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

FORM 10-Q

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

For the quarterly period ended June 30, 2020

OR

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

For the transition period to

Commission File Number 001-16441

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

Delaware	**76-0470458**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1220 Augusta Drive, Suite 600, Houston, Texas 77057-2261
(Address of principal executives office) (Zip Code)

(713) 570-3000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	CCI	New York Stock Exchange
6.875% Mandatory Convertible Preferred Stock, Series A, $0.01 par value	CCI.PRA	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

Number of shares of common stock outstanding at July 29, 2020: 419,668,287

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES

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Cautionary Language Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q ("Form 10-Q") contains forward-looking statements that are based on our management's expectations as of the filing date of this report with the Securities and Exchange Commission ("SEC"). Statements that are not historical facts are hereby identified as forward-looking statements. In addition, words such as "estimate," "anticipate," "project," "plan," "intend," "believe," "expect," "likely," "predicted," "positioned," "continue," "target," and any variations of these words and similar expressions are intended to identify forward-looking statements. Such statements include plans, projections and estimates contained in *"Part I—Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations"* ("MD&A"), *"Part I—Item 3. Quantitative and Qualitative Disclosures About Market Risk," "Part I—Item 4. Controls and Procedures"* and *"Part II—Item 1A. Risk Factors"* herein. Such forward-looking statements include (1) benefits and opportunities stemming from our strategy, strategic position, business model and capabilities, (2) the strength and growth potential of the U.S. market for shared communications infrastructure investment, (3) expectations regarding anticipated growth in the wireless industry, and consumption of and demand for data, including growth in, and factors driving, consumption and demand, (4) potential benefits of our communications infrastructure (on an individual and collective basis) and expectations regarding demand therefore, including potential benefits and continuity of and factors driving such demand, (5) expectations regarding construction, including duration of our construction projects, and acquisition of communications infrastructure, (6) the utilization of our net operating loss carryforwards ("NOLs"), (7) expectations regarding wireless carriers' focus on improving network quality and expanding capacity, (8) expectations regarding continued adoption and increase in usage of high-bandwidth applications by organizations, (9) expected use of net proceeds from issuances under the commercial paper program ("CP Program"), (10) assumed conversion of 6.875% Mandatory Preferred Stock and the impact therefrom and dividends expected to be paid thereon, (11) our full year 2020 outlook and the anticipated growth in our financial results, including future revenues and operating cash flows, and the expectations regarding our 2020 capital expenditures, as well as the factors impacting expected growth in financial results and the levels of capital expenditures, (12) expectations regarding our capital structure and the credit markets, our availability and cost of capital, capital allocation, our leverage ratio and interest coverage targets, our ability to service our debt and comply with debt covenants and the plans for and the benefits of any future refinancings, (13) the utility of certain financial measures, including non-GAAP financial measures, (14) expectations related to our ability to remain qualified as a real estate investment trust ("REIT") and the advantages, benefits or impact of, or opportunities created by, our REIT status, (15) adequacy, projected sources and uses of liquidity, (16) impact of the completed merger between T-Mobile and Sprint, (17) expectations regarding non-renewals of tenant contracts, (18) our dividend policy and the timing, amount, growth or tax characterization of any dividends, (19) the potential impact of novel coronavirus (COVID-19) pandemic, (20) expectations regarding our remediation efforts related to a material weakness in our internal control over financial reporting and (21) the outcome of the outstanding litigation and SEC investigation. All future dividends are subject to declaration by our board of directors.

Such forward-looking statements should, therefore, be considered in light of various risks, uncertainties and assumptions, including prevailing market conditions, risk factors described in *"Part II—Item 1A. Risk Factors"* herein and *"Item 1A. Risk Factors"* of the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 ("2019 Form 10-K") and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected.

Our filings with the SEC are available through the SEC website at www.sec.gov or through our investor relations website at investor.crowncastle.com. We use our investor relations website to disclose information about us that may be deemed to be material. We encourage investors, the media and others interested in us to visit our investor relations website from time to time to review up-to-date information or to sign up for e-mail alerts to be notified when new or updated information is posted on the site.

Interpretation

As used herein, the term "including," and any variation thereof, means "including without limitation." The use of the word "or" herein is not exclusive. Unless this Form 10-Q indicates otherwise or the context otherwise requires, the terms "we," "our," "our company," "the company" or "us" as used in this Form 10-Q refer to Crown Castle International Corp. ("CCIC") and its predecessor (organized in 1995), as applicable, each a Delaware corporation, and their subsidiaries. Additionally, unless the context suggests otherwise, references to "U.S." are to the United States of America and Puerto Rico, collectively. Capitalized terms used but not defined in this Form 10-Q have the same meaning given to them in the 2019 Form 10-K.

Explanatory Note

As previously disclosed in the Explanatory Note of the 2019 Form 10-K, we restated our audited consolidated financial statements for the years ended December 31, 2018 and 2017, and quarterly unaudited financial information for the quarterly and year-to-date periods in the year ended December 31, 2018 and first three quarters for the year ended December 31, 2019. Accordingly, the condensed consolidated financial statements as of and for the three and six months ended June 30, 2019 included in this Form 10-Q have been restated to reflect the Historical Adjustments as described in the 2019 Form 10-K. See also note 2 to our condensed consolidated financial statements for further information on the impact of the Historical Adjustments on the condensed consolidated financial statements as of and for the three and six months ended June 30, 2019.

PART I—FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited)
(Amounts in millions, except par values)

	June 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,514	$ 196
Restricted cash	154	137
Receivables, net	439	596
Prepaid expenses	137	107
Other current assets	192	168
Total current assets	3,436	1,204
Deferred site rental receivables	1,428	1,424
Property and equipment, net of accumulated depreciation of $10,236 and $9,668, respectively	14,963	14,666
Operating lease right-of-use assets	6,251	6,133
Goodwill	10,078	10,078
Other intangible assets, net	4,626	4,836
Other assets, net	119	116
Total assets	$ 40,901	$ 38,457
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 280	$ 334
Accrued interest	182	169
Deferred revenues	763	657
Other accrued liabilities	333	361
Current maturities of debt and other obligations	99	100
Current portion of operating lease liabilities	307	299
Total current liabilities	1,964	1,920
Debt and other long-term obligations	21,014	18,021
Operating lease liabilities	5,615	5,511
Other long-term liabilities	2,482	2,516
Total liabilities	31,075	27,968
Commitments and contingencies (note 9)		
CCIC stockholders' equity:		
Common stock, $0.01 par value; 600 shares authorized; shares issued and outstanding: June 30, 2020—417 and December 31, 2019—416	4	4
6.875% Mandatory Convertible Preferred Stock, Series A, $0.01 par value; 20 shares authorized; shares issued and outstanding: June 30, 2020—2 and December 31, 2019—2; aggregate liquidation value: June 30, 2020—$1,650 and December 31, 2019—$1,650	—	—
Additional paid-in capital	17,872	17,855
Accumulated other comprehensive income (loss)	(6)	(5)
Dividends/distributions in excess of earnings	(8,044)	(7,365)
Total equity	9,826	10,489
Total liabilities and equity	$ 40,901	$ 38,457

See notes to condensed consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) (Unaudited)
(Amounts in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
		(As Restated)		(As Restated)
Net revenues:				
Site rental	$ 1,319	$ 1,263	$ 2,629	$ 2,505
Services and other	121	184	232	350
Net revenues	1,440	1,447	2,861	2,855
Operating expenses:				
Costs of operations[(a)]:				
Site rental	378	365	752	726
Services and other	108	137	207	261
Selling, general and administrative	164	155	339	307
Asset write-down charges	3	6	7	12
Acquisition and integration costs	2	2	7	6
Depreciation, amortization and accretion	402	393	801	787
Total operating expenses	1,057	1,058	2,113	2,099
Operating income (loss)	383	389	748	756
Interest expense and amortization of deferred financing costs	(178)	(169)	(353)	(337)
Gains (losses) on retirement of long-term obligations	—	(1)	—	(2)
Interest income	1	1	2	3
Other income (expense)	—	—	—	(1)
Income (loss) before income taxes	206	220	397	419
Benefit (provision) for income taxes	(6)	(4)	(11)	(10)
Net income (loss) attributable to CCIC stockholders	200	216	386	409
Dividends/distributions on preferred stock	(28)	(28)	(57)	(57)
Net income (loss) attributable to CCIC common stockholders	$ 172	$ 188	$ 329	$ 352
Net income (loss)	$ 200	$ 216	$ 386	$ 409
Other comprehensive income (loss):				
Foreign currency translation adjustments	—	—	(1)	—
Total other comprehensive income (loss)	—	—	(1)	—
Comprehensive income (loss) attributable to CCIC stockholders	$ 200	$ 216	$ 385	$ 409
Net income (loss) attributable to CCIC common stockholders, per common share:				
Net income (loss) attributable to CCIC common stockholders—basic	$ 0.41	$ 0.45	$ 0.79	$ 0.85
Net income (loss) attributable to CCIC common stockholders—diluted	$ 0.41	$ 0.45	$ 0.79	$ 0.84
Weighted-average common shares outstanding:				
Basic	417	416	416	415
Diluted	419	418	418	417

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

See notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2020	2019
		(As Restated)
Cash flows from operating activities:		
Net income (loss)	$ 386	$ 409
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation, amortization and accretion	801	787
(Gains) losses on retirement of long-term obligations	—	2
Amortization of deferred financing costs and other non-cash interest	3	1
Stock-based compensation expense	75	62
Asset write-down charges	7	12
Deferred income tax (benefit) provision	2	1
Other non-cash adjustments, net	2	3
Changes in assets and liabilities, excluding the effects of acquisitions:		
Increase (decrease) in accrued interest	13	18
Increase (decrease) in accounts payable	(41)	6
Increase (decrease) in other liabilities	55	77
Decrease (increase) in receivables	157	(89)
Decrease (increase) in other assets	(51)	(62)
Net cash provided by (used for) operating activities	1,409	1,227
Cash flows from investing activities:		
Capital expenditures	(861)	(998)
Payments for acquisitions, net of cash acquired	(16)	(13)
Other investing activities, net	(13)	1
Net cash provided by (used for) investing activities	(890)	(1,010)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	3,733	995
Principal payments on debt and other long-term obligations	(53)	(36)
Purchases and redemptions of long-term debt	—	(12)
Borrowings under revolving credit facility	1,340	1,195
Payments under revolving credit facility	(1,865)	(1,785)
Net issuances (repayments) under commercial paper program	(155)	500
Payments for financing costs	(38)	(14)
Purchases of common stock	(74)	(43)
Dividends/distributions paid on common stock	(1,014)	(944)
Dividends/distributions paid on preferred stock	(57)	(57)
Net cash provided by (used for) financing activities	1,817	(201)
Net increase (decrease) in cash, cash equivalents, and restricted cash	2,336	16
Effect of exchange rate changes	(1)	—
Cash, cash equivalents, and restricted cash at beginning of period	338	413
Cash, cash equivalents, and restricted cash at end of period	$ 2,673	$ 429

See notes to condensed consolidated financial statements.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(Amounts in millions) (Unaudited)

	Common Stock		6.875% Mandatory Convertible Preferred Stock			Accumulated Other Comprehensive Income (Loss) ("AOCI")		
	Shares	**($0.01 Par)**	**Shares**	**($0.01 Par)**	**Additional paid-in capital**	**Foreign Currency Translation Adjustments**	**Dividends/Distributions in Excess of Earnings**	**Total**
Balance, March 31, 2020	417	$ 4	2	$ —	$ 17,835	$ (6)	$ (7,712)	$ 10,121
Stock-based compensation related activity, net of forfeitures	—	—	—	—	38	—	—	38
Purchases and retirement of common stock	—	—	—	—	(1)	—	—	(1)
Common stock dividends/distributions[a]	—	—	—	—	—	—	(504)	(504)
Preferred stock dividends/distributions[a]	—	—	—	—	—	—	(28)	(28)
Net income (loss)	—	—	—	—	—	—	200	200
Balance, June 30, 2020	417	$ 4	2	$ —	$ 17,872	$ (6)	$ (8,044)	$ 9,826

	Common Stock		6.875% Mandatory Convertible Preferred Stock			AOCI		
	Shares	**($0.01 Par)**	**Shares**	**($0.01 Par)**	**Additional paid-in capital**	**Foreign Currency Translation Adjustments**	**Dividends/Distributions in Excess of Earnings**	**Total**
Balance, March 31, 2019 (As Restated)	416	$ 4	2	$ —	$ 17,770	$ (5)	$ (6,502)	$ 11,267
Stock-based compensation related activity, net of forfeitures	—	—	—	—	32	—	—	32
Purchases and retirement of common stock	—	—	—	—	(1)	—	—	(1)
Common stock dividends/distributions[a]	—	—	—	—	—	—	(473)	(473)
Preferred stock dividends/distributions[s]	—	—	—	—	—	—	(28)	(28)
Net income (loss)	—	—	—	—	—	—	216	216
Balance, June 30, 2019 (As Restated)	416	$ 4	2	$ —	$ 17,801	$ (5)	$ (6,787)	$ 11,013

(a) See note 8 for information regarding common and preferred stock dividends declared per share.

CROWN CASTLE INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(Amounts in millions) (Unaudited)

	Common Stock		6.875% Mandatory Convertible Preferred Stock			AOCI		
	Shares	($0.01 Par)	Shares	($0.01 Par)	Additional paid-in capital	Foreign Currency Translation Adjustments	Dividends/Distributions in Excess of Earnings	Total
Balance, December 31, 2019	416	$ 4	2	$ —	$ 17,855	$ (5)	$ (7,365)	$ 10,489
Stock-based compensation related activity, net of forfeitures	1	—	—	—	91	—	—	91
Purchases and retirement of common stock	—	—	—	—	(74)	—	—	(74)
Other comprehensive income (loss)[(a)]	—	—	—	—	—	(1)	—	(1)
Common stock dividends/distributions[(b)]	—	—	—	—	—	—	(1,008)	(1,008)
Preferred stock dividends/distributions[(b)]	—	—	—	—	—	—	(57)	(57)
Net income (loss)	—	—	—	—	—	—	386	386
Balance, June 30, 2020	417	$ 4	2	$ —	$ 17,872	$ (6)	$ (8,044)	$ 9,826

	Common Stock		6.875% Mandatory Convertible Preferred Stock			AOCI		
	Shares	($0.01 Par)	Shares	($0.01 Par)	Additional paid-in capital	Foreign Currency Translation Adjustments	Dividends/Distributions in Excess of Earnings	Total
Balance, December 31, 2018 (As Restated)	415	$ 4	2	$ —	$ 17,767	$ (5)	$ (6,195)	$ 11,571
Stock-based compensation related activity, net of forfeitures	1	—	—	—	77	—	—	77
Purchases and retirement of common stock	—	—	—	—	(43)	—	—	(43)
Common stock dividends/distributions[(b)]	—	—	—	—	—	—	(944)	(944)
Preferred stock dividends/distributions[(b)]	—	—	—	—	—	—	(57)	(57)
Net income (loss) (As Restated)	—	—	—	—	—	—	409	409
Balance, June 30, 2019 (As Restated)	416	$ 4	2	$ —	$ 17,801	$ (5)	$ (6,787)	$ 11,013

(a) See the condensed consolidated statement of operations and other comprehensive income (loss) for the components of other comprehensive income (loss).
(b) See note 8 for information regarding common and preferred stock dividends declared per share.

1. General

The information contained in the following notes to the condensed consolidated financial statements is condensed from that which would appear in the annual consolidated financial statements; accordingly, the condensed consolidated financial statements included herein should be reviewed in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2019, and related notes thereto, included in the 2019 Form 10-K filed by Crown Castle International Corp. ("CCIC") with the SEC. Capitalized terms used but not defined in these notes to the condensed consolidated financial statements have the same meaning given to them in the 2019 Form 10-K. References to the "Company" refer to CCIC and its predecessor, as applicable, and their subsidiaries, unless otherwise indicated or the context indicates otherwise. As used herein, the term "including," and any variation thereof means "including without limitation." The use of the word "or" herein is not exclusive. Unless the context suggests otherwise, references to "U.S." are to the United States of America and Puerto Rico, collectively.

The Company owns, operates and leases shared communications infrastructure that is geographically dispersed throughout the U.S., including (1) towers and other structures, such as rooftops (collectively, "towers"), and (2) fiber primarily supporting small cell networks ("small cells") and fiber solutions. The Company's towers, fiber and small cells assets are collectively referred to herein as "communications infrastructure," and the Company's customers on its communications infrastructure are referred to herein as "tenants."

The Company's core business is providing access, including space or capacity, to its shared communications infrastructure via long-term contracts in various forms, including lease, license, sublease and service agreements (collectively, " tenant contracts").

The Company's operating segments consist of (1) Towers and (2) Fiber. See note 11.

As part of the Company's effort to provide comprehensive communications infrastructure solutions, as an ancillary business, the Company also offers certain services primarily relating to its Towers segment, predominately consisting of (1) site development services primarily relating to existing or new tenant equipment installations, including: site acquisition, architectural and engineering, or zoning and permitting (collectively, "site development services") and (2) tenant equipment installation or subsequent augmentations (collectively, "installation services").

The Company operates as a REIT for U.S. federal income tax purposes. In addition, the Company has certain taxable REIT subsidiaries ("TRSs"). See note 7.

Approximately 53% of the Company's towers are leased or subleased or operated and managed under master leases, subleases, and other agreements with AT&T and T-Mobile, including agreements assumed by T-Mobile following its merger with Sprint completed on April 1, 2020. The Company has the option to purchase these towers at the end of their respective lease terms. The Company has no obligation to exercise such purchase options.

Basis of Presentation

The condensed consolidated financial statements included herein are unaudited; however, they include all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to state fairly the consolidated financial position of the Company at June 30, 2020, the condensed consolidated results of operations for the three and six months ended June 30, 2020 and 2019, and the condensed consolidated cash flows for the six months ended June 30, 2020 and 2019. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the full year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Tabular dollars in millions, except per share amounts)

2. Restatement of Previously Issued Condensed Consolidated Financial Statements

The following tables summarize the impact of the restatement adjustments that were related to the timing of revenue recognition on its tower installation services. Specifically, the Company determined that its historical practice of recognizing the full transaction price as service revenues upon completion of an installation was not acceptable under GAAP. Instead, a portion of the transaction price for the Company's tower installation services, specifically the amounts associated with permanent improvements recorded as fixed assets, represent a lease component and should be recognized as site rental revenues on a ratable basis over the associated estimated lease term. In addition, the Company has also made other adjustments to the financial statements referenced above to correct errors that were not material to its condensed consolidated financial statements. Such immaterial adjustments are related to a revision in the presentation of certain tower installation activities from a gross basis to a net basis, including the associated removal of certain amounts historically categorized as capital expenditures. These immaterial adjustments relate exclusively to the Company's Towers segment. Collectively, the restatement adjustments and other immaterial adjustments are referred to herein as "Historical Adjustments."

In addition to the restatement of the condensed consolidated financial statements, certain historical information in the notes to the condensed consolidated financial statements have been restated to reflect the impact of the Historical Adjustments.

Condensed Consolidated Balance Sheet

	June 30, 2019			
	As Reported	Restatement Adjustments	Other Adjustments	As Restated
ASSETS				
Property and equipment, net	$ 14,151	$ —	$ (23)	$ 14,128
Total assets	38,147	—	(23)	38,124
LIABILITIES AND EQUITY				
Current liabilities:				
Deferred revenues	503	104	—	607
Total current liabilities	1,698	104	—	1,802
Other long-term liabilities	2,028	383	—	2,411
Total liabilities	26,624	487	—	27,111
CCIC stockholders' equity:				
Dividends/distributions in excess of earnings	(6,277)	(487)	(23)	(6,787)
Total equity	11,523	(487)	(23)	11,013
Total liabilities and equity	$ 38,147	$ —	$ (23)	$ 38,124

(Tabular dollars in millions, except per share amounts)

Condensed Consolidated Statement of Operations and Comprehensive Income (Loss)

	Three Months Ended June 30, 2019			
	As Reported	Restatement Adjustments	Other Adjustments	As Restated
Net revenues:				
Site rental	$ 1,238	$ 25	$ —	$ 1,263
Services and other	240	(55)	(1)	184
Net revenues	1,478	(30)	(1)	1,447
Operating expenses:				
Costs of operations[a]:				
Services and other	138	—	(1)	137
Total operating expenses	1,059	—	(1)	1,058
Operating income (loss)	419	(30)	—	389
Income (loss) before income taxes	250	(30)	—	220
Net income (loss) attributable to CCIC stockholders	246	(30)	—	216
Net income (loss) attributable to CCIC common stockholders	$ 218	$ (30)	$ —	$ 188
Net income (loss)	$ 246	$ (30)	$ —	$ 216
Comprehensive income (loss) attributable to CCIC stockholders	$ 246	$ (30)	$ —	$ 216
Net income (loss) attributable to CCIC common stockholders, per common share:				
Net income (loss) attributable to CCIC common stockholders - basic	$ 0.52	$ (0.07)	$ —	$ 0.45
Net income (loss) attributable to CCIC common stockholders - diluted	$ 0.52	$ (0.07)	$ —	$ 0.45

	Six Months Ended June 30, 2019			
	As Reported	Restatement Adjustments	Other Adjustments	As Restated
Net revenues:				
Site rental	$ 2,457	$ 48	$ —	$ 2,505
Services and other	447	(95)	(2)	350
Net revenues	2,904	(47)	(2)	2,855
Operating expenses:				
Costs of operations[a]:				
Services and other	263	—	(2)	261
Total operating expenses	2,101	—	(2)	2,099
Operating income (loss)	803	(47)	—	756
Income (loss) before income taxes	466	(47)	—	419
Net income (loss) attributable to CCIC stockholders	456	(47)	—	409
Net income (loss) attributable to CCIC common stockholders	$ 399	$ (47)	$ —	$ 352
Net income (loss)	$ 456	$ (47)	$ —	$ 409
Comprehensive income (loss) attributable to CCIC stockholders	$ 456	$ (47)	$ —	$ 409
Net income (loss) attributable to CCIC common stockholders, per common share:				
Net income (loss) attributable to CCIC common stockholders - basic	$ 0.96	$ (0.11)	$ —	$ 0.85
Net income (loss) attributable to CCIC common stockholders - diluted	$ 0.95	$ (0.11)	$ —	$ 0.84

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

(Tabular dollars in millions, except per share amounts)

Condensed Consolidated Statement of Cash Flows

	Six Months Ended June 30, 2019			
	As Reported	Restatement Adjustments	Other Adjustments	As Restated
Cash flows from operating activities:				
Net income (loss)	$ 456	$ (47)	$ —	$ 409
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:				
Increase (decrease) in other liabilities	30	47	—	77
Net cash provided by (used for) operating activities	1,227	—	—	1,227
Net increase (decrease) in cash, cash equivalents, and restricted cash	16	—	—	16
Cash, cash equivalents, and restricted cash at beginning of period	413	—	—	413
Cash, cash equivalents, and restricted cash at end of period	$ 429	$ —	$ —	$ 429

3. Summary of Significant Accounting Policies

Recently Adopted Accounting Pronouncements

No accounting pronouncements adopted during the six months ended June 30, 2020 had a material impact on the Company's condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

No new accounting pronouncements issued but not yet adopted are expected to have a material impact on the Company's condensed consolidated financial statements.

4. Revenues

Site rental revenues

The Company generates site rental revenues from its core business by providing tenants with access, including space or capacity, to its shared communications infrastructure via long-term tenant contracts in various forms, including lease, license, sublease and service agreements. Providing such access over the length of the tenant contract term represents the Company’s sole performance obligation under its tenant contracts.

Site rental revenues from the Company's tenant contracts are recognized on a straight-line, ratable basis over the fixed, non-cancelable term of the relevant tenant contract, which generally ranges from five to 15 years for wireless tenants and three to 20 years for the Company's fiber solutions tenants (including from organizations with high-bandwidth and multi-location demands), regardless of whether the payments from the tenant are received in equal monthly amounts during the life of the tenant contract. Certain of the Company's tenant contracts contain (1) fixed escalation clauses (such as fixed dollar or fixed percentage increases) or inflation-based escalation clauses (such as those tied to the CPI), (2) multiple renewal periods exercisable at the tenant's option and (3) only limited termination rights at the applicable tenant's option through the current term. If the payment terms call for fixed escalations, upfront payments, or rent-free periods, the revenue is recognized on a straight-line basis over the fixed, non-cancelable term of the agreement. When calculating straight-line rental revenues, the Company considers all fixed elements of tenant contractual escalation provisions, even if such escalation provisions contain a variable element in addition to a minimum. The Company's assets related to straight-line site rental revenues include current amounts of $134 million included in "Other current assets" and non-current amounts of $1.4 billion included in "Deferred site rental receivables" as of June 30, 2020. Amounts billed or received prior to being earned are deferred and reflected in "Deferred revenues" and "Other long-term liabilities." Amounts to which the Company has an unconditional right to payment, which are related to both satisfied or partially satisfied performance obligations, are recorded within "Receivables, net" on the Company's condensed consolidated balance sheet.

(Tabular dollars in millions, except per share amounts)

Services and other revenues

As part of the Company’s effort to provide comprehensive communications infrastructure solutions, as an ancillary business, the Company offers certain services primarily relating to its Towers segment, predominately consisting of (1) site development services and (2) installation services. Upon contract commencement, the Company assesses its services to tenants and identifies performance obligations for each promise to provide a distinct service.

The Company may have multiple performance obligations for site development services, which primarily include: structural analysis, zoning, permitting and construction drawings. For each of the above performance obligations, services revenues are recognized at completion of the applicable performance obligation, which represents the point at which the Company believes it has transferred goods or services to the tenant. The revenue recognized is based on an allocation of the transaction price among the performance obligations in a respective contract based on estimated standalone selling price. The volume and mix of site development services may vary among contracts and may include a combination of some or all of the above performance obligations. Payments generally are due within 45 to 60 days and generally do not contain variable-consideration provisions. The transaction price for the Company's tower installation services consists of amounts for (1) permanent improvements to the Company's towers that represent a lease component and (2) the performance of the service. Amounts under the Company's tower installation service agreements that represent a lease component are recognized as site rental revenues on a straight-line basis over the length of the associated estimated lease term. For the performance of the installation service, the Company has one performance obligation, which is satisfied at the time of the applicable installation or augmentation and recognized as services and other revenues. Since performance obligations are typically satisfied prior to receiving payment from tenants, the unconditional right to payment is recorded within "Receivables, net" on the Company’s condensed consolidated balance sheet. The vast majority of the Company’s services generally have a duration of one year or less.

Additional information on revenues

The following additional information on revenues reflect the impact of the Historical Adjustments, where applicable, as discussed in note 2. As of January 1, 2020 and June 30, 2020, $2.9 billion and $3.0 billion, respectively, of unrecognized revenue was reported in "Deferred revenues" and "Other long-term liabilities" on our condensed consolidated balance sheet. During the six months ended June 30, 2020, approximately $300 million of the January 1, 2020 unrecognized revenue balance was recognized as revenue. During the six months ended June 30, 2019, approximately $265 million of the January 1, 2019 unrecognized revenue balance was recognized as revenue.

The following table is a summary of the non-cancelable contracted amounts owed to the Company by tenants pursuant to tenant contracts in effect as of June 30, 2020.

	Six Months Ending December 31,	Years Ending December 31,					
	2020	2021	2022	2023	2024	Thereafter	Total
Contracted amounts[(a)]	$ 2,228	$ 4,157	$ 3,921	$ 3,280	$ 2,559	$ 7,480	$ 23,625

(a) Based on the nature of the contract, tenant contracts are accounted for pursuant to relevant lease accounting (ASC 842) or revenue accounting (ASC 606) guidance. Excludes amounts related to services, as those contracts generally have a duration of one year or less.

See note 11 for further information regarding the Company's operating segments.

(Tabular dollars in millions, except per share amounts)

5. Debt and Other Obligations

The table below sets forth the Company's debt and other obligations as of June 30, 2020.

	Original Issue Date	Final Maturity Date[(a)]	Balance as of June 30, 2020	Balance as of December 31, 2019	Stated Interest Rate as of June 30, 2020[(a)]
3.849% Secured Notes	Dec. 2012	Apr. 2023	$ 996	$ 995	3.9%
Secured Notes, Series 2009-1, Class A-2	July 2009	Aug. 2029	64	67	9.0%
Tower Revenue Notes, Series 2015-1	May 2015	May 2042 (b)	299	298	3.2%
Tower Revenue Notes, Series 2018-1	July 2018	July 2043 (b)	248	248	3.7%
Tower Revenue Notes, Series 2015-2	May 2015	May 2045 (b)	695	694	3.7%
Tower Revenue Notes, Series 2018-2	July 2018	July 2048 (b)	743	742	4.2%
Finance leases and other obligations	Various	Various (c)	225	227	Various
Total secured debt			$ 3,270	$ 3,271	
2016 Revolver	Jan. 2016	June 2024	$ — (d)	$ 525	N/A (e)
2016 Term Loan A	Jan. 2016	June 2024	2,281	2,310	1.3% (e)
Commercial Paper Notes	N/A (f)	N/A (f)	— (f)	155	N/A
3.400% Senior Notes	Feb./May 2016	Feb. 2021 (h)(i)	850	850	3.4%
2.250% Senior Notes	Sept. 2016	Sept. 2021 (h)	699	698	2.3%
4.875% Senior Notes	Apr. 2014	Apr. 2022 (h)	847	846	4.9%
5.250% Senior Notes	Oct. 2012	Jan. 2023	1,644	1,644	5.3%
3.150% Senior Notes	Jan. 2018	July 2023	745	744	3.2%
3.200% Senior Notes	Aug. 2017	Sept. 2024	745	744	3.2%
1.350% Senior Notes	June 2020	July 2025 (h)	494	—	1.4%
4.450% Senior Notes	Feb. 2016	Feb. 2026	894	893	4.5%
3.700% Senior Notes	May 2016	June 2026	745	744	3.7%
4.000% Senior Notes	Feb. 2017	Mar. 2027	495	495	4.0%
3.650% Senior Notes	Aug. 2017	Sept. 2027	993	993	3.7%
3.800% Senior Notes	Jan. 2018	Feb. 2028	990	990	3.8%
4.300% Senior Notes	Feb. 2019	Feb. 2029	592	592	4.3%
3.100% Senior Notes	Aug. 2019	Nov. 2029	544	543	3.1%
3.300% Senior Notes	Apr. 2020	July 2030 (g)	736	—	3.3%
2.250% Senior Notes	June 2020	Jan. 2031 (h)	1,087	—	2.3%
4.750% Senior Notes	May 2017	May 2047	344	344	4.8%
5.200% Senior Notes	Feb. 2019	Feb. 2049	395	395	5.2%
4.000% Senior Notes	Aug. 2019	Nov. 2049	345	345	4.0%
4.150% Senior Notes	Apr. 2020	July 2050 (g)	489	—	4.2%
3.250% Senior Notes	June 2020	Jan. 2051 (h)	889	—	3.3%
Total unsecured debt			$ 17,843	$ 14,850	
Total debt and other obligations			21,113	18,121	
Less: current maturities and short-term debt and other current obligations			99	100	
Non-current portion of long-term debt and other long-term obligations			$ 21,014	$ 18,021	

(a) See the 2019 Form 10-K, including note 9, for additional information regarding the maturity and principal amortization provisions and interest rates relating to the Company's indebtedness.
(b) If the respective series of Tower Revenue Notes are not paid in full on or prior to an applicable anticipated repayment date, then Excess Cash Flow (as defined in the indenture) of the issuers of such notes will be used to repay principal of the applicable series and class of the Tower Revenue Notes, and additional interest (of an additional approximately 5% per annum) will accrue on the respective Tower Revenue Notes. As of June 30, 2020, the Tower Revenue Notes have principal amounts of $300 million, $250 million, $700 million and $750 million, with anticipated repayment dates in 2022, 2023, 2025 and 2028, respectively.
(c) The Company's finance leases and other obligations relate to land, fiber, vehicles, and other assets and bear interest rates ranging up to 10% and mature in periods ranging from less than one year to approximately 30 years.
(d) As of June 30, 2020, the undrawn availability under the 2016 Revolver was $5.0 billion.

(Tabular dollars in millions, except per share amounts)

(e) Both the 2016 Revolver and 2016 Term Loan A bear interest, at our option, at either (1) LIBOR plus a credit spread ranging from 0.875% to 1.750% per annum or (2) an alternate base rate plus a credit spread ranging from 0.000% to 0.750% per annum, in each case, with the applicable credit spread based on the Company's senior unsecured debt rating. The Company pays a commitment fee ranging from 0.125% to 0.350%, based on the Company's senior unsecured debt rating, per annum on the undrawn available amount under the 2016 Revolver.

(f) Notes under the CP Program may be issued, repaid and re-issued from time to time, with an aggregate principal amount of Commercial Paper Notes outstanding under the CP Program at any time not to exceed $1.0 billion. The net proceeds of the Commercial Paper Notes are expected to be used for general corporate purposes. The maturities of the 2019 Commercial Paper Notes, when outstanding, may vary but may not exceed 397 days from the date of issue. The Commercial Paper Notes are issued under customary terms in the commercial paper market and are issued at a discount from par or, alternatively, can be issued at par and bear varying interest rates on a fixed or floating basis. As of June 30, 2020, there were no outstanding Commercial Paper Notes. At any point in time, the Company intends to maintain available commitments under its 2016 Revolver in an amount at least equal to the amount of Commercial Paper Notes outstanding. While any outstanding commercial paper issuances generally have short-term maturities, the Company classifies the outstanding issuances, when applicable, as long-term based on its ability and intent to refinance the outstanding issuances on a long-term basis.

(g) In April 2020, the Company issued $1.25 billion aggregate principal amount of senior unsecured notes ("April 2020 Senior Notes"), which consisted of (1) $750 million aggregate principal amount of 3.300% senior unsecured notes due July 2030 and (2) $500 million aggregate principal amount of 4.150% senior unsecured notes due July 2050. The company used the net proceeds of the April 2020 Senior Notes offering to repay outstanding indebtedness under the 2016 Revolver.

(h) In June 2020, the Company issued $2.5 billion aggregate principal amount of senior unsecured notes ("June 2020 Senior Notes"), which consisted of (1) $500 million aggregate principal amount of 1.350% senior unsecured notes due July 2025, (2) $1.1 billion aggregate principal amount of 2.250% senior unsecured notes due January 2031 and (3) $900 million aggregate principal amount of 3.250% senior unsecured notes due January 2051. In July 2020, the Company used the net proceeds of the June 2020 Senior Notes offering, together with available cash, to redeem all of the previously outstanding 3.400% Senior Notes, 2.250% Senior Notes and 4.875% Senior Notes. See note 13 for further discussion regarding the use of proceeds.

(i) While the 3.400% Senior Notes have a final maturity date within one year, the Company classified such notes as long-term based on its ability and intent to refinance the notes on a long-term basis.

The following are the scheduled principal payments and final maturities of the total debt and other long-term obligations of the Company outstanding as of June 30, 2020, which do not consider the principal payments that will commence following the anticipated repayment dates on the Tower Revenue Notes.

	Six Months Ending December 31,	Years Ending December 31,							
	2020	2021[(b)]	2022	2023	2024	Thereafter	Total Cash Obligations	Unamortized Adjustments, Net	Total Debt and Other Obligations Outstanding
Scheduled principal payments and final maturities[(a)]	$ 53	$ 1,677	$ 1,001	$ 3,605	$ 2,648	$ 12,287	$ 21,271	$ (158)	$ 21,113

(a) Inclusive of the final maturities of the previously outstanding 3.400% Senior Notes, 2.250% Senior Notes and 4.875% Senior Notes, which were redeemed in July 2020. See note 13 for further discussion regarding the July redemption of previously outstanding debt.

(b) Inclusive of $850 million of 3.400% Senior Notes due February 2021. While the 3.400% Senior Notes have a final maturity date within one year, the Company classified such notes as long-term based on its ability and intent to refinance the notes on a long-term basis.

Interest Expense and Amortization of Deferred Financing Costs

The components of interest expense and amortization of deferred financing costs are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Interest expense on debt obligations	$ 176	$ 169	$ 350	$ 336
Amortization of deferred financing costs and adjustments on long-term debt	6	5	11	10
Other, net of capitalized interest	(4)	(5)	(8)	(9)
Total	$ 178	$ 169	$ 353	$ 337

(Tabular dollars in millions, except per share amounts)

6. Fair Value Disclosures

		June 30, 2020		December 31, 2019	
	Level in Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:					
Cash and cash equivalents	1	$ 2,514	$ 2,514	$ 196	$ 196
Restricted cash, current and non-current	1	159	159	142	142
Liabilities:					
Total debt and other obligations	2	21,113	23,018	18,121	19,170

The fair value of cash and cash equivalents and restricted cash approximate the carrying value. The Company determines the fair value of its debt securities based on indicative, non-binding quotes from brokers. Quotes from brokers require judgment and are based on the brokers' interpretation of market information, including implied credit spreads for similar borrowings on recent trades or bid/ask prices or quotes from active markets if available. Since December 31, 2019, there have been no changes in the Company's valuation techniques used to measure fair values.

7. Income Taxes

The Company operates as a REIT for U.S. federal income tax purposes. As a REIT, the Company is generally entitled to a deduction for dividends that it pays and therefore is not subject to U.S. federal corporate income tax on its net taxable income that is currently distributed to its stockholders. The Company also may be subject to certain federal, state, local and foreign taxes on its income and assets, including (1) taxes on any undistributed income, (2) taxes related to the TRSs, (3) franchise taxes, (4) property taxes, and (5) transfer taxes. In addition, the Company could under certain circumstances be required to pay an excise or penalty tax, which could be significant in amount, in order to utilize one or more relief provisions under the Internal Revenue Code of 1986, as amended, to maintain qualification for taxation as a REIT.

The Company's TRS assets and operations will continue to be subject, as applicable, to federal and state corporate income taxes or to foreign taxes in the jurisdictions in which such assets and operations are located. The Company's foreign assets and operations (including its tower operations in Puerto Rico) are subject to foreign income taxes in the jurisdictions in which such assets and operations are located, regardless of whether they are included in a TRS or not.

For the six months ended June 30, 2020 and 2019, the Company's effective tax rate differed from the federal statutory rate predominately due to the Company's REIT status, including the dividends paid deduction.

8. Per Share Information

Basic net income (loss) attributable to CCIC common stockholders, per common share, excludes dilution and is computed by dividing net income (loss) attributable to CCIC common stockholders by the weighted-average number of common shares outstanding during the period. For the three and six months ended June 30, 2020 and 2019, diluted net income (loss) attributable to CCIC common stockholders, per common share, is computed by dividing net income (loss) attributable to CCIC common stockholders by the weighted-average number of common shares outstanding during the period, plus any potential dilutive common share equivalents, including shares issuable upon (1) the vesting of restricted stock units as determined under the treasury stock method and (2) conversion of the Company's 6.875% Mandatory Convertible Preferred Stock, as determined under the if-converted method. The table below also gives effect to the Historical Adjustments, as described in note 2.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
		(As Restated)		(As Restated)
Net income (loss) attributable to CCIC stockholders	$ 200	$ 216	$ 386	$ 409
Dividends on preferred stock	(28)	(28)	(57)	(57)
Net income (loss) attributable to CCIC common stockholders for basic and diluted computations	$ 172	$ 188	$ 329	$ 352
Weighted-average number of common shares outstanding (in millions):				
Basic weighted-average number of common stock outstanding	417	416	416	415
Effect of assumed dilution from potential issuance of common shares relating to restricted stock units	2	2	2	2
Diluted weighted-average number of common shares outstanding	419	418	418	417
Net income (loss) attributable to CCIC common stockholders, per common share:				
Basic	$ 0.41	$ 0.45	$ 0.79	$ 0.85
Diluted	$ 0.41	$ 0.45	$ 0.79	$ 0.84
Dividends/distributions declared per share of common stock	$ 1.20	$ 1.125	$ 2.40	$ 2.250
Dividends/distributions declared per share of preferred stock	$ 17.1875	$ 17.1875	$ 34.3750	$ 34.3750

During the six months ended June 30, 2020, the Company granted one million restricted stock units. For the six months ended June 30, 2020, 15 million common share equivalents related to the 6.875% Mandatory Convertible Preferred Stock were excluded from the dilutive common shares because the impact of such conversion would be anti-dilutive, based on the Company's common stock price as of June 30, 2020.

9. Commitments and Contingencies

The Company is involved in various claims, lawsuits or proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs or losses that may be incurred, if any, management believes the resolution of such uncertainties and the incurrence of such costs should not have a material adverse effect on the Company's condensed consolidated financial position or results of operations. Additionally, the Company and certain of its subsidiaries are contingently liable for commitments or performance guarantees arising in the ordinary course of business, including certain letters of credit or surety bonds. In addition, see note 1 for a discussion of the Company's option to purchase approximately 53% of its towers at the end of their respective lease terms. The Company has no obligation to exercise such purchase options.

SEC Investigation

In September 2019, the Company received a subpoena from the SEC requesting certain documents from 2015 through the present, primarily related to the Company's long-standing capitalization and expense policies for tenant upgrades and installations in its services business. Prior to receiving this subpoena, the Company previously provided information to the SEC related to certain services-related transactions. The Company is cooperating fully with the SEC's investigation and cannot predict the ultimate timing, scope or outcome of this matter.

Shareholder Litigation

In February and March 2020, putative securities class action suits were filed in the United States District Court for the District of New Jersey against the Company and certain of its current officers. The lawsuits were filed on behalf of investors that purchased or otherwise acquired stock of the Company between February 26, 2018 and February 26, 2020. The allegations relate to allegedly false or misleading statements or other failures to disclose information about the Company's business, operations and prospects. The complaints seek unspecified money damages and the award of the plaintiffs' costs and expenses incurred in the respective class action. The Company is currently unable to determine the likelihood of an outcome or estimate a range of reasonably possible losses, if any, with respect to these lawsuits. The Company believes these lawsuits are without merit and intends to defend itself vigorously.

(Tabular dollars in millions, except per share amounts)

During the quarter ended June 30, 2020, derivative lawsuits were filed in the United States District Court for the District of Delaware, against the Company's current directors and certain of its current officers and the Company as a nominal defendant. Each of the complaints alleges, among other things, breaches of fiduciary duties, waste of corporate assets, unjust enrichment, and false or misleading statements. Each of the complaints seeks, among other things, unspecified money damages, costs and expenses, restitution from the defendants, and an order requiring the Company to implement certain corporate governance reforms. As a nominal defendant, no monetary relief is sought against the Company itself. In June 2020, the derivative lawsuits were consolidated as *In re Crown Castle International Corp. Derivative Litigation*, C.A. No. 20-00606-MN in the United States District Court for the District of Delaware.

Durham Lawsuits

The Company has received notices of claims and has been named as one of several defendants in lawsuits stemming from an April 2019 gas leak explosion in Durham, North Carolina, which occurred near an area where the Company's subcontractors were installing fiber. The explosion resulted in two fatalities, physical injuries (some of which were serious), and property damage to surrounding buildings and businesses. Currently, the Company is unable to determine the likelihood of an outcome or estimate a range of possible losses, if any, related to these lawsuits.

10. Equity

Declaration and Payment of Dividends

During the six months ended June 30, 2020, the following dividends/distributions were declared or paid:

Equity Type	Declaration Date	Record Date	Payment Date	Dividends Per Share	Aggregate Payment Amount
Common Stock	February 20, 2020	March 13, 2020	March 31, 2020	$ 1.20	$ 504 (a)
Common Stock	May 14, 2020	June 12, 2020	June 30, 2020	$ 1.20	$ 504 (a)
6.875% Mandatory Convertible Preferred Stock	December 9, 2019	January 15, 2020	February 3, 2020	$ 17.1875	$ 28
6.875% Mandatory Convertible Preferred Stock	March 12, 2020	April 15, 2020	May 1, 2020	$ 17.1875	$ 28
6.875% Mandatory Convertible Preferred Stock	June 19, 2020	July 15, 2020	August 3, 2020	$ 17.1875	$ 28

(a) Inclusive of dividends accrued for holders of unvested restricted stock units, which will be paid when and if the restricted stock units vest.

Purchases of the Company's Common Stock

For the six months ended June 30, 2020, the Company purchased 0.4 million shares of its common stock utilizing $74 million in cash. The shares of common stock purchased relate to shares withheld in connection with the payment of withholding taxes upon vesting of restricted stock units.

2018 "At-the-Market" Stock Offering Program

In April 2018, the Company established an "at-the-market" stock offering program through which it may issue and sell shares of its common stock having an aggregate gross sales price of up to $750 million ("2018 ATM Program"). Sales under the 2018 ATM Program may be made by means of ordinary brokers' transactions on the NYSE or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or, subject to our specific instructions, at negotiated prices. The Company intends to use the net proceeds from any sales under the 2018 ATM Program for general corporate purposes, which may include (1) the funding of future acquisitions or investments or (2) the repayment or repurchase of any outstanding indebtedness. The Company has not sold any shares of common stock under the 2018 ATM Program.

11. Operating Segments

The Company's operating segments consist of (1) Towers and (2) Fiber. The Towers segment provides access, including space or capacity, to the Company's approximately 40,000 towers geographically dispersed throughout the U.S. The Towers segment also reflects certain ancillary services relating to the Company's towers, predominately consisting of site development services and installation services. The Fiber segment provides access, including space or capacity, to the Company's approximately 80,000 route miles of fiber primarily supporting small cell networks and fiber solutions geographically dispersed throughout the U.S.

The measurements of profit or loss used by the Company's chief operating decision maker ("CODM") to evaluate the performance of its operating segments are (1) segment site rental gross margin, (2) segment services and other gross margin and (3) segment operating profit. The Company defines segment site rental gross margin as segment site rental revenues less segment site rental cost of operations, which excludes stock-based compensation expense and prepaid lease purchase price adjustments recorded in consolidated cost of operations. The Company defines segment services and other gross margin as segment services and other revenues less segment services and other cost of operations, which excludes stock-based compensation expense recorded in consolidated cost of operations. The Company defines segment operating profit as segment site rental gross margin plus segment services and other gross margin, less selling, general and administrative expenses attributable to the respective segment. All of these measurements of profit or loss are exclusive of depreciation, amortization and accretion, which are shown separately.

The following tables set forth the Company's segment operating results for the three and six months ended June 30, 2020 and 2019. Costs that are directly attributable to Towers and Fiber are assigned to those respective segments. Additionally, certain costs are shared across segments and are reflected in the Company's segment measures through allocations that management believes to be reasonable. The "Other" column (1) represents amounts excluded from specific segments, such as asset write-down charges, acquisition and integration costs, depreciation, amortization and accretion, amortization of prepaid lease purchase price adjustments, interest expense and amortization of deferred financing costs, gains (losses) on retirement of long-term obligations, net gain (loss) on interest rate swaps, gains (losses) on foreign currency swaps, interest income, other income (expense), income (loss) from discontinued operations, and stock-based compensation expense, and (2) reconciles segment operating profit to income (loss) before income taxes, as the amounts are not utilized in assessing each segment’s performance. The "Other" total assets balance includes corporate assets such as cash and cash equivalents which have not been allocated to specific segments. There are no significant revenues resulting from transactions between the Company's operating segments.

The tables below also give effect to the Historical Adjustments, as described in note 2. Each of the Historical Adjustments for the three and six months ended June 30, 2019 are attributable only to the Towers segment.

(Tabular dollars in millions, except per share amounts)

	Three Months Ended June 30, 2020				Three Months Ended June 30, 2019 (As Restated)			
	Towers	Fiber	Other	Consolidated Total	Towers	Fiber	Other	Consolidated Total
Segment site rental revenues	$ 868	$ 451		$ 1,319	$ 841	$ 422		$ 1,263
Segment services and other revenues	117	4		121	181	3		184
Segment revenues	985	455		1,440	1,022	425		1,447
Segment site rental cost of operations	218	150		368	218	136		354
Segment services and other cost of operations	104	2		106	133	2		135
Segment cost of operations[(a)(b)]	322	152		474	351	138		489
Segment site rental gross margin	650	301		951	623	286		909
Segment services and other gross margin	13	2		15	48	1		49
Segment selling, general and administrative expenses[(b)]	24	45		69	24	51		75
Segment operating profit (loss)	639	258		897	647	236		883
Other selling, general and administrative expenses			$ 65	65			$ 56	56
Stock-based compensation expense			37	37			32	32
Depreciation, amortization and accretion			402	402			393	393
Interest expense and amortization of deferred financing costs			178	178			169	169
Other (income) expenses to reconcile to income (loss) before income taxes[(c)]			9	9			13	13
Income (loss) before income taxes				$ 206				$ 220
Capital expenditures	$ 92	$ 310	$ 12	$ 414	$ 136	$ 371	$ 11	$ 518
Total assets (at period end)	$ 22,200	$ 15,616	$ 3,085	$ 40,901	$ 22,126	$ 15,215	$ 783	$ 38,124

(a) Exclusive of depreciation, amortization and accretion shown separately.
(b) Segment cost of operations excludes (1) stock-based compensation of $7 million and $8 million for the three months ended June 30, 2020 and 2019, respectively, and (2) prepaid lease purchase price adjustments of $4 million and $5 million for the three months ended June 30, 2020 and 2019, respectively. Selling, general and administrative expenses exclude stock-based compensation expense of $30 million and $24 million for the three months ended June 30, 2020 and 2019, respectively.
(c) See condensed consolidated statement of operations for further information.

(Tabular dollars in millions, except per share amounts)

	Six Months Ended June 30, 2020				Six Months Ended June 30, 2019 (As Restated)			
	Towers	Fiber	Other	Consolidated Total	Towers	Fiber	Other	Consolidated Total
Segment site rental revenues	$ 1,735	$ 894		$ 2,629	$ 1,669	$ 836		$ 2,505
Segment services and other revenues	225	7		232	343	7		350
Segment revenues	1,960	901		2,861	2,012	843		2,855
Segment site rental cost of operations	432	302		734	429	277		706
Segment services and other cost of operations	199	4		203	252	5		257
Segment cost of operations[(a)(b)]	631	306		937	681	282		963
Segment site rental gross margin	1,303	592		1,895	1,240	559		1,799
Segment services and other gross margin	26	3		29	91	2		93
Segment selling, general and administrative expenses[(b)]	48	96		144	50	98		148
Segment operating profit (loss)	1,281	499		1,780	1,281	463		1,744
Other selling, general and administrative expenses			$ 135	135			$ 112	112
Stock-based compensation expense			73	73			61	61
Depreciation, amortization and accretion			801	801			787	787
Interest expense and amortization of deferred financing costs			353	353			337	337
Other (income) expenses to reconcile to income (loss) before income taxes[(c)]			21	21			28	28
Income (loss) before income taxes				$ 397				$ 419
Capital expenditures	$ 197	$ 638	$ 26	$ 861	$ 257	$ 726	$ 15	$ 998

(a) Exclusive of depreciation, amortization and accretion shown separately.
(b) Segment cost of operations excludes (1) stock-based compensation expense of $13 million and $14 million for the six months ended June 30, 2020 and 2019, respectively, and (2) prepaid lease purchase price adjustments of $9 million and $10 million for the six months ended June 30, 2020 and 2019, respectively. Selling, general and administrative expenses exclude stock-based compensation expense of $60 million and $47 million for the six months ended June 30, 2020 and 2019, respectively.
(c) See condensed consolidated statement of operations for further information.

(Tabular dollars in millions, except per share amounts)

12. Supplemental Cash Flow Information

The following table is a summary of the Company's supplemental cash flow information:

	Six Months Ended June 30,	
	2020	2019
Supplemental disclosure of cash flow information:		
Cash payments related to operating lease liabilities[a]	$ 268	$ 271
Interest paid	337	318
Income taxes paid	1	9
Supplemental disclosure of non-cash operating, investing and financing activities:		
New ROU assets obtained in exchange for operating lease liabilities	260	183
Increase (decrease) in accounts payable for purchases of property and equipment	13	18
Purchase of property and equipment under finance leases and installment purchases	14	22

(a) Excludes the Company's contingent payment pursuant to operating leases, which are recorded as expense in the period such contingencies are resolved.

The reconciliation of cash, cash equivalents, and restricted cash reported within various lines on the condensed consolidated balance sheet to amounts reported in the condensed consolidated statement of cash flows is shown below.

	June 30, 2020	December 31, 2019
Cash and cash equivalents	$ 2,514	$ 196
Restricted cash, current	154	137
Restricted cash reported within other assets, net	5	5
Cash, cash equivalents and restricted cash	$ 2,673	$ 338

13. Subsequent Events

June 2020 Senior Notes Offering Use of Proceeds

On July 6, 2020, the Company used the net proceeds of the June 2020 Senior Notes offering, together with available cash, to redeem all of the previously outstanding (1) 3.400% Senior Notes due 2021, (2) 2.250% Senior Notes due 2021 and (3) 4.875% Senior Notes due 2022, which resulted in a loss on retirement of long-term obligations of $95 million that will be reflected in the third quarter 2020 financial statements, predominantly as a result of make-whole premiums.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the response to Part I, Item 1 of this report and the consolidated financial statements of the Company including the related notes and *"Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations"* ("MD&A") included in the 2019 Form 10-K. As discussed in the *"Explanatory Note"* to this Form 10-Q and in further detail in the 2019 Form 10-K, amounts presented for the second quarter of 2019 have been restated to reflect the impact of the Historical Adjustments.

General Overview

Overview

We own, operate and lease shared communications infrastructure that is geographically dispersed throughout the U.S., including approximately (1) 40,000 towers and (2) 80,000 route miles of fiber primarily supporting small cells and fiber solutions.

Our towers have a significant presence in the top 100 basic trading areas ("BTAs"), and the majority of our small cells and fiber is located in major metropolitan areas. Site rental revenues represented 92% of our second quarter 2020 consolidated net revenues. Our Towers segment and Fiber segment accounted for 66% and 34%, respectively, of our second quarter 2020 site rental revenues. Within our Fiber segment, 70% and 30% of our second quarter 2020 Fiber site rental revenues related to fiber solutions and small cells, respectively. See note 11 to our condensed consolidated financial statements. The vast majority of our site rental revenues is of a recurring nature and is subject to long-term tenant contracts with our tenants.

Strategy

As a leading provider of shared communications infrastructure in the U.S., our strategy is to create long-term stockholder value via a combination of (1) growing cash flows generated from our existing portfolio of communications infrastructure, (2) returning a meaningful portion of our cash generated by operating activities to our common stockholders in the form of dividends and (3) investing capital efficiently to grow cash flows and long-term dividends per share. Our strategy is based, in part, on our belief that the U.S. is the most attractive market for shared communications infrastructure investment with the greatest long-term growth potential. We measure our efforts to create "long-term stockholder value" by the combined payment of dividends to stockholders and growth in our per-share results. The key elements of our strategy are to:

- *Grow cash flows from our existing communications infrastructure.* We are focused on maximizing the recurring site rental cash flows generated from providing our tenants with long-term access to our shared infrastructure assets, which we believe is the core driver of value for our stockholders. Tenant additions or modifications of existing tenant equipment (collectively, "tenant additions") enable our tenants to expand coverage and capacity in order to meet increasing demand for data while generating high incremental returns for our business. We believe our product offerings of towers and small cells provide a comprehensive solution to our wireless tenants' growing network needs through our shared communications infrastructure model, which is an efficient and cost-effective way to serve our tenants. Additionally, we believe our ability to share our fiber assets across multiple tenants to deploy both small cells and offer fiber solutions allows us to generate cash flows and increase stockholder return.

- *Return cash generated by operating activities to common stockholders in the form of dividends.* We believe that distributing a meaningful portion of our cash generated by operating activities appropriately provides common stockholders with increased certainty for a portion of expected long-term stockholder value while still allowing us to retain sufficient flexibility to invest in our business and deliver growth. We believe this decision reflects the translation of the high-quality, long-term contractual cash flows of our business into stable capital returns to common stockholders.

- *Invest capital efficiently to grow cash flows and long-term dividends per share.* In addition to adding tenants to existing communications infrastructure, we seek to invest our available capital, including the net cash generated by our operating activities and external financing sources, in a manner that will increase long-term stockholder value on a risk-adjusted basis. These investments include constructing and acquiring new communications infrastructure that we expect will generate future cash flow growth and attractive long-term returns by adding tenants to those assets over time. Our historical investments have included the following (in no particular order):

    - construction of towers, fiber and small cells;
    - acquisitions of towers, fiber and small cells;
    - acquisitions of land interests (which primarily relate to land assets under towers);

- improvements and structural enhancements to our existing communications infrastructure;
- purchases of shares of our common stock from time to time; and
- purchases, repayments or redemptions of our debt.

Our strategy to create long-term stockholder value is based on our belief that there will be considerable future demand for our communications infrastructure based on the location of our assets and the rapid growth in the demand for data. We believe that such demand for our communications infrastructure will continue, will result in growth of our cash flows due to tenant additions on our existing communications infrastructure, and will create other growth opportunities for us, such as demand for newly constructed or acquired communications infrastructure, as described above. Further, we seek to augment the long-term value creation associated with growing our recurring site rental cash flows by offering certain ancillary site development and installation services within our Towers segment.

Business Fundamentals and Results

The following are certain highlights of our business fundamentals and results as of the six months ended June 30, 2020.

- We operate as a REIT for U.S. federal income tax purposes
    - As a REIT, we are generally entitled to a deduction for dividends that we pay and therefore are not subject to U.S. federal corporate income tax on our taxable income that is distributed to our stockholders.
    - To remain qualified and taxed as a REIT, we will generally be required to annually distribute to our stockholders at least 90% of our REIT taxable income, after the utilization of our NOLs (determined without regard to the dividends paid deduction and excluding net capital gain).
    - See note 7 to our condensed consolidated financial statements for further discussion of our REIT status.
- Potential growth resulting from the increasing demand for data
    - We expect existing and potential new tenant demand for our communications infrastructure will result from (1) new technologies, (2) increased usage of mobile entertainment, mobile internet, and machine-to-machine applications, (3) adoption of other emerging and embedded wireless devices (including smartphones, laptops, tablets, wearables and other devices), (4) increasing smartphone penetration, (5) wireless carrier focus on expanding both network quality and capacity, including the use of both towers and small cells, (6) the adoption of other bandwidth-intensive applications (such as cloud services and video communications) and (7) the availability of additional spectrum.
    - We expect U.S. wireless carriers will continue to focus on improving network quality and expanding capacity (including through 5G initiatives) by utilizing a combination of towers and small cells. We believe our product offerings of towers and small cells provide a comprehensive solution to our wireless tenants' growing communications infrastructure needs.
    - We expect organizations will continue to increase the usage of high-bandwidth applications that will require the utilization of more fiber infrastructure and fiber solutions, such as those we provide.
    - Within our Fiber segment, we are able to generate growth and returns for our stockholders by deploying our fiber for both small cells and fiber solutions tenants.
    - Tenant additions on our existing communications infrastructure are achieved at a low incremental operating cost, delivering high incremental returns.
        - Substantially all of our communications infrastructure can accommodate additional tenancy, either as currently constructed or with appropriate modifications.
- Investing capital efficiently to grow long-term dividends per share (see also *"Item 2. MD&A—General Overview—Strategy"*)
    - Discretionary capital expenditures of $817 million for the six months ended June 30, 2020, predominately resulting from the construction of new communications infrastructure and improvements to existing communications infrastructure in order to support additional tenants.
    - We expect to continue to construct and acquire new communications infrastructure based on our tenants' needs and generate attractive long-term returns by adding additional tenants over time.
- Site rental revenues under long-term tenant contracts
    - Initial terms of five to 15 years for site rental revenues derived from wireless tenants, with contractual escalations and multiple renewal periods, at the option of the tenant, of five to 10 years each.
    - Initial terms that generally vary between three to 20 years for site rental revenues derived from our fiber solutions tenants (including from organizations with high-bandwidth and multi-location demands).
    - Weighted-average remaining term of approximately five years, exclusive of renewals exercisable at the tenants' option, currently representing approximately $24 billion of expected future cash inflows.
- Majority of our revenues from large wireless carriers
    - 77% of our site rental revenues were derived from T-Mobile (including revenues previously derived from Sprint), AT&T and Verizon Wireless for the six months ended June 30, 2020.

        - On April 1, 2020, T-Mobile and Sprint announced the completion of their previously disclosed merger. For additional information, see *"Item 1A. Risk Factors"* in the 2019 Form 10-K.
- Majority of land interests under our towers under long-term control
    - Approximately 90% of our Towers site rental gross margin and approximately 80% of our Towers site rental gross margin is derived from towers that reside on land that we own or control for greater than 10 and 20 years, respectively. The aforementioned percentages include towers that reside on land interests that are owned, including through fee interests and perpetual easements, which represent approximately 40% of our Towers site rental gross margin.
- Majority of our fiber assets are located in major metropolitan areas and are on public rights-of-way.
- Minimal sustaining capital expenditure requirements
    - Sustaining capital expenditures represented approximately 2% of net revenues.
- Debt portfolio with long-dated maturities extended over multiple years, with the vast majority of such debt having a fixed rate (see notes 5 and 13 to our condensed consolidated financial statements and *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* for a further discussion of our debt)
    - As of June 30, 2020, after giving effect to the July 2020 redemption of the previously outstanding 3.400% Senior Notes, 2.250% Senior Notes and 4.875% Senior Notes, our outstanding debt has a weighted-average interest rate of 3.5% and weighted-average maturity of approximately nine years (assuming anticipated repayment dates on our Tower Revenue Notes).
    - 88% of our debt has fixed rate coupons, after giving effect to the July 2020 redemption of the previously outstanding 3.400% Senior Notes, 2.250% Senior Notes and 4.875% Senior Notes.
    - Our debt service coverage and leverage ratios are within their respective financial maintenance covenants.
- During 2020, we have completed the following financing transactions (see notes 5 and 13 to our condensed consolidated financial statements)
    - In April 2020, we issued $1.25 billion aggregate principal amount of senior unsecured notes ("April 2020 Senior Notes"), which consisted of (1) $750 million aggregate principal amount of 3.300% senior unsecured notes due July 2030 and (2) $500 million aggregate principal amount of 4.150% senior unsecured notes due July 2050. We used the net proceeds of the April 2020 Senior Notes offering to repay outstanding borrowings under the 2016 Revolver.
    - In June 2020, we issued $2.5 billion aggregate principal amount of senior unsecured notes ("June 2020 Senior Notes"), which consisted of (1) $500 million aggregate principal amount of 1.350% senior unsecured notes due July 2025, (2) $1.1 billion aggregate principal amount of 2.250% senior unsecured notes due January 2031 and (3) $900 million aggregate principal amount of 3.250% senior unsecured notes due January 2051.
    - In July 2020, we used the net proceeds of the June 2020 Senior Notes offering, together with available cash, to redeem all of the previously outstanding (1) 3.400% senior unsecured notes due February 2021 ("3.400% Senior Notes"), (2) 2.250% senior unsecured notes due September 2021 ("2.250% Senior Notes") and (3) 4.875% senior unsecured notes due April 2022 ("4.875% Senior Notes"), which resulted in a loss on retirement of long-term obligations of $95 million that will be reflected in the third quarter 2020 financial statements, predominantly as a result of make-whole premiums.
- Significant cash flows from operations
    - Net cash provided by operating activities was $1.4 billion for the six months ended June 30, 2020.
    - In addition to the positive impact of contractual escalators, we expect to grow our core business of providing access to our communications infrastructure as a result of future anticipated additional demand for our communications infrastructure.
- Returning cash flows provided by operations to stockholders in the form of dividends
    - During each of the first two quarters of 2020, we paid a common stock dividend of $1.20 per share, totaling approximately $1.0 billion.
    - We currently expect our common stock dividends over the next 12 months to be a cumulative amount of at least $4.80 per share, or an aggregate amount of approximately $2.0 billion.
    - Over time, we expect to increase our dividend per share generally commensurate with our realized growth in cash flows. Any future common stock dividends are subject to declaration by our board of directors. See note 10 to our condensed consolidated financial statements for further information regarding our common stock and dividends.
    - During each of the first two quarters of 2020, we paid a preferred stock dividend of $17.1875 per share, or an aggregate amount of approximately $57 million. Our final preferred stock dividend payable in August 2020 will be $17.1875 per share, or an aggregate amount of approximately $28 million. Unless converted earlier, each outstanding share of the 6.875% Mandatory Convertible Preferred Stock will automatically convert into shares of our common stock on August 1, 2020 (see also *"Item 2. MD&A—Liquidity and Capital Resources—Liquidity Position"* for a discussion of the automatic conversion).

Outlook Highlights

The following are certain highlights of our full year 2020 outlook that impact our business fundamentals described above.

- We expect that, when compared to full year 2019, our full year 2020 site rental revenue will be positively impacted by tenant additions, as large wireless carriers and fiber solutions tenants attempt to meet the increasing demand for data.
- We expect to continue to invest a meaningful amount of our available capital in the form of discretionary capital expenditures for 2020, as we continue to construct new small cells and fiber as a result of the anticipated returns on such discretionary investments. We also expect sustaining capital expenditures to remain approximately 2% of net revenues for full year 2020.

Coronavirus (COVID-19)

The global outbreak of the novel coronavirus (COVID-19) was declared a pandemic by the World Health Organization and a national emergency by the U.S. government in March 2020 and has adversely affected the United States. In response, both the public and private sectors have introduced certain policies and initiatives in an effort to reduce the transmission of COVID-19 ("Initiatives"), such as the imposition of travel restrictions; mandates from federal, state and local authorities to close non-essential businesses and avoid large gatherings of people; quarantine or "shelter-in-place;" and the promotion of social distancing and the adoption of work-from-home and online learning by companies and institutions. In addition, the continued spread of COVID-19 and the resulting Initiatives have led to a significant economic downturn, global supply chain disruptions and volatility in the global capital markets.

In accordance with the U.S. Department of Homeland Security guidance issued in March 2020 designating telecommunications infrastructure and networks as critical infrastructure, we have continued our operations to ensure viability of communications networks, which are essential to public health and safety. To date, we have taken a variety of measures to ensure the availability of our critical infrastructure, promote the health and safety of our employees, and support the communities in which we operate. These measures include requiring work-from-home arrangements for a large portion of our workforce, imposing travel restrictions for our employees where practicable, canceling physical participation in meetings, events and conferences, forming an internal committee to monitor and implement procedures for the return of our workforce to an office setting, and other modifications to our business practices. We will continue to actively monitor the situation and may take further actions as may be required by governmental authorities or that we determine are in the best interests of our employees, tenants, business partners and stockholders.

We do not believe that COVID-19 had a material impact on our financial position, results of operations and cash flows during the six months ended June 30, 2020. Given the Company’s access to various sources of liquidity and no near term debt maturities other than principal payments on amortizing debt, we currently anticipate that we will be able to maintain sufficient liquidity as we manage through the current environment. See also *"Item 2. MD&A—Liquidity and Capital Resources—Liquidity Position"* and *"Item 1A. Risk Factors."*

Results of Operations

The following discussion of our results of operations should be read in conjunction with our condensed consolidated financial statements and the 2019 Form 10-K. Amounts for three and six months ended June 30, 2019, and any discussion relating to those amounts, give effect to the impact of the Historical Adjustments as described in the *"Explanatory Note."*

The following discussion of our results of operations is based on our condensed consolidated financial statements prepared in accordance with GAAP, which requires us to make estimates and judgments that affect the reported amounts (see *"Item 2. MD&A—Accounting and Reporting Matters—Critical Accounting Policies and Estimates"* and note 3 to our consolidated financial statements in the 2019 Form 10-K).

Our operating segments consist of (1) Towers and (2) Fiber. See note 11 to our condensed consolidated financial statements for further discussion of our operating segments.

See *"Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP and Segment Financial Measures"* for a discussion of our use of (1) segment site rental gross margin, (2) segment services and other gross margin, (3) segment operating profit, including their respective definitions, and (4) Adjusted EBITDA, including its definition, and a reconciliation to net income (loss).

Highlights of our results of operations for the three months ended June 30, 2020 and 2019 are depicted below.

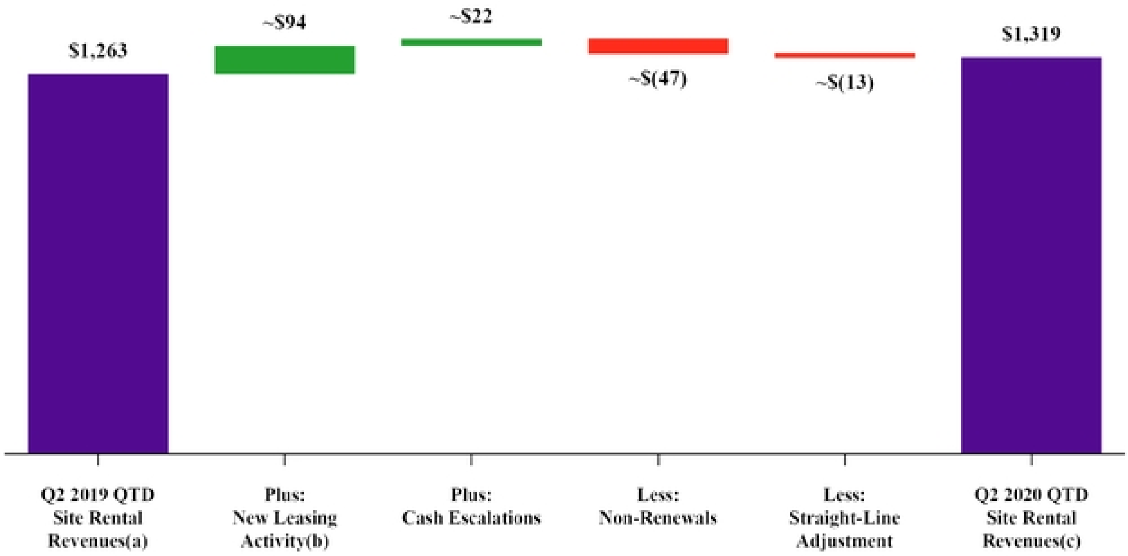
	Three Months Ended June 30,			
	2020	2019	$ Change	% Change
(In millions of dollars)		(As Restated)		
Site rental revenues:				
Towers site rental revenues	$868	$841	+$27	+3%
Fiber site rental revenues	$451	$422	+$29	+7%
Total site rental revenues	$1,319	$1,263	+$56	+4%
Segment site rental gross margin:				
Towers site rental gross margin[(a)]	$650	$623	+$27	+4%
Fiber site rental gross margin[(a)]	$301	$286	+$15	+5%
Services and other gross margin:				
Towers services and other gross margin[(a)]	$13	$48	$(35)	(73)%
Fiber services and other gross margin[(a)]	$2	$1	+$1	+100%
Segment operating profit:				
Towers operating profit[(a)]	$639	$647	$(8)	(1)%
Fiber operating profit[(a)]	$258	$236	+$22	+9%
Net income attributable to CCIC stockholders	$200	$216	$(16)	(7)%
Adjusted EBITDA[(b)]	$831	$827	+$4	—

(a) See note 11 to our condensed consolidated financial statements for further discussion of our definitions of segment site rental gross margin, segment services and other gross margin and segment operating profit.

(b) See reconciliation of this non-GAAP financial measure to net income (loss) and definition included in *"Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP and Segment Financial Measures."*

Site rental revenues grew $56 million, or 4%, for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. This growth was predominately comprised of the factors depicted in the chart below:

(In millions of dollars)



(a) As restated.
(b) Includes amortization of up-front payments received from long-term tenant contracts and other deferred credits (commonly referred to as prepaid rent).
(c) The components in this chart may not sum to the total due to rounding.

Towers site rental revenues for the second quarter of 2020 were $868 million and increased by $27 million, or 3%, from $841 million during the same period in the prior year. The increase in Towers site rental revenues was impacted by the following items, inclusive of straight-line accounting: tenant additions across our entire portfolio, renewals or extensions of tenant contracts, escalations and non-renewals of tenants contracts. Tenant additions were influenced by our tenants' ongoing efforts to improve network quality and capacity.

Fiber site rental revenues for the second quarter of 2020 were $451 million and increased by $29 million, or 7%, from $422 million during the same period in the prior year. The increase in Fiber site rental revenues was predominately impacted by the increased demand for small cells and fiber solutions. Increased demand for small cells was driven by our tenants' network strategy in an effort to provide capacity and relieve network congestion, and increased demand for fiber solutions was driven by increasing demand for data.

The increase in Towers site rental gross margin was related to the previously-mentioned 3% increase in Towers site rental revenues and relatively fixed costs to operate our towers. The increase in Fiber site rental gross margin was predominately related to the previously-mentioned 7% increase in Fiber site rental revenues.

Towers services and other gross margin was $13 million for the second quarter of 2020 and decreased by $35 million, or 73%, from $48 million during the same period in the prior year, which is a reflection of the volume of activity from carriers' network enhancements and the volume and mix of services and other work. Our services and other offerings are of a variable nature as these revenues are not under long-term contracts.

Selling, general and administrative expenses for the second quarter of 2020 were $164 million and increased by $9 million, or 6%, from $155 million during the same period in the prior year. The increase in selling, general and administrative expenses was primarily related to the growth in our business.

Towers operating profit for the second quarter of 2020 decreased by $8 million, or 1%, from the same period in the prior year. The decrease in Towers operating profit was primarily related to the previously-mentioned decrease in Towers service activity, which was partially offset by the growth in our Towers site rental revenues and relatively fixed costs to operate our towers.

Fiber operating profit for the second quarter of 2020 increased by $22 million, or 9%, from the same period in the prior year. The increase in Fiber operating profit was primarily related to the the previously-mentioned growth in our Fiber site rental revenues.

Depreciation, amortization and accretion was $402 million for the second quarter of 2020 and increased by $9 million, or 2%, from $393 million during the same period in the prior year. This increase predominately resulted from a corresponding increase in our gross property and equipment due to capital expenditures.

Interest expense and amortization of deferred financing costs were $178 million for the second quarter of 2020 and increased by $9 million, or 5%, from $169 million during the same period in the prior year. The increase predominately resulted from a corresponding increase in our outstanding indebtedness due to the financing of our discretionary capital expenditures.

For the second quarter of 2020 and 2019, the effective tax rate differs from the federal statutory rate predominately due to our REIT status, including the dividends paid deduction. See note 7 to our condensed consolidated financial statements and also note 11 to our consolidated financial statements in the 2019 Form 10-K.

Net income attributable to CCIC stockholders was $200 million during the second quarter of 2020 compared to $216 million during the second quarter of 2019. The decrease was predominately due to the previously-mentioned decrease in Towers services activity and increase in expenses, including increases in (1) selling, general and administrative expenses, (2) depreciation, amortization and accretion and (3) interest expense and amortization of deferred financing costs, which was partially offset by growth in our site rental activities in both our Towers and Fiber segments.

Adjusted EBITDA increased $4 million from the second quarter of 2019 to the second quarter of 2020, reflecting the growth in our site rental activities in both our Towers and Fiber segments, partially offset by the previously-mentioned decrease in Towers service activity.

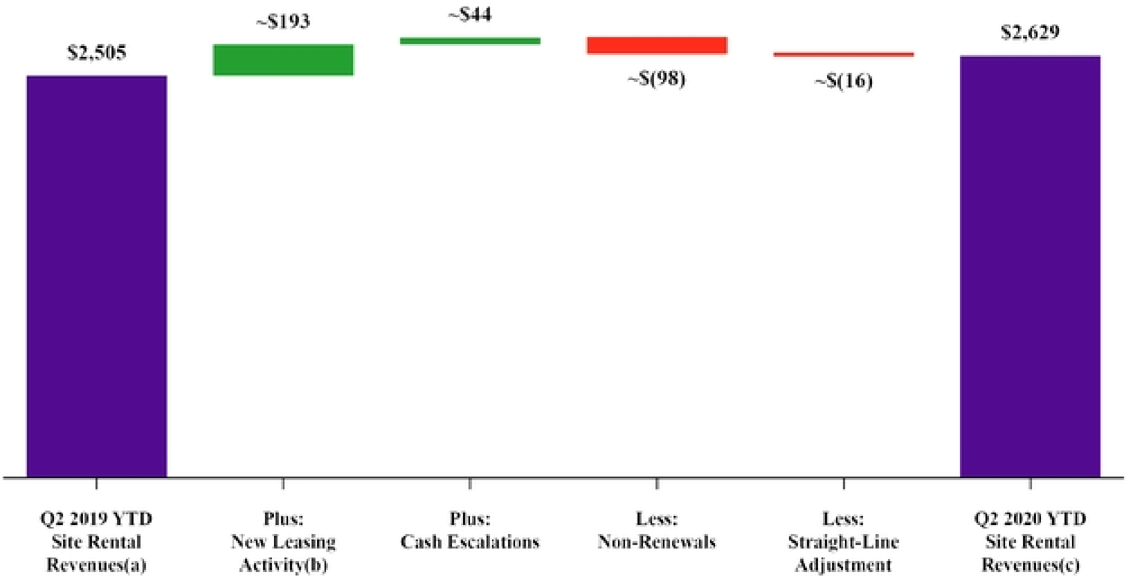
Highlights of our results of operations for the six months ended June 30, 2020 and 2019 are depicted below.

	Six Months Ended June 30,			
	2020	2019	$ Change	% Change
(In millions of dollars)		(As Restated)		
Towers site rental revenues	$1,735	$1,669	+$66	+4%
Fiber site rental revenues	$894	$836	+$58	+7%
Total site rental revenues	$2,629	$2,505	+$124	+5%
Segment site rental gross margin:				
Towers site rental gross margin[(a)]	$1,303	$1,240	+$63	+5%
Fiber site rental gross margin[(a)]	$592	$559	+$33	+6%
Segment services and other gross margin:				
Towers services and other gross margin[(a)]	$26	$91	$(65)	(71)%
Fiber services and other gross margin[(a)]	$3	$2	+$1	+50%
Segment operating profit:				
Towers operating profit[(a)]	$1,281	$1,281	—	—
Fiber operating profit[(a)]	$499	$463	+$36	+8%
Net income attributable to CCIC stockholders	$386	$409	$(23)	(6)%
Adjusted EBITDA[(b)]	$1,645	$1,632	+$13	+1%

(a) See note 11 to our condensed consolidated financial statements for further discussion of our definitions of segment site rental gross margin, segment services and other gross margin and segment operating profit.
(b) See reconciliation of Adjusted EBITDA in *"Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP and Segment Financial Measures."*

Site rental revenues grew $124 million, or 5%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. This growth was predominately comprised of the factors depicted in the chart below:

(In millions of dollars)



(a) As restated.
(b) Includes amortization of up-front payments received from long-term tenant contracts and other deferred credits (commonly referred to as prepaid rent).
(c) The components in this chart may not sum to the total due to rounding.

Towers site rental revenues for the first six months of 2020 were $1.7 billion and increased by $66 million, or 4%, from the same period in the prior year. The increase in Towers site rental revenues was impacted by the following items, inclusive of straight-line accounting: tenant additions across our entire portfolio, renewals or extensions of tenant contracts, escalations and non-renewals of tenant contracts. Tenant additions were influenced by our tenants' ongoing efforts to improve network quality and capacity.

Fiber site rental revenues for the first six months of 2020 were $894 million and increased by $58 million, or 7%, from $836 million during the same period in the prior year. The increase in Fiber site rental revenues was predominately impacted by the increased demand for small cells and fiber solutions. Increased demand for small cells was driven by our tenants' network strategy in an effort to provide capacity and relieve network congestion, and increased demand for fiber solutions was driven by increasing demand for data.

The increase in Towers site rental gross margin was related to the previously-mentioned 4% increase in Towers site rental revenues and relatively fixed costs to operate our towers. The increase in Fiber site rental gross margin was predominately related to the previously-mentioned 7% increase in Fiber site rental revenues.

Towers services and other gross margin was $26 million for the first six months of 2020 and decreased by $65 million, or 71%, from $91 million during the same period in the prior year, which is a reflection of the volume of activity from carriers' network enhancements and the volume and mix of services and other work. Our services and other offerings are of a variable nature as these revenues are not under long-term contracts.

Selling, general and administrative expenses for the first six months of 2020 were $339 million and increased by $32 million, or 10%, from $307 million during the same period in the prior year. The increase in selling, general and administrative expenses was primarily related to the growth in our business.

Towers operating profit for the first six months of 2020 was unchanged from the prior year as a result of the previously-mentioned increase in Towers site rental gross margin, which was fully offset by the decrease in Towers services and other gross margin.

Fiber operating profit for the first six months of 2020 increased by $36 million, or 8%, from the same period in the prior year. The increase in Fiber operating profit was primarily related to the the previously-mentioned growth in our Fiber site rental revenues.

Depreciation, amortization and accretion was $801 million for the first six months of 2020 and increased by $14 million, or 2%, from $787 million during the same period in the prior year. This increase predominately resulted from a corresponding increase in our gross property and equipment due to capital expenditures.

Interest expense and amortization of deferred financing costs were $353 million for the first six months of 2020 and increased $16 million, or 5%, from $337 million during the same period in the prior year. The increase predominately resulted from a corresponding increase in our outstanding indebtedness due to the financing of our discretionary capital expenditures.

For the first six months of 2020 and 2019, the effective tax rate differs from the federal statutory rate predominately due to our REIT status, including the dividends paid deduction. See note 7 to our condensed consolidated financial statements and also note 11 to our consolidated financial statements in our 2019 Form 10-K.

Net income attributable to CCIC stockholders was $386 million for the first six months of 2020 compared to $409 million during the first six months of 2019. The decrease was predominately due to the previously-mentioned decrease in Towers services activity and increase in expenses, including increases in (1) selling, general and administrative expenses, (2) depreciation, amortization and accretion and (3) interest expense and amortization of deferred financing costs, which was partially offset by growth in our site rental activities in both our Towers and Fiber segments.

Adjusted EBITDA increased $13 million, or 1%, from the first six months of 2019 to the first six months of 2020, reflecting the growth in our site rental activities in both our Towers and Fiber segments, partially offset by the previously-mentioned decrease in Towers service activity.

Liquidity and Capital Resources

Overview

General. Our core business generates revenues under long-term tenant contracts (see *"Item 2. MD&A—General Overview—Overview"*) from (1) the largest U.S. wireless carriers and (2) fiber solutions tenants. As a leading provider of shared communications infrastructure in the U.S., our strategy is to create long-term stockholder value via a combination of (1) growing cash flows generated from our portfolio of communications infrastructure, (2) returning a meaningful portion of our cash generated by operating activities to our stockholders in the form of dividends, and (3) investing capital efficiently to grow cash flows and long-term dividends per share. Our strategy is based, in part, on our belief that the U.S. is the most attractive market for shared communications infrastructure investment with the greatest long-term growth potential. We measure our efforts to create "long-term stockholder value" by the combined payment of dividends to stockholders and growth in our per share results.

We have engaged, and expect to continue to engage, in discretionary investments that we believe will maximize long-term stockholder value. Our historical discretionary investments include (in no particular order): constructing communications infrastructure, acquiring communications infrastructure, acquiring land interests (which primarily relate to land assets under towers), improving and structurally enhancing our existing communications infrastructure, purchasing shares of our common stock, and purchasing, repaying, or redeeming our debt. We have recently spent, and expect to continue to spend, a significant percentage of our discretionary investments on the construction of small cells and fiber. We seek to fund our discretionary investments with both net cash generated by operating activities and cash available from financing capacity, such as the use of our undrawn availability from the 2016 Revolver, issuances under our CP Program, debt financings and issuances of equity or equity-related securities, including under our 2018 ATM Program.

We seek to maintain a capital structure that we believe drives long-term stockholder value and optimizes our weighted-average cost of capital. We target a leverage ratio of approximately five times Adjusted EBITDA and interest coverage of Adjusted EBITDA to interest expense of approximately three times, subject to various factors, such as the availability and cost of capital and the potential long-term return on our discretionary investments. We may choose to increase or decrease our leverage or coverage from these targets for various periods of time. We have no significant contractual debt maturities until 2023 (other than principal payments on certain outstanding debt).

We operate as a REIT for U.S. federal income tax purposes. We expect to continue to pay minimal cash income taxes as a result of our REIT status and our NOLs. See note 7 to our condensed consolidated financial statements and also our 2019 Form 10-K.

Liquidity Position. The following is a summary of our capitalization and liquidity position as of June 30, 2020, after giving effect to the July 2020 redemption of the previously outstanding 3.400% Senior Notes, 2.250% Senior Notes and 4.875% Senior Notes. See *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* and notes 5 and 13 to our condensed consolidated financial statements for additional information regarding our debt, as well as note 10 to our condensed consolidated financial statements for additional information regarding our 2018 ATM Program.

(In millions of dollars)		
Cash, cash equivalents, and restricted cash[(a)]	$	183
Undrawn 2016 Revolver availability[(b)]		4,967
Debt and other long-term obligations (current and non-current)[(c)]		18,717
Total equity		9,731

(a) Inclusive of $5 million included within "Other assets, net" on our condensed consolidated balance sheet.
(b) Availability at any point in time is subject to certain restrictions based on the maintenance of financial covenants contained in the 2016 Credit Facility. See the 2019 Form 10-K. At any point in time, we intend to maintain available commitments under our 2016 Revolver in an amount at least equal to the amount of outstanding Commercial Paper Notes.
(c) See *"Item 2. MD&A—General Overview—Overview"* and note 5 to our condensed consolidated financial statements for further information regarding the CP Program.

Over the next 12 months:

- Our liquidity sources may include (1) cash on hand, (2) net cash generated by our operating activities, (3) undrawn availability under our 2016 Revolver, (4) issuances under our CP Program, and (5) issuances of equity pursuant to our 2018 ATM Program. Our liquidity uses over the next 12 months are expected to include (1) debt service obligations of $99 million (principal payments), (2) cumulative common stock dividend payments expected to be at least $4.80 per share, or an aggregate amount of approximately $2.0 billion (see *"Item 2. MD&A—Business Fundamentals and Results"*), (3) dividend payments of approximately $28 million on our 6.875% Convertible Preferred Stock (see *"—Convertible Preferred Stock Activity"* for discussion of the automatic conversion in August 2020) and (4) capital expenditures. Additionally, amounts available under the CP Program may be repaid and re-issued from time to time. During the next 12 months, while our liquidity uses are expected to exceed our net cash provided by operating activities, we expect that our liquidity sources described above should be sufficient to cover our expected uses. Historically, from time to time, we have accessed the capital markets to issue debt and equity.
- See *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* for a tabular presentation of our debt maturities and a discussion of anticipated repayment dates.

Summary Cash Flow Information

	Six Months Ended June 30,		
(In millions of dollars)	**2020**	**2019**	**Change**
		(As Restated)	
Net increase (decrease) in cash, cash equivalents, and restricted cash:			
Operating activities	$ 1,409	$ 1,227	$ 182
Investing activities	(890)	(1,010)	120
Financing activities	1,817	(201)	2,018
Net increase (decrease) in cash, cash equivalents, and restricted cash	2,336	16	2,320
Effect of exchange rate changes on cash	(1)	—	(1)
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 2,335	$ 16	$ 2,319

Operating Activities

Net cash provided by operating activities of $1.4 billion for the first six months of 2020 increased by $182 million, or 15%, compared to the first six months of 2019, due primarily to the growth in our core business and a net increase from changes in working capital. Changes in working capital contribute to variability in net cash provided by operating activities, largely due to the timing of advanced payments by us and advanced receipts from tenants. We expect to grow our net cash provided by operating activities in the future (exclusive of changes in working capital) if we realize expected growth in our core business.

Investing Activities

Net cash used for investing activities of $890 million for the first six months of 2020 decreased by $120 million, or 12%, from the first six months of 2019 as a result of a decrease in discretionary capital expenditures.

Capital Expenditures

Our capital expenditures have been categorized as discretionary, integration or sustaining as described below.

- Discretionary capital expenditures are made with respect to activities which we believe exhibit sufficient potential to enhance long-term stockholder value. They primarily consist of expansion or development of communications infrastructure (including capital expenditures related to (1) enhancing communications infrastructure in order to add new tenants for the first time or support subsequent tenant equipment augmentations or (2) modifying the structure of a communications infrastructure asset to accommodate additional tenants) and construction of new communications infrastructure. Discretionary capital expenditures also include purchases of land interests (which primarily relates to land assets under towers as we seek to manage our interests in the land beneath our towers), certain technology-related investments necessary to support and scale future customer demand for our communications infrastructure, and other capital projects. The expansion or development of existing communications infrastructure to accommodate new leasing typically varies based on, among other factors: (1) the type of communications infrastructure, (2) the scope, volume, and mix of work performed on the communications infrastructure, (3) existing capacity prior to installation, or (4) changes in structural engineering regulations and standards. Currently, construction of new communications infrastructure is predominately comprised of the construction of small cells and fiber. Our decisions regarding discretionary capital expenditures are influenced by the availability and cost of capital and expected returns on alternative uses of cash, such as payments of dividends and investments.
- Integration capital expenditures consist of those capital expenditures made as a result of integrating acquired companies into our business.
- Sustaining capital expenditures consist of those capital expenditures not otherwise categorized as discretionary or integration capital expenditures, such as (1) maintenance capital expenditures on our communications infrastructure assets that enable our tenants' ongoing quiet enjoyment of the communications infrastructure and (2) ordinary corporate capital expenditures.

Capital expenditures for the six months ended June 30, 2020 and 2019 were as follows:

	For the Six Months Ended							
(In millions of dollars)	June 30, 2020				June 30, 2019[a]			
	Towers	Fiber	Other	Total	Towers	Fiber	Other	Total
Discretionary:								
Purchases of land interests	$ 30	$ —	$ —	$ 30	$ 25	$ —	$ —	$ 25
Communications infrastructure improvements and other capital projects[b]	158	614	15	787	215	702	—	917
Sustaining	9	24	11	44	17	24	10	51
Integration	—	—	—	—	—	—	5	5
Total	$ 197	$ 638	$ 26	$ 861	$ 257	$ 726	$ 15	$ 998

(a) As restated.
(b) Towers segment includes $76 million and $96 million of capital expenditures incurred during the six months ended June 30, 2020 and 2019, respectively, in connection with tenant installations and upgrades on our towers.

Discretionary capital expenditures were primarily impacted by the construction of small cells and fiber (including certain construction projects that may take 18 to 36 months to complete) to address our tenants' growing demand for data. See also *"Item 2. MD&A—General Overview—Outlook Highlights"* for our expectations surrounding 2020 capital expenditures.

Financing Activities. We seek to allocate cash generated by our operations in a manner that will enhance long-term stockholder value, which may include various financing activities such as (in no particular order): (1) paying dividends on our common stock (currently expected to total at least $4.80 per share over the next 12 months, or an aggregate amount of approximately $2.0 billion); (2) paying dividends on our 6.875% Convertible Preferred Stock (the final dividend payable in August 2020 to total approximately $28 million); (3) purchasing our common stock; or (4) purchasing, repaying, or redeeming our debt. See notes 5, 10 and 13 to our condensed consolidated financial statements.

Net cash provided by financing activities of $1.8 billion for the first six months of 2020 increased by $2.0 billion from the first six months of 2019 as a result of the net impact from our issuances, purchases and repayments of debt (including with respect to our 2016 Revolver and CP Program), common and preferred stock dividend payments and purchases of common stock. See *Item 2. MD&A—General Overview—Business Fundamentals and Results* and notes 5 and 10 to our condensed consolidated financial statements for further information.

In April 2020, we issued $1.25 billion aggregate principal amount of senior unsecured notes, the net proceeds of which were used to repay outstanding indebtedness under the 2016 Revolver. See note 5 to our condensed consolidated financial statements.

In June 2020, we issued the June 2020 Senior Notes, the net proceeds of which, together with available cash, were used to redeem all of the previously outstanding 3.400% Senior Notes, 2.250% Senior Notes and 4.875% Senior Notes in July 2020. See notes 5 and 13 to our condensed consolidated financial statements.

Credit Facility.

The proceeds of our 2016 Revolver may be used for general corporate purposes, which may include the financing of capital expenditures, acquisitions and purchases of our common stock. As of July 29, 2020, there were $180 million outstanding and $4.8 billion in undrawn availability under our 2016 Revolver. See note 5 to our condensed consolidated financial statements.

Commercial Paper Program. See "*Item 2. MD&A—General Overview—Overview*" and note 5 to our condensed consolidated financial statements for further information regarding our CP Program. As of July 29, 2020, there were no amounts outstanding under our CP Program.

Incurrence, Purchases, and Repayments of Debt. See *Item 2. MD&A—General Overview—Business Fundamentals and Results* for further discussion of our recent issuances, purchases and repayments of debt.

Common Stock Activity. See note 10 to our condensed consolidated financial statements for further information regarding our common stock and dividends. See below for a discussion of the anticipated automatic conversion of 6.875% Mandatory Convertible Preferred Stock.

Convertible Preferred Stock Activity. As of both June 30, 2020 and December 31, 2019, we had 2 million shares of 6.875% Mandatory Convertible Preferred Stock outstanding. Unless converted earlier, each outstanding share of the 6.875% Mandatory Convertible Preferred Stock will automatically convert into shares of our common stock on August 1, 2020. Currently, each share of the 6.875% Mandatory Convertible Preferred Stock will convert into between 8.8043 shares (based on the current maximum conversion price of $113.58) and 10.5651 shares (based on the current minimum conversion price of $94.65) of common stock, depending on the applicable market value of the common stock and subject to certain anti-dilution adjustments. At any time prior to August 1, 2020, holders of the 6.875% Mandatory Convertible Preferred Stock may elect to convert all or a portion of their shares into common stock at the minimum conversion rate of 8.8043 shares of common stock per share of 6.875% Mandatory Convertible Preferred Stock, subject to certain anti-dilution adjustments. See note 10 to our condensed consolidated financial statements for further discussion of the 6.875% Mandatory Convertible Preferred Stock dividends.

ATM Program. See note 10 to our condensed consolidated financial statements for further information regarding our 2018 ATM Program.

Debt Covenants. Our Credit Agreement contains financial maintenance covenants. We are currently in compliance with these financial maintenance covenants and, based upon our current expectations, we believe we will continue to comply with our financial maintenance covenants. In addition, certain of our debt agreements also contain restrictive covenants that place restrictions on us and may limit our ability to, among other things, incur additional debt and liens, purchase our securities, make capital expenditures, dispose of assets, undertake transactions with affiliates, make other investments, pay dividends or distribute excess cash flow. See the 2019 Form 10-K for a further discussion of our debt covenants, certain restrictive covenants and factors that are likely to determine our subsidiaries' ability to comply with current and future debt covenants.

Accounting and Reporting Matters

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are those that we believe (1) are most important to the portrayal of our financial condition and results of operations or (2) require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. In many cases, the accounting treatment of a particular transaction is specifically prescribed by GAAP. In other cases, management is required to exercise judgment in the application of accounting principles with respect to particular transactions. The critical accounting policies and estimates for 2020 are not intended to be a comprehensive list of our accounting policies and estimates. Our critical accounting policies and estimates as of December 31, 2019 are described in *"Item 7. MD&A—Accounting and Reporting Matters"* and in note 3 of our consolidated financial statements in the 2019 Form 10-K.

Accounting Pronouncements

Recently Adopted Accounting Pronouncements.

See note 3 to our condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted.

See note 3 to our condensed consolidated financial statements.

Non-GAAP and Segment Financial Measures

We use earnings before interest, taxes, depreciation, amortization and accretion, as adjusted ("Adjusted EBITDA"), which is a non-GAAP financial measure, as an indicator of consolidated financial performance. Our measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in the communications infrastructure sector or other REITs, and is not a measure of performance calculated in accordance with GAAP. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income (loss), net income (loss), net cash provided by (used for) operating, investing and financing activities or other income statement or cash flow statement data prepared in accordance with GAAP and should be considered only as a supplement to net income (loss) computed in accordance with GAAP as a measure of our performance. There are material limitations to using a measure such as Adjusted EBITDA, including the difficulty associated with comparing results among more than one company, including our competitors, and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net income or loss. Management compensates for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with their analysis of net income (loss).

We define Adjusted EBITDA as net income (loss) plus restructuring charges (credits), asset write-down charges, acquisition and integration costs, depreciation, amortization and accretion, amortization of prepaid lease purchase price adjustments, interest expense and amortization of deferred financing costs, (gains) losses on retirement of long-term obligations, net (gain) loss on interest rate swaps, (gains) losses on foreign currency swaps, impairment of available-for-sale securities, interest income, other (income) expense, (benefit) provision for income taxes, cumulative effect of a change in accounting principle, (income) loss from discontinued operations and stock-based compensation expense. The reconciliation of Adjusted EBITDA to our net income (loss) is set forth below.

(In millions of dollars)	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019 (As Restated)	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019 (As Restated)
Net income (loss)	$ 200	$ 216	$ 386	$ 409
Adjustments to increase (decrease) net income (loss):				
Asset write-down charges	3	6	7	12
Acquisition and integration costs	2	2	7	6
Depreciation, amortization and accretion	402	393	801	787
Amortization of prepaid lease purchase price adjustments	4	5	9	10
Interest expense and amortization of deferred financing costs	178	169	353	337
(Gains) losses on retirement of long-term obligations	—	1	—	2
Interest income	(1)	(1)	(2)	(3)
Other (income) expense	—	—	—	1
(Benefit) provision for income taxes	6	4	11	10
Stock-based compensation expense	37	32	73	61
Adjusted EBITDA[(a)]	$ 831	$ 827	$ 1,645	$ 1,632

(a) The above reconciliation excludes the items included in our Adjusted EBITDA definition which are not applicable to the periods shown.

We believe Adjusted EBITDA is useful to investors or other interested parties in evaluating our financial performance because:

- it is the primary measure used by our management (1) to evaluate the economic productivity of our operations and (2) for purposes of making decisions about allocating resources to, and assessing the performance of our operations;
- although specific definitions may vary, it is widely used by investors or other interested parties in evaluation of the communications infrastructure sector and other REITs to measure financial performance without regard to items such as depreciation, amortization and accretion, which can vary depending upon accounting methods and the book value of assets;
- we believe it helps investors and other interested parties meaningfully evaluate and compare the results of our operations (1) from period to period and (2) to our competitors by removing the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our financial results; and
- it is similar to the measure of current financial performance generally used in our debt covenant calculations.

Our management uses Adjusted EBITDA:

- as a performance goal in employee annual incentive compensation;
- as a measurement of financial performance because it assists us in comparing our financial performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our operating results;
- in presentations to our board of directors to enable it to have the same measurement of financial performance used by management;
- for planning purposes, including preparation of our annual operating budget;
- as a valuation measure in strategic analyses in connection with the purchase and sale of assets;
- in determining self-imposed limits on our debt levels, including the evaluation of our leverage ratio and interest coverage ratio; and
- with respect to compliance with our debt covenants, which require us to maintain certain financial ratios that incorporate concepts such as, or similar to, Adjusted EBITDA.

In addition to the non-GAAP measures used herein and as discussed in note 11 to our condensed consolidated financial statements, we also provide (1) segment site rental gross margin, (2) segment services and other gross margin, and (3) segment operating profit, which are key measures used by management to evaluate the performance of our operating segments. These segment measures are provided pursuant to GAAP requirements related to segment reporting.

We define segment site rental gross margin as segment site rental revenues less segment site rental cost of operations, which excludes stock-based compensation expense and prepaid lease purchase price adjustments recorded in consolidated site rental cost of operations. We define segment services and other gross margin as segment services and other revenues less segment services and other cost of operations, which excludes stock-based compensation expense recorded in consolidated services and other cost of operations. We define segment operating profit as segment site rental gross margin plus segment services and other gross margin, less selling, general and administrative expenses attributable to the respective segment. All of these measurements of profit or loss are exclusive of depreciation, amortization and accretion, which are shown separately. Additionally, certain costs are shared across segments and are reflected in our segment measures through allocations that management believes to be reasonable.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following section updates *"Item 7A. Quantitative and Qualitative Disclosures About Market Risk"* in the 2019 Form 10-K and should be read in conjunction with that report as well as our condensed consolidated financial statements included in Part 1, Item 1 of this Form 10-Q.

Interest Rate Risk

Our interest rate risk relates primarily to the impact of interest rate movements on the following, after giving effect to the July 2020 redemption of the previously outstanding 3.400% Senior Notes, 2.250% Senior Notes and 4.875% Senior Notes:

- the potential refinancing of our existing debt ($18.7 billion outstanding at June 30, 2020 and $18.1 billion at December 31, 2019);
- our $2.3 billion and $3.0 billion of floating rate debt at June 30, 2020 and December 31, 2019, respectively, which represented approximately 12% and 17% of our total debt, as of June 30, 2020 and December 31, 2019, respectively; and
- potential future borrowings of incremental debt, including borrowings under our 2016 Credit Facility and issuances under the CP Program.

We currently have no interest rate swaps.

Sensitivity Analysis

We manage our exposure to market interest rates on our existing debt by controlling the mix of fixed and floating rate debt. As of June 30, 2020, we had $2.3 billion of floating rate debt, none of which had LIBOR floors. As a result, a hypothetical unfavorable fluctuation in market interest rates on our existing debt of 1/8 of a percent point over a 12 month period would increase our interest expense by approximately $3 million.

Tabular Information

The following table provides information about our market risk related to changes in interest rates. The future principal payments and weighted-average interest rates are presented as of June 30, 2020, after giving effect to the July 2020 redemption of the previously outstanding 3.400% Senior Notes, 2.250% Senior Notes and 4.875% Senior Notes. These debt maturities reflect final maturity dates and do not consider the impact of the principal payments that commence following the anticipated repayment dates of certain debt (see footnotes (b) and (d)). The information presented below regarding the variable rate debt is supplementary to our sensitivity analysis regarding the impact of changes in the interest rates. See notes 5, 6 and 13 to our condensed consolidated financial statements and the 2019 Form 10-K for additional information regarding our debt.

	Future Principal Payments and Interest Rates by the Debt Instruments' Contractual Year of Maturity							
(In millions of dollars)	**2020**	**2021**	**2022**	**2023**	**2024**	**Thereafter**	**Total**	**Fair Value[a]**
Debt:								
Fixed rate[b]	$ 23	$ 39	$ 34	$ 3,429	$ 775	$ 12,287	$ 16,587	$ 18,248
Average interest rate[b][c][d]	4.4%	4.4%	4.6%	4.4%	3.3%	4.4%	4.4%	
Variable rate[e]	$ 29	$ 88	$ 117	$ 176	$ 1,873	$ —	$ 2,283	$ 2,283
Average interest rate[e]	1.3%	1.2%	1.3%	1.4%	1.5%	—%	1.4%	

(a) The fair value of our debt is based on indicative quotes (that is, non-binding quotes) from brokers that require judgment to interpret market information, including implied credit spreads for similar borrowings on recent trades or bid/ask offers. These fair values are not necessarily indicative of the amount which could be realized in a current market exchange.
(b) The impact of principal payments that will commence following the anticipated repayment dates is not considered. The Tower Revenue Notes have principal amounts of $300 million, $250 million, $700 million and $750 million, with anticipated repayment dates in 2022, 2023, 2025 and 2028, respectively.
(c) The average interest rate represents the weighted-average stated coupon rate (see footnote (d)).
(d) If the Tower Revenue Notes are not repaid in full by the applicable anticipated repayment dates, the applicable interest rate increases by approximately 5% per annum and monthly principal payments commence using the Excess Cash Flow (as defined in the indenture governing the applicable Tower Revenue Notes) of the issuers of the Tower Revenue Notes. The Tower Revenue Notes are presented based on their contractual maturity dates ranging from 2042 to 2048 and include the impact of an assumed 5% increase in interest rate that would occur following the anticipated repayment dates but exclude the impact of monthly principal payments that would commence using Excess Cash Flow of the issuers of the Tower Revenue Notes. The full year 2019 Excess Cash Flow of the issuers of the Tower Revenue Notes was approximately $764 million. We currently expect to refinance these notes on or prior to the respective anticipated repayment dates.
(e) Relates to our 2016 Term Loan A, which matures in 2024.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company conducted an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that due to the material weakness in the Company's internal control over financial reporting described below, the Company's disclosure controls and procedures were not effective in alerting them in a timely manner to material information relating to the Company required to be included in the Company's periodic reports under the Securities Exchange Act of 1934, as amended.

Material Weakness in Internal Control over Financial Reporting

As previously disclosed in the Company's 2019 Form 10-K, management concluded that a material weakness existed in the Company's internal control over financial reporting, as it did not effectively design and maintain controls related to the accounting for tower installation services.

Remediation of Material Weakness

Management is in the process of remediating the material weakness described above. The Company has revised its accounting policies for its tower installation services to identify and account for lease components and the related calculation of deferred revenue and is making improvements to existing processes and controls related to the determination of the accuracy of capital expenditures made for permanent improvements associated with tower installation services. Management is also implementing training with respect to the new processes and evaluating the need for additional resources.

Management believes that the measures described above will remediate the identified material weakness and strengthen the Company’s internal control over financial reporting. Management may take additional measures to strengthen its internal control environment.

Changes in Internal Control Over Financial Reporting

Except as discussed above with respect to management's ongoing remediation of the material weakness, there have been no changes in the Company's internal control over financial reporting during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See the disclosure in note 9 to our condensed consolidated financial statements set forth in Part I, Item 1 of this Form 10-Q.

ITEM 1A. RISK FACTORS

The following risk factor is provided to update the risk factors previously discussed in *"Item 1A. Risk Factors"* in the 2019 Form 10-K.

The impact of COVID-19 and related risks could materially affect our financial position, results of operations and cash flows.

The global spread of COVID-19 has created significant uncertainty and economic disruption. We have modified, and might further modify, our business practices as a result of the COVID-19 pandemic, the economic and social ramifications of the disease, and the societal and governmental responses in the communities in which we operate. See *"Item 2. MD&A—General Overview—Coronavirus (COVID-19)"* for further information. The extent to which the COVID-19 pandemic will affect our financial position, results of operations and cash flows is difficult to predict with certainty and depends on numerous evolving factors, including: the duration, scope and severity of the pandemic; government, social, business and other actions that have been and will be taken in response to the pandemic; and the effect of the pandemic on short- and long-term general economic conditions. Among other things, COVID-19 and the Initiatives could (1) adversely affect the ability of our suppliers and vendors to provide products and services to us; (2) result in decreased demand for our communications infrastructure; (3) make it more difficult for us to serve our tenants, including as a result of delays or suspensions in the issuance of permits or other authorizations needed to conduct our business; and (4) increase our cost of capital and adversely impact our access to capital. The potential effects of COVID-19 could also heighten the risks disclosed in many of our risk factors that are included in "*Item 1A. Risk Factors*" in the 2019 Form 10-K. Due to factors beyond our knowledge or control, including the duration and severity of COVID-19, as well as third-party actions taken to contain its spread and mitigate its public health effects, at this time we cannot estimate or predict with certainty the impact of COVID-19, the Initiatives, or the measures we take in response thereto on our financial position, results of operations and cash flows, particularly over the near to medium term, but the impact could be material.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table summarizes information with respect to purchase of our equity securities during the second quarter of 2020:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
	(In thousands)			
April 1 - April 30, 2020	1	$ 164.14	—	—
May 1 - May 31, 2020	2	158.99	—	—
June 1 - June 30, 2020	2	174.34	—	—
Total	5	$ 166.19	—	—

We paid $1 million in cash to effect these purchases. The shares purchased relate to shares withheld in connection with the payment of withholding taxes upon vesting of restricted stock units.

ITEM 6. EXHIBITS

Exhibit Index

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File Number	Date of Filing	Exhibit Number
3.1	Restated Certificate of Incorporation of Crown Castle International Corp., dated July 20, 2017	8-K	001-16441	July 26, 2017	3.1
3.2	Certificate of Designations of 6.875% Mandatory Convertible Preferred Stock, Series A, of Crown Castle International Corp., filed with the Secretary of State of the State of Delaware and effective July 26, 2017	8-K	001-16441	July 26, 2017	3.2
3.3	Amended and Restated By-Laws of Crown Castle International Corp. dated February 21, 2019	10-K	001-16441	February 25, 2019	3.3
4.1	Third Supplemental Indenture dated April 3, 2020, between Crown Castle International Corp. and The Bank of New York Mellon Trust Company, N.A., as trustee, to the Indenture dated February 11, 2019, between Crown Castle International Corp. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	001-16441	April 3, 2020	4.1
4.2	Fourth Supplemental Indenture dated June 15, 2020, between Crown Castle International Corp. and The Bank of New York Mellon Trust Company, N.A., as trustee, to the Indenture dated February 11, 2019, between Crown Castle International Corp. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	001-16441	June 15, 2020	4.1
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002	—	—	—	—
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002	—	—	—	—
32.1†	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002	—	—	—	—
101*	The following financial statements from Crown Castle International Corp.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheet, (ii) Condensed Consolidated Statement of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statement of Cash Flows, (iv) Condensed Consolidated Statement of Equity, and (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags	—	—	—	—
104*	The cover page from Crown Castle International Corp.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, formatted in Inline XBRL	—	—	—	—

* Filed herewith.
† Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CROWN CASTLE INTERNATIONAL CORP.

Date: July 31, 2020	By: /s/ DANIEL K. SCHLANGER
	Daniel K. Schlanger
	Executive Vice President and Chief Financial Officer
	(Principal Financial Officer)
Date: July 31, 2020	By: /s/ ROBERT S. COLLINS
	Robert S. Collins
	Vice President and Controller
	(Principal Accounting Officer)

Exhibit 31.1

Certification
For the Quarterly Period Ended June 30, 2020

I, Jay A. Brown, certify that:

1. I have reviewed this report on Form 10-Q of Crown Castle International Corp. ("registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2020

/s/ Jay A. Brown

Jay A. Brown
President and Chief Executive Officer

Exhibit 31.2

Certification
For the Quarterly Period Ended June 30, 2020

I, Daniel K. Schlanger, certify that:

1. I have reviewed this report on Form 10-Q of Crown Castle International Corp. (“registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2020

/s/ Daniel K. Schlanger

Daniel K. Schlanger
Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification Pursuant to
18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Crown Castle International Corp., a Delaware Corporation ("Company"), for the period ending June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof ("Report"), each of the undersigned officers of the Company hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of such officer's knowledge:

1) the Report complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of June 30, 2020 (the last date of the period covered by the Report).

/s/ Jay A. Brown

Jay A. Brown
President and Chief Executive Officer

July 31, 2020

/s/ Daniel K. Schlanger

Daniel K. Schlanger
Executive Vice President and Chief Financial Officer

July 31, 2020