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, 2019

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	Par value	Trading Symbols	Name of each exchange on which registered
Common Stock	$0.01	CCI	New York Stock Exchange
6.875% Mandatory Convertible Preferred Stock, Series A	$0.01	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, 2019: 415,755,268

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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") and *"Part I—Item 3. Quantitative and Qualitative Disclosures About Market Risk"* herein. Such forward-looking statements include (1) expectations regarding anticipated growth in the wireless industry, tenant additions, and demand for data, including growth in demand, (2) expectations regarding non-renewals of tenant contracts, (3) expectations regarding demand for our communications infrastructure, including continuity of and factors driving such demand, and the potential benefits that may be derived therefrom, (4) expectations regarding wireless carriers' focus on improving network quality and expanding capacity, (5) expectations regarding continuation of increase in usage of high-bandwidth applications by organizations, (6) the strength of the U.S. market for shared communications infrastructure, (7) availability and adequacy of cash flows and liquidity for, or plans regarding, future discretionary investments, including capital expenditures, as well as potential benefits from such investments, (8) our full year 2019 outlook and the anticipated growth in our financial results, including future revenues and operating cash flows, and the expectations regarding the level of our 2019 capital expenditures, as well as the factors impacting expected growth in financial results and the levels of capital expenditures, (9) expectations regarding construction and acquisition of communications infrastructure, (10) 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, (11) expected use of net proceeds from issuances under the CP Program, (12) expectations related to remaining qualified as a real estate investment trust ("REIT") and the advantages, benefits or impact of, or opportunities created by, our REIT status, (13) the utilization of our net operating loss carryforwards ("NOLs"), (14) expected duration of our construction projects, (15) expectations related to the impact of tenant consolidation or ownership changes, including the potential combination of T-Mobile and Sprint, (16) the utility of certain financial measures, including non-GAAP financial measures and (17) our dividend policy and the timing, amount, growth or tax characterization of any dividends. 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 our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 ("2018 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. and its predecessor (organized in 1995), as applicable, each a Delaware corporation (together, "CCIC"), and their subsidiaries. Additionally, unless the context suggests otherwise, references to "U.S." are to the United States of America and Puerto Rico, collectively.

PART I—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, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 288	$ 277
Restricted cash	136	131
Receivables, net	591	501
Prepaid expenses[(a)]	111	172
Other current assets	168	148
Total current assets	1,294	1,229
Deferred site rental receivables	1,391	1,366
Property and equipment, net of accumulated depreciation of $9,121 and $8,566, respectively	14,151	13,676
Operating lease right-of-use assets[(a)]	6,053	—
Goodwill	10,078	10,078
Other intangible assets, net[(a)]	5,074	5,516
Long-term prepaid rent and other assets, net[(a)]	106	920
Total assets	$ 38,147	$ 32,785
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 337	$ 313
Accrued interest	166	148
Deferred revenues	503	498
Other accrued liabilities[(a)]	305	351
Current maturities of debt and other obligations	98	107
Current portion of operating lease liabilities[(a)]	289	—
Total current liabilities	1,698	1,417
Debt and other long-term obligations	17,471	16,575
Operating lease liabilities[(a)]	5,427	—
Other long-term liabilities[(a)]	2,028	2,759
Total liabilities	26,624	20,751
Commitments and contingencies (note 8)		
CCIC stockholders' equity:		
Common stock, $0.01 par value; 600 shares authorized; shares issued and outstanding: June 30, 2019—416 and December 31, 2018—415	4	4
6.875% Mandatory Convertible Preferred Stock, Series A, $0.01 par value; 20 shares authorized; shares issued and outstanding: June 30, 2019—2 and December 31, 2018—2; aggregate liquidation value: June 30, 2019—$1,650 and December 31, 2018—$1,650	—	—
Additional paid-in capital	17,801	17,767
Accumulated other comprehensive income (loss)	(5)	(5)
Dividends/distributions in excess of earnings	(6,277)	(5,732)
Total equity	11,523	12,034
Total liabilities and equity	$ 38,147	$ 32,785

(a) See "*Recently Adopted Accounting Pronouncements*" in note 2 to the condensed consolidated financial statements for a discussion of the recently adopted lease standard.

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,	
	2019	2018	2019	2018
Net revenues:				
Site rental	$ 1,238	$ 1,169	$ 2,457	$ 2,323
Services and other	240	161	447	307
Net revenues	1,478	1,330	2,904	2,630
Operating expenses:				
Costs of operations[(a)]:				
Site rental	365	355	726	702
Services and other	138	99	263	185
Selling, general and administrative	155	138	307	273
Asset write-down charges	6	6	12	9
Acquisition and integration costs	2	8	6	14
Depreciation, amortization and accretion	393	379	787	753
Total operating expenses	1,059	985	2,101	1,936
Operating income (loss)	419	345	803	694
Interest expense and amortization of deferred financing costs	(169)	(158)	(337)	(318)
Gains (losses) on retirement of long-term obligations	(1)	(3)	(2)	(74)
Interest income	1	1	3	2
Other income (expense)	—	—	(1)	(1)
Income (loss) before income taxes	250	185	466	303
Benefit (provision) for income taxes	(4)	(5)	(10)	(9)
Net income (loss) attributable to CCIC stockholders	246	180	456	294
Dividends on preferred stock	(28)	(28)	(57)	(57)
Net income (loss) attributable to CCIC common stockholders	$ 218	$ 152	$ 399	$ 237
Net income (loss)	$ 246	$ 180	$ 456	$ 294
Other comprehensive income (loss):				
Foreign currency translation adjustments	—	(1)	—	(1)
Total other comprehensive income (loss)	—	(1)	—	(1)
Comprehensive income (loss) attributable to CCIC stockholders	$ 246	$ 179	$ 456	$ 293
Net income (loss) attributable to CCIC common stockholders, per common share:				
Net income (loss) attributable to CCIC common stockholders—basic	$ 0.52	$ 0.37	$ 0.96	$ 0.58
Net income (loss) attributable to CCIC common stockholders—diluted	$ 0.52	$ 0.36	$ 0.95	$ 0.57
Weighted-average common shares outstanding:				
Basic	416	415	415	412
Diluted	418	416	417	413

(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,	
	2019	**2018**
Cash flows from operating activities:		
Net income (loss)	$ 456	$ 294
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation, amortization and accretion	787	753
(Gains) losses on retirement of long-term obligations	2	74
Amortization of deferred financing costs and other non-cash interest	1	4
Stock-based compensation expense	62	47
Asset write-down charges	12	9
Deferred income tax (benefit) provision	1	1
Other non-cash adjustments, net	3	1
Changes in assets and liabilities, excluding the effects of acquisitions:		
Increase (decrease) in accrued interest	18	22
Increase (decrease) in accounts payable	6	3
Increase (decrease) in other liabilities	30	53
Decrease (increase) in receivables	(89)	(59)
Decrease (increase) in other assets	(62)	(91)
Net cash provided by (used for) operating activities	1,227	1,111
Cash flows from investing activities:		
Payments for acquisitions, net of cash acquired	(13)	(18)
Capital expenditures	(998)	(763)
Other investing activities, net	1	3
Net cash provided by (used for) investing activities	(1,010)	(778)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	995	1,743
Principal payments on debt and other long-term obligations	(36)	(47)
Purchases and redemptions of long-term debt	(12)	(1,318)
Borrowings under revolving credit facility	1,195	485
Payments under revolving credit facility	(1,785)	(1,150)
Net issuances (repayments) under commercial paper program	500	—
Payments for financing costs	(14)	(20)
Net proceeds from issuance of common stock	—	841
Purchases of common stock	(43)	(34)
Dividends/distributions paid on common stock	(944)	(879)
Dividends paid on preferred stock	(57)	(57)
Net cash provided by (used for) financing activities	(201)	(436)
Net increase (decrease) in cash, cash equivalents, and restricted cash	16	(103)
Effect of exchange rate changes	—	(1)
Cash, cash equivalents, and restricted cash at beginning of period	413	440
Cash, cash equivalents, and restricted cash at end of period	$ 429	$ 336

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, 2019	416	$ 4	2	$ —	$ 17,769	$ (5)	$ (6,022)	$ 11,746
Stock-based compensation related activity, net of forfeitures	—	—	—	—	33	—	—	33
Purchases and retirement of common stock	—	—	—	—	(1)	—	—	(1)
Common stock dividends/distributions[a]	—	—	—	—	—	—	(473)	(473)
Preferred stock dividends[a]	—	—	—	—	—	—	(28)	(28)
Net income (loss)	—	—	—	—	—	—	246	246
Balance, June 30, 2019	416	$ 4	2	$ —	$ 17,801	$ (5)	$ (6,277)	$ 11,523

(a) See note 7 for information regarding common and preferred stock dividends declared per share.

	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, 2018	415	$ 4	2	$ —	$ 17,690	$ (4)	$ (4,858)	$ 12,832
Stock-based compensation related activity, net of forfeitures	—	—	—	—	24	—	—	24
Purchases and retirement of common stock	—	—	—	—	(1)	—	—	(1)
Net proceeds from issuance of common stock	—	—	—	—	(2)	—	—	(2)
Other comprehensive income (loss)[a]	—	—	—	—	—	(1)	—	(1)
Common stock dividends/distributions[b]	—	—	—	—	—	—	(438)	(438)
Preferred stock dividends[b]	—	—	—	—	—	—	(28)	(28)
Net income (loss)	—	—	—	—	—	—	180	180
Balance, June 30, 2018	415	$ 4	2	$ —	$ 17,711	$ (5)	$ (5,144)	$ 12,566

(a) See the condensed consolidated statement of operations and other comprehensive income (loss) for the components of other comprehensive income (loss).
(b) See note 7 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			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, December 31, 2018	415	$ 4	2	$ —	$ 17,767	$ (5)	$ (5,732)	$ 12,034
Stock-based compensation related activity, net of forfeitures	1	—	—	—	77	—	—	77
Purchases and retirement of common stock	—	—	—	—	(43)	—	—	(43)
Common stock dividends/distributions[(a)]	—	—	—	—	—	—	(944)	(944)
Preferred stock dividends[(a)]	—	—	—	—	—	—	(57)	(57)
Net income (loss)	—	—	—	—	—	—	456	456
Balance, June 30, 2019	416	$ 4	2	$ —	$ 17,801	$ (5)	$ (6,277)	$ 11,523

(a) See note 7 for information regarding common and preferred stock dividends declared per share.

	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, 2017	406	$ 4	2	$ —	$ 16,844	$ (4)	$ (4,505)	$ 12,339
Stock-based compensation related activity, net of forfeitures	1	—	—	—	60	—	—	60
Purchases and retirement of common stock	—	—	—	—	(34)	—	—	(34)
Net proceeds from issuance of common stock	8	—	—	—	841	—	—	841
Other comprehensive income (loss)[(a)]	—	—	—	—	—	(1)	—	(1)
Common stock dividends/distributions[(b)]	—	—	—	—	—	—	(876)	(876)
Preferred stock dividends[(b)]	—	—	—	—	—	—	(57)	(57)
Net income (loss)	—	—	—	—	—	—	294	294
Balance, June 30, 2018	415	$ 4	2	$ —	$ 17,711	$ (5)	$ (5,144)	$ 12,566

(a) See the condensed consolidated statement of operations and other comprehensive income (loss) for the components of other comprehensive income (loss).
(b) See note 7 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, 2018, and related notes thereto, included in the 2018 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 our 2018 Form 10-K. References to the "Company" include 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, "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, the Company offers certain services primarily relating to the Company's towers and small cells, 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 vast majority of the Company's services relate to its Towers segment.

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 6.

53% of the Company's towers are leased or subleased or operated and managed under master leases, subleases, and other agreements with AT&T, Sprint and T-Mobile. 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, 2019, and the condensed consolidated results of operations and the condensed consolidated cash flows for the six months ended June 30, 2019 and 2018. 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.

2. Summary of Significant Accounting Policies

Recently Adopted Accounting Pronouncements

Lease Accounting — Summary of Adoption Impact. Effective January 1, 2019, the Company adopted new guidance on the recognition, measurement, presentation and disclosure of leases (commonly referred to as "ASC 842" or the "new lease standard").

The new lease standard requires lessees to recognize a lease liability, initially measured at the present value of the lease payments for all leases, and a corresponding right-of-use ("ROU") asset. The accounting for lessors remained largely unchanged from previous guidance.

Due to the recognition of the lease liability and a corresponding ROU asset, the new lease standard had a material impact on the Company's condensed consolidated balance sheet. Additionally, certain amounts related to our lessee arrangements that were previously reported separately have been de-recognized and reclassified into "Operating lease right-of-use assets" on the Company's condensed consolidated balance sheet. These amounts include (1) the Company's liability related to straight-line expense, formerly referred to as "Deferred ground lease payable" and previously included in "Other accrued liabilities" and "Other long-term liabilities," (2) prepaid rent expense previously included in "Prepaid expenses" and "Long-term prepaid rent and other assets, net," (3) below market leases previously included in "Other intangible assets, net," and (4) above market leases previously included in "Other long-term liabilities."

Notwithstanding the material impact to the Company's condensed consolidated balance sheet, the Company's adoption of the new lease standard did not have a material impact on the Company's condensed consolidated statement of operations or statement of cash flows. Additionally, the adoption of this guidance has no impact on the Company's operating practices, cash flows, contractual arrangements, or debt agreements (including compliance with any applicable covenants).

Lease Accounting — General. The Company adopted the new lease standard using a modified retrospective approach as of the effective date (i.e., January 1, 2019), without adjusting the comparative periods. The Company's adoption of the new lease standard did not result in a cumulative-effect adjustment being recognized to the opening balance of retained earnings. The new lease standard provides a package of practical expedients, whereby companies can elect not to reassess (if applicable), (1) whether existing contracts contain leases under the new definition of a lease, (2) lease classification for expired or existing leases and (3) whether previously capitalized initial direct costs would qualify for capitalization under ASC 842. The Company elected the package of practical expedients upon adoption and as a result elected not to reassess (1) whether existing contracts contain leases under the new definition of a lease and (2) the classification or lease term of leases that existed prior to January 1, 2019.

The Company evaluates whether a contract meets the definition of a lease whenever a contract grants a party the right to control the use of an identified asset for a period of time in exchange for consideration. To the extent the identified asset is able to be shared among multiple parties, the Company has determined that one party does not have control of the identified asset and the contract is not considered a lease. The Company accounts for contracts that do not meet the definition of a lease under other relevant accounting guidance (such as ASC 606 for revenue from contracts with customers).

Lease Accounting — Lessee. For its Tower segment, the Company's lessee arrangements primarily consist of ground leases for land under towers. Ground leases for land are specific to each site, generally contain an initial term of five to 10 years and are renewable (and cancelable after a notice period) at the Company's option. The Company also enters into term easements and ground leases in which it prepays the entire term. For its Fiber segment, the Company's lessee arrangements primarily include leases of fiber assets to support the Company's small cells and fiber solutions.

The majority of the Company's lease agreements have certain termination rights that provide for cancellation after a notice period and multiple renewal options at the Company's option. The Company includes renewal option periods in its calculation of the estimated lease term when it determines the options are reasonably certain to be exercised. When such renewal options are deemed to be reasonably certain, the estimated lease term determined under ASC 842 will be greater than the non-cancelable term of the contractual arrangement. Although certain renewal periods are included in the estimated lease term, the Company would have the ability to terminate or elect to not renew a particular lease if business conditions warrant such a decision.

The Company classifies its lessee arrangements at inception as either operating leases or finance leases. A lease is classified as a finance lease if at least one of the following criteria is met: (1) the lease transfers ownership of the underlying asset to the lessee, (2) the lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise, (3) the lease term is for a major part of the remaining economic life of the underlying asset, (4) the present value of the sum of the lease payments equals or exceeds substantially all of the fair value of the underlying asset, or (5) the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. A lease is classified as an operating lease if none of the five criteria described above for finance lease classification is met.

ROU assets associated with operating leases are included in "Operating lease right-of-use assets" on the Company's condensed consolidated balance sheet. Current and long-term portions of lease liabilities related to operating leases are included in "Current portion of operating lease liabilities" and "Operating lease liabilities" on the Company's condensed consolidated balance sheet. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's present value of its future lease payments. In assessing its leases and determining its lease liability, the Company was not able to readily determine the rate implicit for its lessee arrangements, and thus has used its incremental borrowing rate on a collateralized basis to determine the present value of the lease payments. The Company's ROU assets are measured as the balance of the lease liability plus any prepaid or accrued lease payments and any unamortized initial direct costs. For both the Towers and Fiber segments, operating lease expenses are recognized on a ratable basis, regardless of whether the payment terms require the Company to make payments annually, quarterly, monthly, or for the entire term in advance. Certain of the Company's ground lease and fiber lease agreements contain fixed escalation clauses (such as fixed dollar or fixed percentage increases) or inflation-based escalation clauses (such as those tied to the change in CPI). If the payment terms include fixed escalator provisions, the effect of such increases is recognized on a straight-line basis. The Company calculates the straight-line expense over the contract's estimated lease term, including any renewal option periods that the Company deems reasonably certain to be exercised.

Lease agreements may also contain provisions for a contingent payment based on (1) the revenues derived from the communications infrastructure located on the leased asset, (2) the change in CPI or (3) the usage of the leased asset. The Company's contingent payments are considered variable lease payments and are (1) not included in the initial measurement of the ROU asset or lease liability due to the uncertainty of the payment amount and (2) recorded as expense in the period such contingencies are resolved.

ROU assets associated with finance leases are included in "Property and equipment, net" on the Company's condensed consolidated balance sheet. Lease liabilities associated with finance leases are included in "Current maturities of debt and other obligations" and "Debt and other long-term obligations" on the Company's condensed consolidated balance sheet. For both its Towers and Fiber segments, the Company measures the lease liability for finance leases using the effective interest method. The initial lease liability is increased to reflect interest on the liability and decreased to reflect payments made during the period. Interest on the lease liability is determined each period during the lease term as the amount that results in a constant periodic discount rate on the remaining balance of the liability. The Company measures ROU assets for finance leases on a ratable basis over the applicable lease term.

Lease Accounting — Lessor. The Company's lessor arrangements primarily include contracts for dedicated space (including dedicated fiber) on its shared communications infrastructure. The Company classifies its leases at inception as operating, direct financing or sales-type leases. A lease is classified as a sales-type lease if at least one of the following criteria is met: (1) the lease transfers ownership of the underlying asset to the lessee, (2) the lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise, (3) the lease term is for a major part of the remaining economic life of the underlying asset, (4) the present value of the sum of the lease payments equals or exceeds substantially all of the fair value of the underlying assets or (5) the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. Furthermore, when none of the above criteria is met, a lease is classified as a direct financing lease if both of the following criteria are met: (1) the present value of the of the sum of the lease payments and any residual value guaranteed by the lessee, that is not already reflected in the lease payments, equals or exceeds the fair value of the underlying asset and (2) it is probable that the lessor will collect the lease payments plus any amount necessary to satisfy a residual value guarantee. A lease is classified as an operating lease if it does not qualify as a sales-type or direct financing lease. Currently, the Company classifies all of its lessor arrangements as operating leases.

Site rental revenues from the Company’s lessor arrangements are recognized on a straight-line, ratable basis over the fixed, non-cancelable term of the relevant contract, regardless of whether the payments from the tenant are received in equal monthly amounts during the life of a contract. Certain of the Company's contracts contain fixed escalation clauses (such as fixed-dollar or fixed-percentage increases) or inflation-based escalation clauses (such as those tied to the change in CPI). If the payment terms call for fixed elements, such as fixed escalations, upfront payments, or rent-free periods, the rental revenue is recognized on a straight-line basis over the fixed, non-cancelable term of the agreement. When calculating straight-line site rental revenues, the Company considers all fixed elements of tenant contractual escalation provisions.

Certain of the Company's arrangements with tenants in its Fiber segment contain both lease and non-lease components. In such circumstances, the Company has determined (1) the timing and pattern of transfer for the lease and non-lease component are the same, and (2) the stand-alone lease component would be classified as an operating lease. As such, the Company has aggregated certain non-lease components with lease components and has determined that the lease components (generally dedicated fiber) represent the predominant component of the arrangement.

See notes 3 and 9 for further information.

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.

3. 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 contracts in various forms, including lease, license, sublease and service agreements. Providing such access over the length of the contract term represents the Company’s sole performance obligation under its site rental contracts.

Site rental revenues from the Company’s contracts are recognized on a straight-line, ratable basis over the fixed, non-cancelable term of the relevant contract, which generally ranges from five to 15 years for wireless tenants and three to 20 years related to 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 a contract. Certain of the Company's 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 consumer price index), (2) multiple renewal periods 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 $107 million included in "Other current assets" and non-current amounts of $1.4 billion included in "Deferred site rental receivables" as of June 30, 2019. 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.

Services and other revenues

As part of the Company’s effort to provide comprehensive communications infrastructure solutions, the Company offers certain services, primarily relating to its towers and small cells, 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, service 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 Company has one performance obligation for installation services, which is satisfied at the time of the respective installation or augmentation.

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 relates to the Company's Towers segment, and generally have a duration of one year or less.

(Tabular dollars in millions, except per share amounts)

Additional information on revenues

As of both January 1, 2019 and June 30, 2019, $2.3 billion 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, 2019, approximately $220 million of the January 1, 2019 unrecognized revenue balance was recognized as revenue. During the six months ended June 30, 2018, approximately $200 million of the January 1, 2018 unrecognized revenue balance was recognized as revenue.

The following table is a summary of the contracted amounts owed to the Company by tenants pursuant to site rental contracts in effect as of June 30, 2019.

	Six months ending December 31,	Years ending December 31,					
	2019	2020	2021	2022	2023	Thereafter	Total
Contracted amounts[(a)]	$ 2,136	$ 3,973	$ 3,770	$ 3,534	$ 2,873	$ 7,568	$ 23,854

(a) Based on the nature of the contract, site rental 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 and note 9 for further discussion regarding the Company's lessor arrangements.

(Tabular dollars in millions, except per share amounts)

4. Debt and Other Obligations

The table below sets forth the Company's debt and other obligations as of June 30, 2019.

	Original Issue Date	Contractual Maturity Date[(a)]	Balance as of June 30, 2019	Balance as of December 31, 2018	Stated Interest Rate as of June 30, 2019[(a)]
Tower Revenue Notes, Series 2015-1	May 2015	May 2042 (c)	$ 298	298	3.2%
Tower Revenue Notes, Series 2015-2	May 2015	May 2045 (c)	694	693	3.7%
Tower Revenue Notes, Series 2018-1	July 2018	July 2043 (c)	248	247	3.7%
Tower Revenue Notes, Series 2018-2	July 2018	July 2048 (c)	742	742	4.2%
3.849% Secured Notes	Dec. 2012	Apr. 2023	995	994	3.9%
Secured Notes, Series 2009-1, Class A-1	July 2009	Aug. 2019	—	12	N/A
Secured Notes, Series 2009-1, Class A-2	July 2009	Aug. 2029	70	70	9.0%
Finance leases and other obligations	Various	Various (d)	235	227	Various
Total secured debt			$ 3,282	$ 3,283	
2016 Revolver	Jan. 2016	June 2024 (i)	$ 485 (e)(i)	$ 1,075	3.5% (f)
2016 Term Loan A	Jan. 2016	June 2024 (i)	2,339	2,354	3.5% (f)
2019 Commercial Paper Notes	Various (h)	Various (h)	500	—	Various (b)
5.250% Senior Notes	Oct. 2012	Jan. 2023	1,642	1,641	5.3%
4.875% Senior Notes	Apr. 2014	Apr. 2022	845	844	4.9%
3.400% Senior Notes	Feb./May 2016	Feb. 2021	850	850	3.4%
4.450% Senior Notes	Feb. 2016	Feb. 2026	893	892	4.5%
3.700% Senior Notes	May 2016	June 2026	744	744	3.7%
2.250% Senior Notes	Sept. 2016	Sept. 2021	697	697	2.3%
4.000% Senior Notes	Feb. 2017	Mar. 2027	495	494	4.0%
4.750% Senior Notes	May 2017	May 2047	343	343	4.8%
3.200% Senior Notes	Aug. 2017	Sept. 2024	744	743	3.2%
3.650% Senior Notes	Aug. 2017	Sept. 2027	992	992	3.7%
3.150% Senior Notes	Jan. 2018	July 2023	743	742	3.2%
3.800% Senior Notes	Jan. 2018	Feb. 2028	989	988	3.8%
4.300% Senior Notes	Feb. 2019	Feb. 2029 (g)	591	—	4.3%
5.200% Senior Notes	Feb. 2019	Feb. 2049 (g)	395	—	5.2%
Total unsecured debt			$ 14,287	$ 13,399	
Total debt and other obligations			17,569	16,682	
Less: current maturities and short-term debt and other current obligations			98	107	
Non-current portion of long-term debt and other long-term obligations			$ 17,471	$ 16,575	

(a) See the 2018 10-K, including note 8, for additional information regarding the maturity and principal amortization provisions and interest rates relating to the Company's indebtedness.
(b) The weighted-average interest rate for the outstanding commercial paper under the CP Program, as defined below, was 2.8%.
(c) 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, 2019, 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.
(d) 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.
(e) As of June 30, 2019, the undrawn availability under the 2016 Revolver was $4.5 billion.
(f) The 2016 Revolver and senior unsecured term loan A facility ("2016 Term Loan A") bear interest at a rate per annum equal to LIBOR plus a credit spread ranging from 1.000% to 1.750%, 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.
(g) In February 2019, the Company issued $1.0 billion aggregate principal amount of senior unsecured notes ("February 2019 Senior Notes"), which consisted of (1) $600 million aggregate amount of 4.300% senior unsecured notes due February 2029 and (2) $400 million aggregate principle amount of 5.200% senior unsecured notes due February 2049.
(h) In April 2019, the Company established an unsecured commercial paper program ("CP Program"), pursuant to which the Company may issue short-term, unsecured commercial paper notes. Notes under the CP Program may be issued, repaid and re-issued from time to time, with an aggregate principal amount

(Tabular dollars in millions, except per share amounts)

of commercial paper notes ("2019 Commercial Paper Notes") outstanding under the CP Program at any time not to exceed $1.0 billion. The net proceeds of the 2019 Commercial Paper Notes are expected to be used for general corporate purposes. The maturities of the 2019 Commercial Paper Notes will vary but may not exceed 397 days from the date of issue. The 2019 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. For the three months ended June 30, 2019, the Company had net issuances of $500 million under the CP Program. 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 2019 Commercial Paper Notes outstanding. While any outstanding commercial paper issuances generally have short-term maturities, the Company classifies the outstanding issuances as long-term based on its ability and intent to refinance the outstanding issuances on a long-term basis.

(i) In June 2019, the Company entered into an amendment to the Credit Facility to (1) increase commitments on the 2016 Revolver by $750 million, for total 2016 Revolver commitments of $5.0 billion, and (2) extend the maturity of the Credit Facility from June 2023 to June 2024.

Contractual Maturities

The following are the scheduled contractual maturities of the total debt and other long-term obligations of the Company outstanding as of June 30, 2019. These maturities reflect contractual maturity dates and 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,							
	2019	2020	2021	2022	2023	Thereafter	Total Cash Obligations	Unamortized Adjustments, Net	Total Debt and Other Obligations Outstanding
Scheduled contractual maturities	$ 552 (a)	$ 98	$ 1,672	$ 998	$ 3,602	$ 10,759	$ 17,681	$ (112)	$ 17,569

(a) Predominantly consists of outstanding indebtedness under the Company's CP Program. Such amounts may be issued, repaid, or re-issued from time to time.

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,	
	2019	2018	2019	2018
Interest expense on debt obligations	$ 169	$ 157	$ 336	$ 314
Amortization of deferred financing costs and adjustments on long-term debt	5	5	10	11
Other, net of capitalized interest	(5)	(4)	(9)	(7)
Total	$ 169	$ 158	$ 337	$ 318

5. Fair Value Disclosures

		June 30, 2019		December 31, 2018	
	Level in Fair Value Hierarchy	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:					
Cash and cash equivalents	1	$ 288	$ 288	$ 277	$ 277
Restricted cash, current and non-current	1	141	141	136	136
Liabilities:					
Total debt and other obligations	2	17,569	18,351	16,682	16,562

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, 2018, there have been no changes in the Company's valuation techniques used to measure fair values.

6. 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 in certain circumstances be required to pay an excise or penalty tax, which could be significant in amount, in order to utilize one or more relief provisions under the Internal Revenue Code of 1986, as amended, 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, 2019 and 2018, 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.

7. 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, 2019 and 2018, 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income (loss) attributable to CCIC stockholders	$ 246	$ 180	$ 456	$ 294
Dividends on preferred stock	(28)	(28)	(57)	(57)
Net income (loss) attributable to CCIC common stockholders for basic and diluted computations	$ 218	$ 152	$ 399	$ 237
Weighted-average number of common shares outstanding (in millions):				
Basic weighted-average number of common stock outstanding	416	415	415	412
Effect of assumed dilution from potential issuance of common shares relating to restricted stock units	2	1	2	1
Diluted weighted-average number of common shares outstanding	418	416	417	413
Net income (loss) attributable to CCIC common stockholders, per common share:				
Basic	$ 0.52	$ 0.37	$ 0.96	$ 0.58
Diluted	$ 0.52	$ 0.36	$ 0.95	$ 0.57
Dividends/distributions declared per share of common stock	$ 1.125	$ 1.05	$ 2.250	$ 2.10
Dividends declared per share of preferred stock	$ 17.1875	$ 17.1875	$ 34.3750	$ 34.3750

During the six months ended June 30, 2019, the Company granted one million restricted stock units. For both the three and six months ended June 30, 2019, 14 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, 2019.

(Tabular dollars in millions, except per share amounts)

8. 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, the Company has the option to purchase 53% of the Company's towers at the end of their respective lease terms. The Company has no obligation to exercise such purchase options.

9. Leases

The following information is presented with respect to the Company's contracts that are subject to the new lease accounting standard and is exclusive of those contracts outside the scope of that standard.

Lessor Tenant Leases

See note 3 for further information regarding the contractual amounts owed to the Company pursuant to site rental contracts in effect as of June 30, 2019 and other information.

Lessee Operating Leases

The components of the Company's operating lease expense are as follows:

	Three Months Ended June 30,	Six Months Ended June 30,
	2019	2019
Lease cost:		
Operating lease expense[(a)]	$ 162	$ 323
Variable lease expense[(b)]	33	65
Total lease expense[(c)]	$ 195	$ 388

(a) Represents the Company's operating lease expense related to its ROU assets for both the three and six months ended June 30, 2019.
(b) Represents the Company's expense related to contingent payments for operating leases (such as payments based on revenues derived from the communications infrastructure located on the leased asset) for both the three and six months ended June 30, 2019. Such contingencies are recognized as expense in the period they are resolved.
(c) Excludes those direct operating expenses accounted for pursuant to accounting guidance outside the scope of ASC 842.

Lessee Finance Leases

The vast majority of the Company's finance leases are related to the towers subject to prepaid master lease agreements with AT&T, Sprint and T-Mobile and are recorded as "Property and equipment, net" on the condensed consolidated balance sheet. See note 1 for further discussion of the Company's prepaid master lease agreements and note 2 for further information regarding the Company's adoption method of the new lease standard. Finance leases and associated leasehold improvements related to gross property and equipment and accumulated depreciation were $4.4 billion and $2.0 billion, respectively, as of June 30, 2019. For the three and six months ended June 30, 2019, the Company recorded $54 million and $108 million, respectively, to "Depreciation, amortization and accretion" related to finance leases.

Other Lessee Information

As of June 30, 2019, the Company's weighted-average remaining lease term and weighted-average discount rate for operating leases were 18 years and 4.6%, respectively.

(Tabular dollars in millions, except per share amounts)

The following table is a summary of the Company's maturities of operating lease liabilities as of June 30, 2019:

	Six months ending December 31,	Years ending December 31,							
	2019	2020	2021	2022	2023	Thereafter	Total undiscounted lease payments	Less: Imputed interest	Total operating lease liabilities
Operating leases[a]	$ 270	$ 532	$ 526	$ 521	$ 516	$ 6,456	$ 8,821	$ (3,105)	$ 5,716

(a) Excludes the Company's contingent payments for operating leases (such as payments based on revenues derived from the communications infrastructure located on the leased asset) as such arrangements are excluded from the Company's operating lease liability. Such contingencies are recognized as expense in the period they are resolved.

Comparative Information from 2018 Form 10-K

The Company adopted ASC 842 using a modified retrospective approach as of the effective date, without adjusting the comparative periods and therefore, as required by ASC 842, and has included the following comparative information from note 14 to the consolidated financial statements in its 2018 Form 10-K.

The operating lease payments included in the table below include payments for certain renewal periods at the Company's option that are deemed reasonably assured to be exercised and an estimate of contingent payments based on revenues and gross margins derived from existing tenant leases.

	Years ending December 31,						
	2019	2020	2021	2022	2023	Thereafter	Total
Operating leases	$ 640	$ 631	$ 628	$ 623	$ 619	$ 8,054	$ 11,195

10. Equity

Declaration and Payment of Dividends

During the six months ended June 30, 2019, the following dividends were declared or paid:

Equity Type	Declaration Date	Record Date	Payment Date	Dividends Per Share	Aggregate Payment Amount
Common Stock	February 21, 2019	March 15, 2019	March 29, 2019	$ 1.125	$ 471 [a]
Common Stock	May 16, 2019	June 14, 2019	June 28, 2019	$ 1.125	$ 471 [a]
6.875% Mandatory Convertible Preferred Stock	December 11, 2018	January 15, 2019	February 1, 2019	$ 17.1875	$ 28
6.875% Mandatory Convertible Preferred Stock	March 19, 2019	April 15, 2019	May 1, 2019	$ 17.1875	$ 28
6.875% Mandatory Convertible Preferred Stock	June 17, 2019	July 15, 2019	August 1, 2019	$ 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, 2019, the Company purchased 0.4 million shares of its common stock utilizing $43 million in cash. The common stock shares 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 services relating to the Company's towers, consisting of site development services and installation services. The Fiber segment provides access, including space or capacity, to the Company's approximately 75,000 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 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, 2019, and the respective comparative periods. 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.

(Tabular dollars in millions, except per share amounts)

	Three Months Ended June 30, 2019				Three Months Ended June 30, 2018			
	Towers	Fiber	Other	Consolidated Total	Towers	Fiber	Other	Consolidated Total
Segment site rental revenues	$ 816	$ 422		$ 1,238	$ 771	$ 398		$ 1,169
Segment services and other revenues	237	3		240	158	3		161
Segment revenues	1,053	425		1,478	929	401		1,330
Segment site rental cost of operations	218	136		354	216	130		346
Segment services and other cost of operations	134	2		136	94	3		97
Segment cost of operations(a)(b)	352	138		490	310	133		443
Segment site rental gross margin	598	286		884	555	268		823
Segment services and other gross margin	103	1		104	64	—		64
Segment selling, general and administrative expenses(b)	24	51		75	27	44		71
Segment operating profit (loss)	677	236		913	592	224		816
Other selling, general and administrative expenses			$ 56	56			$ 47	47
Stock-based compensation expense			32	32			26	26
Depreciation, amortization and accretion			393	393			379	379
Interest expense and amortization of deferred financing costs			169	169			158	158
Other (income) expenses to reconcile to income (loss) before income taxes(c)			13	13			21	21
Income (loss) before income taxes				$ 250				$ 185
Capital expenditures	$ 136	$ 371	$ 11	$ 518	$ 98	$ 289	$ 6	$ 393
Total assets (at period end)	$ 22,149	$ 15,215	$ 783	$ 38,147	$ 17,780	$ 14,100	$ 494	$ 32,374

(a) Exclusive of depreciation, amortization and accretion shown separately.
(b) Segment cost of operations for the three months ended June 30, 2019 and 2018 excludes (1) stock-based compensation expense of $8 million and $6 million, respectively, and (2) prepaid lease purchase price adjustments of $5 million, for both periods. For the three months ended June 30, 2019 and 2018 segment selling, general and administrative expenses exclude stock-based compensation expense of $24 million and $20 million, respectively.
(c) See condensed consolidated statement of operations for further information.

(Tabular dollars in millions, except per share amounts)

	Six Months Ended June 30, 2019				Six Months Ended June 30, 2018			
	Towers	Fiber	Other	Consolidated Total	Towers	Fiber	Other	Consolidated Total
Segment site rental revenues	$ 1,621	$ 836		$ 2,457	$ 1,536	$ 787		$ 2,323
Segment services and other revenues	440	7		447	300	7		307
Segment revenues	2,061	843		2,904	1,836	794		2,630
Segment site rental cost of operations	429	277		706	427	256		683
Segment services and other cost of operations	254	5		259	176	5		181
Segment cost of operations(a)(b)	683	282		965	603	261		864
Segment site rental gross margin	1,192	559		1,751	1,109	531		1,640
Segment services and other gross margin	186	2		188	124	2		126
Segment selling, general and administrative expenses(b)	50	98		148	53	87		140
Segment operating profit (loss)	1,328	463		1,791	1,180	446		1,626
Other selling, general and administrative expenses			$ 112	112			$ 94	94
Stock-based compensation expense			61	61			52	52
Depreciation, amortization and accretion			787	787			753	753
Interest expense and amortization of deferred financing costs			337	337			318	318
Other (income) expenses to reconcile to income (loss) before income taxes(c)			28	28			106	106
Income (loss) before income taxes				$ 466				$ 303
Capital expenditures	$ 257	$ 726	$ 15	$ 998	$ 195	$ 552	$ 16	$ 763

(a) Exclusive of depreciation, amortization and accretion shown separately.
(b) Segment cost of operations for the six months ended June 30, 2019 and 2018 excludes (1) stock-based compensation expense of $14 million and $13 million, respectively, and (2) prepaid lease purchase price adjustments of $10 million, for both periods. For the six months ended June 30, 2019 and 2018 segment selling, general and administrative expenses exclude stock-based compensation expense of $47 million and $39 million, 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, 2019	Six Months Ended June 30, 2018
Supplemental disclosure of cash flow information:		
Cash payments related to operating lease liabilities[(a)]	$ 271	$ —
Interest paid	318	292
Income taxes paid	9	12
Supplemental disclosure of non-cash operating, investing and financing activities:		
New ROU assets obtained in exchange for operating lease liabilities	183	—
Increase (decrease) in accounts payable for purchases of property and equipment	18	22
Purchase of property and equipment under finance leases and installment purchases	22	17

(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, 2019	December 31, 2018
Cash and cash equivalents	$ 288	$ 277
Restricted cash, current	136	131
Restricted cash reported within long-term prepaid rent and other assets, net	5	5
Cash, cash equivalents and restricted cash	$ 429	$ 413

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 our 2018 Form 10-K. Capitalized terms used but not defined in this Form 10-Q have the same meaning given to them in our 2018 Form 10-K.

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) 75,000 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 84% of our second quarter 2019 consolidated net revenues. Our Towers segment and Fiber segment accounted for 66% and 34%, respectively, of our second quarter 2019 site rental revenues. 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 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 provided 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 U.S. focused strategy is based, in part, on our belief that the U.S. is the most attractive market for shared communications infrastructure investment with the greatest long-term growth potential. We measure our efforts to create "long-term stockholder value" by the combined payment of dividends to stockholders and growth in our per-share results. The key elements of our strategy are to:

- *Grow cash flows from our existing communications infrastructure.* We seek to maximize our site rental cash flows by working with our tenants to provide them quick access to our existing communications infrastructure and entering into long-term contracts. 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. We also believe that there will be considerable future demand for our communications infrastructure based on the location of our assets and the rapid growth in demand for data.
- *Return cash provided by operating activities to common stockholders in the form of dividends*. We believe that distributing a meaningful portion of our cash provided by operating activities appropriately provides common stockholders with increased certainty for a portion of expected long-term stockholder value while still retaining sufficient flexibility to invest in our business and deliver growth. We believe this decision reflects the translation of the high-quality, long-term contractual cash flows of our business into stable capital returns to 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 provided 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 additional demand for our communications infrastructure will be created by the expected continued growth in the demand for data. We believe that such demand for our communications infrastructure will continue, will result in growth of our cash flows due to tenant additions on our existing communications infrastructure, and will create other growth opportunities for us, such as demand for newly-constructed or acquired communications infrastructure, as described above.

Business Fundamentals and Results

The following are certain highlights of our business fundamentals and results as of the six months ended June 30, 2019.

- 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 6 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 $941 million for the six months ended June 30, 2019, 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 at the tenants' option, currently representing approximately $24 billion of expected future cash inflows.
- Majority of our revenues from large wireless carriers
    - 75% of our site rental revenues were derived from AT&T, T-Mobile, Verizon Wireless and Sprint. See also *"Item 2. MD&A—General Overview—Outlook Highlights"* presented below.
- 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 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 *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* for a further discussion of our debt)
    - As of June 30, 2019, our outstanding debt has a weighted-average interest rate of 3.9% and weighted-average maturity of approximately six years (assuming anticipated repayment dates, where applicable).
    - 84% of our debt has fixed rate coupons.
    - Our debt service coverage and leverage ratios are comfortably within their respective financial maintenance covenants.
- During 2019, we have completed the following financing transactions (see note 4 to our condensed consolidated financial statements)
    - In February 2019, we issued $1.0 billion aggregate principal amount of senior unsecured notes ("February 2019 Senior Notes"), which consisted of (1) $600 million aggregate principal amount of 4.300% senior unsecured notes due February 2029 and (2) $400 million aggregate principal amount of 5.200% senior unsecured notes due February 2049. We used the net proceeds of the February 2019 Senior Notes offering to repay a portion of the outstanding borrowings under the 2016 Revolver.
    - In April 2019, we established an unsecured commercial paper program ("CP Program") pursuant to which we may issue short-term, unsecured commercial paper notes. 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 ("2019 Commercial Paper Notes") outstanding under the CP Program at any time not to exceed $1.0 billion. The net proceeds of the 2019 Commercial Paper Notes are expected to be used for general corporate purposes.
    - In June 2019, we entered into an amendment to the Credit Facility to (1) increase our commitments under our 2016 Revolver by $750 million for total 2016 Revolver commitments of $5.0 billion and (2) extend the maturity of the Credit Facility from June 2023 to June 2024.
- Significant cash flows from operations
    - Net cash provided by operating activities was $1.2 billion for the six months ended June 30, 2019.
    - 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 2019, we paid a common stock dividend of $1.125 per share, totaling approximately $944 million for the six months ended June 30, 2019. We currently expect our common stock dividends over the next 12 months to be a cumulative amount of at least $4.50 per share, or an aggregate amount of approximately $1.9 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.
    - During each of the first two quarters of 2019, we paid a preferred stock dividend of $17.1875 per share, totaling approximately $57 million for the six months ended June 30, 2019. We currently expect our preferred stock dividends over the next 12 months to be a cumulative amount of $68.75 per share, or an aggregate amount of approximately $113 million. Any future preferred stock dividends are subject to declaration by our board directors.

Outlook Highlights

The following are certain highlights of our full year 2019 outlook that impact our business fundamentals described above.

- We expect that, when compared to full year 2018, our full year 2019 site rental revenue growth 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 discretionary capital expenditures for 2019 to exceed 2018 levels due to the construction of 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 2019.

Results of Operations

The following discussion of our results of operations should be read in conjunction with our condensed consolidated financial statements and our 2018 Form 10-K.

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 2 to our consolidated financial statements in our 2018 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, 2019 and 2018 are depicted below.

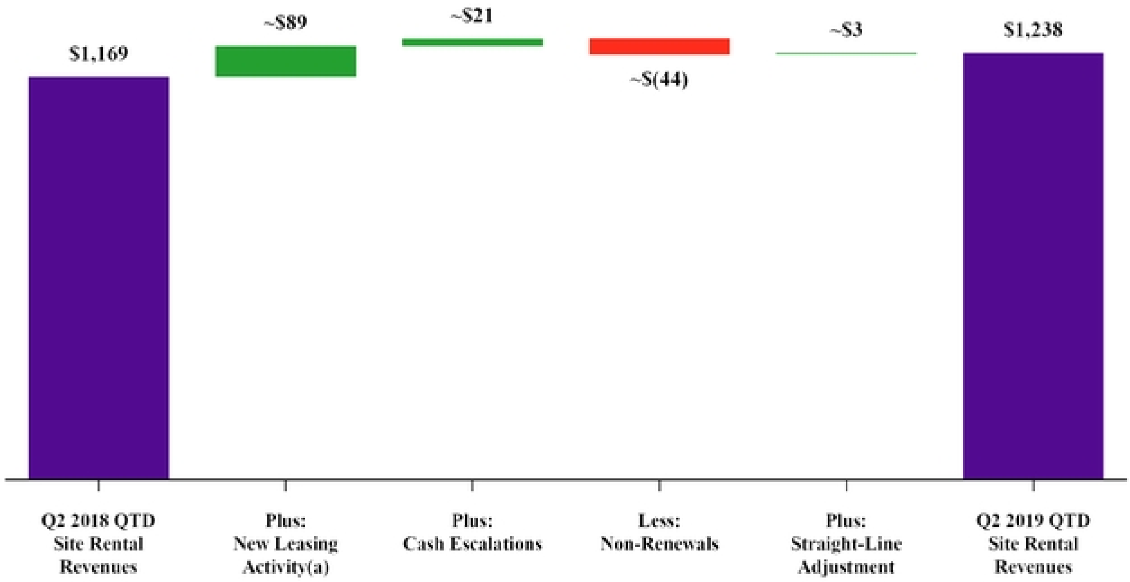
	Three Months Ended June 30,			
($ in millions)	**2019**	**2018**	**$ Change**	**% Change**
Site rental revenues:				
Towers site rental revenues	$816	$771	+$45	+6%
Fiber site rental revenues	$422	$398	+$24	+6%
Total site rental revenues	$1,238	$1,169	+$69	+6%
Segment site rental gross margin:				
Towers site rental gross margin[a]	$598	$555	+$43	+8%
Fiber site rental gross margin[a]	$286	$268	+$18	+7%
Services and other gross margin:				
Towers services and other gross margin[a]	$103	$64	+$39	+61%
Fiber services and other gross margin[a]	$1	$—	$1	—%
Segment operating profit:				
Towers operating profit[a]	$677	$592	+$85	+14%
Fiber operating profit[a]	$236	$224	+$12	+5%
Net income attributable to CCIC common stockholders	$218	$152	+$66	+43%
Adjusted EBITDA[b]	$857	$769	+$88	+11%

(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 $69 million, or 6%, for the three months ended June 30, 2019 compared to the three months ended June 30, 2018. This growth was predominately comprised of the factors depicted in the chart below:

($ in millions)



(a) Includes amortization of up-front payments received from long-term tenant contracts and other deferred credits (commonly referred to as prepaid rent).

Towers site rental revenues for the second quarter of 2019 were $816 million and increased by $45 million, or 6%, from $771 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 tenant 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 2019 were $422 million and increased by $24 million, or 6%, from $398 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 6% 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 6% increase in Fiber site rental revenues.

Towers services and other gross margin was $103 million for the second quarter of 2019 and increased by $39 million, or 61%, from $64 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 2019 were $155 million and increased by $17 million, or 12%, from $138 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, including the expansion of our Fiber segment.

Towers operating profit for the second quarter of 2019 increased by $85 million, or 14%, from the same period in the prior year. Towers operating profit primarily reflects the growth in our Towers site rental revenues and relatively fixed costs to operate our towers.

Fiber operating profit for the second quarter of 2019 increased by $12 million, or 5%, from the same period in the prior year. Fiber operating profit was positively impacted by the aforementioned increased demand for small cells and fiber solutions and was partially offset by an increase in Fiber-related selling, general and administrative expenses, as described above.

Depreciation, amortization and accretion was $393 million for the second quarter of 2019 and increased by $14 million, or 4%, from $379 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 $169 million for the second quarter of 2019 and increased by $11 million, or 7%, from $158 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 2019 and 2018, the effective tax rate differs from the federal statutory rate predominately due to our REIT status, including the dividends paid deduction. See note 6 to our condensed consolidated financial statements and also note 10 to our consolidated financial statements in our 2018 Form 10-K.

Net income (loss) attributable to CCIC stockholders was income of $246 million during the second quarter of 2019 compared to income of $180 million during the second quarter of 2018. The increase was predominately related to net growth in our Towers and Fiber segments, partially offset by an 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.

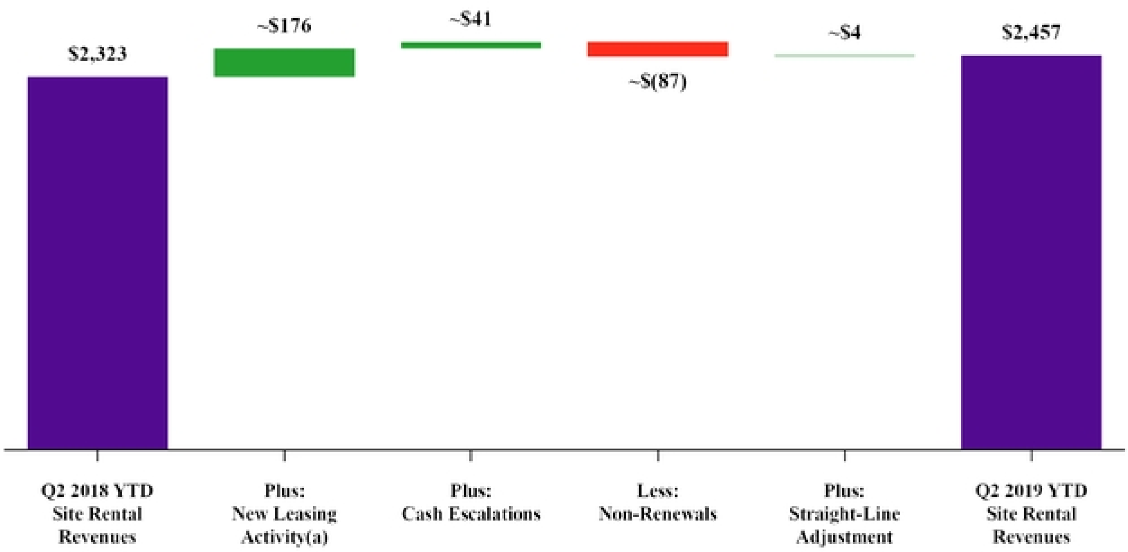
Adjusted EBITDA increased $88 million, or 11%, from the second quarter of 2018 to the second quarter of 2019. Adjusted EBITDA was positively impacted by the growth in our site rental activities in both the Towers and Fiber segments.

Highlights of our results of operations for the six months ended June 30, 2019 and 2018 are depicted below.

	Six Months Ended June 30,			
($ in millions)	**2019**	**2018**	**$ Change**	**% Change**
Site rental revenues:				
Towers site rental revenues	$1,621	$1,536	+$85	+6%
Fiber site rental revenues	$836	$787	+$49	+6%
Total site rental revenues	$2,457	$2,323	+$134	+6%
Segment site rental gross margin:				
Towers site rental gross margin[(a)]	$1,192	$1,109	+$83	+7%
Fiber site rental gross margin[(a)]	$559	$531	+$28	+5%
Segment services and other gross margin:				
Towers services and other gross margin[(a)]	$186	$124	+$62	+50%
Fiber services and other gross margin[(a)]	$2	$2	—	—%
Segment operating profit:				
Towers operating profit[(a)]	$1,328	$1,180	+$148	+13%
Fiber operating profit[(a)]	$463	$446	+$17	+4%
Net income attributable to CCIC common stockholders	$399	$237	+$162	+68%
Adjusted EBITDA[(b)]	$1,679	$1,532	+$147	+10%

(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 $134 million, or 6%, for the six months ended June 30, 2019 compared to the six months ended June 30, 2018. This growth was predominately comprised of the factors depicted in the chart below:



($ in millions)

(a) Includes amortization of up-front payments received from long-term tenant contracts and other deferred credits (commonly referred to as prepaid rent).

Towers site rental revenues for the first six months of 2019 were $1.6 billion and increased by $85 million, or 6%, from $1.5 billion 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 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 2019 were $836 million and increased by $49 million, or 6%, from $787 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 6% 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 6% increase in Fiber site rental revenues.

Towers services and other gross margin was $186 million for the first six months of 2019 and increased by $62 million, or 50%, from $124 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 2019 were $307 million and increased by $34 million, or 12%, from $273 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, including the expansion of our Fiber segment.

Towers operating profit for the first six months of 2019 increased by $148 million, or 13%, from the same period in the prior year. Towers operating profit primarily reflects the growth in our Towers site rental activities and relatively fixed costs to operate our towers.

Fiber operating profit for the first six months of 2019 increased by $17 million, or 4%, from the same period in the prior year. Fiber operating profit was positively impacted by the aforementioned increased demand for small cells and fiber solutions and was partially offset by an increase in Fiber-related selling, general and administrative expenses, as described above.

Depreciation, amortization and accretion was $787 million for the first six months of 2019 and increased by $34 million, or 5%, from $753 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 $337 million for the first six months of 2019 and increased $19 million, or 6%, from $318 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. As a result of repaying certain of our debt, in conjunction with our refinancing activities, we incurred losses of $2 million and $74 million for the first six months of 2019 and 2018, respectively. See note 4 to our condensed consolidated financial statements.

For the first six months of 2019 and 2018, the effective tax rate differs from the federal statutory rate predominately due to our REIT status, including the dividends paid deduction. See note 6 to our condensed consolidated financial statements and also note 10 to our consolidated financial statements in our 2018 Form 10-K.

Net income (loss) attributable to CCIC stockholders was income of $456 million for the first six months of 2019 compared to income of $294 million during the first six months of 2018. The increase was predominately due to net growth in our Towers and Fiber segments and a decrease in losses on retirement of long-term obligations, partially offset by an increase in expenses, including increases in (1) depreciation, amortization and accretion, (2) selling, general and administrative expenses and (3) interest expense and amortization of deferred financing costs.

Adjusted EBITDA increased $147 million, or 10%, from the first six months of 2018 to the first six months of 2019. Adjusted EBITDA was positively impacted by the growth in our site rental activities in both the Towers and Fiber segments.

Liquidity and Capital Resources

Overview

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

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 provided by operating activities and cash available from financing capacity, such as the use of our undrawn availability from the 2016 Revolver, issuances under the 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 2021 (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 6 to our condensed consolidated financial statements and our 2018 Form 10-K.

Liquidity Position. The following is a summary of our capitalization and liquidity position as of June 30, 2019. See *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* and note 4 to our condensed consolidated financial statements for additional information regarding our debt as well as note 8 for additional information regarding our 2018 ATM Program.

		(In millions)
Cash, cash equivalents, and restricted cash[(a)]	$	429
Undrawn 2016 Revolver availability[(b)]		4,495
Debt and other long-term obligations (current and non-current)[(c)]		17,569
Total equity		11,523

(a) Inclusive of $5 million included within "Long-term prepaid rent and 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 our 2018 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 2019 Commercial Paper Notes outstanding.
(c) See *"Item 2. MD&A—General Overview—Overview"* and note 4 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 provided by 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 $98 million (principal payments), (2) cumulative common stock dividend payments expected to be at least $4.50 per share, or an aggregate amount of approximately $1.9 billion (see *"Item 2. MD&A—Business Fundamentals and Results"*), (3) 6.875% Mandatory Convertible Preferred Stock dividend payments of approximately $113 million and (4) capital expenditures (expected to be greater than current levels). 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.
- We have no scheduled contractual debt maturities other than principal payments on amortizing debt. 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,		
	2019	2018	Change
		(In millions)	
Net increase (decrease) in cash, cash equivalents, and restricted cash:			
Operating activities	$ 1,227	$ 1,111	$ 116
Investing activities	(1,010)	(778)	(232)
Financing activities	(201)	(436)	235
Net increase (decrease) in cash, cash equivalents, and restricted cash	16	(103)	119
Effect of exchange rate changes on cash	—	(1)	1
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 16	$ (104)	$ 120

Operating Activities

Net cash provided by operating activities for the first six months of 2019 increased by $116 million, or 10%, compared to the first six months of 2018, due primarily to the growth in our core business offset by a net decrease 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

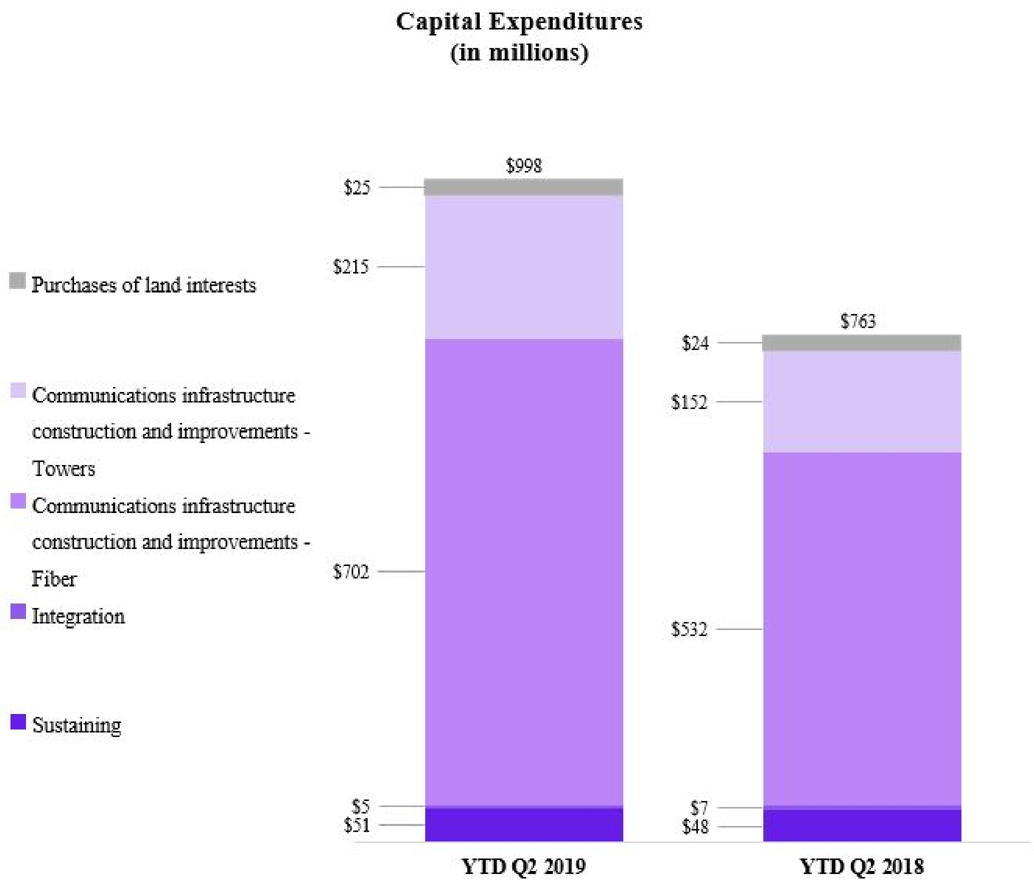
Net cash used for investing activities for the first six months of 2019 increased $232 million from the first six months of 2018 as a result of increased discretionary capital expenditures due to the construction of small cells and fiber.

Capital Expenditures

Our capital expenditures have been categorized as discretionary, sustaining or integration 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 consist of expansion or development of existing 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), construction of new communications infrastructure, and, to a lesser extent, 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) and other capital projects. The expansion or development of existing communications infrastructure to accommodate new leasing typically vary 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) corporate capital expenditures.

Capital expenditures for the six months ended June 30, 2019 and 2018 were as follows:



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 2019 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) paying dividends on our common stock (currently expected to total at least $4.50 per share over the next 12 months, or an aggregate amount of approximately $1.9 billion), paying dividends on our 6.875% Mandatory Convertible Preferred Stock (expected to total approximately $113 million over the next 12 months), purchasing our common stock, or purchasing, repaying, or redeeming our debt. See notes 4 and 10 to our condensed consolidated financial statements.

Net cash used for financing activities for the first six months of 2019 decreased by $235 million from the first six months of 2018 as a result of the net impact from our common and preferred stock dividend payments, purchases of common stock and our issuances, purchases and repayments of debt (including with respect to our 2016 Revolver and CP Program). See *Item 2. MD&A—General Overview—Business Fundamentals and Results* and notes 4 and 10 to our condensed consolidated financial statements for further information.

Credit Facility.

In June 2019, we entered into an amendment to the Credit Facility to (1) increase the commitments under the 2016 Revolver by $750 million, for total 2016 Revolver commitments of $5.0 billion, and (2) extend the maturity of the Credit Facility from June 2023 to June 2024.

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, 2019, there was $135 million outstanding and $4.8 billion in undrawn availability under our 2016 Revolver. See note 4 to our condensed consolidated financial statements.

Commercial Paper Program. See "Item 2. MD&A—General Overview—Overview" and note 4 to our condensed consolidated financial statements for further information regarding our CP Program. As of July 29, 2019, there was $750 million outstanding under our CP Program.

Incurrence, Purchases, and Repayments of Debt. See *Item 2. MD&A—General Overview—Business Fundamentals and Results* and note 4 to our condensed consolidated financial statements 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, as well as dividends declared and paid.

Convertible Preferred Stock Activity. As of both June 30, 2019 and December 31, 2018, 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 8.7500 shares (based on the current maximum conversion price of $114.29) and 10.5000 shares (based on the current minimum conversion price of $95.24) 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 8.7500 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% 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 The credit agreement governing the 2016 Credit Facility contains financial maintenance covenants. We are currently in compliance with these financial maintenance covenants, and based upon our current expectations, we believe we will continue to comply with 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 our 2018 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. The critical accounting policies and estimates for 2019 are not intended to be a comprehensive list of our accounting policies and estimates. 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. Our critical accounting policies and estimates as of December 31, 2018 are described in *"Item 7. MD&A—Accounting and Reporting Matters"* and in note 2 of our consolidated financial statements in our 2018 Form 10-K. See below for our updated critical accounting policies and estimates related to our lessee arrangements following the adoption of the new lease accounting guidance (commonly referred to as "ASC 842" or the "new lease standard") on January 1, 2019. See notes 2 and 9 to our condensed consolidated financial statements for further discussion and information related to the new lease standard.

Lease Accounting - Lessee

For our Towers segment, our lessee arrangements primarily consist of ground leases for land under our towers. Ground leases for land are specific to each site and are generally for an initial term of five to 10 years and are renewable (and cancelable after a notice period) at our option. We also enter into term easements and ground leases in which we prepay the entire term. For our Fiber segment, our lessee arrangements primarily include leases of fiber assets to facilitate our small cells and fiber solutions. The majority of our lease agreements have certain termination rights that provide for cancellation after a notice period and multiple renewal options at our option. When calculating the estimated lease term, we consider the economic penalty associated with our failure to renew our leases. We include certain renewal option periods in the lease term when we determine that the options are reasonably certain to be exercised.

For both our Towers and Fiber segments, operating lease expense is recognized on a ratable basis, regardless of whether the payment terms require us to make payments annually, quarterly, monthly, or for the entire term in advance. Certain of our ground lease and fiber lease agreements contain fixed escalation clauses (such as fixed dollar or fixed percentage increases) or inflation-based escalation clauses (such as those tied to the change in CPI). If the payment terms include fixed escalator provisions, the effect of such increases is recognized on a straight-line basis. We calculate the straight-line expense over the contract's estimated lease term, including any renewal option periods that we deem reasonably certain to be exercised.

In conjunction with the adoption of ASC 842, we recognized a right-of-use ("ROU") asset and lease liability for each of our operating leases. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent the present value of our future lease payments. In assessing our leases and determining our lease liability, we are not able to readily determine the rate implicit for our lessee arrangements and thus use our incremental borrowing rate on a collateralized basis to determine the present value of our lease payments. Our ROU assets are measured as the balance of the lease liability plus any prepaid or accrued lease payments and any unamortized initial direct costs.

We review the carrying value of our ROU assets for impairment, similar to our other long-lived assets, whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. We could record impairments in the future if there are changes in (1) long-term market conditions, (2) expected future operating results or (3) the utility of the assets that negatively impact the fair value of our ROU assets.

Accounting Pronouncements

Recently Adopted Accounting Pronouncements.

See note 2 to our condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted.

See note 2 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 and excludes items in our Adjusted EBITDA definition which are not applicable to the periods shown.

($ in millions)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Net income (loss)	$ 246	$ 180	$ 456	$ 294
Adjustments to increase (decrease) net income (loss):				
Asset write-down charges	6	6	12	9
Acquisition and integration costs	2	8	6	14
Depreciation, amortization and accretion	393	379	787	753
Amortization of prepaid lease purchase price adjustments	5	5	10	10
Interest expense and amortization of deferred financing costs	169	158	337	318
(Gains) losses on retirement of long-term obligations	1	3	2	74
Interest income	(1)	(1)	(3)	(2)
Other (income) expense	—	—	1	1
(Benefit) provision for income taxes	4	5	10	9
Stock-based compensation expense	32	26	61	52
Adjusted EBITDA[(a)]	$ 857	$ 769	$ 1,679	$ 1,532

(a) The components in this table may not sum to the total due to rounding.

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 our 2018 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 report.

Interest Rate Risk

Our interest rate risk relates primarily to the impact of interest rate movements on the following:

- the potential refinancing of our existing debt ($17.6 billion outstanding at June 30, 2019 and $16.7 billion at December 31, 2018);
- our $2.8 billion and $3.4 billion of floating rate debt at June 30, 2019 and December 31, 2018, respectively, which represented approximately 16% and 21% of our total debt, as of June 30, 2019 and December 31, 2018, respectively; and
- potential future borrowings of incremental debt, including borrowings under our 2016 Credit Facility and issuances under the CP Program.

With the exception of our 2019 Commercial Paper Notes, which may be issued, repaid and re-issued from time to time, we have no debt maturities, other than principal payments on amortizing debt, or anticipated repayment dates over the next 12 months. 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, 2019, we had $2.8 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 $4 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, 2019. These debt maturities reflect contractual 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 4 and 5 to our condensed consolidated financial statements and our 2018 Form 10-K for additional information regarding our debt.

	Future Principal Payments and Interest Rates by the Debt Instruments' Contractual Year of Maturity							
	2019	2020	2021	2022	2023	Thereafter	Total	Fair Value[a]
	(Dollars in millions)							
Debt:								
Fixed rate[b]	$ 523 [f]	$ 39	$ 1,585	$ 880	$ 3,427	$ 8,401	$ 14,855	$ 15,525
Average interest rate[b][c][d]	2.9%	4.4%	2.9%	5.2%	4.2%	5.2%	4.6%	
Variable rate[e]	$ 29	$ 58	$ 88	$ 117	$ 176	$ 2,358	$ 2,826	$ 2,826
Average interest rate[e]	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	

(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 principle 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 2018 Excess Cash Flow of the issuers of the Tower Revenue Notes was approximately $720 million. We currently expect to refinance these notes on or prior to the respective anticipated repayment dates.

(e) Predominately consists of our 2016 Term Loan A and 2016 Revolver borrowings, each of which matures in 2024.

(f) Predominantly consists of outstanding indebtedness under our CP Program. Such amounts may be issued, repaid, or re-issued from time to time.

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 the Company's disclosure controls and procedures were 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.

Changes in Internal Control Over Financial Reporting

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. We have updated our existing information technology systems, review processes, and internal controls to align with the requirements of the new lease standard, which we adopted on January 1, 2019.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See the disclosure in note 8 to our condensed consolidated financial statements set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q, which disclosure is hereby incorporated herein by reference.

ITEM 1A. RISK FACTORS

In Item 1A of our 2018 Form 10-K, we have previously included the risk factor captioned "***A substantial portion of our revenues is derived from a small number of tenants, and the loss, consolidation or financial instability of any of such tenants may materially decrease revenues or reduce demand for our communications infrastructure and network services.***" In light of the U.S. Department of Justice's proposed settlement in July 2019 regarding the merger between T-Mobile and Sprint, set forth below is certain updated information relating to that risk factor. You should carefully consider the information provided in this document and the risk factors contained in our 2018 Form 10-K, as updated by the information contained below.

For the six months ended June 30, 2019, T-Mobile and Sprint represented approximately 20% and 14%, respectively, of the Company's consolidated site rental revenues. In addition, there is an average of approximately five years and six years of current term remaining on all lease agreements with T-Mobile and Sprint, respectively. Further, the Company derived approximately 7% and 6% of its consolidated site rental revenues from T-Mobile and Sprint, respectively, on towers where both carriers currently reside, inclusive of an approximately 1% impact from previously disclosed expected non-renewals from the anticipated decommissioning of portions of T-Mobile's MetroPCS and Sprint's Clearwire networks.

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 2019:

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, 2019	3	$ 128.27	—	—
May 1 - May 31, 2019	2	125.06	—	—
June 1 - June 30, 2019	3	132.45	—	—
Total	8	$ 129.36	—	—

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
10.1	Form of Dealer Agreement among Crown Castle International Corp. and the Dealer party thereto	8-K	001-16441	April 8, 2019	10.1
10.2	Amendment No. 5 dated as of June 21, 2019, among Crown Castle International Corp., the lenders and issuing banks party thereto, and JPMorgan Chase Bank, N.A., as administrative agent, to the Credit Agreement dated as of January 21, 2016, by and among Crown Castle International Corp., the lenders and issuing banks from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent	8-K	001-16441	June 21, 2019	10.1
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, 2019, 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, 2019, 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, 2019	By:	/s/ DANIEL K. SCHLANGER
		Daniel K. Schlanger **Senior Vice President and Chief Financial Officer** **(Principal Financial Officer)**
Date: July 31, 2019	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, 2019

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, 2019

/s/ Jay A. Brown

Jay A. Brown
President and Chief Executive Officer

Exhibit 31.2

Certification
For the Quarterly Period Ended June 30, 2019

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, 2019

/s/ Daniel K. Schlanger

Daniel K. Schlanger
Senior 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, 2019 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, 2019 (the last date of the period covered by the Report).

/s/ Jay A. Brown

Jay A. Brown
President and Chief Executive Officer

July 31, 2019

/s/ Daniel K. Schlanger

Daniel K. Schlanger
Senior Vice President and Chief Financial Officer

July 31, 2019

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Crown Castle International Corp. and will be retained by Crown Castle International Corp. and furnished to the Securities and Exchange Commission or its staff upon request.