

CROWN CASTLE INTERNATIONAL CORP  
Form DEF 14A  
April 09, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

(Amendment No. )

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Crown Castle International Corp.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



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April 9, 2012

Dear Stockholder:

It is my pleasure to invite you to attend Crown Castle International Corp.'s 2012 Annual Meeting of Stockholders ( Annual Meeting ). The meeting will be held on Tuesday, May 24, 2012 at 9:00 a.m. local time at our corporate office, located at 1220 Augusta Drive, Suite 500, Houston, Texas 77057. The Notice of Annual Meeting and Proxy Statement ( Proxy Statement ) accompanying this letter describe the business to be conducted at the meeting.

The Board of Directors welcomes this opportunity to have a dialogue with our stockholders and looks forward to your comments and questions.

We have elected to furnish proxy materials and our 2011 Annual Report on Form 10-K ( 2011 Form 10-K ) to many of our stockholders over the Internet pursuant to Securities and Exchange Commission rules, which allows us to reduce costs associated with the Annual Meeting. On or about April 9, 2012, we intend to mail to most of our stockholders a Notice of Internet Availability of Proxy Materials ( Proxy Materials Notice ) containing instructions on how to access our Proxy Statement and 2011 Form 10-K and how to submit proxies online. All other stockholders will receive a copy of the Proxy Statement and 2011 Form 10-K by mail. The Proxy Materials Notice also contains instructions on how you can elect to receive a printed copy of the Proxy Statement and 2011 Form 10-K, if you only received a Proxy Materials Notice by mail.

It is important that your shares be represented at the meeting, regardless of the number you may hold. *Whether or not you plan to attend, please promptly submit your proxy in one of the ways outlined in the following Notice of Annual Meeting and Proxy Statement in order to have your shares voted at the Annual Meeting.*

I look forward to seeing you on May 24, 2012.

Kind Regards,

J. Landis Martin

Chairman of the Board

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**Tuesday, May 24, 2012**

**9:00 a.m.**

**1220 Augusta Drive, Suite 500**

**Houston, Texas 77057**

April 9, 2012

Dear Stockholder:

You are invited to the Annual Meeting of Stockholders of Crown Castle International Corp. The Annual Meeting will be held at the time and place noted above. At the meeting, stockholders will be asked to consider and vote upon the following matters:

the election of four class II directors: Cindy Christy, Ari Q. Fitzgerald, Robert E. Garrison II and John P. Kelly;

the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for fiscal year 2012;

a non-binding, advisory vote regarding the compensation of our named executive officers; and

such other business as may properly come before the Annual Meeting.

Only stockholders of record at the close of business on March 26, 2012 ( Record Date ) will be entitled to vote at the meeting or any adjournment or postponement of the meeting. You may submit your proxy in any of the following ways:

if you received a printed proxy card, mark, sign, date and return the proxy card (see instructions on the Notice of Internet Availability of Proxy Materials ( Proxy Materials Notice ) on how to request a printed proxy card);

call the toll-free telephone number shown at the website address listed on your Proxy Materials Notice or on your proxy card; or

visit the website shown on your Proxy Materials Notice or the proxy card to submit a proxy via the Internet.

Alternatively, you may vote your shares in person at the Annual Meeting.

Have your Proxy Materials Notice or proxy card in front of you when submitting a proxy by telephone or the Internet; it contains important information that is required to access the system.

If you are a stockholder as of the Record Date and plan to attend the Annual Meeting, see I. Information About Voting Annual Meeting Admission in the proxy statement for important requirements relating to attending and voting at the Annual Meeting.

**Your vote is important. To be sure your vote counts and to assure a quorum, please submit your proxy in one of the ways outlined above whether or not you plan to attend the Annual Meeting.**

By Order of the Board of Directors,

Donald J. Reid, Jr.

Corporate Secretary

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**I. INFORMATION ABOUT VOTING**

**Solicitation of Proxies.** The Board of Directors ( *Board* ) of Crown Castle International Corp. is soliciting proxies for use at our 2012 Annual Meeting of Stockholders ( *Annual Meeting* ) and any adjournments or postponements of the Annual Meeting. The Annual Meeting will be held on May 24, 2012 at 9:00 a.m. Central Time at our principal executive offices located at 1220 Augusta Drive, Suite 500, Houston, Texas 77057. This proxy statement ( *Proxy Statement* ), the form of proxy and our Annual Report on Form 10-K for the year ended December 31, 2011 ( *2011 Form 10-K* ) are being distributed or made available via the Internet to our stockholders on or about April 9, 2012.

**Notice of Internet Availability of Proxy Materials.** The Securities and Exchange Commission ( *SEC* ) has adopted rules for the electronic distribution of proxy materials. We have elected to provide access to our proxy materials and 2011 Form 10-K on the Internet, instead of mailing the full set of printed proxy materials, which allows us to reduce costs associated with the Annual Meeting. On or about April 9, 2012, we intend to mail to most of our stockholders a Notice of Internet Availability of Proxy Materials ( *Proxy Materials Notice* ) containing instructions on how to access our Proxy Statement and 2011 Form 10-K and how to submit a proxy online. If you receive a Proxy Materials Notice by mail, you will not receive a printed copy of the proxy materials in the mail unless you request it. Instead, the Proxy Materials Notice instructs you on how to access and review all of the important information contained in the Proxy Statement and 2011 Form 10-K. The Proxy Materials Notice also instructs you on how you may submit your proxy over the Internet. If you received a Proxy Materials Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Proxy Materials Notice.

**Agenda Items.** The agenda for the Annual Meeting is to consider and vote upon the following matters:

the election of four class II directors: Cindy Christy, Ari Q. Fitzgerald, Robert E. Garrison II and John P. Kelly;

the ratification of the appointment of PricewaterhouseCoopers LLP ( *PwC* ) as our independent registered public accountants for fiscal year 2012;

a non-binding, advisory vote regarding the compensation of our named executive officers; and

such other business as may properly come before the Annual Meeting.

**Who can Vote.** You can vote at the Annual Meeting if you are, on the Record Date, a holder of record of our common stock, par value of \$0.01 per share ( *Common Stock* ). The record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting is the close of business on March 26, 2012 ( *Record Date* ). Holders of Common Stock will have one vote for each share of Common Stock owned of record as of the Record Date. As of the close of business on the Record Date, there were 292,929,097 shares of Common Stock outstanding.

A complete list of the stockholders entitled to vote at the meeting will be available for examination by any stockholder of record at our offices at 1220 Augusta Drive, Suite 500, Houston, Texas 77057 for a period of 10 days prior to the Annual Meeting. The list will also be available for examination by any stockholder of record present at the Annual Meeting.

**How to Vote.** You may submit your proxy for your shares in any of the following ways:

if you receive a printed proxy card, mark, sign, date and return the proxy card (see instructions on the Proxy Materials Notice on how to request a printed proxy card);

call the toll-free telephone number shown at the website address listed on your Proxy Materials Notice or on your proxy card; or



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visit the website shown on your Proxy Materials Notice or the proxy card to submit a proxy via the Internet. Alternatively, you may vote in person at the Annual Meeting (if you are a beneficial owner whose shares are held in the name of a bank, broker or other nominee, you must obtain a legal proxy, executed in your favor, from the stockholder of record (that is, your bank, broker or nominee) to be able to vote at the Annual Meeting).

Have your Proxy Materials Notice or proxy card in front of you when submitting a proxy by telephone or the Internet; it contains important information that is required to access the system.

**Use of Proxies.** All proxies that have been properly submitted whether by Internet, telephone or mail and not revoked will be voted at the Annual Meeting in accordance with your instructions. If you sign your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board. The Board recommends the following vote for each of the proposals to be considered and voted upon at the Annual Meeting:

**FOR** the election of the four class II director nominees named in this Proxy Statement (Proposal 1);

**FOR** the ratification of the appointment of PwC as our independent registered public accountants for fiscal year 2012 (Proposal 2);  
and

**FOR** the non-binding, advisory vote regarding the compensation of our named executive officers (Proposal 3).  
If any other matters are properly presented at the Annual Meeting for consideration and if you have submitted a proxy for your shares by Internet, telephone or mail, the persons named as proxies in the proxy card will have the discretion to vote on those matters for you. At the date we filed this Proxy Statement with the SEC, we do not know of any other matters to be raised at the Annual Meeting.

**Revoking a Proxy.** You may revoke your proxy at any time before it is exercised. You can revoke a proxy by:

delivering a timely written notice of revocation to our Corporate Secretary, Crown Castle International Corp., 1220 Augusta Drive, Suite 500, Houston, Texas 77057;

submitting a timely, later-dated proxy by Internet, telephone or mail (see instructions on your Proxy Materials Notice or proxy card);  
or

attending the Annual Meeting and voting in person (see How to Vote above and Annual Meeting Admission below in this I. Information About Voting regarding voting at the meeting if your shares are held in the name of a bank, broker or other nominee). Attendance at the meeting alone will not constitute a revocation of a proxy.

**The Quorum Requirement.** A quorum of stockholders is needed to hold a valid Annual Meeting. A quorum will exist to hold a valid Annual Meeting if the holders of at least a majority in voting power of the outstanding shares of Common Stock entitled to vote at the Annual Meeting attend the Annual Meeting in person or are represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of establishing a quorum.

**Vote Required for Action.** Each director shall be elected (Proposal 1) by a majority of the votes cast by the holders of shares of Common Stock entitled to vote and present in person or represented by proxy (a majority of the votes cast means that, to be elected, the number of votes cast for a nominee

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must exceed the number of votes cast against the nominee). The affirmative vote of the holders of a majority of the voting power represented by the shares of Common Stock present in person or represented by proxy at the annual meeting and entitled to vote on such matter is required to approve each of (1) the ratification of PwC as our independent registered public accountants for fiscal year 2012 (Proposal 2) and (2) the non-binding, advisory resolution regarding the compensation of our named executive officers (Proposal 3).

Generally, all other actions which may come before the Annual Meeting require the affirmative vote of the holders of a majority of the voting power represented by shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote on such matters.

With respect to all proposals other than the election of directors (Proposal 1), abstentions have the same effect as votes against, and broker non-votes have no effect. With respect to the election of directors, abstentions and broker non-votes are not counted as a vote for or against a nominee.

**Annual Meeting Admission.** You may attend the meeting if you are (1) a stockholder of record, (2) a legal proxy for a stockholder of record, or (3) a beneficial owner with evidence of ownership as of the Record Date (such as a letter from the bank, broker or other nominee through which you hold your shares confirming your ownership or a bank or brokerage firm account statement). If you are a stockholder of record who plans to attend the Annual Meeting, please mark the appropriate box on your proxy card (or note your intention to attend when prompted via Internet or telephone proxy submission). For all attendees, a valid picture identification must be presented in order to attend the meeting.

As noted above in How to Vote of this section I. Information About Voting, if you are a beneficial owner and wish to vote at the Annual Meeting, you must obtain a legal proxy, executed in your favor, from the bank, broker or other nominee through which you hold your shares and present it at the Annual Meeting. To request a legal proxy please follow the instructions at the website listed on the Proxy Materials Notice.

**If you are a beneficial owner and plan to attend the meeting in person, please send written notification in advance of the Annual Meeting to our Corporate Secretary at Crown Castle International Corp., 1220 Augusta Drive, Suite 500, Houston, Texas 77057, and enclose a copy of (1) evidence of your ownership as of the Record Date or (2) a legal proxy, executed in your favor, from the institution through which you hold your shares.**

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**II. PROPOSALS**

**1. Election of Directors**

We have three classes of directors of as nearly equal size as possible. The term for each class is three years. Class terms expire on a rolling basis, so that one class of directors is elected each year. The term for current class II directors (Cindy Christy, Ari Q. Fitzgerald, Robert E. Garrison II and John P. Kelly) expires at the Annual Meeting.

The nominees for class II directors this year are: Cindy Christy, Ari Q. Fitzgerald, Robert E. Garrison II and John P. Kelly.

In accordance with our Bylaws, each incumbent director nominee has tendered an irrevocable resignation that will be effective upon (1) failure to receive the required vote for election at the Annual Meeting and (2) the Board's subsequent acceptance of such resignation. If an incumbent director nominee fails to receive the required vote for re-election, the Nominating & Corporate Governance Committee ( NCG Committee ) and the Board should act to determine whether to accept or reject the resignation, or whether other action should be taken.

Each nominee has consented to be nominated and has expressed his or her intention to serve if elected. The Board expects that each of the nominees for class II directors will be able and willing to serve as a director. If any nominee is not available, the proxies may be voted for another person nominated by the current Board to fill the vacancy, or the size of the Board may be reduced. Information about the nominees, the continuing directors and the Board is contained in the next section of this Proxy Statement (see III. Board of Directors ).

**The Board of Directors recommends a vote FOR the election of Cindy Christy, Ari Q. Fitzgerald, Robert E. Garrison II and John P. Kelly as class II directors.**

**Table of Contents****2. Ratification of Appointment of Independent Registered Public Accountants**

The Audit Committee of the Board ( Audit Committee ) has appointed PwC to serve as our independent registered public accountants for fiscal year 2012. In the event the stockholders do not ratify the appointment, the appointment will be reconsidered by the Audit Committee. Approval of the resolution will in no way limit the Audit Committee's authority to terminate or otherwise change the engagement of PwC for fiscal year 2012.

KPMG LLP ( KPMG ) was our independent registered public accountants for fiscal year 2010 and had served as our independent registered public accountants since 1995. As previously disclosed, on December 8, 2010, the Audit Committee approved the dismissal of KPMG as our prior independent registered public accountants. KPMG's engagement as our independent registered public accountants with respect to the audit of our consolidated financial statements as of and for the year ended December 31, 2010 ended upon the filing of the 2010 Form 10-K on February 15, 2011.

The audit reports of KPMG on our consolidated financial statements as of and for the years ended December 31, 2010 and 2009 did not contain any adverse opinion or a disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles. The audit reports of KPMG on the effectiveness of internal control over financial reporting as of December 31, 2010 and 2009 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

During the two fiscal years ended December 31, 2010 and 2009 and the subsequent interim period through February 15, 2011, (1) there were no disagreements with KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure that, if not resolved to KPMG's satisfaction, would have caused KPMG to make reference in connection with its opinion to the subject matter of the disagreement and (2) there were no reportable events as defined in item 304(a)(1)(v) of Regulation S-K.

During the fiscal years ended December 31, 2010 and 2009 and the subsequent interim period through February 15, 2011, neither we nor anyone on our behalf consulted PwC regarding either (1) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements or the effectiveness of internal control over financial reporting, and no written report or oral advice was provided to us that PwC concluded was an important factor considered by us in reaching a decision as to the accounting, auditing or financial reporting issue or (2) any matter that was the subject of a disagreement or reportable event as defined in Regulation S-K, Item 304(a)(1)(iv) and Item 304(a)(1)(v), respectively.

In accordance with Item 304(a)(3) of Regulation S-K, we previously provided KPMG with a copy of the above disclosures and requested that KPMG furnish a letter addressed to the SEC stating whether it agrees with the statements made above. A copy of such letter is filed as Exhibit 16.1 to our Form 8-K/A filed with the SEC on February 18, 2011.

We were billed for professional services provided with respect to fiscal years 2011 and 2010 by PwC and KPMG, respectively, in the amounts set forth in the following table.

<b>Services Provided</b>	<b>PwC 2011</b>	<b>KPMG 2010</b>
Audit Fees (a)	\$ 1,287,000	\$ 2,115,000
Audit-Related Fees (b)	65,000	46,000
Tax Fees (c)	433,000	
All Other Fees (d)	5,000	
<b>Total</b>	<b>\$ 1,790,000</b>	<b>\$ 2,161,000</b>

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- (a) Represents the aggregate fees billed for professional services rendered by PwC (with respect to 2011) and KPMG (with respect to 2010) for the audit of our annual financial statements, review of financial statements included in our quarterly reports on Form 10-Q, services related to the audit of internal control over financial reporting, and other services normally provided by our principal auditor in connection with statutory and regulatory filings or engagements.
- (b) Represents the aggregate fees billed for assurance and related services by PwC and KPMG for 2011 and 2010, respectively, that are reasonably related to the performance of the audit or review of our financial statements not reported as Audit Fees. Audit-related fees for 2011 and 2010 primarily relate to services in connection with audits of employee benefit plans.
- (c) Amount shown for 2011 represents the aggregate fees billed for professional services rendered by PwC for tax compliance, tax advice and tax planning. No professional services related to tax were rendered by KPMG in 2010.
- (d) Amount shown for 2011 represents the aggregate fees billed for products and service provided by PwC other than those reported as audit, audit-related or tax fees above, and primarily relates to licenses for technical accounting research software. No products or services were provided to us by KPMG in 2010, other than those reported as audit or audit-related fees.

We expect a representative of PwC to attend the Annual Meeting. The representative will have an opportunity to make a statement if he or she desires and also will be available to respond to appropriate questions.

**The Board of Directors recommends a vote FOR ratification of the appointment of PwC as our independent registered public accountants for fiscal year 2012.**

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**3. Non-binding, Advisory Vote on the Compensation of Our Named Executive Officers**

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010 ( Dodd-Frank Act ), requires that we provide our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with the compensation disclosure rules of the SEC.

Accordingly, we are asking our stockholders to vote on the following resolution at the Annual Meeting:

**RESOLVED, that the stockholders of Crown Castle International Corp. ( Company ) approve, on an advisory basis, the compensation of the named executive officers of the Company, as disclosed in the Company s Proxy Statement for the 2012 Annual Meeting of Stockholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative disclosure.**

As described in VII. Executive Compensation Compensation Discussion and Analysis of this Proxy Statement, we seek to align the interests of our named executive officers with the interests of our stockholders. Our compensation programs are designed to reward our named executive officers for improvements in our results of operations and growth in the value of our Common Stock, with a focus on variable, at risk incentive-based compensation elements that support our pay-for-performance compensation philosophy. We believe that our executive compensation program is designed to attract, retain and motivate high-performing executives to lead our Company.

The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the compensation of our named executive officers, as described in this proxy statement in accordance with the compensation disclosure rules of the SEC. The vote on this proposal is advisory, which means that the vote is not binding on the Company, our Board or the Compensation Committee of the Board ( Compensation Committee ). Nevertheless, the Board and the Compensation Committee value the opinions of our stockholders, and intend to consider any stockholder concerns evidenced by this vote and evaluate whether any actions are necessary to address those concerns.

**The Board recommends a vote FOR the approval of the compensation of our named executive officers as disclosed in this Proxy Statement.**

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**III. BOARD OF DIRECTORS**

**Nominees for Director**

**Class II For a Term Expiring in 2015**

**Cindy Christy**

Principal Occupation: President Americas of NEW/Asurion Corporation

Age: 46

Director Since: 2007

Ms. Christy was appointed to the Board as a director in August 2007. Ms. Christy joined Asurion in January 2009 as President Americas. Ms. Christy served as President, Americas Region for Alcatel-Lucent from January 2008 to September 2008. She also served as President of the North America Region of Alcatel-Lucent from December 2006 to December 2007. Prior to that time and since August 1988, Ms. Christy served in various positions with Lucent Technologies Inc., including President of the Network Solutions Group, President of the Mobility Solutions Group and Chief Operating Officer ( COO ) of the Mobility Solutions Group.

Skills Ms. Christy brings to our Board include extensive and advanced know-how and understanding of telecommunications technologies and related emerging technological trends, relevant executive experience (including with a leading telecommunications infrastructure provider), and extensive knowledge of our customers, including such customers anticipated priorities, goals and objectives.

**Ari Q. Fitzgerald**

Principal Occupation: Partner with Hogan Lovells US LLP

Age: 49

Director Since: 2002

Mr. Fitzgerald was appointed to the Board as a director in August 2002. Mr. Fitzgerald is currently a partner in the Washington, D.C. office of Hogan Lovells US LLP ( Hogan Lovells ), and is a member of that firm s Communications Group where he concentrates on wireless, international and Internet-related issues. Prior to joining Hogan Lovells, Mr. Fitzgerald was an attorney with the Federal Communications Commission ( FCC ) from 1997 to 2001. While at the FCC he served for nearly three years as legal advisor to FCC Chairman William Kennard and later as Deputy Chief of the FCC s International Bureau. Prior to joining the FCC, Mr. Fitzgerald was an attorney in the Office of Legal Counsel of the U.S. Department of Justice. He also served as legal counsel to former U.S. Senator Bill Bradley. Prior to working for the U.S. Department of Justice, Mr. Fitzgerald worked as an attorney for the law firm of Sullivan & Cromwell LLP. Mr. Fitzgerald also worked as a financial analyst for the investment bank First Boston before entering law school.

Skills Mr. Fitzgerald brings to our Board include extensive regulatory knowledge and experience (particularly with respect to the FCC, National Telecommunications and Information Administration ( NTIA ), the U.S. Congress, U.S. Department of Justice and other federal agencies that address communications policy issues), legal expertise, an understanding of and insight into government affairs and activities, and an understanding of our business and the wireless tower industry.

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### **Robert E. Garrison II**

Principal Occupation: Individual Investor

Age: 70

Director Since: 2005

Mr. Garrison was elected to the Board as a director in 2005. Mr. Garrison served as Chairman of the Executive Committee of Sanders Morris Harris Group ( SMHG ), a publicly owned financial services company, from May 2009 until February 2012. Mr. Garrison served as President and Chief Executive Officer ( CEO ) of SMHG from January 1999 until May 2002 and as President until May 2009. Mr. Garrison is a director of FirstCity Financial Corporation, a public financial services company; Prosperity Bank; Somerset House Publishing; Gulf & Western Company, Inc.; and NuPhysicia LLC. He serves on the board of directors of the Memorial Hermann Hospital Systems and the general partner of the Proton Therapy Center at the M.D. Anderson Cancer Center. Mr. Garrison has also had prior service as a director of Terraforce Technology Corp. and SMHG, each a publicly traded company. Mr. Garrison has over 40 years experience in the securities industry and is a Chartered Financial Analyst.

Skills Mr. Garrison brings to our Board include extensive financial and investment expertise and experience, executive experience (including as a CEO of a public company), business analysis acumen, advanced financial literacy, an understanding of our business and the wireless tower industry, entrepreneurial experience, and public company corporate governance knowledge.

### **John P. Kelly**

Principal Occupation: Advisory Director Berkshire Partners LLC

Age: 54

Director Since: 2000

Mr. Kelly was elected as a director in May 2000. Mr. Kelly began serving Berkshire Partners LLC as an Advisory Director in January 2010. Previously, he served as our Executive Vice Chairman ( EVC ) from July 2008 until December 31, 2009. Prior to his appointment as our EVC, he served as our President and CEO from August 2001 and as our President and COO prior to that time. Mr. Kelly originally joined us as an officer in July 1998 and was named President and COO of Crown Communication, Inc. in December of that year. From January 1990 to July 1998, Mr. Kelly was the President and COO of Atlantic Cellular Company L.P. From December 1995 to July 1998, Mr. Kelly was also President and COO of Hawaiian Wireless, Inc., an affiliate of Atlantic Cellular. In addition, Mr. Kelly serves as a director of privately-held NEW/Asurion Corporation and Telx Holdings, Inc. and as a manager on the board of managers of privately-held Engineering Solutions & Products, Inc. and its parent entities.

Skills Mr. Kelly brings to our Board include varied executive experience (including as our COO, President, CEO and EVC), extensive knowledge and understanding of our Company and the wireless tower industry, a deep understanding of the needs and desires of our customers, insight with respect to telecommunications technologies and trends, financial and transactional acumen, and strategic direction.



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### **Directors Continuing in Office**

#### **Class III Term Expiring in 2013**

##### **Edward C. Hutcheson, Jr.**

Principal Occupation: Private Equity Investments/Consulting

Age: 66

Director Since: 1999 (with prior service as a director from 1995 to 1999)

Mr. Hutcheson has served on the Board as a director from January 1995 until February 1999 and from July 1999 until the present. Mr. Hutcheson was a co-founder of ours in 1994 and served as our CEO or Chairman from inception until March 1997. Since February 2000, Mr. Hutcheson has been involved in private investment and consulting activities. He currently serves as a Managing Director of the private equity firm Platte River Ventures, LLC. From March 1997 until February 2000, he served in several capacities, including COO, with Pinnacle Global Group, a publicly owned financial services company which merged to form Sanders Morris Harris Group. From 1987 through 1993, he served in senior management roles with Baroid Corporation, a publicly owned petroleum services company. He served as President, COO and a director of the Baroid holding company from 1990 through 1993.

Skills Mr. Hutcheson brings to our Board include relevant executive experience (including as a CEO), financial and transactional acumen, investment expertise, an understanding of our business and the wireless tower industry, and public company corporate governance knowledge.

##### **J. Landis Martin**

Principal Occupation: Founder and Managing Director, Platte River Ventures, LLC (private equity firm)

Age: 66

Director Since: 1999 (with prior service as a director from 1995 to 1998)

Mr. Martin has been a director on our Board from 1995 through November 1998 and from November 1999 to the present. Mr. Martin has served as Chairman of our Board since May 2002. Mr. Martin is the founder of the private equity firm Platte River Ventures, LLC and has been a Managing Director since November 2005. Mr. Martin retired as Chairman and CEO of Titanium Metals Corporation, a publicly held integrated producer of titanium metals, where he served from January 1994 until November 2005. Mr. Martin served as President and CEO of NL Industries, Inc., a publicly held manufacturer of titanium dioxide chemicals, from 1987 to 2003 and as a director from 1986 to 2003. Mr. Martin is also a director of Halliburton Company, Apartment Investment Management Company and Intrepid Potash, Inc., each a publicly held company.

Skills Mr. Martin brings to our Board include extensive executive experience (including as a CEO of public companies), financial and transactional acumen, investment expertise, strategic insight, an understanding of our business and the wireless tower industry, and public company corporate governance knowledge.

##### **W. Benjamin Moreland**

Principal Occupation: President and CEO of Crown Castle International Corp.

Age: 48

Director Since: 2006

Mr. Moreland was appointed to the Board as a director in August 2006. Mr. Moreland was appointed our President and CEO effective July 2008. Prior to his appointment as President and CEO, Mr. Moreland served as our Executive Vice President ( EVP ) and Chief Financial Officer ( CFO ) from February 2004 to June 2008 and was appointed CFO and Treasurer in April 2000. Prior to being



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appointed CFO, he had served as our Senior Vice President ( SVP ) and Treasurer, including with respect to our domestic subsidiaries, since October 1999. Mr. Moreland serves on the board of directors of Calpine Corp., a publicly held independent power producer, and PCIA the Wireless Infrastructure Association.

Skills Mr. Moreland brings to our Board include varied executive experience (including as our CFO, President and CEO), extensive knowledge and understanding of our business and the wireless tower industry, financial and transactional acumen, and strategic insight.

### **Directors Continuing in Office**

#### **Class I Term Expiring in 2014**

##### **Dale N. Hatfield**

Principal Occupation: Executive Director, Broadband Internet Technical Advisory Group

Age: 74

Director Since: 2001

Mr. Hatfield was appointed to the Board as a director in July 2001. Mr. Hatfield was appointed as the Executive Director of the Broadband Internet Technical Advisory Group in late 2010. Mr. Hatfield is a Senior Fellow of the Silicon Flatirons Center for Law, Technology and Entrepreneurship and Adjunct Professor in the Interdisciplinary Telecommunications Program, both at the University of Colorado at Boulder. Prior to joining the University of Colorado in early 2001, Mr. Hatfield was the Chief of the Office of Engineering and Technology at the FCC, and, immediately before that, he was the FCC's Chief Technologist. He retired from the FCC and government service in December 2000. Following his retirement and while employed on a part-time basis at the University of Colorado, Mr. Hatfield also engaged in independent consulting activities for a range of companies in the telecommunications field. Before joining the FCC in December 1997, he was CEO of Hatfield Associates, Inc., a Boulder, Colorado based multidisciplinary telecommunications consulting firm. Prior to founding Hatfield Associates in 1982, Mr. Hatfield was Deputy Assistant Secretary of Commerce for Communications and Information and Deputy Administrator of the NTIA. Before moving to NTIA, Mr. Hatfield was Chief of the Office of Plans and Policy at the FCC.

Skills Mr. Hatfield brings to our Board include extensive and advanced know-how and understanding of telecommunications technologies and emerging related technological trends, experience with and a vast knowledge of government policy and regulatory trends (particularly with respect to the FCC and NTIA), a broad understanding of and insight into government affairs and activities, strategic direction, and an academic perspective.

##### **Lee W. Hogan**

Principal Occupation: Individual Investor

Age: 67

Director Since: 2001

Mr. Hogan was appointed to the Board as a director in March 2001. Mr. Hogan served as President and CEO of SFM Limited from March 2001 to December 2001. Mr. Hogan served as an officer and director of Reliant Energy Inc. ( Reliant ), a public diversified international energy services and energy delivery company, from 1990 to 2000. During his tenure at Reliant, Mr. Hogan served as Vice Chairman and as one of four members of The Office of the CEO, the principal management policy instrument of Reliant. In addition, he served on the finance committee of Reliant's board of directors. Previously, Mr. Hogan served as CEO of Reliant's Retail Energy Group, president and CEO of

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Reliant's International Business Group (directing energy operations in Asia, Europe and Latin America), and in a variety of capacities for Reliant's Houston Lighting & Power subsidiary. Mr. Hogan was the founding president of The Greater Houston Partnership, a business advocacy organization, where he served from 1987 to 1990.

Skills Mr. Hogan brings to our Board include extensive executive experience (including as a CEO), financial and transactional acumen, investment expertise, strategic insight, an understanding of our business and the wireless tower industry, and public company corporate governance knowledge.

**Robert F. McKenzie**

Principal Occupation: Individual Investor

Age: 68

Director Since: 1995

Mr. McKenzie was elected to the Board as a director in 1995. Since 1995, Mr. McKenzie has helped establish and develop telecommunications and technology companies as an independent investor and director, including Vector ESP, Inc., an information technology services company implementing server-based computing applications; CO Space Inc., a computer server co-location facilities company; Velocom, Inc., a provider of wireless telephone and Internet services in Brazil; and Cordillera Communications Corporation, a mobile communications provider in the U.S., Peru, Ecuador and Chile. From 1990 to 1994, Mr. McKenzie was a founder, director and President/COO of OneComm, Inc., a mobile communications provider, which was sold to Nextel in 1994. From 1980 to 1990, he held general management positions with Northern Telecom, Inc. and was responsible for the marketing and support of its Meridian Telephone Systems and Distributed Communications networks to businesses in the Western United States.

Skills Mr. McKenzie brings to our Board include relevant executive experience (including as President/COO of a mobile communications provider), extensive telecommunications technology knowledge, an understanding of our carrier customers and their needs, entrepreneurial and venture development experience, an understanding of our business and the wireless tower industry, and public company corporate governance.

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### **IV. INFORMATION ABOUT THE BOARD OF DIRECTORS**

#### **Board Leadership Structure**

Since our initial public offering in 1998, the roles of Chairman of our Board and CEO have been served by two different persons at all times. Notwithstanding the foregoing, our Corporate Governance Guidelines provide that the Board does not maintain a firm policy with respect to the separation of the offices of Chairman and CEO. The Board believes that it is in the best interests of our stockholders for the Board to make a determination regarding the separation or combination of these roles each time it elects a new Chairman or CEO based on the relevant facts and circumstances applicable at such time.

#### **Meetings**

During 2011, the Board held eight meetings (five regularly scheduled and three special). Each incumbent director attended at least 75% of the aggregate of (1) the total number of meetings of the Board during the period which he or she was a director and (2) the total number of meetings of all Board committees ( Committees ) on which he or she served during the period which he or she was a director.

Our Corporate Governance Guidelines provide that, while the Board understands that scheduling conflicts may arise resulting in absences, the Board strongly encourages each director to attend our annual meeting of stockholders. All 11 of the directors serving on the Board at the time of our 2011 annual meeting of stockholders held May 24, 2011 ( 2011 Annual Meeting ) attended the 2011 Annual Meeting.

The non-management members of the Board generally meet in executive session at each regularly scheduled meeting of the Board (typically four or five times per year). In addition, the Board meets at least once a year in executive session with only independent directors present. Our Corporate Governance Guidelines provide that if the Chairman of the Board is a non-management director, the Chairman of the Board shall preside at such executive sessions, and if the Chairman of the Board is a member of management, the non-management directors may elect a chairman to preside at such executive sessions.

#### **Board Oversight of Risk**

Management is responsible for assessing and managing our various exposures to risk on a day-to-day basis. Our Internal Audit department serves as the primary monitoring and testing function for company-wide policies and procedures, including policies and procedures regarding our risk management strategy. Such strategy includes identifying, evaluating, and addressing potential risks that may exist at the enterprise, strategic, financial, operational, compliance and reporting levels. The Board is responsible for overseeing and assessing our risk management strategy. The Board exercises these responsibilities periodically as part of its meetings and also through the Board's four standing Committees, each of which examines various components of risk in connection with its responsibilities. In particular, our Vice President Internal Audit reports to the Audit Committee, and provides periodic updates (generally quarterly) to the Audit Committee with respect to the Internal Audit department's activities, including with respect to risk management matters and the audit agenda. In addition, an overall review of risk is inherent in the Board's consideration of our long-term strategies and in the transactions and other matters presented to the Board, including capital expenditures, acquisitions and divestitures, and financial matters. The Board's role in risk oversight is consistent with the Board's current leadership structure, with the CEO and other members of senior management having responsibility for assessing and managing our risk exposure, and the Board and its Committees providing oversight in connection with those efforts.

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### **Board Committees**

The Board has four standing Committees: Audit Committee, Compensation Committee, NCG Committee and Strategy Committee. Copies of the Committee charters of each of the Audit Committee, Compensation Committee and the NCG Committee can be found under the Investor Relations section of our website at <http://www.crowncastle.com/investor/corpgovernance.asp>, and such information is also available in print to any stockholder who requests it through our Corporate Secretary. A summary of each Committee's function is set forth below.

#### **Audit Committee**

*Members:* Mr. Garrison (Chair), Mr. Hogan and Mr. McKenzie all independent directors, as defined under New York Stock Exchange ( NYSE ) listing standards and SEC rules.

*Number of Meetings in 2011:* 10

*Functions and Authority:* The functions and authority of the Audit Committee include:

provide oversight of:

our financial statements and accounting practices;

the quality and integrity of the financial statements and other financial information we provide to any governmental body or the public;

our compliance with legal and regulatory requirements;

the qualifications and independence of our independent registered public accountants ( Auditors );

the performance of our internal audit function and the Auditors; and

our systems of internal controls;

select and appoint the Auditors; and

review and approve audit and non-audit services to be performed by the Auditors.

*Audit Committee Financial Expert:* The Board has determined that the Audit Committee has at least one audit committee financial expert pursuant to applicable SEC rules and that Robert E. Garrison II, an independent director, meets the requirements of an audit committee financial expert pursuant to such SEC rules. For information regarding Mr. Garrison's business experience, see III. Board of Directors.

For additional information regarding the Audit Committee, see VIII. Audit Committee Matters.

**Compensation Committee**

*Members:* Mr. Hogan (Chair), Mr. Fitzgerald and Mr. Garrison all independent directors, as defined under NYSE listing standards.

*Number of Meetings in 2011:* 7

*Functions and Authority:* The functions and authority of the Compensation Committee include:

assist the Board with its responsibilities relating to compensation of our executives;

develop an overall executive compensation philosophy, strategy and framework consistent with corporate objectives and stockholder interests;

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design, recommend, administer and evaluate our executive compensation plans, policies and programs;

administer our incentive compensation and equity-based compensation plans;

review and determine the compensation of the CEO and certain other senior officers;

review whether our compensation plans, policies and programs are competitive and consistent with our long-term strategy, corporate values and accepted legal practices; and

retain, terminate and approve the fees of any compensation consultants to assist the Compensation Committee with its duties.

*Executive Compensation Process and Procedures:* Over the course of several meetings throughout the year, the Compensation Committee annually reviews executive compensation, including base salary, short-term incentive compensation, long-term incentive compensation and other benefits. In performing its duties, the Compensation Committee obtains input, as it deems necessary, from Pay Governance, an independent compensation consultant ( Compensation Consultant ) engaged directly by the Compensation Committee (while the Compensation Consultant is engaged by the Compensation Committee, it works with management, including members of our human resources department and our CEO, in developing compensation studies as directed by the Compensation Committee). In addition, in the case of compensation decisions relating to executives other than the CEO, the Compensation Committee seeks and obtains input from the CEO. The Compensation Committee regularly holds executive sessions at its meetings during which management, including the CEO, is not in attendance. Additional information regarding the Compensation Committee's processes and procedures for consideration and determination of executive compensation is provided below at VII. Executive Compensation Compensation Discussion and Analysis.

**Nominating & Corporate Governance Committee**

*Members:* Ms. Christy (Chair), Mr. Hatfield and Mr. Martin all independent directors, as defined under NYSE listing standards.

*Number of Meetings in 2011:* 4

*Functions and Authority:* The functions and authority of the NCG Committee include:

assist the Board by identifying individuals qualified to become Board members and recommend director nominees for election by the stockholders or for appointment to fill vacancies;

recommend to the Board director nominees for each Committee of the Board;

review and determine the compensation of the directors of the Board;

advise the Board about appropriate composition of the Board and its Committees;

advise the Board about and recommend to the Board appropriate corporate governance practices and assist the Board in implementing those practices; and



oversee the periodic evaluation of the Board and its Committees.

*Board Compensation Process and Procedures:* The NCG Committee reviews the compensation arrangement for the non-employee directors of the Board on a periodic basis. In the fourth quarter of each of 2010 and 2011, the NCG Committee, with the assistance of the Compensation Consultant, reviewed the Board's non-employee director compensation arrangement. The NCG Committee reviewed a competitive market analysis prepared by the Compensation Consultant comparing the Board's compensation arrangement to those of the companies comprising our Peer Group (as defined

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in VII. Executive Compensation Compensation Discussion and Analysis below) and a sample of public general industry companies (derived from third-party proprietary compensation surveys). Based on the results of the competitive market analysis reviews, the NCG Committee determined and the Board ratified certain changes to the Committee Chair Retainers (defined below), with all other elements of the Company's non-employee director compensation program remaining unchanged. The components of the Board compensation arrangement for non-employee directors for 2011 are described below at Board Compensation in this IV. Information About the Board of Directors.

*Common Stock Ownership Guidelines.* The Board has approved Common Stock ownership guidelines for non-employee directors providing that each of our non-employee directors should hold, by the later of (1) October 16, 2013 or (2) the fifth anniversary of the date such director is appointed to the Board, 11,200 shares of Common Stock (adjusted for splits, stock dividends, spin offs or other relevant changes to the Company's capital structure). As of the Record Date, each of the non-employee directors met these Common Stock ownership guidelines.

*Consideration of Director Nominees:* The NCG Committee has the authority to recommend nominees for election as directors to the Board. In considering candidates for the Board, the NCG Committee takes into account the entirety of each candidate's credentials and currently does not maintain any specific minimum qualifications that must be met by an NCG Committee recommended nominee.

While the NCG Committee does not maintain a formal list of qualifications, in making its evaluation and recommendation of candidates, the NCG Committee will generally consider, among other factors, whether prospective nominees are able to read and understand basic financial statements, have relevant business experience, have industry or other specialized expertise and have high moral character. In addition, the NCG Committee considers issues of diversity, including with respect to experience, expertise, viewpoints, skills, race, ethnicity and gender, in connection with the director selection process. The NCG Committee may attribute greater or lesser significance to different factors at particular times depending upon the needs of the Board, its composition, or the NCG Committee's perception about future issues and needs.

The NCG Committee may consider candidates for the Board from any reasonable source, including from a third party search firm engaged by the NCG Committee or through stockholder recommendations (provided the procedures set forth below in IX. Other Matters Stockholder Recommendation of Director Candidates are followed). The NCG Committee does not intend to alter the manner in which it evaluates candidates based on whether the candidate is recommended by a stockholder or not. However, in evaluating a candidate's relevant experience, the NCG Committee may consider previous experience as a member of the Board.

### **Strategy Committee**

*Members:* Mr. Hatfield (Chair), Ms. Christy, Mr. Fitzgerald, Mr. Hogan, Mr. Hutcheson, Mr. Kelly and Mr. McKenzie all independent directors, except Mr. Kelly.

*Number of Meetings in 2011:* 4

*Functions and Authority:* The functions and authority of the Strategy Committee include:

support our executive management in developing and overseeing our strategic initiatives;

provide management with guidance and oversight on strategy development and execution; and

act as an advisor to the Board and management on strategy-related issues and direction.

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### **Board Independence**

The Board has affirmatively determined, that each member of the Board, except Mr. Kelly (our former President and CEO and EVC) and Mr. Moreland (our current President and CEO), has no material relationship with us and is an independent director, as defined under NYSE listing standards.

To assist in its determination of director independence, the Board has adopted certain categorical standards, as set forth on Appendix B hereto. The Board determined the independence of the aforementioned independent directors taking into account such standards.

### **Compensation Committee Interlocks and Insider Participation**

None of the members of the Compensation Committee during fiscal 2011 or as of the date of this Proxy Statement is or has been one of our officers or employees. In addition, during 2011, none of our executive officers served on the compensation committee (or board, in the absence of a compensation committee) of any company that employed any member of our Compensation Committee or Board.

### **Certain Relationships and Related Transactions**

*Review of Transactions with Related Persons.* From time to time we may engage in transactions with companies whose officers, directors or principals are executive officers or directors of ours or are family members of directors or executive officers of ours. The Board is primarily responsible for reviewing such transactions. In the course of its review and approval or ratification of such a transaction, the Board considers various aspects of the transaction it deems appropriate, which may include:

the nature of the related person's interest in the transaction;

the material terms of the transaction;

whether such transaction might affect the independent status of a director under NYSE independence standards;

the importance of the transaction to the related person and to us; and

whether the transaction could impair the judgment of a director or executive officer to act in the best interest of the Company.

Any member of the Board who is a related person with respect to a transaction under review does not participate in the vote relating to approval or ratification of the transaction.

We have various processes for identifying and reporting conflicts of interests, including related person transactions. Our Business Practices and Ethics Policy ( Ethics Policy ) provides that each employee is expected to avoid engaging in business or conduct, or entering into agreements or arrangements, which would give rise to actual, potential or the appearance of conflicts of interest; the Ethics Policy also provides procedures for reporting any actual or potential conflicts of interest. In addition, we annually distribute and review a questionnaire to each of our executive officers and directors requesting certain information regarding, among other things, certain transactions with us in which he, she or any family member has an interest.

**Table of Contents****Board Compensation**

*General.* The Board maintains a compensation arrangement for the non-employee directors of the Board. A director who is also an employee of ours receives no additional compensation for services as a director. For 2011, the Board compensation arrangement was comprised of the following types and levels of compensation:

- **Initial Equity Grant.** Each newly appointed non-employee director is permitted to receive a grant, pursuant to our 2004 Stock Incentive Plan, as amended ( 2004 Plan ), of a number of unrestricted shares of Common Stock having a valuation equal to approximately \$90,000, priced at the per share closing price of the Common Stock as of the effective date of the director's appointment or election ( Initial Equity Grant ). There were no Initial Equity Grants in 2011.
- **Annual Equity Grant.** At the Board's first regularly scheduled meeting of each year, each non-employee director is typically granted shares of Common Stock. For 2011, the valuation of the Common Stock grant was equal to approximately \$125,000 (\$200,000 in the case of the Chairman of the Board), priced at the per share closing price of the Common Stock as of the date of such Board meeting ( Annual Equity Grant ).  
On February 10, 2011, each non-employee director of the Board, other than J. Landis Martin, was granted, pursuant to the 2004 Plan, 2,756 shares of Common Stock (priced at \$45.36, the closing price of the Common Stock on February 10, 2011). Mr. Martin received a grant of 4,409 shares of Common Stock for service as non-employee Chairman of the Board (priced at \$45.36 per share).
- **Retainers.** Each non-employee director received an annual retainer of \$75,000 for 2011 paid quarterly ( Board Retainer ). In addition, (1) the chair of the Audit Committee, Compensation Committee, NCG Committee and Strategy Committee each received an additional \$20,000, \$10,000, \$8,000 and \$5,000, respectively, for 2011 paid quarterly (with each of the NCG Committee and Strategy Committee chair amount being increased to \$10,000 paid quarterly commencing in the fourth quarter of 2011) (collectively, Committee Chair Retainer ) and (2) each member of the Audit Committee, other than the chair of the Audit Committee, received an additional \$5,000 for 2011 paid quarterly ( Audit Committee Member Retainer ).  
Non-employee directors are also reimbursed for reasonable incidental expenses.

- **Other Compensation.** Each non-employee director is eligible to participate, at such director's election, in our medical and dental plans.

**Director Compensation Table for 2011**

The following table sets forth the compensation earned by our non-employee directors in 2011:

	Fees Earned or Paid in Cash			Total Cash \$(d)	Stock Awards \$(e)	Option Awards \$(f)	All Other Compensation \$(g)	Total Director Compensation \$(h)
	Board Retainer \$(a)	Committee Chair Retainer \$(b)	Audit Committee Member Retainer \$(c)					
David C. Abrams	\$ 75,000	\$ 10,000	\$ 5,000	\$ 90,000	\$ 125,012		\$	\$ 215,012
Cindy Christy	75,000	8,500		83,500	125,012			208,512
Ari Q. Fitzgerald	75,000			75,000	125,012			200,012
Robert E. Garrison II	75,000	20,000		95,000	125,012			220,012
Dale N. Hatfield	75,000	6,250		81,250	125,012			206,262
Lee W. Hogan	75,000			75,000	125,012			200,012
Edward C. Hutcheson, Jr.	75,000			75,000	125,012		11,028	211,040
John P. Kelly	75,000			75,000	125,012		13,094	213,107
J. Landis Martin	75,000			75,000	199,992			274,992

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Robert F. McKenzie	75,000	5,000	80,000	125,012	11,547	216,559
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- (a) Represents the Board Retainer earned by the non-employee directors in 2011.
- (b) Represents the Committee Chair Retainer earned by each Committee chair in 2011.
- (c) Represents the Audit Committee Member Retainer earned by members of the Audit Committee, other than the chair of the Audit Committee, in 2011.
- (d) Equal to the sum of the Board Retainer, Committee Chair Retainer and Audit Committee Member Retainer earned by the non-employee directors in 2011.
- (e) Represents shares of unrestricted Common Stock granted to each of the non-employee directors in 2011. The amounts shown are approximately equal to the number of shares granted as the 2011 Annual Equity Grant (4,409 shares for Mr. Martin and 2,756 shares for each other non-employee director) multiplied by \$45.36, which is the closing price per share of Common Stock on February 10, 2011, the date such grants were approved by the Board.
- (f) Non-employee directors have not been granted stock options since 2002. As of December 31, 2011, Mr. Fitzgerald held (on behalf of Hogan Lovells) vested and outstanding stock options to purchase 25,000 shares of Common Stock; no other non-employee director serving on the Board at such time held any vested and outstanding stock options to purchase shares of Common Stock. Further, there were no unvested and outstanding stock options held by any non-employee director as of December 31, 2011.
- (g) Represents the portion of the medical and dental premiums paid by us for the non-employee directors in 2011. The director also pays a portion of the medical and dental premiums.
- (h) Equal to the sum of Total Cash, Stock Awards and All Other Compensation for the non-employee directors in 2011.

**Table of Contents****V. EXECUTIVE OFFICERS**

Set forth below is certain information relating to our current executive officers. Biographical information with respect to Mr. Moreland is set forth above under III. Board of Directors.

<b>Name</b>	<b>Age</b>	<b>Position</b>
W. Benjamin Moreland	48	President and Chief Executive Officer
Jay A. Brown	39	Senior Vice President, Chief Financial Officer and Treasurer
James D. Young	50	Senior Vice President and Chief Operating Officer
E. Blake Hawk	62	Executive Vice President and General Counsel
Patrick Slowey	55	Senior Vice President and Chief Commercial Officer
Philip M. Kelley	38	Senior Vice President Corporate Development and Strategy

**Jay A. Brown** was appointed our SVP, CFO and Treasurer effective July 2008. Mr. Brown was appointed our Treasurer in May 2004 and served as Vice President of Finance from August 2001 until his appointment as our CFO. Prior to that time and since joining us in August of 1999, Mr. Brown served in a number of positions in corporate development and corporate finance. Mr. Brown is a certified public accountant.

**James D. Young** was appointed our SVP and COO in February 2009. Mr. Young served as our President Tower Operations from October 2005 until February 2009. Prior to joining us and since 2000, Mr. Young was Region Vice President Engineering & Operations at Nextel Communications where he oversaw site development, radio frequency engineering and fixed network elements for Nextel's network in the northeastern United States. From 1997 to 2000, Mr. Young was Vice President, Network/Operations Florida with Nextel Communications, during which time he oversaw site development, radio frequency and network support for Nextel's network in Florida.

**E. Blake Hawk** has been our EVP and General Counsel since February 1999. Mr. Hawk was an attorney with Brown, Parker & Leahy, LLP (merged into Thompson & Knight LLP) in Houston, Texas from 1980 to 1999 and became a partner with the firm in 1986. In 1976, Mr. Hawk became licensed in Texas as an attorney and a certified public accountant.

**Patrick Slowey** was appointed our SVP and Chief Commercial Officer (CCO) in February 2012, having previously served as our SVP Sales & Customer Relations since January 2005. Prior to 2005, Mr. Slowey served as our Vice President National Sales. Mr. Slowey joined us in 2000 as Vice President Business Development. Prior to joining us, Mr. Slowey served in various positions in sales and operations at Nextel Communications (now part of Sprint Nextel Corporation) and AT&T Wireless.

**Philip M. Kelley** was appointed our SVP Corporate Development and Strategy effective September 2008. Prior to that time and since April 2004, Mr. Kelley served as Managing Director of Crown Castle Australia Pty Ltd (CCAL), our 77.6% owned subsidiary that operates our Australia tower portfolio. Prior to that time and since joining us in April 1997, Mr. Kelley served in a number of positions in corporate development and corporate finance, including Vice President International from 2001 until his appointment as Managing Director of CCAL.

**Table of Contents****VI. SECURITY OWNERSHIP****Management Ownership**

The table below shows the beneficial ownership as of March 26, 2012 of our Common Stock held by each of the directors, nominees for director, executive officers named in the Summary Compensation Table below (see VII. Executive Compensation Summary Compensation Table ) and all current directors and executive officers as a group. This table also gives effect to shares of Common Stock that may be acquired pursuant to options, warrants or other convertible securities within 60 days after March 26, 2012.

Executive Officers and Directors(a)	Shares Beneficially Owned	
	Number(b)	Percent(c)
Jay A. Brown	247,362(d)	*%
Cindy Christy	14,657	*
Ari Q. Fitzgerald	45,482(e)	*
Robert E. Garrison II	30,403(f)	*
Dale N. Hatfield	34,790	*
E. Blake Hawk	385,040(g)	*
Lee W. Hogan	41,107	*
Edward C. Hutcheson, Jr.	57,995	*
John P. Kelly	885,896(h)	*
J. Landis Martin	63,742	*
Robert F. McKenzie	23,337	*
W. Benjamin Moreland	811,692(i)	*
Patrick Slowey	113,953(j)	*
James D. Young	352,803(k)	*
Current directors and executive officers as a group (16 persons total)	3,304,155(l)	1.128%

\* Less than 1%

(a) Unless otherwise indicated, each of the persons listed in this table may be deemed to have sole voting and investment power with respect to the shares beneficially owned by such persons.

(b) As used in the footnotes to this table the following defined terms have the meanings set forth below:

Each of 2010 Time Vested RSAs , 2010 Performance RSAs , 2011 Time Vested RSAs , 2011 Performance RSAs , Time Vested RSAs , Performance RSAs and Annual RSAs has the meaning as described in VII. Executive Compensation Compensation Discussion and Analysis Elements of Executive Compensation and Benefits Long-Term Incentives RSAs.

2012 Time Vested RSAs and 2012 Performance RSAs refer to certain Time Vested RSAs and Performance RSAs, respectively, granted to executives and certain other key employees as Annual RSAs in the first quarter of 2012.

(c) Pursuant to SEC rules, Common Stock percentages are based on the number of outstanding shares of Common Stock as of March 26, 2012.

(d) Includes (1) 2010 Time Vested RSAs for 5,573 shares, (2) 2010 Performance RSAs for 52,806 shares, (3) 2011 Time Vested RSAs for 7,144 shares, (4) 2011 Performance RSAs for 32,800 shares, (5) 2012 time Vested RSAs for 10,365 shares, (6) 2012 Performance RSAs for 37,745 shares, (7) 7,965 shares of Common Stock held in a 401(k) account and (8) 2,000 shares of Common Stock owned by Mr. Brown's spouse, with respect to which Mr. Brown may be deemed to have shared voting and investment power.



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- (e) Represents 20,482 shares of Common Stock and options to purchase 25,000 shares of Common Stock collectively held on behalf of Hogan Lovells. Mr. Fitzgerald has sole voting and shared investment power with respect to all such shares but has no other interest in such shares except to the extent of his pecuniary interest in Hogan Lovells.
  
- (f) Includes 2,000 shares of Common Stock owned by Mr. Garrison's spouse, with respect to which Mr. Garrison may be deemed to have shared voting and investment power.

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- (g) Includes (1) 2010 Time Vested RSAs for 4,146 shares, (2) 2010 Performance RSAs for 39,281 shares, (3) 2011 Time Vested RSAs for 4,528 shares, (4) 2011 Performance RSAs for 20,788 shares, (5) 2012 Time Vested RSAs for 6,377 shares, (6) 2012 Performance RSAs for 23,223 shares and (7) 365 shares of Common Stock held in a 401(k) account.
  
- (h) Includes 405 shares of Common Stock held in a 401(k) account.
  
- (i) Includes (1) 2010 Time Vested RSAs for 10,912 shares, (2) 2010 Performance RSAs for 103,393 shares, (3) 2011 Time Vested RSAs for 18,904 shares, (4) 2011 Performance RSAs for 86,806 shares, (5) 2012 Time Vested RSAs for 25,473 shares, (6) 2012 Performance RSAs for 92,758 shares and (7) 301,485 shares of Common Stock held in a margin account (together with other securities) with no extension of credit outstanding as of March 26, 2012.
  
- (j) Includes (1) 2010 Time Vested RSAs for 2,926 shares, (2) 2010 Performance RSAs for 27,724 shares, (3) 2011 Time Vested RSAs for 4,446 shares, (4) 2011 Performance RSAs for 20,416 shares, (5) 2012 Time Vested RSAs for 5,991 shares and (6) 2012 Performance RSAs for 21,816 shares.
  
- (k) Includes (1) 2010 Time Vested RSAs for 5,566 shares, (2) 2010 Performance RSAs for 52,733 shares, (3) 2011 Time Vested RSAs for 7,105 shares, (4) 2011 Performance RSAs for 32,624 shares, (5) 2012 Time Vested RSAs for 10,310 shares and (6) 2012 Performance RSAs for 37,543 shares.
  
- (l) Includes (1) options to purchase 25,000 shares of Common Stock, (2) 2010 Time Vested RSAs for 32,017 shares, (3) 2010 Performance RSAs for 303,359 shares, (4) 2011 Time Vested RSAs for 45,837 shares, (5) 2011 Performance RSAs for 210,469 shares, (6) 2012 Time Vested RSAs for 63,401 shares, (7) 2012 Performance RSAs for 230,875 shares and (8) 8,977 shares of Common Stock held in 401(k) accounts.

**Table of Contents****Other Security Ownership**

The following is a tabulation as of March 26, 2012 of our stockholders who own beneficially in excess of 5% of our Common Stock.

Beneficial Owner	Shares Beneficially Owned	
	Number	Percent(a)
<b>T. Rowe Price Associates, Inc. (b)</b> 100 E. Pratt Street  Baltimore, MD 21202	33,598,667	11.47%
<b>SPO Partners &amp; Co. (c)</b> <b>(including affiliates and related investment funds)</b> 591 Redwood Highway, Suite 3215  Mill Valley, CA 94941	28,096,957	9.59%
<b>Capital Research Global Investors (d)</b> 333 South Hope Street  Los Angeles, CA 90071	20,538,960	7.01%
<b>Janus Capital Management LLC (e)</b> 151 Detroit Street  Denver, CO 80206	18,541,068	6.33%

(a) Pursuant to SEC rules, Common Stock percentages shown are based on the number of outstanding shares of Common Stock as of March 25, 2011.

(b) Based on an amendment to Schedule 13G filed with the SEC on February 9, 2012, T. Rowe Price Associates, Inc. ( Price Associates ) has sole voting power over 10,254,211 of such shares and sole dispositive power over 33,598,667 of such shares of Common Stock. Price Associates has advised us that these securities are owned by various individual and institutional investors with respect to which Price Associates serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934 ( Exchange Act ), Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.

(c) The number of shares shown is based on an amendment to Schedule 13G filed jointly on January 31, 2012 by the following (collectively, the SPO Reporting Persons ): SPO Partners II, L.P. ( SPO ), SPO Advisory Partners, L.P. ( SPO Advisory Partners ), San Francisco Partners, L.P. ( SFP ), SF Advisory Partners, L.P. ( SF Advisory Partners ), SPO Advisory Corp. ( SPO Advisory Corp. ), Bill & Susan Oberndorf Foundation ( O Foundation ), The John H. Scully Living Trust, dated October 1, 2003 ( JHS Living Trust ), Netcong Newton Partners, L.P. ( NNP ), Phoebe Snow Foundation, Inc. ( PS Foundation ), John H. Scully ( JHS ), William E. Oberndorf ( WEO ), the William and Susan Oberndorf Trust, dated October 19, 1998 ( Oberndorf Trust ), Edward H. McDermott ( EHM ), Kurt C. Mobley ( KCM ), Betty Jane Weimer ( BJW ), Eli J. Weinberg ( EJW ) and Oberndorf Family Partners ( OFP ). The Schedule 13G states that the SPO Reporting Persons may be deemed to constitute a group within the meaning of Section 13(d)(3) of the Exchange Act, although neither the fact of such filing nor anything contained therein shall be deemed to be an admission by the SPO Reporting Persons that a group exists.

The Schedule 13G amendment provides, among other things, the following information regarding beneficial ownership of Common Stock by the SPO Reporting Persons pursuant to Rule 13d-3 of the Exchange Act (percentage interest calculations shown in parentheses below are based upon the outstanding shares of Common Stock as of March 26, 2012, rather than the percentages set forth in the Schedule 13G amendment):

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SPO owns beneficially 23,962,120 shares (approximately 8.18%). Acting through its sole general partner, SPO has the sole power to vote or direct the vote and to dispose or direct the disposition of all such shares.

Because of its position as the sole general partner of SPO, SPO Advisory Partners may be deemed to beneficially own 23,962,120 shares (approximately 8.18%). Acting through its general partner and in its capacity as the sole general partner of SPO, SPO Advisory Partners has the sole power to vote or direct the vote and to dispose or direct the disposition of all such shares.

SFP owns beneficially 1,036,100 shares. Acting through its sole general partner, SFP has the sole power to vote or direct the vote and to dispose or direct the disposition of all such shares.

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Because of its position as the sole general partner of SFP, SF Advisory Partners may be deemed to beneficially own 1,036,100 shares. Acting through its general partner and in its capacity as the sole general partner of SFP, SF Advisory Partners has the sole power to vote or direct the vote and to dispose or direct the disposition of all such shares.

Because of its positions as the general partner of each of SPO Advisory Partners and SF Advisory Partners, SPO Advisory Corp. may be deemed to beneficially own 24,998,220 shares (approximately 8.53%). Acting through its controlling persons and in its capacities as the general partner of each of SPO Advisory Partners and SF Advisory Partners, SPO Advisory Corp. has the sole power to vote or direct the vote and to dispose or direct the disposition of all such shares.

O Foundation owns beneficially 5,000 shares. Acting through its controlling persons, O Foundation has the sole power to vote or direct the vote and to dispose or direct the disposition of all such shares.

Because of its position as one of the general partners of NNP, JHS Living Trust may be deemed to beneficially own 446,677 shares. Acting through its trustee and in its capacity as one of the general partners of NNP, JHS Living Trust may be deemed to have shared power to direct the vote and to dispose or direct the disposition of 230,800 shares held by NNP. Acting through its trustee, JHS Living Trust has the sole power to vote or direct the vote and to dispose or to direct the disposition of 215,877 shares.

NNP owns beneficially 230,800 shares. Acting through its general partners, NNP has the sole power to vote or direct the vote and to dispose or direct the disposition of all such shares.

PS Foundation owns beneficially 567,200 shares. Acting through its controlling person, PS Foundation has the sole power to vote or direct the vote and to dispose or direct the disposition of all such shares.

Individually, and because of his positions as a control person of SPO Advisory Corp., trustee for JHS Living Trust, which serves as one of the general partners of NNP, and controlling person, sole director and officer of PS Foundation, JHS may be deemed to beneficially own 26,241,597 shares (approximately 8.96%). As one of three controlling persons of SPO Advisory Corp., which is the general partner of each of SPO Advisory Partners and SF Advisory Partners, JHS may be deemed to have shared power with WEO and EHM to vote or direct the vote and to dispose or direct the disposition of 24,998,220 shares held by SPO and SFP. Because of his positions as a trustee for JHS Living Trust, which serves as one of the general partners of NNP, JHS may be deemed to have shared power to vote or direct the vote and to dispose or direct the disposition of 230,800 shares held by NNP. Because of his position as the trustee for JHS Living Trust, JHS may be deemed to have sole power to vote or to direct the vote and to dispose or to direct the disposition of 215,877 shares held by JHS Living Trust. JHS has the sole power to vote or direct the vote and to dispose or direct the disposition of 229,500 shares held in the John H. Scully Individual Retirement Accounts, which are self-directed individual retirement accounts, and 567,200 shares held by the PS Foundation, for which JHS is the controlling person, sole director and officer.

Individually, and because of his positions as a control person of SPO Advisory Corp. and O Foundation, sole general partner of Oberndorf Family Partners, trustee of the Oberndorf Trust, and trustee for the account of his children, WEO may be deemed to beneficially own 26,772,620 shares (approximately 9.14%). As one of three controlling persons of SPO Advisory Corp., which is the general partner of each of SPO Advisory Partners and SF Advisory Partners, WEO may be deemed to have shared power with JHS and EHM to vote or direct the vote and to dispose or direct the disposition of 24,998,220 shares held by SPO and SFP. WEO may be deemed to have shared power to vote or direct the vote and to dispose or direct the disposition of 450,000 shares held in the Oberndorf Trust and 5,000 shares held by O Foundation. Individually, and because of his position as the sole general partner of OFP, a family partnership, WEO has the sole power to vote or direct the vote and to dispose or direct the disposition of 350,000 shares held by OFP, 919,400 shares held in Mr. Oberndorf's Individual Retirement Accounts, which are self directed, and 50,000 shares held in account for his children.

Oberndorf Trust owns beneficially 450,000 shares. Acting through its trustees, Oberndorf Trust has the sole power to vote or direct the vote and to dispose or direct the disposition of all such shares.

Individually and because of his position as a control person of SPO Advisory Corp., EHM may be deemed to beneficially own 25,010,220 shares (approximately 8.54%). As one of three controlling persons of SPO Advisory Corp.,



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which is the general partner of each of SPO Advisory Partners and SF Advisory Partners, EHM may be deemed to have shared power with JHS and WEO to vote or direct the vote and to dispose or direct the disposition of 24,998,220 shares held by SPO and SFP. Individually, EHM has sole power to vote or direct the vote of and to dispose or direct the disposition of 12,000 shares.

OFP owns beneficially 350,000 shares. OFP has the sole power to vote or direct the vote and to dispose or direct the disposition of all such shares.

KCM, BJW and EJW beneficially own 50,000, 18,000 and 960 shares, respectively. Each such SPO Reporting Person has the sole power to vote or direct the vote and to dispose or direct the disposition of all shares which he or she beneficially owns.

- (d) Based on a Schedule 13G filed with the SEC on February 14, 2012, Capital Research Global Investors ( CapRe ) has sole voting power and sole dispositive power over all 20,538,960 of such shares of Common Stock. The Schedule 13G notes that CapRe is deemed to be the beneficial owner of such shares as a result of Capital Research and Management Company acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940.
- (e) Based on an amendment to Schedule 13G filed with the SEC on February 14, 2012, Janus Capital Management LLC ( Janus Capital ) reports (i) sole voting power and sole dispositive power with respect to 18,529,868 of such shares and (ii) shared voting and shared dispositive power with respect to 11,200 of such shares. The Schedule 13G amendment states that Janus Capital has a direct 94.8% ownership stake in INTECH Investment Management ( INTECH ) and a direct 77.8% ownership stake in Perkins Investment Management LLC ( Perkins ). Due to such ownership structure, holdings for Janus Capital, Perkins and INTECH are aggregated for purposes of the Schedule 13G. Janus Capital, Perkins and INTECH are registered investment advisers, each furnishing investment advice to various investment companies registered under Section 8 of the Investment Company Act of 1940 and to individual and institutional clients (collectively referred to as Managed Portfolios ). As a result of its role as investment adviser or sub-adviser to the Managed Portfolios, Janus Capital may be deemed to be the beneficial owner of 18,529,868 shares of Common Stock held by such Managed Portfolios. However, Janus Capital does not have the right to receive any dividends from, or the proceeds from the sale of, the securities held in the Managed Portfolios and disclaims any ownership associated with such rights. As a result of its role as investment adviser or sub-adviser to the Managed Portfolios, INTECH may be deemed to be the beneficial owner of 11,200 of the shares of Common Stock held by such Managed Portfolios. However, INTECH does not have the right to receive any dividends from, or the proceeds from the sale of, the securities held in the Managed Portfolios and disclaims any ownership associated with such rights.

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### **VII. EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

*The following Compensation Discussion and Analysis ( CD&A ) is a summary of our compensation arrangements for our NEOs (defined below) and contains certain statements regarding future individual and company performance targets and goals. These targets and goals are disclosed in the limited context of the CD&A and should not be construed to be statements of management's expectations or estimates of results or other guidance. We caution investors not to apply these statements to other contexts.*

*Throughout this Proxy Statement, the individuals who served as our CEO and CFO during 2011, as well as the other named executive officers included in the table below at Summary Compensation Table in this VII. Executive Compensation are referred to as NEOs.*

#### **2011 Executive Summary**

Rewarding improvements in our operating results and the creation of stockholder value are key characteristics of our compensation philosophy, which serves as the framework for our executive compensation program. In order to align the interests of our executives with those of our stockholders, the focus of our executive compensation program is on incentive compensation elements that provide pay-for-performance, rewarding our executives for improvements in our results of operations and growth in the value of our Common Stock.

To emphasize the importance of pay-for-performance in our executive compensation philosophy and our culture, our incentive compensation elements are linked directly to specific performance measures.

The short-term incentive element of our executive compensation program rewards our executives, generally pursuant to annual incentive awards ( AIs ), for improvements in one or more financial performance measures and key individual performance objectives specific to each executive. For 2011, as a result of generally exceeding the financial performance measures and individual performance objectives, the AIs awarded pursuant to our 2011 Executive Management Team Annual Incentive Plan resulted in AI compensation above target. Details regarding AI compensation for our executives as short-term incentives are provided at Elements of Executive Compensation and Benefits Short-Term Incentives in this CD&A.

In recent years, including 2009, 2010, and 2011, pursuant to the long-term incentive element of our executive compensation program, our executives have been granted restricted stock awards ( RSAs ), 35% of which have terms pursuant to which the transfer and forfeiture restrictions terminate (i.e., vest ) based on the passage of time over a three-year period and the remaining 65% percent of which may performance vest based upon the attainment of Common Stock price appreciation hurdles over a three-year period. For the 2011 long-term incentive grant, the performance vesting component of the RSAs may vest at different levels based upon the attainment of Common Stock price appreciation hurdles along a per share price range continuum ranging from \$52.51 to \$68.99. Details regarding RSAs awarded to our executives as long-term incentives are provided at Elements of Executive Compensation and Benefits Long-Term Incentives in this CD&A.

We have adopted stock ownership guidelines which require our executives to own a certain number of shares of our Common Stock, which may include shares of Common Stock resulting from the vesting of RSAs previously granted to the executive. See Other Matters Stock Ownership Guidelines in this CD&A for additional details regarding the stock ownership guidelines.



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Other notable highlights of our executive compensation program include:

The Company offers base salaries as a basic component of executive cash compensation.

The Company offers no employment agreements with executives.

The Company offers severance agreements with executives.

The Company offers no perquisites or health and welfare benefits to executives other than those that are offered to all of our employees.

During 2010, the Company began transitioning the executive target total direct compensation levels toward the 50<sup>th</sup> percentile of market.

At the Company's 2011 Annual Meeting, the Company submitted its executive compensation program to an advisory stockholder vote. The stockholders overwhelmingly approved the Company's executive compensation program, with 98.9% voting in favor of the proposal (based upon the voting power represented by shares of Common Stock present at the 2011 Annual Meeting and entitled to vote on such matter). The Committee has interpreted this vote to mean that the Company's stockholders are supportive of the Company's executive compensation philosophy and program and thus did not approve any significant changes to the 2012 executive compensation program in response to this vote.

### **Executive Compensation Program Overview**

Our executive compensation program is established as a component of our total rewards program. Our total rewards program includes:

Compensation:

- base salary
- short-term incentives
- long-term incentives

Health and welfare benefits:

- 401(k) plan
- medical, dental and vision benefits
- life insurance benefits
- vacation

Learning and development:

- training
- succession planning
- performance management
- career development

Our executive total rewards strategy is to provide a competitive mix of total rewards that enables us to effectively recruit, motivate and retain high-performing executives. With respect to the portion of total rewards for our executives that takes the form of compensation, it has been our strategy that a majority of such compensation should be variable, at risk and paid based on our results of operations and the growth in the value of our Common Stock, in order to align our executives' interests with those of our stockholders.

The Compensation Committee (for purposes of this CD&A, "Committee") is primarily responsible for evaluating and determining the compensation levels of our senior officers (namely, our CEO and the executive officers who report directly to our CEO) and administers our equity-based and other compensatory plans. The Board further reviews the actions of the Committee relating to the compensation of the CEO and certain senior officers. Where this CD&A contains language indicating



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that the Committee has approved or taken action with respect to a matter, such language is also intended to indicate that the Board has approved or taken any action required of it with respect to such matter.

In performing its duties, the Committee obtains input, as it deems necessary, from the Compensation Consultant, which is engaged directly by the Committee (while the Compensation Consultant is engaged by the Committee, it works with management, including members of our human resources department and our CEO, in developing compensation studies as directed by the Committee). In addition, in the case of compensation decisions relating to executives other than the CEO, the Committee seeks and obtains input from the CEO. The Committee regularly holds executive sessions at its meetings during which management, including the CEO, is not in attendance. Management, including members of our human resources department and our CEO, assists with the coordination, preparation and review of Committee meeting materials.

### **Executive Compensation Program Objectives**

#### **General**

The principal objectives of our executive compensation program are to:

provide a fair and competitive mix of compensation opportunities to attract, motivate and retain qualified, skilled and high-performing executives necessary for our long-term success;

reward our executives by utilizing a pay-for-performance approach to compensation an approach that creates meaningful links between financial and operational performance, individual performance and the level of the executive s compensation;

motivate executives to make sound business decisions that improve stockholder value and reward such decisions;

balance the components of compensation so that the accomplishment of short-term and long-term operating and strategic objectives is encouraged and recognized;

encourage achievement of objectives by our executives within a team environment; and

foster an equity ownership culture that aligns our executives interests with those of our stockholders.

The Committee has established a number of processes to assist it in ensuring that our executive compensation program is achieving these objectives as detailed below.

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**Competitive Market Analysis**

The Committee determines the levels for base salary, short-term incentives and long-term incentives by engaging in a competitive market analysis with respect to each of these compensation elements for each executive position against the competitive market gauges described below on an annual basis ( Competitive Market Analysis ). The Committee usually begins this Competitive Market Analysis in the third quarter of the year prior to the year in which the compensation decisions are made, which typically occurs at the first regularly scheduled Committee meeting of each year (usually held in February) ( First Regular Committee Meeting ). Market data used in the Committee s Competitive Market Analysis includes the following:

*Peer Group Data.* Each year the Committee considers public companies in the wireless infrastructure and telecommunications industries and selects 10 to 20 of such companies to comprise a peer group ( Peer Group ) with respect to which compensation data is obtained and reviewed by the Committee. While some of the companies within the Peer Group may change from year to year, for consistency, the same Peer Group is used in our Competitive Market Analysis for all elements of compensation in a given year. The Peer Group companies used in the Competitive Market Analysis for gauging the executives 2011 compensation were:

- |                                     |                                |
|-------------------------------------|--------------------------------|
| ADC Telecommunications, Inc.        | MetroPCS Communications, Inc.  |
| American Tower Corporation          | NetApp, Inc.                   |
| CenturyLink, Inc.                   | NII Holdings, Inc.             |
| Ciena Corporation                   | Polycom, Inc.                  |
| Clearwire Corporation               | SBA Communications Corporation |
| Frontier Communications Corporation | Tellabs, Inc.                  |
| Juniper Networks, Inc.              | tw telecom inc.                |
| Lamar Advertising Company           | Windstream Corporation         |
| Leap Wireless International, Inc.   |                                |

*General Industry Market Data.* A sample of general industry market data from third-party proprietary compensation surveys, which may include surveys by Towers Watson and Mercer Human Resource Consulting ( Mercer ), as analyzed by the Compensation Consultant (including regression analysis), is obtained and reviewed by the Committee. This market data is comprised of data regarding elements and levels of executive compensation relating to general industry companies that have participated in the surveys. The Committee utilizes this data since we do not recruit executives exclusively from the telecommunications industry (e.g., a financial executive with cross-industry skills may be recruited from another industry).

In addition to the foregoing data, the Compensation Consultant may analyze and provide additional market data regarding best practices and compensation plan design from other sources as requested by the Committee. The market data described above is used by the Committee in the Competitive Market Analysis to make decisions regarding executive compensation. No single group, survey or set of market data is used by the Committee as the sole gauge for determining executive compensation; rather, the information is used collectively, and no formulaic quantitative methodology is used by the Committee when using such data to determine executive compensation.

**Assessment of Individual and Company Performance**

In addition to market data, the Committee considers other factors in connection with its decision-making process relating to the various components of compensation. These other factors may include the level of our financial performance, the applicable executive s individual performance, the executive s level of experience, the size of year-over-year changes in compensation and the duties and level of a particular executive position. These measures are discussed in more detail below.

**Table of Contents****Total Compensation Review**

Through the Competitive Market Analysis and in its deliberations regarding executive compensation decisions, the Committee reviews and compares the individual components of compensation and the total compensation for each NEO against the market data. In addition, the Committee reviews a year-over-year change in compensation analysis for each NEO against the market data for year-over-year changes. These analyses are an important aspect of the Committee's annual executive compensation decision-making process.

**Elements of Executive Compensation and Benefits****General**

The principal elements of compensation and benefits provided to our executives, each of which is discussed in more detail below, include the following:

- base salary;
- short-term incentive compensation;
- long-term incentive compensation;
- severance benefits; and
- other benefits, including retirement benefits and health and welfare benefits.

The distribution of compensation among the various components is driven by our belief that the majority of executive compensation should be paid in the form of performance-based, variable compensation, with a greater emphasis on variable components for the more senior executives who have greater responsibility for the business. The practice of emphasizing variable compensation suits our objectives of linking pay to performance and aligning executives' interests with those of our stockholders. The following table shows the approximate allocation of actual base salary, AIs and RSAs for 2011, 2010, and 2009 (as shown in Summary Compensation Table in this VII. Executive Compensation) among fixed, short-term variable and long-term variable compensation for our NEOs:

Executive	Title	Year	Fixed (Base Salary)	Short-Term Variable (AIs)	Long-Term Variable (RSAs)
W. Benjamin Moreland	President & CEO	2011	13%	18%	69%
		2010	11%	20%	69%
		2009	14%	23%	63%
Jay A. Brown	SVP, CFO & Treasurer	2011	19%	19%	62%
		2010	14%	18%	68%
		2009	17%	20%	63%
James D. Young	SVP & COO	2011	19%	19%	62%
		2010	15%	17%	68%
		2009	16%	19%	65%
E. Blake Hawk	EVP & General Counsel	2011	24%	22%	54%
		2010	18%	18%	64%
		2009	15%	15%	70%
Patrick Slowey <sup>1</sup>	SVP & CCO	2011	20%	30%	50%
		2010	19%	20%	61%

<sup>1</sup> Mr. Slowey became an NEO in 2010, and, therefore, compensation information is provided for him with respect to 2011 and 2010 only. Mr. Slowey's Short-Term Variable amount for 2011 includes both the 2011 AI and 2011 Special Bonus (defined below).

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The distribution of compensation among the fixed element of base salary (paid in cash) and the variable elements of AIs (paid in cash) and RSAs (paid in equity) is primarily influenced by (1) our objective to utilize a pay-for-performance approach to compensation, which places a majority of each executive's variable compensation at risk based on the achievement of certain performance objectives, (2) the Competitive Market Analysis and (3) the Committee's desire to balance short-term and long-term goals.

In prior years, including 2009, we had generally targeted our executives' base salary at the 50<sup>th</sup> percentile of market, while short-term incentives and long-term incentives had generally been targeted at the 75<sup>th</sup> percentile of market, providing executives with the opportunity to earn actual total direct compensation above the 50<sup>th</sup> percentile of market should our performance meet or exceed predetermined criteria and below the 50<sup>th</sup> percentile of market should our performance fall short of such criteria. As noted above, beginning in 2010, in lieu of targeting each compensation element at a percentile of market, the Committee began transitioning target total direct compensation for our executives toward the 50<sup>th</sup> percentile of market ( 50<sup>th</sup> Percentile Target Total Direct Compensation Philosophy ), while continuing to provide our executives with the opportunity to earn actual total direct compensation above the 50<sup>th</sup> percentile should our performance exceed predetermined criteria and below the 50<sup>th</sup> percentile of market should our performance fall short of such criteria. The Committee believes that targeting these levels of compensation helps to meet our overall total rewards strategy and executive compensation objectives and supports our long-term success.

### **Base Salary**

Base salary is one of the main components of cash compensation for our executives. We choose to provide base salary compensation because it fits into our overall compensation objectives by providing a base for attracting and retaining executives and establishing a minimum level of compensation upon which our executives may rely. In addition to providing a base salary that is competitive with the market, we target base salary compensation to align each position's base salary level so that it reflects such position's scope and level of responsibility. As described above, each year we conduct a Competitive Market Analysis for each executive position, based on the unique responsibilities of each position.

The Committee bases its decisions regarding annual base salary adjustments on multiple factors, including the following:

- the performance of the executive, including such executive's contribution, accountability and experience;
- the annual cost of labor adjustment as provided in various proprietary surveys; and
- the executive's existing base salary as compared to the Competitive Market Analysis.

The Committee reviews proposals made by the CEO with regard to base salary adjustments for executives other than himself, and then either approves or amends these base salary adjustments. The Committee independently reviews the performance of the CEO and determines and approves an appropriate base salary.

For 2011, Messrs. Moreland, Brown, Young, Hawk and Slowey received annual increases to their base salaries of 16.7%, 8.1%, 3.0%, 2.4% and 11.0%, respectively. For 2010, Messrs. Young and Hawk received annual increases of 3.0% to their base salaries, and Messrs. Moreland, Brown and Slowey received annual increases to their base salaries of 22.6%, 14.6% and 22.7%, respectively. For 2009, Messrs. Moreland, Brown and Hawk received annual increases of 3.0% to their base salaries, and Mr. Young received an annual increase of 17.7% to his base salary.

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### **Short-Term Incentives**

The short-term incentive component of compensation represents a significant portion of the overall cash compensation for our executives. Short-term incentives are a variable element of compensation that are generally directly linked to specific short-term financial, operational and individual performance objectives.

Our short-term incentives are generally at risk, meaning they are earned based on meeting certain performance goals, and increase or decrease in value based on the degree of achievement of those goals. In order to accomplish its overall executive compensation objectives, the Committee has identified the following objectives for developing the overall framework of the short-term incentive program. The program should:

- be performance-based;
- promote a short-term perspective among executives to complement the long-term perspective promoted by the long-term incentive program, while avoiding excessive risk;
- be competitive with the market;
- motivate executives by providing the appropriate rewards for individual and corporate performance based on our goals and objectives;
- focus business unit executives on maximizing results of their operating segments, while reinforcing the importance of company-wide teamwork;
- link the financial measures with stockholder expectations; and
- link the financial and non-financial measures with the individual performance of the executives.

### ***AI Awards***

To achieve the foregoing objectives, our short-term incentives for executives are generally comprised of performance-based AI s paid in accordance with an annually approved Executive Management Team Annual Incentive Plan ( AI Plan ). The AI Plan is a cash based, short-term incentive award program that provides executives with the opportunity to earn an annual cash incentive if certain annual performance goals are achieved. Performance goals are established based on the annual expectations for our business and are meant to be challenging yet achievable. The Compensation Consultant has reviewed the performance goals and has noted that the performance goals represent reasonable growth over both prior year goals and prior year actual results. The performance period covered by the AI Plan is from January 1 to December 31 ( AI Plan Year End ) of the applicable calendar year.

AI Plan Award Opportunity. Under the AI Plan, each executive has minimum, threshold, target and maximum AI award opportunities that are aligned with minimum, threshold, target and maximum performance outcomes for which incremental increases in performance outcomes result in incremental increases in the AI Plan awards.

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Each corporate and business unit operating executive (i.e., those with direct profit and loss or overall financial responsibilities) is eligible to earn between 0% and 175% of such executive's target opportunity under the AI Plan. Each functional executive (i.e., those with indirect profit and loss responsibilities) is eligible to earn between 0% and 150% of such executive's target opportunity. To mitigate excessive risk, AI awards are capped at the maximum payout opportunity even if actual performance exceeds the maximum performance goal. These percentages were selected by the Committee at the time the plan was designed after consultation with, and a review of information provided by, the Compensation Consultant, were based on relevant market data discussed above and were considered in the review of total compensation previously discussed. The following table lists the 2011 AI award opportunities and actual awards as a percentage of base salary for each of the NEOs.

Name	Title	Minimum	Percentage of Base Salary			Actual
			Threshold	Target	Maximum	
W. Benjamin Moreland	President & CEO	0.0%	50.0%	100.0%	175.0%	137.5%
Jay A. Brown	SVP, CFO & Treasurer	0.0%	37.5%	75.0%	131.25%	100.3%
James D. Young	SVP, COO	0.0%	37.5%	75.0%	131.25%	96.6%
E. Blake Hawk	EVP & General Counsel	0.0%	37.5%	75.0%	112.5%	90.6%
Patrick Slowey	SVP & CCO	0.0%	32.5%	65.0%	113.75%	98.8%

**AI Performance Goals.** For 2011, 2010 and 2009, as in other recent years, there were two categories of performance goals under the AI Plan:

(1) corporate/business unit performance goals and (2) individual performance goals:

*Corporate/Business Unit Performance Goals.* The 2011, 2010 and 2009 corporate/business unit performance goals for our executive officers included the following:

Corporate Adjusted EBITDA<sup>2</sup>  
 Corporate Recurring Cash Flow<sup>3</sup> ( RCF ) per Share  
 Business Unit Net New Sales

For 2010 and 2009, the corporate/business unit performance goals for our executive officers also included the following:

Business Unit Adjusted EBITDA  
 Business Unit RCF

All of the performance goals were approved by the Committee. For each executive, one or more financial performance measures with equal or different weightings may be used within this category; the measures and weights assigned to each executive generally reflect those measures with respect to which the executive has the greatest exposure and ability to influence. For 2011, 2010 and 2009, the type and level of corporate/business unit performance goals are primarily based on the Board approved financial budget and the guidance provided to investors for the applicable calendar year, with target goals representing the Board approved budget amounts.

<sup>2</sup> We define Adjusted EBITDA as net income (loss) plus restructuring charges (credits), asset write-down charges, acquisition and integration costs, depreciation, amortization and accretion, interest expense and amortization of deferred financing costs, gains (losses) on retirement of long-term obligations, net gain (loss) on interest rate swaps, impairment of available-for-sale securities, interest income, other income (expense), benefit (provision) for income taxes, cumulative effect of change in accounting principle, income (loss) from discontinued operations, and stock-based compensation expense.

<sup>3</sup> We define recurring cash flow as Adjusted EBITDA, less interest expense and less sustaining capital expenditures.



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The following table lists the 2011 corporate/business unit performance goals used in connection with determining the NEOs' 2011 AI awards (with respect to the position held by the NEO as of December 31, 2011).

Corporate/Business Unit Performance Goals	Annual Incentive Financial Performance Zone				Actual	Actual Multiple of Target Operating Executive	Target Functional Executive
	Threshold	Target	Maximum	Actual			
Corporate Adjusted EBITDA	\$ 1,220,260,000	\$ 1,258,000,000	\$ 1,383,800,000	\$ 1,298,869,602		1.24	1.16
Corporate Recurring Cash Flow per Share	\$ 2.284	\$ 2.430	\$ 2.915	\$ 2.597		1.26	1.17
Business Unit Net New Sales	\$ 15,991,183	\$ 17,767,981	\$ 19,544,779	\$ 25,360,534		1.75	

*Individual Performance Goals.* Individual performance goals are generally based on the key individual goals approved by the Committee for the CEO and by the CEO for other executive officers, pursuant to our annual performance management system (our system for documenting and measuring the individual performance of our employees on an annual basis). These goals may include additional financial, operational or qualitative measures for a specific executive and are generally based on the prospective business environment considerations for the upcoming year. The minimum, threshold, target and maximum individual performance assessments are based on how well the executive meets the goals established. While the assessment of how well individual performance goals are met is less objective than for the financial measures, the following categories are used to assess individual performance:

- Exceeds Expectations
- Meets Plus Expectations<sup>4</sup>
- Meets Expectations
- Meets Most Expectations
- Does Not Meet Expectations

<sup>4</sup> Meets Plus Expectations was added as an individual performance rating commencing in 2011.

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The performance goals weightings for each NEO for 2011, 2010 and 2009 (with respect to the position held by the NEO as of December 31 of each such year) were as follows:

Name	Title	Year	Corporate Adjusted EBITDA	Corporate RCF per Share	Business Unit RCF	Performance Goal Weightings		
						Business Unit Net New Sales	Individual	Total
W. Benjamin Moreland	President	2011	40%	35%			25% <sup>5</sup>	100%
	& CEO	2010	40%	35%			25%	100%
		2009	40%	35%				