

CROWN CASTLE INTERNATIONAL CORP
Form 10-K
February 26, 2018

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, 2017

or

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

For the transition period from _____ to _____
Commission File Number 001-16441

CROWN CASTLE INTERNATIONAL CORP.
(Exact name of registrant as specified in its charter)

Delaware 76-0470458
(State or other jurisdiction (I.R.S. Employer
of incorporation or organization) 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
Common Stock, \$0.01 par value
6.875% Mandatory Convertible Preferred Stock, Series A, \$0.01 par value
Securities Registered Pursuant to Section 12(g) of the Act: NONE.

Name of Each Exchange on Which Registered
New York Stock Exchange
New York Stock Exchange

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements

incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a small reporting company or an emerging growth company. See definitions of a "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$36.5 billion as of June 30, 2017, 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 \$100.18 per share.

Applicable Only to Corporate Registrants

As of February 21, 2018, there were 406,906,992 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 ("2018 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, 2017.

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," "positioned" and 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, and demand for our communications infrastructure (as defined below), (2) expectations regarding non-renewals of tenant contracts, (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, including acquisitions, (5) anticipated growth in our financial results, including future revenues, Adjusted EBITDA, segment site rental gross margin, segment network services and other gross margin,

segment operating profit and operating cash flows, (6) expectations regarding our capital structure and the credit markets, our availability and cost of capital, and our ability to service our debt and comply with debt covenants and the plans for 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 and the impact of the Tax Cuts and Jobs Act ("Tax Reform Act"), (8) the realization and utilization of

our net operating loss carryforwards ("NOLs"), and (9) our dividend policy, and 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.

Interpretation

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. Additionally, unless the context suggests otherwise, references to "U.S." are to the United States of America and Puerto Rico, collectively.

PART I

Item 1. Business

Overview

We own, operate and lease shared communications infrastructure that is geographically dispersed throughout the U.S., including (1) approximately 40,000 towers and other structures, such as rooftops (collectively, "towers"), and (2) approximately 60,000 route miles of fiber primarily supporting small cell networks ("small cells") and fiber solutions. Our towers, fiber and small cells assets are collectively referred to herein as "communications infrastructure," and our customers on our communications infrastructure are referred to herein as "tenants." Our core business is providing access, including space or capacity, to our shared communications infrastructure via long-term contracts in various forms, including lease, license, sublease and service agreements (collectively, "contracts"). We seek to increase our site rental revenues by adding more tenants on our shared communications infrastructure, which we expect to result in significant incremental cash flows due to our low incremental operating costs.

Below is certain information concerning our business:

Over the last two decades, we have assembled a leading portfolio of towers predominately through acquisitions from large wireless carriers or their predecessors. More recently, through both acquisitions (see note 4 to our consolidated financial statements) and new construction of small cells and fiber, we have extended our communications infrastructure presence by investing significantly in our Fiber segment. Through our product offerings of towers and small cells, we seek to provide a comprehensive solution to enable our wireless customers to expand coverage and capacity for wireless networks. Furthermore, within our Fiber segment, we are able to generate cash flow growth and stockholder return by deploying our fiber for both small cells' and fiber solutions' customers.

As a result of our 2017 Acquisitions of fiber assets as further described in note 4 to our consolidated financial statements, we changed the name of our "Small Cells" operating segment to "Fiber." We changed the name of this segment to reflect our strategy of utilizing the same fiber assets to provide both small cells and fiber solutions to our customers. The name change did not impact the composition or the previously-reported operating results of the Fiber segment. As such, our operating segments are now referred to as "Towers" and "Fiber." Our Towers segment and Fiber segment accounted for 79% and 21% of our 2017 site rental revenues, respectively. See note 16 to our consolidated financial statements.

Below is certain information regarding our Towers segment:

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 derive in excess of one-third of our Towers site rental gross margin on land and other property interests (collectively, "land") that we own, including fee interests and perpetual easements, and we derive approximately two-thirds of our Towers site rental gross margin from land that we lease, sublease, manage or license.

The contracts for the land under our towers have an average remaining life in excess of 30 years (including renewal terms at our option), weighted based on Towers site rental gross margin.

Below is certain information regarding our Fiber segment:

The majority of our small cells and fiber are located in major metropolitan areas, including a presence within every major U.S. market.

The vast majority of our fiber assets are located on public rights-of-way.

We operate as a REIT for U.S. federal income tax purposes. See "Item 1. Business—2017 Industry Highlights and Company Developments—REIT Status" and note 11 to our consolidated financial statements.

Certain information concerning our customers and site rental contracts is as follows:

Our customers include AT&T, T-Mobile, Verizon Wireless and Sprint, which collectively accounted for 83% of our 2017 site rental revenues.

Site rental revenues represented 84% of our 2017 consolidated net revenues.

The vast majority of our site rental revenues are of a recurring nature, and typically in excess of 90% have been contracted for in a prior year.

Our site rental revenues derived from wireless customers typically result from long-term contracts with (1) initial terms of five to 15 years, (2) multiple renewal periods at the option of the customer of five to ten years each, (3) limited termination rights for our customers, and (4) contractual escalations of the rental price and, in some cases, an additional upfront payment.

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Our site rental revenues derived from our fiber solutions business (including from organizations with high-bandwidth and multi-location demands), typically result from contracts with (1) initial terms that generally vary between three to 20 years and (2) a fixed monthly recurring fee and, in some cases, an additional upfront payment.

Exclusive of renewals at the customers' option, our customer contracts have a weighted-average remaining life of approximately five years and represent \$22 billion of expected future cash inflows.

As part of our effort to provide comprehensive communications infrastructure solutions, we also offer certain network services primarily relating to our towers and small cells, predominately consisting of (1) site development services relating to existing or new tenant equipment installations, including: site acquisition, architectural and engineering, or zoning and permitting (collectively, "site development services") and (2) tenant equipment installation or subsequent augmentations (collectively, "installation services"). The large majority of our network services and other revenues relate to our Towers segment.

Strategy

As a leading provider of shared communications infrastructure in the U.S., our strategy is to create long-term stockholder value via a combination of (1) growing cash flows generated from our portfolio of communications 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. Our U.S. focused strategy is based, in part, on our belief that the U.S. is the most attractive market for shared communications infrastructure investment with the greatest long-term growth potential. 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:

Grow cash flows from our communications infrastructure. We seek to maximize our site rental cash flows by working with our customers to provide them quick access to our communications infrastructure and entering into associated long-term contracts. Tenant additions or modifications of existing customer equipment (collectively, "tenant additions") enable our customers to expand coverage and capacity in order to meet increasing demand for data, while generating high incremental returns for our business. We believe our product offerings of towers and small cells provide a comprehensive solution to our wireless customers' growing network needs through our shared communications infrastructure model, which is an efficient and cost-effective way to serve our customers.

Additionally, we believe our ability to share our fiber assets across multiple customers to deploy both small cells and offer fiber solutions allows us to generate cash flows and increase stockholder return. We also believe that there will be considerable future demand for our communications infrastructure based on the location of our assets and the rapid growth in demand for data.

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):

• acquisitions or construction of towers, fiber and small cells;

acquisitions of land interests under towers;

improvements and structural enhancements to our existing communications infrastructure

purchases of shares of our common stock from time to time; and

purchases, repayments or redemptions of our debt.

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

Company Developments, REIT Status and Industry Updates

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, activities, and results, including (1) the increase in our quarterly common stock dividend, (2) our recent debt and equity financing activities, and (3) our January 2017 acquisition of FPL FiberNet Holdings, LLC and certain other subsidiaries of NextEra Energy, Inc. ("FiberNet Acquisition"), our June 2017 acquisition of Wilcon Holdings LLC ("Wilcon Acquisition") and our November 2017 acquisition of LTS Group Holdings LLC ("Lighttower Acquisition") (collectively, "2017 Acquisitions").

REIT Status. 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 may also be subject to certain federal, state, local, and foreign taxes on our income or assets, including (1) alternative minimum taxes (repealed effective January 1, 2018), (2) taxes on any undistributed income, (3) taxes related to our taxable REIT subsidiaries ("TRSs"), (4) franchise taxes, (5) property taxes and (6) 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.

The recently-enacted Tax Reform Act makes substantial changes to the Code. Among the many changes impacting corporations are a significant reduction in the corporate income tax rate, repeal of the corporate alternative minimum tax for years beginning in 2018 and limitations on the deductibility of interest expense. In addition, under the Tax Reform Act, qualified REIT dividends (within the meaning of Section 199A(e)(3) of the Code) constitute a part of a non-corporate taxpayer's "qualified business income amount" and thus our non-corporate U.S. stockholders may be eligible to take a qualified business income deduction in an amount equal to 20% of such dividends received from us. Without further legislative action, the 20% deduction applicable to qualified REIT dividends will expire on January 1, 2026. We do not expect the Tax Reform Act to materially impact us.

The vast majority of our assets and revenues are in the REIT, including a substantial amount of our assets and revenues from our 2017 Acquisitions. See notes 4 and 11 to our consolidated financial statements. 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.

To remain qualified and be taxed as a REIT, we will generally be required to annually distribute to our stockholders 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) (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.

Industry Update. During 2017, consumer demand for data continued to grow due to increases in data consumption and increased penetration of bandwidth-intensive devices. This increase in data consumption is driven by growth in factors such as (1) mobile entertainment (such as mobile video, mobile applications, and social networking), (2) mobile internet usage (such as email and web browsing), (3) machine-to-machine applications or the "Internet of Things" (such as smart city technologies), and (4) the adoption of other bandwidth-intensive applications (such as cloud services and video communications). As a result, consumer wireless devices are trending toward bandwidth-intensive devices, including smartphones, laptops, tablets and other emerging devices.

We expect the following anticipated factors to contribute to potential demand for our communications infrastructure: Consumers' growing wireless data consumption likely resulting in major wireless carriers continuing to upgrade and enhance their networks, including through the use of both towers and small cells, in an effort to improve network quality and capacity and customer retention or satisfaction;

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Prior and future potential spectrum auctioned, licensed or made available by the Federal Communications Commission ("FCC") enabling additional wireless carrier network development (such as FirstNet); Next generation technologies and new uses for wireless communications may potentially result in new entrants or increased demand in the wireless industry, which may include companies involved in the continued evolution and deployment of the Internet of Things (such as connected cars, smart cities and virtual reality); and The continued adoption of bandwidth-intensive applications could result in demand for high-capacity, multi-location, fiber-based network solutions.

The Company

Virtually all of our operations are located in the U.S. Our operating segments consist of Towers and Fiber. For more information about our operating segments, see "Item 7. MD&A—General Overview" and note 16 to our consolidated financial statements. Our core business is providing access, including space or capacity, to our shared communications infrastructure in the U.S. We believe our communications infrastructure is integral to our customers' networks and organizations. See "Item 1. Business—Strategy."

Towers Segment. We believe towers are the most efficient and cost-effective solution for providing coverage and capacity for wireless carrier network deployments. We acquired ownership interests or exclusive rights to the majority of our towers directly or indirectly 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.

We generally receive monthly rental payments from our Towers tenants, payable under long-term contracts. We generally negotiate initial contract terms of five to 15 years, with multiple renewal periods of five to 10 years each at the option of the tenant, and our contracts typically include fixed escalations (which generally exceed expected non-renewals, as discussed below) and, in some cases, an additional upfront payment. We continue to endeavor to negotiate with our existing customer base for longer contractual terms, which often contain fixed escalation rates. Our Towers tenant contracts have historically had a high renewal rate. With limited exceptions, our Towers tenant contracts may not be terminated prior to the end of their current term, and non-renewals have averaged approximately 2.5% of site rental revenues over the last five years (inclusive of non-renewals as a result of the decommissioning of the former Leap Wireless, MetroPCS and Clearwire networks ("Acquired Networks")). In general, each tenant contract 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 lease agreements without consideration of tenant renewal options.

The average monthly rental payment from a new tenant added to towers 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 or related equipment. When possible, we seek to receive rental payment increases in connection with contract amendments, pursuant to which our tenants add additional antennas or other equipment to our towers on which they already have equipment pursuant to preexisting contracts.

As of December 31, 2017, the average number of tenants (calculated as a unique license together with any related amendments thereto) per tower is approximately 2.2. The following chart sets forth the number of existing tenants per tower as of December 31, 2017 (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).

Fiber Segment. Our Fiber segment includes both small cells and fiber solutions.

We offer certain fiber solutions to organizations with high-bandwidth and multi-location demands, such as enterprise, government, education, healthcare and wholesale customers. Our fiber solutions provide essential connectivity resources needed to create integrated networks and support organizations.

Our small cells offload data traffic from towers and bolster capacity in the areas of wireless networks where data demand is the greatest. Our small cells are typically attached to public right-of-way infrastructure, including utility poles and street lights.

Our fiber assets include those acquired from: (1) NextG Networks, Inc. in 2012 ("NextG Acquisition"), (2) Quanta Fiber Networks, Inc. in 2015 ("Sunesys Acquisition") and (3) the 2017 Acquisitions.

We generally receive monthly recurring payments from our Fiber tenants and, in some cases, receive upfront payments, payable pursuant to contracts. The amount of the monthly payments can also be influenced by the amount or cost of (1) construction for initial and subsequent tenants, (2) fiber strand requirements and supply, (3) equipment at the site and (4) any upfront payment received.

For both of our Towers and Fiber (primarily small cells) segments, we have existing master agreements with our largest customers, including AT&T, T-Mobile, Verizon Wireless and Sprint; such agreements provide certain terms (including economic terms) that govern our tenants' right to utilize our communications infrastructure entered into by such carriers during the term of their master agreements.

Approximately 55% of our direct site operating expenses consist of Towers ground lease expenses, and the remainder includes fiber access expenses (primarily leases of fiber assets and other access agreements to facilitate our communications infrastructure), property taxes, repairs and maintenance, employee compensation or related benefit costs, and utilities. Assuming current leasing activity levels, our cash operating expenses generally tend to escalate at approximately the rate of inflation. The addition of new tenants is achieved at a low incremental operating cost, delivering high incremental returns to our business. Our communications infrastructure portfolio requires minimal sustaining capital expenditures, including maintenance or other non-discretionary capital expenditures, which 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 communications infrastructure solutions, we also offer certain network services primarily relating to our towers and small cells, predominately consisting of (1) site development services and (2) installation services. The large majority of our network service and other revenues relate to our Towers segment. For 2017, approximately 65% of our network services and other revenues related to installation services, and the remainder predominately related to site development services. We seek to grow our network service and other revenues by capitalizing on increased volumes that may result from carrier network upgrades, promoting site development services, expanding the scope of our services, and focusing 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 communications 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. Our Towers customers are primarily comprised of large wireless carriers that operate national networks. Our Fiber customers are generally large wireless carriers and organizations with high-bandwidth and multi-location demands, such as enterprise, government, education, healthcare and wholesale customers.

Our four largest customers are AT&T, T-Mobile, Verizon Wireless and Sprint. Collectively, these four customers accounted for 83% of our 2017 site rental revenues. Also see "Item 1A. Risk Factors" and note 16 to our consolidated financial statements. For 2017, our site rental revenues by customer were as follows:

Sales and Marketing. Our sales organization markets our towers, small cells and fiber with the objective of contracting access with customers to existing communications infrastructure or to new communications infrastructure prior to construction. We seek to become the critical partner and preferred independent communications infrastructure provider for our customers and increase customer satisfaction relative to our peers by leveraging our (1) existing unique communications infrastructure footprint, (2) customer relationships, (3) process-centric approach, (4) technological tools and (5) construction capabilities and expertise.

Our sales team is organized based on a variety of factors, including customer type (such as wireless carriers and organizations) and geography. A team of national account directors maintains our relationships with our largest customers. These directors work to develop communications infrastructure contracts, as well as to ensure that customers' communications infrastructure needs are efficiently translated into new contracts on our communications infrastructure. Sales personnel in our local offices develop and maintain relationships with our customers that are expanding their networks, entering new markets, seeking new or additional communication infrastructure offerings, 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-level employees 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 communications infrastructure owners or operators, including competitors that own, operate, or manage towers, rooftops, broadcast towers, utility poles, fiber (including non-traditional competitors such as cable providers) or small cells, or (2) new alternative deployment methods for communications infrastructure.

Some of the larger companies with which we compete for Towers segment business opportunities include American Tower Corporation and SBA Communications Corporation. Our Fiber segment business competitors can vary significantly based on geography. Some of the larger companies with which we compete for Fiber segment business opportunities include other owners of fiber, as well as new entrants into small cells and fiber solutions. We believe that location, existing communications infrastructure footprint, deployment speed, quality of service, expertise, reputation, capacity and price have been and will continue to be the most significant competitive factors affecting our businesses. See "Item 1A. Risk Factors."

Competitors to 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, record of accomplishment, reputation, price and time for completion of a project.

Employees

At January 31, 2018, we employed approximately 4,500 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 communications infrastructure construction or modification.

Certain of our Fiber related subsidiaries hold authorizations 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 Fiber subsidiaries are primarily regulated by state public service commissions. CLEC status, in certain cases, helps promote access to 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 and small cells 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 or small cells construction. Should the proposed tower or small cells 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

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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 communications infrastructure sites in violation of applicable environmental laws and require our customers to provide notice of certain environmental conditions caused by them.

As licensees and communications 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 and regulations. 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 hold a nationwide FCC license relating to the 1670-1675 MHz spectrum ("1670-1675 Spectrum"), which we have leased to a third party through 2023, subject to the lessee's option to purchase the 1670-1675 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 communications infrastructure, driven primarily by demand for data, and we may be adversely affected by any slowdown in such demand. Additionally, a reduction in the amount or change in the mix of network investment by our customers may materially and adversely affect our business (including reducing demand for tenant additions or network services).

Customer demand for our communications infrastructure depends on the demand for data. The willingness of our customers to utilize our communications infrastructure, or renew or extend existing contracts on our communications infrastructure, is affected by numerous factors, including:

- consumers' and organizations' demand for data;
- availability or capacity of our communications infrastructure or associated land interests;
- location of our communications 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;
- need for integrated networks and organizations;
- 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 by and among our customers;
- changes in, or success of, our customers' business models;
- governmental regulations and initiatives, including local or state restrictions on the proliferation of communications infrastructure;
- cost of constructing communications infrastructure;
- our market competition;
- technological changes, including those (1) affecting the number or type of communications infrastructure needed to provide data to a given geographic area or which may otherwise serve as substitute or alternative to our communications infrastructure or (2) resulting in the obsolescence or decommissioning of certain existing wireless networks; and
- our ability to efficiently satisfy our customers' service requirements.

A slowdown in demand for data or our communications 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 communications 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 customer network investment typically impact the demand for our communications infrastructure. As a result, changes in customer plans such as delays in the implementation of new systems, new and emerging technologies (including small cells and fiber solutions), or plans to expand coverage or capacity may reduce demand for our communications infrastructure. Furthermore, the industries in which our customers operate (particularly those in the wireless industry) could experience a slowdown or slowing growth rates as a result of numerous factors, including a reduction in consumer demand (including 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 our customers or their industries, which may materially and adversely affect our business, including by reducing demand for our communications infrastructure or network services. In addition, a slowdown may increase competition for site rental customers or network services. Such an industry slowdown or a reduction in customer network investment may materially and adversely affect our business.

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

Our four largest customers are AT&T, T-Mobile, Verizon Wireless and Sprint. Collectively, these four customers accounted for 83% of our 2017 site rental revenues. 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, communications infrastructure assets, intangible assets, or (4) other adverse effects to our business. We cannot guarantee that contracts with our major customers will not be terminated or that these customers will renew their contracts with us. In addition to our four largest customers, we also derive a portion of our revenues and anticipated future growth from (1) fiber solutions customers and (2) new entrants offering or contemplating offering wireless services. Such customers (including those dependent on government funding) may be smaller or have less financial resources than our four largest customers, may 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 contracts and negatively impact revenues from our communications infrastructure. Due to the long-term nature of tenant contracts, we expect that any termination of tenant contracts 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. Customer consolidation could decrease the demand for our communications infrastructure, which in turn may result in a reduction in our revenues or cash flows.

See note 15 to our consolidated financial statements.

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. Additionally, we may fail to realize all of the anticipated benefits of the Lighttower Acquisition, or those benefits may take longer to realize than expected.

We seek to expand and develop our business, including through acquisitions, increased product offerings (such as small cells and fiber solutions), 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;
- divert the time or attention of management away from other business operations, including as a result of post-transaction integration activities;
- fail to achieve revenue or margin targets, operational synergies or other benefits contemplated;
- increase operational risk or volatility in our business;
- not result in the benefits management had expected to realize from such expansion and development activities, or those benefits may take longer to realize than expected;
- impact our cost structure and result in the need to hire additional employees;
- increase demands on current employees 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 employees; or
- result in the need for additional TRSs or contributions of certain assets to TRSs, which are subject to federal and state corporate income taxes.

With respect to our recent Lighttower Acquisition (see note 4 to our consolidated financial statements), we may encounter significant difficulties in integrating Lighttower's business. Our ability to realize the anticipated benefits of the Lighttower Acquisition will depend, to a large extent, on our ability to integrate the Lighttower business into ours. The integration of an independent business into our business is a complex, costly and time-consuming process. As a result, we will be required to devote significant management attention and resources to integrate Lighttower's business

practices and operations with ours, including a larger fiber solutions business than we currently manage. The integration process may disrupt the businesses and, if implemented ineffectively, would reduce the realization of the full expected benefits. The failure to meet the challenges involved in integrating Lighttower's business and to realize the anticipated benefits of the transaction could cause an interruption of, or a loss of momentum in, the activities of our Company and could adversely affect our results of operations. In addition, we could encounter additional

transaction-related costs or other factors, which could delay our realization of the expected benefits of the Lightower Acquisition and negatively impact our business.

Our Fiber segment has expanded rapidly, and the Fiber business model contains certain differences from our Towers business model, resulting in different operational risks. If we do not successfully operate our Fiber business model or identify or manage the related operational risks, such operations may produce results that are less than anticipated. In recent years, we have allocated a significant amount of capital to our Fiber business, which is a much less mature business for us than our Towers business (which we have operated since 1994). Our Fiber segment represented 21% and 12% of our site rental revenues for the years ended December 31, 2017 and 2016, respectively. The business model for our Fiber operations contains certain differences from our business model for our Towers operations, including certain differences relating to customer base, competition, contract terms (including requirements for service level agreements regarding network performance and maintenance), upfront capital requirements, landlord demographics, ownership of certain network assets, operational oversight requirements, government regulations, growth rates and applicable laws.

While our Fiber operations have certain risks that are similar to our Towers operations, they also have certain operational risks that are different from our Towers business, including:

- the use of public rights-of-way and franchise agreements;
- use of poles and conduits owned solely by, or jointly with, third parties;
- risks relating to overbuilding;
- risks relating to the specific markets that we choose to operate in or plan to operate in;
- construction management risks;
- risks relating to wireless carriers building their own small cell networks, or customers utilizing their own or alternative fiber assets;
- risk of failing to optimize the use of our finite supply of fiber strands;
- damage to our assets and the need to maintain, repair, upgrade and periodically replace our assets;
- the risk of failing to properly maintain or operate highly specialized hardware and software;
 - network data security risks;
- the risk of new technologies that could enable customers to realize the same benefits with less utilization of our fiber;
- potential damage to our overall reputation as a communications infrastructure provider; and
 - the use of competitive local exchange carrier status, which we refer to as "CLEC" status.

In addition, the rate at which customers adopt or prioritize small cells and fiber solutions may be lower or slower than we anticipate or may cease to exist altogether. Our Fiber operations will also expose us to different safety or liability risks or hazards than our Towers business as a result of numerous factors, including the location or nature of the assets involved. There may be risks and challenges associated with small cells and fiber solutions being comparatively new and emerging technologies and continuing to evolve, and there may be other risks related to small cells and fiber solutions of which we are not yet aware.

Failure to timely and efficiently execute on our construction projects could adversely affect our business.

Our construction projects, some of which are long-term and complex in nature, can be challenging to execute. The quality of our performance on such construction projects depends in large part upon our ability to manage (1) the associated customer relationship and (2) the project itself by timely deploying and properly managing appropriate internal and external project resources. In connection with our construction projects, we generally bear the risk of cost over-runs, labor availability and productivity, and contractor pricing and performance. Additionally, contracts with our customers for these projects typically specify delivery dates, performance criteria and penalties for our failure to perform. Our failure to manage such customer relationships, project resources, and project milestones in a timely and efficient manner could have a material adverse effect on our business.

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 our 6.875% 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.

We have a substantial amount of indebtedness (approximately \$16.2 billion as of February 21, 2018). See "Item 7. MD&A—Liquidity and Capital Resources" for a tabular presentation of our contractual debt maturities. 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" and "Item 7. MD&A—Liquidity and Capital Resources";

- 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 adversely impacted by changes to credit ratings related to our debt instruments;
- 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 communications infrastructure development or mergers and acquisitions; and

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 6.875% Mandatory Convertible Preferred Stock, Series A, par value \$0.01 per share ("6.875% 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 ("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 communications infrastructure and the revenues associated with such communications 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 our 6.875% 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, which, upon final maturity, 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 \$3.5 billion senior unsecured revolving credit facility under our 2016 Credit Facility ("2016 Revolver"), that, as of February 21, 2018, has \$3.0 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 or securities convertible into 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. We maintain 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 21, 2018, we had approximately \$150 million of gross sales of common stock remaining under our ATM Program. From time to time, we may refresh or implement a new "at-the-market" stock offering program. See note 12 to our consolidated financial statements. As of February 21, 2018, we had approximately 407 million shares of common stock outstanding.

We have reserved 11.2 million and 17.2 million shares of common stock, respectively, for issuance in connection with awards granted under our various stock compensation plans and our 6.875% Convertible Preferred Stock, which will automatically convert into common stock on August 1, 2020. See "Item 7. MD&A—Liquidity and Capital Resources—Mandatory Convertible Preferred Stock." The dividends on our 6.875% 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 negotiate favorable rates on our new or renewing tenant contracts.

Our growth is dependent on our entering into new tenant contracts (including amendments to contracts upon modification of an existing tower, fiber, or small cell installation), as well as renewing or renegotiating tenant contracts when existing tenant contracts 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 and associated contractual rates from various sources, including (1) other independent communications infrastructure owners or operators, including those that own, operate, or manage towers, rooftops, broadcast towers, utility poles, fiber (including non-traditional competitors such as cable providers) or small cells, or (2) new alternative deployment methods for communications infrastructure.

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

New technologies may reduce demand for our communications infrastructure or negatively impact our revenues. Improvements in the efficiency, architecture, and design of wireless networks may reduce the demand for our communications infrastructure. For example, new technologies that may promote network sharing, joint development, wireless backhaul, or resale agreements by our customers, such as signal combining technologies or network functions virtualization, may reduce the need for our communications infrastructure. In addition, other technologies, such as WiFi, Distributed Antenna Systems ("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 on communications infrastructure that might otherwise be anticipated or expected had such technologies not existed. In addition, new technologies that enhance the range, efficiency, and capacity of wireless equipment could reduce demand for our communications infrastructure. Any significant reduction in demand for our communications infrastructure resulting from the new technologies may negatively impact our revenues or otherwise have a material adverse effect on us. If we fail to retain rights to our communications infrastructure, including the land interests under our towers and the right-of-way and other agreements related to our small cells and fiber solutions, our business may be adversely

affected.

The property interests, on which our communications 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

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to access, analyze, or verify all information regarding titles or other issues prior to acquiring communications 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 10% of our Towers site rental gross margin for the year ended December 31, 2017 was 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 communications infrastructure resides, our business may be adversely affected.

As of December 31, 2017, approximately 53% 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, 2017 is as follows:

Approximately 22% 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.

For our small cells and fiber solutions, we must maintain rights-of-way, franchise, pole attachment, conduit use and other agreements to operate our assets. For various reasons, we may not always have the ability to maintain these agreements or obtain future agreements to construct, maintain and operate our fiber assets. Access to rights-of-way depends in large part on our CLEC status, and we cannot be certain that jurisdictions will (1) recognize such CLEC status or (2) not change their laws concerning CLEC access to rights-of-way. If a material portion of these agreements are terminated or are not renewed, we might be forced to abandon our assets, which may adversely impact our

business. In order to operate our assets, we must also maintain fiber agreements that we have with public and private entities. There is no assurance that we will be able to renew those agreements on favorable terms, or at all. If we are unable to renew those agreements on favorable terms, we may face increased costs or reduced revenues.

Additionally, in order to expand our communications infrastructure footprint to new locations, we often need to obtain new or additional rights-of-way and other agreements. Our failure to obtain these agreements in a prompt and cost-effective manner may prevent us from expanding our footprint, which may be necessary to meet our contractual obligations to our customers and could adversely impact our business.

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 communications infrastructure and may be adversely impacted by various factors, including:

- competition;
- the timing, mix 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 communications infrastructure arising from such technologies may not be realized at the times or to the extent anticipated.

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 or criminal penalties, require us to assume indemnification obligations or breach contractual provisions. We cannot guarantee that existing or future laws or regulations, including federal, state, or local tax laws, will not adversely affect our business (including our REIT status), increase delays or result in additional costs. We also may incur additional costs as a result of liabilities under applicable laws and regulations, such as those governing environmental and safety matters. These factors may have a material adverse effect on us.

If radio frequency emissions from wireless handsets or equipment on our communications 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:

- the authority of the board of directors to issue preferred stock without approval of the holders of our common stock;
- advance notice requirements for director nominations or actions to be taken at annual meetings; and
- a provision that the state courts or, in certain circumstances, the federal courts, in Delaware shall be the sole and exclusive forum for certain actions involving us, our directors, officers, employees and stockholders.

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 communications 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, and reputation.

Despite existing security measures, certain of our communications 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, such as a distributed denial of service attack, 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 to our customers, 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. We maintain an insurance policy that includes coverage over cyber-attacks and other security breaches; however, there can be no assurances that such coverage will be adequate to cover exposure for such incidents. 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. In addition, our recent acquisitions, including the 2017 Acquisitions, may alter our potential exposure to the risks described above. We are currently evaluating such risks with respect to these acquisitions. 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 Status

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 2017, we paid a quarterly common stock dividend of \$0.95 per share, totaling approximately \$1.1 billion. In October 2017, we increased our quarterly dividend, beginning in the fourth quarter of 2017, from an annual amount of \$3.80 per share to an annual amount of \$4.20 per share. As such, we declared a quarterly dividend of \$1.05 per share in October 2017, which represented an increase of 11% from the quarterly dividend declared during each of the first three quarters of 2017. We currently expect such dividends to result in aggregate annual cash payments of at least \$1.7 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. Any future dividends are subject to the approval of our board of directors. See notes 12 and 19 to our consolidated financial statements.

We operate 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 annually distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction, excluding net capital gain and after the utilization of any available NOLs), 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—Company Developments, REIT Status and Industry Update—REIT Status."

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): acquiring or constructing communications infrastructure; acquiring land interests under towers; improving or structurally enhancing our existing communications infrastructure; purchasing our common stock; 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.

Remaining qualified to be taxed as a REIT involves highly technical and complex provisions of the 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.

We operate 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 importance of ongoing factual determinations, the possibility of future changes in our circumstances, and the potential impact of future changes to laws and regulations impacting REITs, no assurance can be given that we will qualify as a REIT for any particular year.

We do not expect the recently-enacted legislation commonly referred to as the Tax Reform Act to significantly affect us, although we cannot predict with certainty how such legislation will affect us in the future. In addition, the present U.S. federal tax treatment of REITs is subject to change, possibly with retroactive effect, by legislative, judicial or administrative action at any time, and any such change might adversely affect our REIT status or benefits. We cannot predict the impact, if any, that such changes, if enacted, might have on our business. However, it is possible that such changes could adversely affect our business, including our REIT status.

If, in any taxable year, we fail to qualify for taxation as a REIT and are not entitled to relief under certain provisions of 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, for applicable years beginning before January 1, 2018, any applicable alternative minimum tax, on our taxable income at regular corporate rates; and
- 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. For taxable years beginning in or after 2018, no more than 20% of the value of the assets of a REIT may be represented by securities of one or more TRSs. 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 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.

If we fail to pay scheduled dividends on our 6.875% 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 6.875% Convertible Preferred Stock provide that, unless accumulated dividends have been paid or set aside for payment on all outstanding 6.875% 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.

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 are required to satisfy the 90% distribution requirement as described above. 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 \$1.5 billion 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 (determined without regard to the dividends paid deduction, excluding net capital gain and after the utilization of any available NOLs), 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 90% distribution requirement, 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.

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. 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. 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 6.875% 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 a 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, as amended ("Exchange Act")) are made available, free of charge, through the investor relations section of our 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, ethics policy and financial code of ethics and the charters of our Audit Committee, Compensation Committee and Nominating & Corporate Governance Committee are available through the investor relations section of our 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 May 24, 2017 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 communications infrastructure, with significant consideration being given to the amount of our communications infrastructure located in a particular area. We believe that our facilities are suitable and adequate to meet our anticipated needs.

Communications 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. Our customers' wireless equipment may be placed on towers, building rooftops and other structures. Our towers are located on tracts of land that support the towers, equipment shelters, and where applicable, guy-wires to stabilize the tower.

Additionally, we own or lease approximately 60,000 route miles of fiber primarily supporting our small cells and fiber solutions. The majority of our fiber assets are located in major metropolitan areas. Our small cells and fiber are typically located outdoors and are often attached to public right-of-way infrastructure, including utility poles or street lights.

See "Item 1. Business—Overview" for (1) information regarding our tower 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 and tenants per tower and (2) information regarding our fiber portfolio including a discussion of the location of our fiber. See "Item 7. MD&A—Liquidity and Capital Resources—Contractual Cash Obligations" for a tabular presentation of the remaining contractual obligations related to our business as of December 31, 2017.

Approximately 53% 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 communications infrastructure can accommodate additional tenancy, either as currently constructed or with appropriate modifications. Additionally, if so inclined as a result of a request for a tenant addition, we could generally replace an existing tower with another tower, replace a small cell network antenna with another antenna or overlay additional fiber in order to provide additional coverage or capacity, subject to certain restrictions.

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 siting 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)
2017:		
First Quarter	\$95.45	\$83.96
Second Quarter	104.68	93.22
Third Quarter	108.88	93.14
Fourth Quarter	114.97	99.33
2016:		
First Quarter	\$88.46	\$75.71
Second Quarter	101.44	85.59
Third Quarter	102.82	89.82
Fourth Quarter	95.84	79.38

(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 21, 2018, there were approximately 180 holders of record of our common stock.

Dividend Policy

We operate 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 annually distribute to our stockholders 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). See also "Item 7. MD&A—General Overview—Common Stock Dividend," "Item 1. Business—Company Developments, REIT Status and Industry Update—REIT Status," "Item 1A. Risk Factors" and notes 11 and 12 to our consolidated financial statements.

In aggregate, we paid approximately \$1.2 billion in common stock dividends in 2016. During each of the first three quarters of 2016, we paid a quarterly common stock dividend of \$0.885 per share, totaling approximately \$896.6 million. In October 2016, we increased our quarterly dividend, beginning in the fourth quarter of 2016, from a quarterly amount of \$0.885 per share to a quarterly amount of \$0.95 per share. As such, we declared a quarterly dividend of \$0.95 per share, or an annualized amount of \$3.80 per share, in October 2016, which represented an increase of 7% from the quarterly dividend declared during each of the first three quarters of 2016.

In aggregate, we paid approximately \$1.5 billion in common stock dividends in 2017. During each of the first three quarters of 2017, we paid a quarterly common stock dividend of \$0.95 per share, totaling approximately \$1.1 billion. In October 2017, we increased our quarterly dividend, beginning in the fourth quarter of 2017, from a quarterly amount of \$0.95 per share to a quarterly amount of \$1.05 per share. As such, we declared a quarterly dividend of \$1.05 per share, or an annualized amount of \$4.20 per share, in October 2017, which represented an increase of 11% from the quarterly dividend declared during each of the first three quarters of 2017. We currently expect such dividends to result in aggregate cash payments of at least \$1.7 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 and our 6.875% Convertible Preferred Stock under certain circumstances. See "Item 7. MD&A—Liquidity and Capital Resources—Financing Activities—Common Stock" and "Item 1A. Risk

Factors."

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Issuer Purchases of Equity Securities

The following table summarizes information with respect to purchase of our equity securities during the fourth quarter of 2017:

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, 2017	—	\$—	—	—
November 1 - November 30, 2017	2	106.82	—	—
December 1 - December 31, 2017	1	110.86	—	—
Total	3	\$107.66	—	—

We paid \$0.3 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 total 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, 2012 and ending December 31, 2017. The performance graph assumes an initial investment of \$100.0 and the reinvestment of all dividends in our common stock and in each of the indices. The performance graph and related text are based on historical data and are not necessarily indicative of future performance.

Company/Index/Market	Years Ended December 31,					
	2012	2013	2014	2015	2016	2017
Crown Castle International Corp.	\$100.00	\$101.76	\$111.79	\$127.81	\$133.58	\$177.57
S&P 500 Market Index	100.00	132.39	150.51	152.59	170.84	208.14
DJ US Telecommunications Equipment Index	100.00	121.43	139.90	124.79	148.67	182.95
FTSE NAREIT All Equity REITs Index	100.00	102.85	131.68	136.58	146.94	159.69

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 Exchange Act, 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 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. Our formerly 77.6% owned subsidiary that operated towers in Australia ("CCAL") is presented on a discontinued operations basis for all periods presented. See note 3 to our consolidated financial statements for further discussion of our sale of CCAL in May 2015.

	Years Ended December 31,				
	2017	(a) 2016	(a) 2015	(a) 2014	(a) 2013
	(In thousands of dollars, except per share amounts)				
Statement of Operations Data:					
Net revenues:					
Site rental	\$3,669,191	\$3,233,307	\$3,018,413	\$2,866,613	\$2,371,380
Network services and other	686,414	687,918	645,438	672,143	494,371
Net revenues	4,355,605	3,921,225	3,663,851	3,538,756	2,865,751
Operating expenses:					
Costs of operations ^(b) :					
Site rental	1,143,914	1,023,350	963,869	906,152	686,873
Network services and other	419,787	417,171	357,557	400,454	304,144
Total costs of operations	1,563,701	1,440,521	1,321,426	1,306,606	991,017
General and administrative	426,698	371,031	310,921	257,296	213,519
Asset write-down charges	17,322	34,453	33,468	14,246	13,595
Acquisition and integration costs	61,431	17,453	15,678	34,145	25,574
Depreciation, amortization and accretion	1,242,408	1,108,551	1,036,178	985,781	741,342
Operating income (loss)	1,044,045	949,216	946,180	940,682	880,704
Interest expense and amortization of deferred financing costs	(590,682)	(515,032)	(527,128)	(573,291)	(589,630)
Gains (losses) on retirement of long-term obligations	(3,525)	(52,291)	(4,157)	(44,629)	(37,127)
Interest income	18,761	796	1,906	315	956
Other income (expense)	1,994	(8,835)	57,028	11,993	(3,902)
Income (loss) from continuing operations before income taxes	470,593	373,854	473,829	335,070	251,001
Benefit (provision) for income taxes ^(c)	(26,043)	(16,881)	51,457	11,244	(191,000)
Income (loss) from continuing operations	444,550				