we issued 9.8 million shares of Convertible Preferred Stock, the net proceeds of which were used to partially fund the AT&T Acquisition. Unless converted earlier, each outstanding share of the Convertible Preferred Stock will automatically convert on November 1, 2016. Currently, each share of Convertible Preferred Stock will convert into shares of common stock at a conversion rate between 1.1538 shares (based on the current maximum conversion price of $86.67) and 1.4421 shares (based on the current minimum conversion price of $69.34), depending on the applicable market value of the common stock and subject to certain anti-dilution adjustments. At any time prior to November 1, 2016, holders of the Convertible Preferred Stock may elect to convert all or a portion of their shares into common stock at the minimum conversion rate of 1.1538, subject to certain anti-dilution adjustments.

Credit Facility.

During 2015, we repaid a total of $1.4 billion and borrowed $1.8 billion under the previously outstanding 2012 Revolver.

In January 2016, we completed a new unsecured $5.5 billion 2016 Credit Facility, consisting of (1) a $2.5 billion unsecured 2016 Revolver maturing on January 21, 2021, (2) a $1.0 billion Senior Unsecured 364-Day Revolving Credit Facility ("364-Day Facility") maturing on January 19, 2017, and (3) a $2.0 billion Senior Unsecured Term Loan A Facility ("2016 Term Loan A") maturing on January 21, 2021. As of February 15, 2016, the 364-Day Facility was terminated. See note 19 to our consolidated financial statements.

The 2016 Credit Facility bears interest at a per annum rate equal to LIBOR plus 1.125% to 2.000%, based on our senior unsecured debt rating.

The proceeds of the loans under the 2016 Credit Facility, together with cash on hand, were used to repay all outstanding borrowings under the previously outstanding 2012 Credit Facility.

The 2016 Revolver may be used for general corporate purposes, which may include the financing of capital expenditures, acquisitions, and purchases of our common stock. See notes 4, 8, and 19 to our consolidated financial statements.

As of February 15, 2016, there was approximately $2.1 billion in availability under the 2016 Revolver.

Restricted Cash. Pursuant to the indentures governing certain of our operating companies' debt securities, all rental cash receipts of the issuers of these debt instruments and their subsidiaries are restricted and held by an indenture trustee. The restricted cash in excess of required reserve balances is subsequently released to us in accordance with the terms of the indentures. During 2012, $316.6 million of restricted cash was held by the trustee in connection with the redemption of the 7.75% secured notes. That amount was subsequently released in January 2013 when the 7.75% secured notes were redeemed in their entirety. See also notes 2 and 8 to our consolidated financial statements.

Contractual Cash Obligations

The following table summarizes our contractual cash obligations as of December 31, 2015, after giving effect to our 2016 Refinancings. These contractual cash obligations relate primarily to our outstanding borrowings or lease obligations for land interests under our towers. The debt maturities reflect contractual maturity dates and do not consider the impact of the principal payments that will commence following the anticipated repayment dates on the tower revenue notes (see footnote (b)).

	Years Ending December 31,						
Contractual Obligations[a]	2016	2017	2018	2019	2020	Thereafter	Totals
	(In thousands of dollars)						
Debt and other long-term obligations[b]	$88,521	$597,262	$131,301	$135,534	$199,535	$10,954,173	$12,106,326
Interest payments on debt and other long-term obligations[c][d]	472,356	537,172	541,848	539,537	612,709	8,129,002	10,832,624

Lease obligations[e]	564,114	571,325	575,605	579,376	580,894	7,669,357	10,540,671
Total contractual obligations	$1,124,991	$1,705,759	$1,248,754	$1,254,447	$1,393,138	$26,752,532	$33,479,621

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

- We have a legal obligation to perform certain asset retirement activities, including requirements upon lease and easement terminations to remove wireless infrastructure or remediate the land upon which our wireless infrastructure resides. The cash obligations disclosed in the above table, as of December 31, 2015, are exclusive of estimated undiscounted future cash outlays for asset retirement obligations of approximately $1.1 billion. As of December 31, 2015, the net present value of these asset retirement obligations was approximately $132.1 million.
- We are contractually obligated to pay or reimburse others for property taxes related to our wireless infrastructure.

- We have the option to purchase approximately 54% of our towers that are leased or subleased or operated and managed under master leases, subleases, and other agreements with AT&T, Sprint, and T-Mobile at the end of their respective lease terms. We have no obligation to exercise such purchase options. See note 1 to our consolidated financial statements.
- We have legal obligations for open purchase order commitments obtained in the ordinary course of business that have not yet been fulfilled.

(b) The impact of principal payments that will commence following the anticipated repayment dates of our tower revenue notes are not considered. The January 2010 tower revenue notes consist of two series of notes with principal amounts of $350.0 million and $1.3 billion, having anticipated repayment dates in 2017 and 2020, respectively. The August 2010 tower revenue notes consist of two series of notes with principal amounts of $300.0 million and $1.0 billion, having anticipated repayment dates in 2017 and 2020, respectively. See notes 8 and 19 to our consolidated financial statements for a discussion of our recent refinancing activities.

(c) If the tower revenue notes are not repaid in full by the applicable anticipated repayment dates, the applicable interest rate increases by approximately 5% per annum and monthly principal payments commence using the Excess Cash Flow (as defined in the indenture governing the applicable tower revenue notes) of the issuers of the tower revenue notes. The tower revenue notes are presented based on their contractual maturity dates ranging from 2037 to 2045 and include the impact of an assumed 5% increase in interest rate that would occur following the anticipated repayment dates but exclude the impact of monthly principal payments that would commence using Excess Cash Flow (as defined in the indenture governing the applicable tower revenue notes) of the issuers of the tower revenue notes. The full year 2015 Excess Cash Flow (as defined in the indenture governing the applicable tower revenue notes) of the issuers of the tower revenue notes was approximately $495.4 million. We currently expect to refinance these notes on or prior to the respective anticipated repayment dates.

(d) Interest payments on the floating rate debt are based on estimated rates currently in effect.

(e) Amounts relate primarily to lease obligations for the land interests on which our wireless infrastructure resides and are based on the assumption that payments will be made through the end of the period for which we hold renewal rights. See table below summarizing remaining terms to expiration.

The following chart summarizes our rights to the land interests under our towers, including renewal terms at our option, as of December 31, 2015. As of December 31, 2015, the leases for land interests under our towers had an average remaining life in excess of 30 years, weighted based on site rental gross margin. See "Item 1A. Risk Factors."

(a) Without consideration of the term of the tenant lease.
(b) Inclusive of fee interests and perpetual easements.

Debt Covenants

The credit agreement governing the 2016 Credit Facility contains financial maintenance covenants. We are currently in compliance with these financial maintenance covenants and, based upon our current expectations, we believe we will continue to comply with these financial maintenance covenants. In addition, certain of our debt agreements also contain restrictive covenants that place restrictions on us and may limit our ability to, among other things, incur additional debt and liens, purchase our securities, make capital expenditures, dispose of assets, undertake transactions with affiliates, make other investments, pay dividends or distribute excess cash flow. See note 8 to our consolidated financial statements for further discussion of our debt covenants. See "Item 1A. Risk Factors." The following are ratios applicable to the financial maintenance covenants under the credit agreement governing our 2016 Credit Facility as of December 31, 2015 after giving effect to the receipt of the installment payment from the sale of CCAL in January 2016 and our 2016 Refinancings.

Borrower / Issuer	Financial Maintenance Covenant[(a)(b)]	Covenant Level Requirement	As of December 31, 2015
CCIC	Total Net Leverage Ratio	≤ 6.50x	5.4x
CCIC	Total Senior Secured Leverage Ratio	≤ 3.50x	2.5x
CCIC	Consolidated Interest Coverage Ratio[(c)]	N/A	N/A

(a) Failure to comply with the financial maintenance covenants would, absent a waiver, result in an event of default under the credit agreement governing our 2016 Credit Facility.

(b) As defined in the credit agreement governing our 2016 Credit Facility.

(c) Applicable solely to the extent that the senior unsecured debt rating by any two of S&P, Moody's and Fitch is lower than BBB-, Baa3 or BBB-, respectively. If applicable, the consolidated interest coverage ratio must be greater than or equal to 2.50.

Off-balance Sheet Arrangements

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

Accounting and Reporting Matters

Critical Accounting Policies and Estimates

The following is a discussion of the accounting policies and estimates that we believe (1) are most important to the portrayal of our financial condition and results of operations or (2) require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The critical accounting policies and estimates for 2015 are not intended to be a comprehensive list of our accounting policies and estimates. See note 2 to our consolidated financial statements for a summary of our significant accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP. In other cases, management is required to exercise judgment in the application of accounting principles with respect to particular transactions.

Revenue Recognition. 82% of our total revenue for 2015 consists of site rental revenues, which are recognized on a monthly basis over the fixed, non-cancelable term of the relevant lease (generally ranging from five to 15 years), regardless of whether the payments from the tenant are received in equal monthly amounts. If the payment terms call for fixed escalations (as in fixed dollar or fixed percentage increases), upfront payments or rent free periods, the revenue is recognized on a straight-line basis over the fixed, non-cancelable term of the lease. When calculating our straight-line rental revenues, we consider all fixed elements of tenant contractual escalation provisions, even if such escalation provisions contain a variable element (such as an escalator tied to an inflation-based index) in addition to a minimum. To the extent we acquire below-market tenant leases for contractual interests with tenants on the acquired wireless infrastructure (for example with respect to small cells) we record deferred credits and amortize such deferred credits to site rental revenues over their estimated lease term. Since we recognize revenue on a straight-line basis, a portion of the site rental revenue in a given period represents cash collected or contractually collectible in other periods. Our assets related to straight-line site rental revenues are included in "other current assets" and "deferred site rental receivables, net." Amounts billed or received prior to being earned are deferred and reflected in "deferred revenues" and "other long-term liabilities." See notes 2 and 7 to our consolidated financial statements.

As part of our effort to provide comprehensive wireless infrastructure solutions, we offer certain network services relating to our wireless infrastructure, which represent approximately 18% of our total revenues for 2015. Network services and other revenue consists of (1) site development services and (2) installation services. Network services revenues are recognized after completion of the applicable service. We account for network services separately from the customer's site rental. See "Item 1. Business—The Company" for a further discussion of our business.

Accounting for Acquisitions — General. As described in "Item 1. Business," much of our wireless infrastructure has been acquired in various transactions from the four largest wireless carriers (or their predecessors) through transactions consummated since 1999. We evaluate each of our acquisitions to determine if it should be accounted for as a business combination or as an acquisition of assets. For our business combinations, we allocate the purchase price to the assets acquired and liabilities assumed based on their estimated fair value at the date of acquisition. Any purchase price in excess of the net fair value of the assets acquired and liabilities assumed is allocated to goodwill. See "Item 7. MD&A—Accounting and Reporting Matters—Accounting for Acquisitions—Valuation" below.

The determination of the final purchase price allocation could extend over several quarters resulting in the use of preliminary estimates that are subject to adjustment until finalized. Such changes could have a significant impact on our financial statements.

Accounting for Acquisitions — Leases. With respect to business combinations that include towers that we lease and operate, such as the AT&T, T-Mobile, and Sprint leased and subleased towers, we evaluate such agreements to determine treatment as capital or operating leases. The evaluation of such agreements for capital or operating lease treatment includes consideration of each of the lease classification criteria under ASC 840-10-25, namely (1) the transfer of ownership provisions, (2) the existence of bargain purchase options, (3) the length of the remaining lease term, and (4) the present value of the minimum lease payments. With respect to the AT&T Acquisition, T-Mobile Acquisition, and the Sprint towers acquired in the Global Signal Acquisition, we determined that the tower leases were capital leases and the underlying land leases were operating leases based upon the lease term criterion, after considering the fragmentation criteria applicable under ASC 840-10-25 to leases involving both land and buildings (i.e., towers). We determined that the fragmentation criteria was met, and the tower leases could be accounted for as capital leases apart from the land leases, which are accounted for as operating leases, since (1) the fair value of the land in the aforementioned business combinations was greater than 25% of the total fair value of the leased property at inception and (2) the tower lease expirations occur beyond 75% of the estimated economic life of the tower assets.

Accounting for Acquisitions — Valuation. As of December 31, 2015, our largest asset was property and equipment, which primarily consists of wireless infrastructure, followed by goodwill and intangible assets. Our identifiable intangible assets predominately relate to the site rental contracts and customer relationships intangible assets. See note 2 to our consolidated financial statements for further information regarding the nature and composition of the site rental contracts and customer relationships intangible assets.

The fair value of the vast majority of our assets and liabilities is determined by using either:

(1) estimates of replacement costs (for tangible fixed assets such as towers), or

(2) discounted cash flow valuation methods (for estimating identifiable intangibles such as site rental contracts and customer relationships and above-market and below-market leases).

The purchase price allocation requires subjective estimates that, if incorrectly estimated, could be material to our consolidated financial statements, including the amount of depreciation, amortization, and accretion expense. The most important estimates for measurement of tangible fixed assets are (1) the cost to replace the asset with a new asset and (2) the economic useful life after giving effect to age, quality, and condition. The most important estimates for measurement of intangible assets are (1) discount rates and (2) timing and amount of cash flows including estimates regarding customer renewals and cancellations. The most important estimates for measurement of above and below-market leases is the determination of (1) favorability or unfavorability to the current market terms and (2) applicable lease term, including whether renewals or extensions should be measured. With respect to business combinations that include towers that we lease and operate, such as the T-Mobile, Sprint, and AT&T leased and subleased towers, we evaluate such agreements to determine treatment as capital or operating leases and identification of any bargain purchase options.

We record the fair value of obligations to perform certain asset retirement activities, including requirements, pursuant to our ground leases or easements, to remove wireless infrastructure or remediate the land upon which our wireless infrastructure resides. In determining the fair value of these asset retirement obligations we must make several subjective and highly judgmental estimates such as those related to: (1) timing of cash flows, (2) future costs, (3) discount rates, and (4) the probability of enforcement to remove the towers or small cells or remediate the land. See note 2 to our consolidated financial statements.

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

The useful life of our intangible assets is estimated based on the period over which the intangible asset is expected to benefit us and gives consideration to the expected useful life of other assets to which the useful life may