

BINGHAM

RECEIVED  
2010 DEC 14 AM 10:50  
T.R.A. DOCKET ROOM

Catherine Wang  
Brett P. Ferenchak  
Kimberly A. Lacey  
jean.kiddoo@bingham.com  
brett.ferenchak@bingham.com  
kimberly.lacey@bingham.com

December 13, 2010

*Via Overnight Courier*

Chairman Mary W. Freeman  
c/o Sharla Dillon, Dockets and Record Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

10-00228

**Re: Application of ATC Outdoor DAS, LLC for a Certificate to Provide  
Facilities-Based and Resold Competing Local Telecommunications Services  
and Facilities-Based and Resold Interexchange Telecommunications  
Services and Request for Market Regulation**

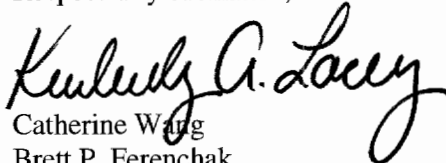
Dear Chairman Freeman:

Enclosed for filing with the Authority are an original and thirteen (13) copies of the above-referenced Application. Also enclosed is a check in the amount of \$25.00 to cover the filing fee.

In addition, the Applicant requests confidential treatment of its Exhibit F, "Projected Financial Information," which is attached hereto under seal and marked "Confidential."

Please date-stamp the extra copy of this filing and return it in the envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact Brett Ferenchak at 202-373-6697.

Respectfully submitted,



Catherine Wang  
Brett P. Ferenchak  
Kimberly A. Lacey

Counsel to the ATC Outdoor DAS, LLC

Attachment

Boston  
Hartford  
Hong Kong  
London  
Los Angeles  
New York  
Orange County  
San Francisco  
Santa Monica  
Silicon Valley  
Tokyo  
Washington

Bingham McCutchen LLP  
2020 K Street NW  
Washington, DC  
20006-1806

T +1.202.373.6000  
F +1.202.373.6001  
bingham.com

A/73604159.1

RECEIVED

BEFORE THE  
TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE

70 DEC 14 AM 10:44  
T.R.A. DOCKET ROOM

\_\_\_\_\_) )  
Application of )  
 )  
 )  
ATC Outdoor DAS, LLC )  
 )  
For a Certificate of Convenience and Necessity to ) Docket No. \_\_\_\_\_  
Provide Facilities-Based and Resold Competing )  
Local Telecommunications Services and )  
Facilities-Based and Resold Interexchange )  
Telecommunications Services in Tennessee )  
\_\_\_\_\_)

**APPLICATION FOR A CERTIFICATE TO PROVIDE  
FACILITIES-BASED AND RESOLD  
COMPETING LOCAL TELECOMMUNICATIONS SERVICES  
AND FACILITIES-BASED AND RESOLD  
INTEREXCHANGE TELECOMMUNICATIONS SERVICES  
AND REQUEST FOR MARKET REGULATION**

Pursuant to T.C.A. § 65-4-201, TRA Rule 1220-4-8 and Section 253 of the Federal Telecommunications Act of 1996 (“Act”), ATC Outdoor DAS, LLC (“ATC-DAS” or “Applicant”) respectfully requests that the Tennessee Regulatory Authority (“TRA”) grant to ATC-DAS authority to provide facilities-based and resold competing local telecommunications services, including exchange access and transport services, and facilities-based and resold interexchange telecommunications services within the State of Tennessee. ATC-DAS is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local and interexchange telecommunications services. In addition and pursuant to T.C.A. § 65-5-109, ATC-DAS requests market regulation for all of its telecommunications services.

In support of its Application, ATC-DAS submits the following:

**1. The full name and address of the Applicant is:**

ATC Outdoor DAS, LLC  
400 Regency Forest Drive  
Suite 300  
Cary, North Carolina 27518-7723  
(919) 465-6665 (Tel)  
(919) 466-5564 (Fax)

Questions regarding this application should be direct to:

Catherine Wang  
Brett P. Ferenchak  
Kimberly A. Lacey  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, D.C. 20006  
(202) 373-6000 (Tel)  
(202) 373-6001 (Fax)  
catherine.wang@bingham.com  
brett.ferenchak@bingham.com  
kimberly.lacey@bingham.com

Contact name and address at the Company is:

Janae Walker Bronson  
Senior Counsel  
American Tower Corporation/ATC Outdoor DAS, LLC  
10 Presidential Way  
Woburn, MA  
(718) 926-4949 (Tel)  
janae.walkerbronson@americantower.com

**2. Organizational Chart of Corporate Structure: Include any pertinent acquisition or merger information.**

See Exhibit A.

**3. Corporate information:**

ATC-DAS is a limited liability company. A copy of ATC-DAS's Certificate of Formation is provided in Exhibit B. A copy of ATC-DAS's Authority to Transact Business in the State of Tennessee is provided in Exhibit C.

The principal corporate officers of ATC-DAS are the following:

Officers:

Gerard Ainsztein	Senior Vice President
Daniel Wojciechowski	Vice President

Both Officers may be contacted through the Applicant's offices at:

400 Regency Forest Drive  
Suite 300  
Cary, North Carolina 27518-7723  
(919) 465-6665 (Tel)  
(919) 466-5564 (Fax)

The biographies of the principal officers are provided in **Exhibit D**. There are no officers located in Tennessee.

**4. ATC-DAS possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:**

A. Financial Qualifications

Financial information demonstrating ATC-DAS's financial qualifications is provided in the most recent audited financial statements from the SEC Form 10-K, filed March 1, 2010, by Applicant's ultimate parent entity, American Tower Corporation ("American Tower") and attached hereto as **Exhibit E**. As shown in the attached information, ATC-DAS is financially qualified to operate within the State of Tennessee.

Included in **Confidential Exhibit F** are projections of revenue and capital expenditures. The capital expenditures will be for DAS infrastructure, including fiber and antennas.

B. Managerial Ability:

ATC-DAS is technically and managerially qualified to provide competitive local exchange and interexchange services in Tennessee. Applicant's management team has over 50 years of experience in the telecommunications industry and is well equipped to manage providing service in Tennessee. A description of the background of Applicant's key personnel,

which demonstrates the extensive managerial experience of ATC-DAS's management team, is attached hereto as **Exhibit D**. In addition, Applicant's management team is also supported by the management team of its ultimate parent, American Tower. American Tower is the leading owner and operator of wireless and broadcast communications sites in North America.

C. Technical Qualifications:

ATC-DAS is extremely well qualified to provide telecommunications services in Tennessee. ATC-DAS is authorized, but does not yet provide, intrastate telecommunications services in the following jurisdictions: California, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Virginia, Washington and Wisconsin. Applicant has an application pending to provide intrastate telecommunications services in Arizona. Applicant is also authorized by the Federal Communications Commission to provide interstate telecommunications services. Applicant has not been denied authorization to provide telecommunications services.

ATC-DAS's services will satisfy the standards established by the TRA that are applicable to its intrastate services. The Applicant will file and maintain tariffs in the manner prescribed by the TRA and will meet basic local standards (to the extent that basic local services are provided), including quality of service and billing standards required of all competing local exchange carriers ("CLECs") regulated by the TRA. Applicant will not require customers to purchase customer premise equipment ("CPE"), which cannot be used with the Incumbent Local Exchange Carrier's systems. As noted in the biographies of the principal officers, certain officers have engineering backgrounds and all officers have several years of telecommunications

expertise. Thus, ATC-DAS is certainly technically qualified to provide local exchange and interexchange telecommunications services in Tennessee.

**5. Proposed Service Area:**

ATC-DAS seeks authority to provide facilities-based and resold local exchange and interexchange services statewide. While ATC-DAS seeks statewide authority for its local exchange services, ATC-DAS notes that it does not intend to provide local exchange voice services at this time and therefore only seek to provide such services in all areas open competition (AT&T, United/Sprint (Embarq) and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996).<sup>1</sup> As described in further detail below, ATC-DAS will provide radio frequency Transport Services to business customers. However, Applicant seeks the full range of resold and facilities-based local exchange and interexchange authority throughout the state so that it can have flexibility in provisioning its services in the future.

**6. Types of Telecommunications Services to be provided:**

Applicant primarily plans to provide radio frequency (“RF”) Transport Services to business customers, who are typically wireless carriers. RF Transport Services utilize optical technology, including multi-wavelength optical technology, over dedicated transport facilities to provide customers with links to emit RF coverage. RF Transport Services connect customers to their networks through a combination of distributed antennas and bi-directional RF-to-optical conversion equipment aggregated at a hub facility. The conversion equipment allows the Applicant to accept RF traffic from the Customer and then send bi-directional traffic transmissions across the Customer’s optical networks. At the remote end, the Customer’s RF is

---

<sup>1</sup> At this time ATC-DAS does not seek to terminate any exemption held by a rural telephone company pursuant to 47 U.S.C. § 251(f).

received at Applicant-provided RF-to-optical conversion equipment that allows bi-directional conversion between optical signals and RF signals. RF signals can be received and transmitted at this remote access node. Hence the Applicant provides optical transit services for customer RF signals. Applicant may also offer other types of transport services. Applicant plans to offer its services to and from all points in the State of Tennessee. Therefore, Applicant seeks statewide authority.

Initially, Applicant will not offer switched local exchange or interexchange services in Tennessee. Applicant, however, seeks the full range of resold and facilities-based local exchange and interexchange (including exchange access and transport) authority so that it can have flexibility in provisioning its services in the future. Should Applicant provide switched local exchange and interexchange services in the futures, it will provide all such services as required under TRA Rule 1220-4-8-.04(3)(b).

**7. Repair and Maintenance:**

ATC-DAS understands the importance of effective customer service. ATC-DAS has made arrangements for its customers to call the company at its toll-free customer service number: (888) 773-4122. ATC-DAS representatives will monitor calls 24 hours per day, seven days a week. In addition, customers may contact the company in writing at its principal place of business. The toll-free number will be printed on the customer's monthly billing statements.

ATC-DAS does not currently have a contact person in Tennessee. ATC-DAS's Tennessee operations will be directed by its personnel in Woburn, MA, and the Company's contact person is Janae Walker Bronson, as referenced in the response to question 1.

**8. Small and Minority-Owned Telecommunications Business Participation Plan (T.C.A. §65-5-212):**

Please see **Exhibit G**.

**9. Toll Dialing Parity Plan:**

To the extent that ATC-DAS provides switched voice services, ATC-DAS will follow the Toll Dialing Parity Plan attached as **Exhibit H**.

**10. Notice of Application:**

Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the Applicant's intention of operating geographically and on the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General. Please see **Exhibit I** for the Notice of Application and Certificate of Service.

**11. Numbering Issues:**

To the extent ATC-DAS provide voice services, please see the statement provided in **Exhibit J**.

**12. Tennessee Specific Operational Issues:**

Please see statements provided in **Exhibit K**.

**13. Miscellaneous:**

A. Sworn Pre-Filed Testimony:

Please see the sworn pre-filed testimony of Alexander Gamota, Director for DAS Strategic Relations and Network Policy, provided as **Exhibit L**.

B. Customer Deposits:

Applicant does not plan to initially require deposits, but may require customer deposits in some circumstances in the future. Applicant does not anticipate that it will require deposits for residential services if supplied.



C. Complaints Filed with State and Federal Regulatory Agencies:

As of the date of this filing, ATC-DAS has not been subject to any formal complaints filed at the FCC or in any of the states in ATC-DAS is currently doing business.

D. Informational Tariffs:

As Applicant is requesting market regulation, Applicant will not maintain tariffs on file with the TRA. Instead, customers will have individual service contracts for their services.

E. Surety Bond

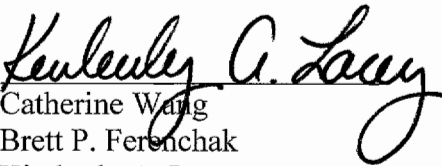
Pursuant to T.C.A. § 65-4-125, a surety bond in the amount of Twenty Thousand Dollars (\$20,000) to secure the payment of any monetary sanction imposed in any proceeding brought under this title or the Consumer Telemarketing Protection Act of 1990, will be provided to the TRA at a later date.

**14. Public Interest Statement**

Granting this Application will promote the public interest by increasing competition in the provision of telecommunications services in Tennessee. Applicant will deploy and expand the competitive telecommunications infrastructure in Tennessee, and will provide customers high quality, cost effective telecommunications services, with an emphasis on customer service. In addition to driving prices closer to costs, thereby ensuring just and reasonable rates, competition also promotes efficiency in the delivery of services and in the development of new services. These benefits work to maximize the public interest by providing continuing incentives for carriers to reduce costs while, simultaneously, promoting the availability of potentially desirable services. Accordingly, ATC-DAS's entry into the intrastate telecommunications services market will enhance materially the telecommunications infrastructure in the State of Tennessee, enhance the service options available to Tennessee citizens, and will facilitate economic development.

## CONCLUSION

ATC-DAS respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunications service provider and authority to provide a full range of local exchange and interexchange telecommunication services on a facilities-based and resale basis throughout the State of Tennessee. For the reasons stated above, ATC-DAS's provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers and interexchange carriers. Further, ATC-DAS elects to operate under market regulation pursuant to T.C.A. § 65-5-109.

By:   
Catherine Wang  
Brett P. Ferencak  
Kimberly A. Lacey  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, D.C. 20006  
(202) 373-6000 (Tel)  
(202) 373-6001 (Fax)

Counsel for Applicant

Dated: December 13, 2010

## **EXHIBIT LIST**

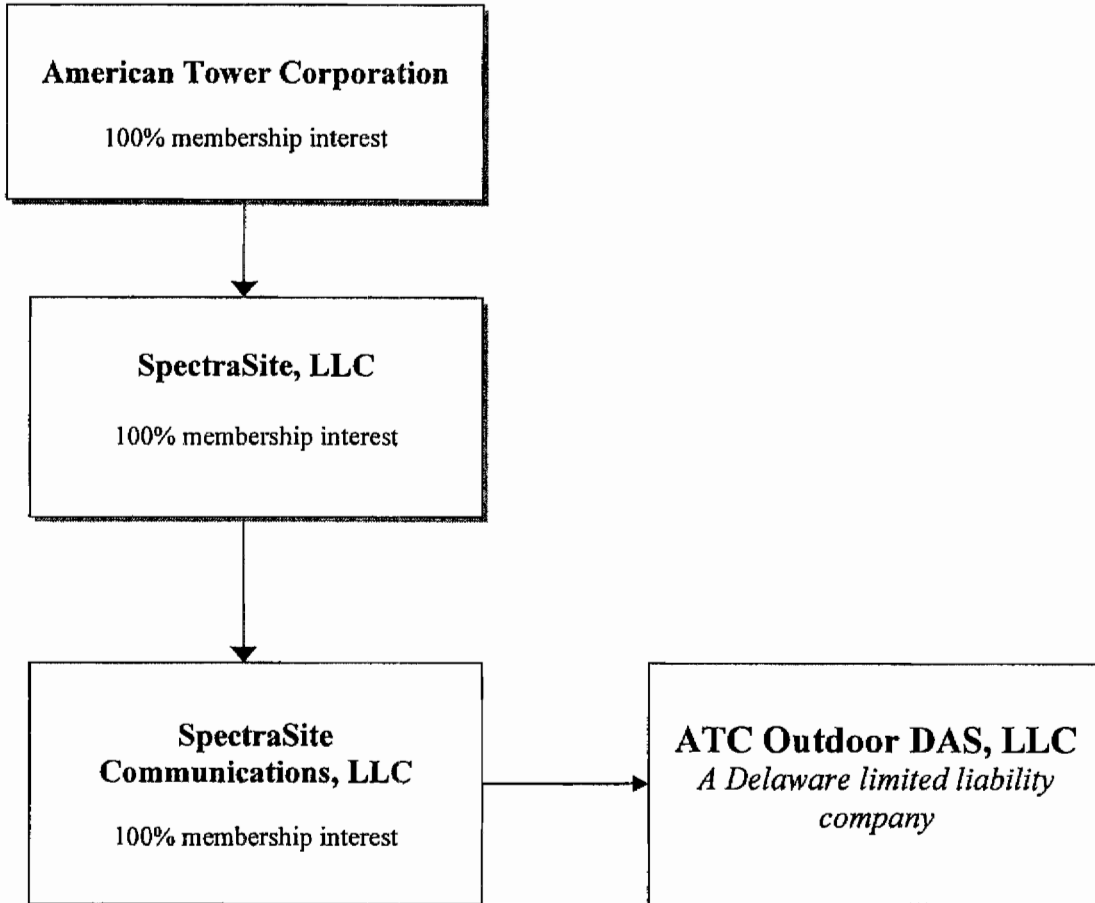
<b>Exhibit A</b>	Organizational Chart
<b>Exhibit B</b>	Certificate of Formation
<b>Exhibit C</b>	Authority to Transact Business
<b>Exhibit D</b>	Management Biographies
<b>Exhibit E</b>	Financial Statements
<b>Exhibit F</b>	Projected Financial Information ( <b>Confidential</b> )
<b>Exhibit G</b>	Small and Minority-Owned Telecommunications Business Participation Plan
<b>Exhibit H</b>	Toll Dialing Parity Plan
<b>Exhibit I</b>	Notice of Application and Certificate of Service
<b>Exhibit J</b>	Numbering Issues
<b>Exhibit K</b>	Tennessee Specific Operational Issues
<b>Exhibit L</b>	Sworn Pre-Filed Testimony
<b>VERIFICATION</b>	

**Exhibit A**

Organizational Chart

**ATC OUTDOOR DAS, LLC**  
**ORGANIZATIONAL CHART**

---



**EXHIBIT B**

Certificate of Formation

# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CORRECTION OF "AMERICAN TOWER OUTDOOR DAS, LLC", CHANGING ITS NAME FROM "AMERICAN TOWER OUTDOOR DAS, LLC" TO "ATC OUTDOOR DAS, LLC", FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF DECEMBER, A.D. 2007, AT 1:32 O'CLOCK P.M.

4477813 8100

071360633

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)



*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6263576

DATE: 12-26-07

**State of Delaware  
Certificate of Correction  
of a Limited Liability Company  
to be filed pursuant to Section 18-211(a)**

1. The name of the Limited Liability Company is: American Tower Outdoor DAS, LLC
2. That a Certificate of Formation was filed by the Secretary of State of Delaware on December 20, 2007, and that said Certificate requires correction as permitted by Section 18-211 of the Limited Liability Company Act.
3. The inaccuracy or defect of said Certificate is: (must give specific reason)  

The name of the limited liability company is incorrect.
4. The Certificate is hereby corrected to read as follows:  

The name of the limited liability company is ATC Outdoor DAS, LLC.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on  
the 26 day of December, A.D. 2007.

By:   
Authorized Person

Name: Nathaniel Sisitsky  
Print or Type



# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "AMERICAN TOWER OUTDOOR DAS, LLC", FILED IN THIS OFFICE ON THE TWENTIETH DAY OF DECEMBER, A.D. 2007, AT 1:51 O'CLOCK P.M.



4477813 8100

071347818

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6260705

DATE: 12-21-07

STATE of DELAWARE  
LIMITED LIABILITY COMPANY  
CERTIFICATE of FORMATION

- **First:** The name of the limited liability company is American Tower Outdoor DAS, LLC.
- **Second:** The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.
- **Third:** (Insert any other matters the members determine to include herein.)

The effective date of this Certificate of Formation is December 20, 2007

**In Witness Whereof**, the undersigned has executed this Certificate of Formation this 20<sup>th</sup> day of December, 2007.

By: 

Authorized Person(s)

Name: H. Anthony Lehv

**EXHIBIT C**

Authority to Transact Business

**Secretary of State  
Division of Business Services**

**312 Eighth Avenue North  
1st Floor, William R. Snodgrass Tower  
Nashville, Tennessee 37243**

DATE: 02/07/08  
REQUEST NUMBER: 6207-0846  
TELEPHONE CONTACT: (615) 741-2286  
FILE DATE/TIME: 02/07/08 0949  
EFFECTIVE DATE/TIME: 02/07/08 0949  
CONTROL NUMBER: 0569622

TO:  
ATC OUTDOOR DAS, LLC  
116 HUNTINGTON AVE  
  
BOSTON, MA 02116

RE:  
ATC OUTDOOR DAS, LLC  
APPLICATION FOR CERTIFICATE OF AUTHORITY -  
LIMITED LIABILITY COMPANY

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED LIMITED LIABILITY COMPANY  
CERTIFICATE OF AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED  
ABOVE.

A LIMITED LIABILITY COMPANY ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF  
STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE  
LIMITED LIABILITY COMPANY'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN  
ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION. THIS OFFICE  
WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE LIMITED  
LIABILITY COMPANY AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING  
ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO  
MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE LIMITED LIABILITY  
COMPANY TO ADMINISTRATIVE REVOCATION OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE  
REFER TO THE LIMITED LIABILITY COMPANY CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY -  
LIMITED LIABILITY COMPANY

ON DATE: 02/07/08

FROM:  
CAPITAL FILING SERVICE (CFS)  
8161 HIGHWAY 100  
#172  
NASHVILLE, TN 37221-0000

RECEIVED: FEES \$300.00 \$0.00  
TOTAL PAYMENT RECEIVED: \$300.00

RECEIPT NUMBER: 00004323672  
ACCOUNT NUMBER: 00101230



SS-4458

*Riley C. Darnell*

RILEY C. DARNELL  
SECRETARY OF STATE

**FILED**  
RECEIVED  
STATE OF TENNESSEE

**State of Tennessee**



**Department of State**  
Corporate Filings  
312 Eighth Avenue North  
6<sup>th</sup> Floor, William R. Snodgrass Tower  
Nashville, TN 37243

**APPLICATION FOR  
CERTIFICATE OF AUTHORITY  
(Limited Liability Company)**

For Office Use Only  
2008 FEB -7 AM 9:49

WILEY DARNELL  
SECRETARY OF STATE

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of §48-249-904 of the Tennessee Revised Limited Liability Company Act, the undersigned hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the Limited Liability Company is: ATC Outdoor DAS, LLC

If different, the name under which the certificate of authority is to be obtained is: N/A

**NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign Limited Liability Company if its name does not comply with the requirements of § 48-249-106 of the Tennessee Revised Limited Liability Company Act. If obtaining a certificate of authority under an assumed Limited Liability Company name, an application must be filed pursuant to § 48-249-106(d).**

2. The state or country under whose law it is formed is: Delaware

and its date of its formation is: 12/20/2007 (must be month, day and year)

3. The complete street address (including zip code) of its principal executive office is:

116 Huntington Avenue Boston, MA 02116  
Street City/State Zip Code

4. The complete street address (including the county and the zip code) of its registered office in Tennessee:

800 S. Gay Street, Suite 2021 Knoxville, Tn knox 37929  
Street City/State County Zip Code

The name of its registered agent at that office is: C T Corporation System

5. If the provisions of TCA §48-249-309(i) (relating to foreign series LLCs) apply, then the information required by that section should be attached as part of this document.

6. The number of members at the date of filing If more than six (6): N/A

7. If the limited liability company commenced doing business in Tennessee prior to the approval of this application, the date of commencement (month, day and year) N/A

**NOTE: This application must be accompanied by a certificate of existence or a document of similar import (for example, a certificate of good standing) duly authenticated by the Secretary of State or other official having custody of the Limited Liability Company records in the state or country under whose law it is organized. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.**

January 31, 2008

Signature Date

Senior Vice President

Signer's Capacity BY: Speeralite Communications, LLC

its sole mgr. BY: Speeralite, LLC, its sole mgr.  
BY: American Tower Corporation, its sole mgr.  
SS-4233 (Rev. 01/06)

ATC Outdoor DAS, LLC

Name of Limited Liability Company

Signature

H. Anthony Lehv

Name (typed or printed)

Filing Fee: \$50 per member / minimum fee=\$300, maximum fee=\$3,000

RDA 2458

# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "ATC OUTDOOR DAS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SIXTH DAY OF FEBRUARY, A.D. 2008.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.



4477813 8300

080124153

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6363594

DATE: 02-06-08

6287.0847

**EXHIBIT D**

Management Biographies

## GERARD AINSZTEIN

### EXPERIENCE

---

#### **American Tower Corporation, Cary, NC**

2001 – present

##### **Senior Vice President - Building Solutions, DAS & Acquisitions**

Responsible for the management of American Tower's In-Building DAS and acquisition division.

- P&L responsibility
- Manage engineering, sales, operations, property management, and site operation functions.
- Responsible for evaluating tower portfolios, negotiating purchase agreements and integration of acquired assets.
- captive markets.
- Accountable for forecasting business and market needs, formulating and implementing sales strategies and ensuring customer satisfaction.

#### **ECREDIT.COM, Boston, MA**

2000 – 2001

##### **Director, Leasing Division**

Responsible for the management of eCredit.com's leasing division.

- Direct management of national sales team.
- Responsible for generating revenues in the leasing and captive markets.
- Cross accountability for marketing and product development.

#### **THE BANCORP GROUP, INC., Southfield, MI**

1999-2000

##### **President**

P&L responsibility for wholly owned bank subsidiary.

- Responsible for forecasting, budgeting, quality improvement, and development of personnel.
- Direct reports included credit, collections, documentation, sales and accounting.
- Responsibilities included development and implementation of company's first comprehensive strategic business plan.
- Implemented company wide employee goal and assessment program.

#### **FLEET LEASING CORPORATION, Troy, MI**

##### **Vice President - Sales**

1993-1999

Responsible for +\$300 million in sales, reported directly to president. Forecasting of all sales and gross profit targets.

- Management of 40 member sales force including National Sales Manager, Regional Sales Managers, Direct Marketing, Marketing and Administrative staff. Developed and implemented business plans and commission programs. Set sales quotas, established performance criteria and reporting for quantitative analysis of sales reports.
- Increased originations 20% in part by signing two national vendor programs generating in excess of \$50 million in originations.
- Recruited a diverse group, dramatically strengthening working relations at all functional interfaces.
- Changed sales roles from reactive to strategically prepared, goal and initiative driven.



- Coordinated activities among sales and operations to assure effective communication.

**NORWEST FINANCIAL LEASING, Riverside, CA**

1988-1993

**Operations Manager**

Responsible for operational and sales support for the western U.S.

- Managed \$35M million portfolio consisting of 9,500 accounts.
- Extensive travel with sales personnel to expand sales base.
- Accountable for a \$2.5 million operating budget, bad debt, customer service, documentation, collections and credit departments.
- Managed staff of 15 employees.

**NORWEST FINANCIAL, Miami, FL**

1985-1988

**Branch Manager**

Sales and P&L responsibilities for a consumer loan branch.

- In three years was responsible for increasing annual branch originations from \$1.5 million to \$3 million.
- Branch management of six employees, including a credit manager, credit analyst and four administrative positions.

**EDUCATION**

---

University of Florida

Bachelor of Science in Business Administration - Finance

Graduated with honors – December 1984

**REFERENCES**

---

Available upon request.

**CURRENT**

**American Tower Corporation (SpectraSite)– Cary, NC**

**2003 -Present**

Vice President – Network Operations

- Lead the design, construction, and operation of over 100 in-building Distributed Antenna Systems (DAS) in 26 states.
- Create, oversee, and deploy a capital budget of over \$15 million dollars annually.
- Manage a group of 15 directors, engineers, and support personnel.

**EXPERIENCE**

**Crown Castle International/ SiteSafe Division – Arlington, Virginia**

**2001 - 2003**

Vice President of Network Engineering

- Provide leadership and manage the Engineering Department that includes RF Design, Drive Test, In Building Applications, Tower Engineering, Interference Analysis, and Regulatory Compliance for Crown Castle International's 10,000 tower assets in the United States.
- Provide engineering support for OptiShare and OptiNet shared infrastructure deployments.
- Manage a team of two directors, one manager, twelve engineers and technicians.
- Interface and provide engineering and regulatory services for marketing, site acquisition, construction, asset management, and regulatory groups.
- Provide business case and asset analysis for acquisitions and venture capital funding activities.
- Represent Crown Castle at industry standards forum including TIA.

**ALLTEL Communications – Little Rock, Arkansas**

**1995 – 2001**

Director - Engineering and Network Operations

- Directed wireless engineering and operations.
- Responsible for capital budgeting and capital projects for RF, switching, backhaul, and SS7 network.
- Responsible for design and implementation of capital projects. Projects included new builds, in-building applications, switch upgrades, facilities provisioning, microwave, and special projects. Responsible for monitoring and optimizing network quality to meet corporate goals.
- Managed a team of 55 RF and switch engineers, technicians, and support personnel.

Director - Wireless Network Planning and Advanced Technology

- Oversaw all aspects of wireless network, research, and planning activities for the Corporation.
- Represented ALLTEL as the Executive Board Member of the CDMA Development Group and the Mobile Wireless Internet Forum (MWIF).
- Responsible for industry standards activity and next generation technology studies.
- Conducted all due diligence activities for mergers and acquisitions including transactions with Verizon and SBC.
- Responsible for planning and implementing all government mandated projects (e.g. CALEA, WLNP, E-911). Author government submissions and coordinate with Washington D.C. council on compliance of mandates.
- Conducted technology trials for WLL and WAP technologies. Developed business case And implementation plans in conjunction with marketing and sales groups.
- Vendor relations and contract negotiation. Motorola, NORTEL, Lucent, and Ericsson
- Project managed network evolution implementation plans for migration of wireless network to IP/ATM architecture.
- Developed deployment plans and RF designs for build out of 42 PCS licenses.

Staff Manager – RF Engineering

- Network Deployment Manager for Jacksonville, Mobile and Birmingham PCS deployments.
- Project managed RF design, optimization, and acceptance and launch for three PCS markets in 18-month schedule. Met all project milestones on time and within budget.
- Completed RF 3-year network plan, CDMA Alternative Vendor Studies, and business plan.
- Represented ALLTEL on CDMA Development Group Steering Committee.
- Ensured the timely introduction of new technologies that provide increased network efficiencies, better service quality, and increased revenue.
- Developed 3 -year capital planning guidelines to be used by ALLTEL market areas.
- Authored the ALLTEL IS-634 (IOS) compliance document.

- Developed specifications, negotiated contracts, and implemented cryogenic filters and smart antennas systems in ALLTEL markets to improve quality and increase revenue.
- Designed and deployed in-building distributed antenna systems for special projects including: ALLTEL stadium in Jacksonville, ALLTEL Arena in Little Rock, and Little Rock Convention Center.
- Developed capital, business, and network models for 800 MHz CDMA deployments in thirteen markets. Project managed CDMA overlays in Little Rock, AR and Charlotte NC including RF design and optimization. Oversaw system performance activities during market launch.
- Developed capital and revenue analysis for AirCell Technology.
- Developed corporate network measurement metrics that linked financial expenditures and revenues to network performance.
- Completed comprehensive six year CDMA Network Evolution Plan that includes technology Evolution, migration to IP based services, coverage, and capacity analysis.
- Researched and planned introduction of new technologies into wireless network.
- Managed field technology trials for CDMA, cryogenic filters, and tower mounted LNA's. Developed test plans, evaluation criteria, reporting, and recommendations.
- Represented corporation in standards development bodies including CDPD Forum and the CDMA Development Group Steering Committee. Provided contributions to several working groups and authored white papers for CDG executive board.

**Trident Data Systems (Veridian) – San Antonio, Texas**

**1993 – 1995**

Project Manager

- Managed design and installation of private telecom networks for U.S. Government and private corporations. Networks included GSM private network and wireless data networks. Managed budget, schedule, and resources.
- Responsible for the research of commercial cellular telephony and SMR systems.
- Lead of team that developed ISM band Spread Spectrum wireless ethernet prototype.

**Lockheed Advanced Development Corporation – Burbank, California**

**1992 - 1993**

F-22 / F-117A Project Engineer

- Responsible for the design, budget, schedule and program management for the F-22 ATF Intra-Flight Data Link Radome and UHF antenna system.
- Microwave and RF circuit design using HP-UX based Touchstone and Super Compact.

**Northrop Corporation / B-2 Division – Pico Rivera, California**

**1991 – 1992**

Senior Antenna Research and Design Engineer

- Principle Engineer for B-2 Bomber Radar Radome production RF and RCS Testing.
- Coded VAX/VMS based tools to analyze B-2 Radar Radome performance.
- Anechoic Chamber and radar range design and test.
- Low observable antenna design for AVR LF/VLF and ZSR-63 avionics systems.

**Lockheed Corporation / Fort Worth Division – Fort Worth, Texas**

**1984 – 1991**

Associate Engineer, Engineer, Senior Engineer – Antenna Systems

- Engineering Manager for the A-12 Multifunction Antenna System and Avionics.
- Principle antenna designer for several production antenna systems for A-12, F-16, and F/B-111 military aircraft.
- Avionics system experience with GPS, AF/SATCOM, NAV/SATCOM, TACAN, IFF, VHF/UHF, Radar Altimeter, MLS, GS/Localizer, Marker Beacon, ESM, and Radar systems.

**EDUCATION**

**University of Southern California – M.S. Engineering Management**

**May 1993**

**Texas A&M University – B.S. Electrical Engineering**

**May 1984**

**University of Texas at Arlington – Graduate coarse work in E.E. (18 hours)**

**1985-1987**

**Daniel J. Wojciechowski**

**Mobile:** (919) 345-3412

**Office:** (919) 467-6700

---

	<b>University of North Carolina – Executive Leadership Program (7 CEU)</b>	<b>2005</b>
<b>PROFESSIONAL</b>	<b>Registered Professional Engineer (Texas)</b>	<b>Current</b>
	<b>Member IEEE</b>	<b>1984- Present</b>
	<b>Texas A&amp;M University Telecommunications Program</b>	<b>1998 - 2002</b>
	<b>Member of Industry Advisory Council on Curriculum</b>	

**EXHIBIT E**

Financial Statements

10-K 1 d10k.htm FORM 10-K

Table of Contents


---

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

---

**FORM 10-K**

---

(Mark One):

☒ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the fiscal year ended December 31, 2009

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-14195

---

**American Tower Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
 (State or other jurisdiction of  
 Incorporation or Organization)

**65-0723837**  
 (I.R.S. Employer  
 Identification No.)

**116 Huntington Avenue**  
**Boston, Massachusetts 02116**  
 (Address of principal executive offices)

**Telephone Number (617) 375-7500**  
 (Registrant's telephone number, including area code)

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

<u>Title of each Class</u>	<u>Name of exchange on which registered</u>
Class A Common Stock, \$0.01 par value	New York Stock Exchange

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

None

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

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

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of June 30, 2009 was approximately \$12.4 billion, based on the closing price of the registrant's Class A Common Stock as reported on the New York Stock Exchange as of the last business day of the registrant's most recently completed second quarter.

As of February 12, 2010, there were 402,669,455 shares of Class A Common Stock outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the definitive proxy statement (the "Definitive Proxy Statement") to be filed with the Securities and Exchange Commission relative to the Company's 2010 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report.

---

---

Table of Contents**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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 on the 1<sup>st</sup> day of March, 2010.

AMERICAN TOWER CORPORATION

By: /s/ JAMES D. TAICLET, JR.  
James D. Taiclet, Jr.  
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been duly signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ JAMES D. TAICLET, JR.</u> James D. Taiclet, Jr.	Chairman, President and Chief Executive Officer (Principal Executive Officer)	March 1, 2010
<u>/s/ THOMAS A. BARTLETT</u> Thomas A. Bartlett	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 1, 2010
<u>/s/ ROBERT J. MEYER, JR.</u> Robert J. Meyer, Jr.	Senior Vice President, Finance and Corporate Controller (Principal Accounting Officer)	March 1, 2010
<u>/s/ RAYMOND P. DOLAN</u> Raymond P. Dolan	Director	March 1, 2010
<u>/s/ RONALD M. DYKES</u> Ronald M. Dykes	Director	March 1, 2010
<u>/s/ CAROLYN F. KATZ</u> Carolyn F. Katz	Director	March 1, 2010
<u>/s/ GUSTAVO LARA CANTU</u> Gustavo Lara Cantu	Director	March 1, 2010
<u>/s/ JOANN A. REED</u> JoAnn A. Reed	Director	March 1, 2010
<u>/s/ PAMELA D. A. REEVE</u> Pamela D. A. Reeve	Director	March 1, 2010
<u>/s/ DAVID E. SHARBUTT</u> David E. Sharbutt	Director	March 1, 2010
<u>/s/ SAMME L. THOMPSON</u> Samme L. Thompson	Director	March 1, 2010



---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES  
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

	<u>Page</u>
<u>Report of Independent Registered Public Accounting Firm</u>	F-2
<u>Consolidated Balance Sheets as of December 31, 2009 and 2008</u>	F-3
<u>Consolidated Statements of Operations for the Years Ended December 31, 2009, 2008 and 2007</u>	F-4
<u>Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2009, 2008 and 2007</u>	F-5
<u>Consolidated Statements of Cash Flows for the Years Ended December 31, 2009, 2008 and 2007</u>	F-6
<u>Notes to Consolidated Financial Statements</u>	F-7

---

**Table of Contents****REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
American Tower Corporation  
Boston, Massachusetts

We have audited the accompanying consolidated balance sheets of American Tower Corporation and subsidiaries (the "Company") as of December 31, 2009 and 2008, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2009 and 2008, and the results of its operations and cash flows for each of the three years in the period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 1, 2010 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts  
March 1, 2010

F-2

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share data)

	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 247,293	\$ 143,077
Restricted cash	47,836	51,866
Short-term investments and available-for-sale securities	9,776	2,028
Accounts receivable, net of allowances	67,949	51,313
Prepaid and other current assets	89,051	61,415
Deferred income taxes	189,451	163,981
Total current assets	<u>651,356</u>	<u>473,680</u>
PROPERTY AND EQUIPMENT, net	3,175,511	3,022,636
GOODWILL	2,237,850	2,186,233
OTHER INTANGIBLE ASSETS, net	1,598,633	1,566,155
DEFERRED INCOME TAXES	198,185	381,428
NOTES RECEIVABLE AND OTHER LONG-TERM ASSETS	651,133	581,533
<b>TOTAL</b>	<u>\$ 8,512,668</u>	<u>\$ 8,211,665</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 185,138	\$ 151,985
Accrued interest	23,538	28,635
Current portion of long-term obligations	70,521	1,837
Unearned revenue	112,047	120,188
Total current liabilities	<u>391,244</u>	<u>302,645</u>
LONG-TERM OBLIGATIONS	4,141,060	4,331,309
OTHER LONG-TERM LIABILITIES	662,239	583,232
Total liabilities	<u>5,194,543</u>	<u>5,217,186</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Preferred Stock: \$.01 par value; 20,000,000 shares authorized; no shares issued or outstanding		
Class A Common Stock: \$.01 par value; 1,000,000,000 shares authorized, 479,703,633 and 468,513,843 shares issued, and 401,596,984 and 396,976,896 shares outstanding, respectively	4,797	4,685
Additional paid-in capital	8,393,643	8,109,224
Accumulated deficit	(2,109,532)	(2,356,127)
Accumulated other comprehensive loss	(12,649)	(20,031)
Treasury stock (78,106,649 and 71,536,947 shares at cost, respectively)	(2,961,177)	(2,746,429)
Total American Tower Corporation stockholders' equity	<u>3,315,082</u>	<u>2,991,322</u>
Noncontrolling interest	3,043	3,157
Total stockholders' equity	<u>3,318,125</u>	<u>2,994,479</u>
<b>TOTAL</b>	<u>\$ 8,512,668</u>	<u>\$ 8,211,665</u>

See accompanying notes to consolidated financial statements.

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)

	Year Ended December 31,		
	2009	2008	2007
REVENUES:			
Rental and management	\$1,668,420	\$1,547,035	\$1,425,975
Network development services	55,694	46,469	30,619
Total operating revenues	1,724,114	1,593,504	1,456,594
OPERATING EXPENSES:			
Costs of operations (exclusive of items shown separately below)			
Rental and management	383,990	363,024	343,450
Network development services	32,385	26,831	16,172
Depreciation, amortization and accretion	414,619	405,332	522,928
Selling, general, administrative and development expense (including stock-based compensation expense of \$60,670, \$54,807 and \$54,603, respectively)	201,694	180,374	186,483
Other operating expense	19,168	11,189	9,198
Total operating expenses	1,051,856	986,750	1,078,231
OPERATING INCOME	672,258	606,754	378,363
OTHER INCOME (EXPENSE):			
Interest income, TV Azteca, net of interest expense of \$1,488, \$1,489, and \$1,490, respectively	14,210	14,253	14,207
Interest income	1,722	3,413	10,848
Interest expense	(249,803)	(253,584)	(235,824)
Loss on retirement of long-term obligations	(18,194)	(4,904)	(35,429)
Other income	1,294	5,988	20,675
Total other expense	(250,771)	(234,834)	(225,523)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INCOME ON EQUITY METHOD INVESTMENTS	421,487	371,920	152,840
Income tax provision	(182,565)	(135,509)	(59,809)
Income on equity method investments	26	22	19
INCOME FROM CONTINUING OPERATIONS	238,948	236,433	93,050
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT (PROVISION) OF \$3,140, \$107,914, and \$(6,191), RESPECTIVELY	8,179	110,982	(36,396)
NET INCOME	\$ 247,127	\$ 347,415	\$ 56,654
Net income attributable to noncontrolling interest	(532)	(169)	(338)
NET INCOME ATTRIBUTABLE TO AMERICAN TOWER CORPORATION	\$ 246,595	\$ 347,246	\$ 56,316
NET INCOME PER COMMON SHARE AMOUNTS:			
BASIC:			
Income from continuing operations attributable to American Tower Corporation	\$ 0.60	\$ 0.60	\$ 0.22
Income (loss) from discontinued operations attributable to American Tower Corporation	0.02	0.28	(0.09)
Net income attributable to American Tower Corporation	\$ 0.62	\$ 0.88	\$ 0.14
DILUTED:			
Income from continuing operations attributable to American Tower Corporation	\$ 0.59	\$ 0.58	\$ 0.22
Income (loss) from discontinued operations attributable to American Tower Corporation	0.02	0.27	(0.09)
Net income attributable to American Tower Corporation	\$ 0.61	\$ 0.84	\$ 0.13
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
BASIC	398,375	395,947	413,167
DILUTED	406,948	418,357	426,079

See accompanying notes to consolidated financial statements.

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands, except share data)

	Class A Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-controlling Interest	Total Stockholders' Equity	Total Comprehensive Income
	Issued Shares	Amount	Shares	Amount						
BALANCE, DECEMBER 31, 2006	437,792,629	\$ 4,378	(13,120,362)	\$ (404,093)	\$ 7,502,472	\$ 16,079	\$ (2,733,920)	\$ 3,591	\$ 4,388,507	
Stock option activity	7,400,667	74			182,658				182,732	
Issuance of common stock upon exercise of warrants	192,054	2			290				292	
Issuance of common stock – Stock Purchase Plan	48,886				1,658				1,658	
Treasury stock activity			(40,121,065)	(1,643,725)					(1,643,725)	
Net change in fair value of cash flow hedges, net of tax						(3,244)			(3,244)	(3,244)
Net realized loss on cash flow hedges, net of tax						(6,162)			(6,162)	(6,162)
Net unrealized loss on available-for-sale securities, net of tax						(3,230)			(3,230)	(3,230)
Net realized gain on available-for-sale securities, net of tax						(7,069)			(7,069)	(7,069)
Convertible notes exchanged for common stock	7,325,733	73			88,012				88,085	
Cumulative effect of adoption of FIN 48							(25,769)		(25,769)	
Reduction in deferred tax asset related to spin off from American Radio Systems					(2,708)				(2,708)	
Distributions to noncontrolling interest								(587)	(587)	
Net income							56,316	338	56,654	56,654
Total comprehensive income										\$ 36,949
BALANCE, DECEMBER 31, 2007	452,759,969	\$ 4,527	(53,241,427)	\$ (2,047,818)	\$ 7,772,382	\$ (3,626)	\$ (2,703,373)	\$ 3,342	\$ 3,025,434	
Share based compensation related activity	4,556,143	46			136,220				136,266	
Issuance of common stock upon exercise of warrants	726,911	7			502				509	
Issuance of common stock – Stock Purchase Plan	55,777	1			1,678				1,679	
Treasury stock activity			(18,295,520)	(698,611)					(698,611)	
Net change in fair value of cash flow hedges, net of tax						(15,761)			(15,761)	(15,761)
Net realized gain on cash flow hedges, net of tax						69			69	69
Net unrealized loss on available-for-sale securities, net of tax						(521)			(521)	(521)
Convertible notes exchanged for common stock	10,415,043	104			198,442				198,546	

Foreign currency translation adjustment				(192)				(192)	(192)
Distributions to noncontrolling interest							(354)	(354)	
Net income					347,246		169	347,415	347,415
Total comprehensive income									<u>\$ 331,010</u>
BALANCE, DECEMBER 31, 2008	<u>468,513,843</u>	<u>\$ 4,685</u>	<u>(71,536,947)</u>	<u>\$(2,746,429)</u>	<u>\$8,109,224</u>	<u>\$ (20,031)</u>	<u>\$ (2,356,127)</u>	<u>\$ 3,157</u>	<u>\$ 2,994,479</u>
Share based compensation related activity	3,130,516	31			121,996			122,027	
Issuance of common stock upon exercise of warrants	72,032	1			319			320	
Issuance of common stock - Stock Purchase Plan	77,509	1			1,852			1,853	
Treasury stock activity			(6,569,702)	(214,748)				(214,748)	
Net change in fair value of cash flow hedges, net of tax					4,770			4,770	4,770
Net realized gain on cash flow hedges, net of tax					119			119	119
Net unrealized gain on available-for-sale securities, net of tax					63			63	63
Convertible notes exchanged for common stock	7,909,733	79			160,252			160,331	
Foreign currency translation adjustment					2,430			2,430	2,430
Distributions to noncontrolling interest							(646)	(646)	
Net income					246,595		532	247,127	247,127
Total comprehensive income									<u>\$ 254,509</u>
BALANCE, DECEMBER 31, 2009	<u>479,703,633</u>	<u>\$ 4,797</u>	<u>(78,106,649)</u>	<u>\$(2,961,177)</u>	<u>\$8,393,643</u>	<u>\$ (12,649)</u>	<u>\$ (2,109,532)</u>	<u>\$ 3,043</u>	<u>\$ 3,318,125</u>

See accompanying notes to consolidated financial statements.

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Year Ended December 31,		
	2009	2008	2007
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:</b>			
Net income	\$ 247,127	\$ 347,415	\$ 56,654
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation, amortization and accretion	414,619	405,332	522,928
Stock-based compensation expense	60,670	54,807	54,603
Income taxes related to discontinued operations	(3,140)	(107,914)	6,191
Decrease (increase) in restricted cash	7,612	(2,048)	(49,818)
Loss (gain) on investments and other non-cash (income) expense	(5,665)	314	(9,469)
Impairments, net loss on sale of long-lived assets, non-cash restructuring and merger related expense	12,582	11,189	9,214
Loss on retirement of long-term obligations	4,261	26	34,826
Amortization of deferred financing costs, debt discounts and other non-cash interest	9,838	9,426	7,789
Provision for losses on accounts receivable	8,449	2,557	2,470
Deferred income taxes	156,780	92,513	21,239
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	(17,844)	(13,550)	(13,417)
Prepaid and other assets	(24,553)	(6,023)	65,704
Deferred rent asset	(36,306)	(50,369)	(69,673)
Accounts payable and accrued expenses	(9,609)	(27,374)	(7,237)
Accrued interest	(5,927)	(5,067)	(7,617)
Unearned revenue	(9,166)	23,929	19,625
Deferred rent liability	26,590	27,618	26,650
Other long-term liabilities	5,808	10,477	22,017
Cash provided by operating activities	<u>842,126</u>	<u>773,258</u>	<u>692,679</u>
<b>CASH FLOWS USED FOR INVESTING ACTIVITIES:</b>			
Payments for purchase of property and equipment and construction activities	(250,262)	(243,484)	(154,381)
Payments for acquisitions, net of cash acquired	(295,603)	(42,817)	(43,962)
Proceeds from sales of available-for-sale securities and other long-term assets	9,103	5,373	22,163
Deposits, restricted cash, short-term investments and other	(6,304)	5,988	(10,000)
Cash used for investing activities	<u>(543,066)</u>	<u>(274,940)</u>	<u>(186,180)</u>
<b>CASH FLOWS USED FOR FINANCING ACTIVITIES:</b>			
Proceeds from issuance of certificates in securitization transaction	—	—	1,750,000
Borrowings under credit facilities	—	575,000	2,175,000
Proceeds from issuance of senior notes	900,000	—	500,000
Repayment of notes payable, credit facilities and capital leases	(931,199)	(327,453)	(3,612,240)
Purchases of Class A common stock	(213,288)	(714,655)	(1,642,821)
Proceeds from stock options, warrants and stock purchase plan	65,973	82,928	124,087
Deferred financing costs and other financing activities	(16,428)	(3,992)	(48,666)
Cash used for financing activities	<u>(194,942)</u>	<u>(388,172)</u>	<u>(754,640)</u>
Net effect of changes in foreign currency exchange rates on cash and cash equivalents	98	(192)	—
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>104,216</b>	<b>109,954</b>	<b>(248,141)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>143,077</b>	<b>33,123</b>	<b>281,264</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 247,293</u></b>	<b><u>\$ 143,077</u></b>	<b><u>\$ 33,123</u></b>

See accompanying notes to consolidated financial statements.

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Business*—American Tower Corporation and subsidiaries (collectively, “ATC” or the “Company”) is an independent developer, owner and operator of wireless and broadcast communications sites in the United States, Mexico, Brazil and India. The Company’s primary business is the leasing of antenna space on multi-tenant communications sites to wireless service providers and radio and television broadcast companies. The Company also manages rooftop and tower sites for property owners, operates in-building and outdoor distributed antenna system (“DAS”) networks, and provides network development services that support its rental and management operations and the addition of new tenants and equipment on its sites.

ATC is a holding company that conducts its operations through its directly and indirectly owned subsidiaries. ATC’s principal United States operating subsidiaries are American Towers, Inc. (“ATI”) and SpectraSite Communications, LLC (“SpectraSite”). ATC conducts its international operations through its subsidiary, American Tower International, Inc., which in turn conducts operations through its various international operating subsidiaries. The Company’s international operations consist of its operations in Mexico, Brazil and India.

*Principles of Consolidation and Basis of Presentation*—The accompanying consolidated financial statements include the accounts of the Company and those entities in which it has a controlling interest, with the exception of Verestar, Inc. (“Verestar”), as discussed below. All intercompany accounts and transactions have been eliminated.

*Use of Estimates*—The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, and such differences could be material to the accompanying consolidated financial statements. The significant estimates in the accompanying consolidated financial statements include impairment of long-lived assets (including goodwill), asset retirement obligations, revenue recognition, stock-based compensation, income taxes and estimated useful lives of assets. The Company considers events or transactions that occur after the balance sheet date but before the financial statements are issued as additional evidence for certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated up to the date of issuance of these financial statements (see note 21).

*Concentrations of Credit Risk*—The Company is subject to concentrations of credit risk related to its cash and cash equivalents, notes receivable, trade receivables, deferred rent asset and derivative instruments. The Company mitigates its risk with respect to cash and cash equivalents and derivative instruments by maintaining its deposits and contracts at high quality financial institutions and monitoring the credit ratings of those institutions.

The Company derives the largest portion of its revenues, corresponding trade receivables and the related deferred rent asset from a small number of customers in the telecommunications industry, and approximately 61% of its revenues are derived from four customers in the industry. In addition, the Company has concentrations of credit risk in certain geographic areas.



**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The Company mitigates its concentrations of credit risk with respect to notes and trade receivables by actively monitoring the credit worthiness of its borrowers and customers. Accounts receivable are reported net of allowances for doubtful accounts related to estimated losses resulting from a customer's inability to make required payments and reserves for amounts invoiced whose collectability is not reasonably assured. These allowances are estimated based on days past due and collection history, and incorporate changes in economic conditions that may not be reflected in historical trends, such as customers in bankruptcy, liquidation or reorganization. Receivables are written-off against the allowances when they are determined uncollectible. Such determination includes analysis and consideration of the particular conditions of the account. Changes in the allowances were as follows for the years ended December 31, (in thousands):

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Balance as of January 1,	11,482	8,850	10,383
Current year increases	26,771	12,059	7,063
Recoveries and other	(9,733)	(9,427)	(8,596)
Balance as of December 31,	<u>\$28,520</u>	<u>\$11,482</u>	<u>\$ 8,850</u>

As of December 31, 2009, foreign currency exchange rate fluctuations have primarily caused a subsidiary of Grupo Iusacell, which represents approximately 5% of the Company's total revenues for the year ended December 31, 2009, to suspend debt service payments on its U.S. Dollar denominated debt. While Grupo Iusacell has continued to make partial payments to the Company, net accounts receivable related to Grupo Iusacell was \$28.2 million as of December 31, 2009.

*Foreign Currency*—Through the date of the financial statements, the functional currency of the Company's foreign subsidiaries in Mexico and Brazil is the U.S. Dollar. Monetary assets and liabilities related to the Company's operations in Mexico and Brazil are remeasured from the local currency into U.S. Dollars at the exchange rates in effect at the end of the applicable fiscal reporting period. Non-monetary assets and liabilities are remeasured at historical exchange rates. Revenues and expenses are remeasured at average monthly exchange rates. All remeasurement gains and losses are included in the Company's consolidated statement of operations, within the caption other income (expense). The net remeasurement loss for the year ended December 31, 2009 approximated \$0.2 million. The net remeasurement gain for the years ended December 31, 2008 and 2007 approximated \$5.7 million and \$2.7 million, respectively. As a result of changes to the organizational structure of the Company's subsidiaries in Latin America in 2010, the Company has determined that effective January 1, 2010, the functional currency of its foreign subsidiary in Brazil is the Brazilian Real.

The functional currency of the Company's foreign subsidiaries in India is the Indian Rupee. All assets and liabilities held by the subsidiaries in India are translated into U.S. Dollars at the exchange rate in effect at the end of the applicable fiscal reporting period. Revenues and expenses are translated at the average monthly exchange rates. The cumulative translation effect is included in stockholders' equity and as a component of comprehensive income.

*Cash and Cash Equivalents*—Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less.

*Restricted Cash*—The Company classifies as restricted cash all cash pledged as collateral to secure obligations and all cash whose use is otherwise limited by contractual provisions, including cash on deposit in reserve accounts relating to the Commercial Mortgage Pass-Through Certificates, Series 2007-1 issued in the Company's securitization transaction.

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Short-Term Investments and Available for Sale Securities*—As of December 31, 2009, short-term investments and available-for-sale securities includes government bonds of approximately \$9.6 million with original maturities in excess of three months and \$0.2 million of available-for-sale securities. As of December 31, 2009 and 2008, the Company's only short-term available-for-sale security was common stock of FiberTower Corporation, which had a fair value of approximately \$0.2 million (39,871 shares of common stock at a price of \$4.18 per share) and \$0.1 million (0.4 million shares of common stock at a price of \$0.16 per share), respectively. All investments classified as available-for-sale are carried at fair value on the consolidated balance sheet. The net unrealized gains or losses on the available-for-sale securities, net of estimated taxes, are reported as accumulated other comprehensive (loss) income, unless such changes are deemed other than temporary. The Company periodically reviews the value of available-for-sale securities and will record impairment charges in the consolidated statement of operations and comprehensive (loss) income for any decline in value that is determined to be other-than-temporary. The Company does not have any investments classified as trading.

As of December 31, 2009 and 2008, the unrealized losses included in other comprehensive (loss) income, net of taxes totaled \$0.3 million and \$0.4 million, respectively.

*Property and Equipment*—Property and equipment are recorded at cost or, in the case of acquired properties, at estimated fair value. Cost for self-constructed towers includes direct materials and labor, indirect costs associated with construction and capitalized interest. Expenditures for repairs and maintenance are expensed as incurred. Betterments and improvements that extend an asset's useful life or enhance capacity are capitalized.

Depreciation is recorded using the straight-line method over the assets' estimated useful lives. Towers and related assets on leased land are depreciated over the shorter of the term of the ground lease (including renewal options) or the estimated useful life of the tower.

Towers or assets acquired through capital leases are reflected in property and equipment at the present value of future minimum lease payments or the fair market value of the leased asset at the inception of the lease. Property and equipment, network location intangibles and assets held under capital leases related to tower acquisitions are amortized over the shorter lease term or the estimated useful lives of the assets for periods up to twenty years.

*Goodwill and Other Intangible Assets*—The Company reviews goodwill and intangible assets with indefinite lives for impairment at least annually or whenever events or circumstances indicate the carrying value of an asset may not be recoverable.

All of the Company's goodwill is recorded in its rental and management segment and is tested for impairment annually as of December 31 or more frequently if an event occurs or circumstances indicate that the asset might be impaired. The Company utilizes the two step transitional impairment test when testing goodwill for impairment. When conducting this test, the Company employs a discounted cash flow analysis, corroborated by a peer group and market valuation analysis. The key assumptions utilized in the discounted cash flow analysis include current operating performance, terminal sales growth rate, management's expectations of future operating results, the current weighted average cost of capital, and a current tax rate. Under the first step of this test, the Company compares the fair value, as calculated using future discounted cash flows, to the carrying value of the rental and management reporting unit. If the carrying value exceeds the fair value, the Company conducts the second step of this test, in which the implied fair value of the rental and management reporting unit's goodwill is compared to the carrying amount of that goodwill. If the carrying amount of goodwill exceeds its implied fair value, an impairment loss would be recognized.

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

During the years ended December 31, 2009 and 2008, no impairment was determined under the first step of the test as the fair value of the Company's rental and management segment is substantially in excess of its carrying value. The Company performed a sensitivity analysis on its significant assumptions and determined that none of the following negative changes in its assumptions individually, which it determined to be reasonable, would impact its conclusions: a 15% reduction in projected net income, a 200 basis point increase in the weighted average cost of capital, and a 15% reduction in terminal sales growth rate.

Intangible assets that are separable from goodwill and are deemed to have a definite life are amortized over their useful lives, generally ranging from three to twenty years.

*Notes Receivable and Other Long-Term Assets*—Other long-term assets primarily represent the Company's notes receivable from TV Azteca, the deferred rent asset associated with non-cancelable tenant leases that contain fixed escalation clauses over the terms of the applicable leases, as well as investments, prepaid ground lease assets, long-term deposits, favorable leasehold interests and other long-term assets.

*Derivative Financial Instruments*—All derivatives are recorded on the consolidated balance sheet at fair value. Derivatives in an asset position are reflected in notes receivable and other long-term assets and derivatives in a liability position are reflected in other long-term liabilities in the accompanying consolidated balance sheets. If a derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in accumulated other comprehensive (loss) income and are recognized in the results of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in the results of operations. For derivative instruments not designated as hedging instruments, changes in fair value are recognized in the results of operations in the period that the change occurs.

The Company primarily uses derivative financial instruments as a means of managing interest-rate risk associated with its current debt or anticipated debt transactions that have a high probability of execution. The Company is exposed to interest rate risk relating to variable interest rates on its revolving credit facility and term loan. The Company uses interest rate swaps as part of its overall strategy to manage the level of exposure to the risk of interest rate fluctuations under its variable rate credit facility and term loan. The interest rate swap agreements effectively convert the interest payments for a portion of the debt from floating rate to fixed rate debt. The Company may also enter into forward starting interest rate swap agreements and treasury lock agreements, which the Company designates as cash flow hedges, to manage exposure to variability in cash flows relating to forecasted interest payments in connection with the likely issuance of new fixed rate debt. Settlement gains and losses on terminations of these forward starting interest rate swap agreements are recorded in other comprehensive income (loss), net of taxes, and amortized to interest expense over the term of the newly issued debt.

The Company assesses, both at the inception of the hedge and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. The Company does not hold derivatives for trading purposes.

The Company may also enter into foreign currency financial instruments in anticipation of future transactions in order to minimize the risk of currency fluctuations. These transactions do not typically qualify for hedge accounting, and as a result, the associated gains and losses are recognized in other income (expense) in the consolidated statement of operations.

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Fair Value Measurements*—The Company determines the fair market values of its financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs that may be used to measure fair value:

- Level 1     Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2     Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3     Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying values of the Company's financial instruments, with the exception of long-term obligations, including current portion, reasonably approximate the related fair values as of December 31, 2009 and 2008. As of December 31, 2009, the carrying amount and fair value of long-term obligations, including current portion, were \$4.2 billion and \$4.3 billion, respectively. As of December 31, 2008, the carrying amount and fair value of long-term obligations, including current portion, were \$4.3 billion and \$3.9 billion, respectively.

*Discount and Premium on Notes*—The Company amortizes the discount on its convertible, senior and senior subordinated discount notes (including the allocated fair value of the related warrants) and the premium on its senior notes, using the effective interest method over the term of the obligation. Such amortization is reflected in interest expense in the accompanying consolidated statements of operations.

*Asset Retirement Obligations*—The fair value of a liability for asset retirement obligations associated with an entity's legal obligation to retire tangible long-lived assets and the related asset retirement costs is recognized in the period in which it is incurred and can be reasonably estimated. Such asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's estimated useful life. Fair value estimates of liabilities for asset retirement obligations generally involve discounting of estimated future cash flows. Periodic accretion of such liabilities due to the passage of time is recorded as an operating expense.

The Company has certain legal obligations related to tower assets, principally obligations to remediate leased land on which certain of the Company's tower assets are located which require the recognition of an asset retirement obligation. The significant assumptions used in estimating the Company's aggregate asset retirement obligation are: timing of tower removals; cost of tower removals; timing and number of land lease renewals; expected inflation rates; and credit-adjusted risk-free interest rates that approximate the Company's incremental borrowing rate. The Company's asset retirement obligation is included in other long-term liabilities in the accompanying consolidated balance sheets.

*Income Taxes*—The consolidated financial statements reflect provisions for federal, state, local and foreign income taxes. The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, as well as operating loss and tax credit carryforwards. The Company measures deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities as a result of a change in tax rates is recognized as income in the period that includes the enactment date. The Company provides valuation allowances if, based on the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company also periodically reviews its

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

valuation allowances on its deferred tax assets to reduce these amounts to the amount that management believes is more likely than not to be realized.

The Company classifies uncertain tax positions as non-current income tax liabilities unless expected to be paid within one year. The Company reports penalties and tax-related interest expense as a component of the provision for income taxes and interest income from tax refunds as a component of other income in the consolidated statement of operations.

*Other Comprehensive (Loss) Income*—Other comprehensive (loss) income refers to revenues, expenses, gains and losses that are excluded from net income (loss), as these amounts are recorded directly as an adjustment to stockholders' equity, net of tax. The Company's other comprehensive (loss) income is comprised of realized and unrealized gains/losses on derivative cash flow hedges, short-term available-for-sale securities and foreign currency translation as summarized in the accompanying consolidated statement of stockholders' equity.

*Treasury Stock*—The Company records treasury stock purchases under the cost method, whereby the purchase price, including legal costs and commissions, is recorded in a contra equity account (treasury stock). The equity accounts from which the shares were originally issued are not adjusted for any treasury stock purchases.

*Revenue Recognition*—Rental and management revenues are recognized on a monthly basis under lease or management agreements when earned. Fixed escalation clauses present in non-cancelable lease agreements, excluding those tied to the Consumer Price Index ("CPI") or other inflation-based indices, and other incentives present in lease agreements with the Company's customers are recognized on a straight-line basis over the terms of the applicable leases. Straight-line revenues for the years ended December 31, 2009, 2008 and 2007 approximated \$36.3 million, \$50.4 million and \$69.7 million, respectively. Amounts billed up-front for certain services provided in connection with the execution of lease agreements are initially deferred and recognized as revenue over the initial terms of the applicable leases. Amounts billed or received prior to being earned are deferred and reflected in unearned revenue in the accompanying consolidated balance sheets until the earnings process is complete.

Network development services revenues are derived under contracts or arrangements with customers that provide for billings on a fixed price basis. Revenues are recognized as services are performed, excluding certain fees for services provided in connection with the execution of lease agreements which are initially deferred and recognized as revenue over the initial terms of the applicable leases.

*Rent Expense*—Many of the leases underlying the Company's tower sites have fixed rent escalations, which provide for periodic increases in the amount of ground rent payable by the Company over time. The Company calculates straight-line ground rent expense for these leases based on the fixed non-cancelable term of the underlying ground lease plus all periods, if any, for which failure to renew the lease imposes an economic penalty to the Company such that renewal appears, at the inception of the lease, to be reasonably assured. Certain of the Company's tenant leases require the Company to exercise available renewal options pursuant to the underlying ground lease, if the tenant exercises its renewal option. For towers with these types of tenant leases at the inception of the ground lease, the Company calculates its straight-line ground rent over the term of the ground lease, including all renewal options required to fulfill the tenant lease obligation.

Straight-line ground rent expense approximated \$26.6 million, \$27.6 million and \$26.7 million, for the years ended December 31, 2009, 2008 and 2007, respectively. In addition to the straight-line ground rent expense recorded by the Company, the Company also records its straight-line rent liability in other long-term liabilities and records prepaid land rent in prepaid and other current assets in the accompanying consolidated balance sheets.

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Selling, General, Administrative and Development Expense*—Selling, general and administrative expense consists of overhead expenses related to the Company's rental and management and services segments and corporate overhead costs not specifically allocable to either of the Company's individual business segments. Development expense consists of costs to integrate acquisitions, costs associated with new business initiatives and abandoned site and acquisition costs.

*Stock-Based Compensation*—Stock-based compensation cost is measured at the accounting measurement date based on the fair value of the award and the fair value is recognized as an expense over the service period, which generally represents the vesting period. The expense recognized over the service period is required to include an estimate of awards that will be forfeited. The Company calculates the fair value of stock options using the Black-Scholes option-pricing model and the fair value of restricted stock units based on the fair value of the units at grant date. The Company's stock-based compensation expense is included in selling, general, administrative and development expense.

*Litigation Costs*—The Company periodically becomes involved in various claims and lawsuits that are incidental to its business. The Company regularly monitors the status of pending legal actions to evaluate both the magnitude and likelihood of any potential loss. The Company accrues for these potential losses when it is probable that a liability has been incurred and the amount of loss, or possible range of loss, can be reasonably estimated. Should the ultimate losses on contingencies and litigation vary from estimates, adjustments to those reserves may be required. The Company also incurs legal costs in connection with these matters and records estimates of these expenses, which are reflected in selling, general, administrative and development expense in the accompanying consolidated statement of operations. Legal costs incurred in connection with the Company's involvement in the Verestar bankruptcy proceedings are reflected within discontinued operations in the accompanying consolidated statement of operations.

*Other Operating Expenses*—Other operating expenses includes the costs incurred by the Company in conjunction with acquisitions and mergers, impairments on long-lived assets and gains and losses recognized upon the disposal of long-lived assets.

The Company expenses acquisition and merger related costs in the period in which they are incurred and services are received. Acquisition and merger related costs may include finder's fees, advisory, legal, accounting, valuation and other professional or consulting fees, general administrative costs, and costs of registering and issuing debt and equity securities.

The Company reviews long-lived assets, including intangibles with definite lives, for impairment whenever events, changes in circumstances or other evidence indicate that the carrying amount of the Company's assets may not be recoverable.

The Company reviews its tower portfolio and network location intangible assets for indications of impairment on an individual tower basis, which primarily result from a tower not having current tenant leases or from having expenses in excess of revenues. The Company monitors its customer related intangible assets on a customer by customer basis for indications of impairment, such as high levels of turnover or attrition, non-renewal of a significant number of contracts, or the cancellation or termination of a relationship. The Company assesses recoverability by determining whether the net book value of the related assets will be recovered, either through projected undiscounted future cash flows or anticipated proceeds from sales of the assets.

If the Company determines that the carrying value of an asset may not be recoverable, the Company will measure any impairment based on the projected future discounted cash flows to be provided from the asset or available market information relative to the asset's fair market value, as compared to the asset's carrying value. The Company records any related impairment charge in the period in which the Company identifies such impairment.

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Discontinued Operations*—Legal reorganization or bankruptcy are conditions which can preclude consolidation in instances where control rests with the bankruptcy court, rather than the majority owner. In December 2003, Verestar filed for protection under Chapter 11 of the federal bankruptcy laws. Accordingly, the Company ceased to consolidate Verestar's financial results beginning December 22, 2003. The Company has incurred costs and related tax effects in connection with its involvement in the Verestar bankruptcy proceedings and related litigation. During 2007, the Company settled litigation related to the Verestar bankruptcy. In April 2008, the bankruptcy court approved Verestar's plan of liquidation and in December 2008, Verestar was liquidated. As a result, in 2008, the Company recorded an income tax benefit of \$110.1 million related to losses associated with its investment in Verestar as income from discontinued operations during the year ended December 31, 2008. The Company recorded net income (loss) from discontinued operations in the accompanying consolidated statements of operations for the years ended December 31, 2009, 2008 and 2007, of \$8.2 million, \$111.0 million and \$(36.4) million, respectively.

*Loss on Retirement of Long-Term Obligations*—Loss on retirement of long-term obligations primarily includes cash paid to retire debt in excess of its carrying value, cash paid to holders of convertible notes in connection with note conversions, and non-cash charges related to the write-off of deferred financing fees. Loss on retirement of long-term obligations also includes gains from repurchasing or refinancing certain of the Company's debt obligations.

*Earnings Per Common Share—Basic and Diluted*—Basic income from continuing operations per common share for the years ended December 31, 2009, 2008 and 2007 represents income from continuing operations attributable to American Tower Corporation divided by the weighted average number of common shares outstanding during the period. Diluted income from continuing operations per common share for the years ended December 31, 2009, 2008 and 2007 represents income from continuing operations attributable to American Tower Corporation divided by the weighted average number of common shares outstanding during the period and any dilutive common share equivalents, including unvested restricted stock, shares issuable upon exercise of stock options and warrants as determined under the treasury stock method and upon conversion of the Company's convertible notes, as determined under the if-converted method.

*Retirement Plan*—The Company has a 401(k) plan covering substantially all employees who meet certain age and employment requirements. The Company's matching contribution is 50% up to a maximum 6% of a participant's contributions. The Company contributed approximately \$1.9 million to the plan for the year ended December 31, 2009 and approximately \$1.5 million for each of the years ended December 31, 2008 and 2007.

*Acquisitions*—For those acquisitions that meet the criteria of a business combination, the Company allocates the purchase price to the assets acquired and the liabilities assumed at their estimated fair values as of the date of the acquisition with any excess of the purchase price paid by the Company over the estimated fair value of net assets acquired recorded as goodwill. For those acquisitions that do not meet the criteria of a business combination, the Company first allocates the purchase price to property and equipment for the fair value of the tower and to identifiable intangible assets (primarily acquired customer base and network location intangibles).

*Recently Adopted Accounting Standards*—In September 2009, the FASB issued new guidance which designated the FASB Accounting Standards Codification ("ASC") as the source of authoritative GAAP to be applied by nongovernmental entities. All guidance contained in the ASC carries an equal level of authority. The ASC supersedes all existing non-SEC accounting and reporting standards. All other nongrandfathered non-SEC



---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

accounting literature not included in the ASC is considered nonauthoritative. The implementation and adoption of the guidance provided by the ASC had no impact on the Company's consolidated results of operations or financial position.

In December 2007, the FASB issued new accounting guidance which, among other things, eliminates the step acquisition model, requires that contingent consideration be recognized at the time of acquisition (instead of being recognized when it is probable), disallows the capitalization of transaction costs, and changes when restructurings related to acquisitions can be recognized. This guidance also established additional disclosure requirements that enable the evaluation of the nature and financial effects of business combinations. This guidance was effective for the Company as of January 1, 2009 and, upon adoption, approximately \$1.2 million of transaction costs previously capitalized in notes receivable and other long-term assets was expensed.

In December 2007, the FASB issued new accounting guidance which requires the classification of noncontrolling interest as a separate component of equity and disclosure clearly identifying, and distinguishing between, parent and noncontrolling owner interests. This guidance was effective for the Company as of January 1, 2009 and did not materially impact the Company's consolidated results of operations and financial position. However, the Company has adjusted its presentation of noncontrolling interest in the accompanying consolidated financial statements.

In February 2008, the FASB issued new accounting guidance which delayed the effective date for applying fair value measures to all nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis (that is, at least annually) to January 1, 2009. The adoption of this guidance had no impact on the Company's consolidated results of operations or financial position.

In March 2008, the FASB issued new accounting guidance which, among other things, changes disclosure requirements and requires entities to provide enhanced disclosures about how and why entities use derivative financial instruments, how derivative instruments and related hedged items are accounted for and how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. This guidance was effective for the Company as of January 1, 2009. The Company has included additional disclosures regarding its derivative instruments. The adoption of this guidance had no impact on the Company's consolidated results of operations or financial position.

In April 2009, the FASB issued new accounting guidance which requires additional disclosures about the fair value of financial instruments for interim reporting periods as well as in annual financial statements. This guidance was effective for the Company as of April 1, 2009. Beginning with the Company's Quarterly Report for the quarter ended June 30, 2009, the Company has included additional disclosures regarding the fair value of its financial instruments. The adoption of this guidance had no impact on the Company's consolidated results of operations or financial position.

In May 2009, the FASB issued new accounting guidance which, among other things, sets forth the period after the balance sheet date during which management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should disclose events or transactions occurring after the balance sheet date, and the disclosures entities should make about events or transactions that occurred after the balance sheet date. This guidance was effective for the Company as of June 30, 2009. Beginning with the Company's Quarterly Report for the quarter ended June 30, 2009, the Company has included additional disclosures regarding its review of subsequent events. The adoption of this guidance had no impact on the Company's consolidated results of operations or financial position.



Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Accounting Standards Updates*—In October 2009, the FASB issued new guidance which establishes accounting and reporting guidance for arrangements including multiple revenue-generating activities. This guidance requires companies to allocate the overall consideration to each deliverable under the arrangement using the estimated selling prices in the absence of vendor specific objective evidence or third-party evidence of selling price for deliverables. This guidance is effective for any contracts entered into, or materially modified by, the Company after January 1, 2011, with early adoption available. The Company is evaluating the impact that this guidance will have on its consolidated results of operations or financial position.

In January 2010, the FASB issued new guidance which clarifies some of the existing disclosure requirements and adds additional disclosure requirements with respect to fair value measurements. This guidance is effective for interim and annual reporting periods beginning after December 15, 2009. The Company is evaluating the impact that this guidance will have on its disclosures; however, the adoption of these updates will have no impact on its consolidated results of operations or financial position.

## 2. PROPERTY AND EQUIPMENT

Property and equipment (including assets held under capital leases) consist of the following:

	Estimated Useful Lives (1) (years)	As of December 31,	
		2009	2008
		(in thousands)	
Towers	Up to 20	\$ 4,688,162	\$ 4,353,652
Equipment	3 – 15	309,791	269,338
Buildings and improvements	15 – 32	207,333	213,807
Land and improvements (2)	15 – 32	374,621	312,711
Construction-in-progress		47,063	63,539
Total		5,626,970	5,213,047
Less accumulated depreciation		(2,451,459)	(2,190,411)
Property and equipment, net		<u>\$ 3,175,511</u>	<u>\$ 3,022,636</u>

- (1) Assets on leased land are depreciated over the shorter of the estimated useful life of the asset or the term of the corresponding ground lease.
- (2) Estimated useful lives apply to land improvements only.

Depreciation expense for the years ended December 31, 2009, 2008 and 2007 was \$258.9 million, \$248.7 million and \$341.9 million, respectively.

The Company completed its review of the estimated useful lives of its tower assets in the first quarter of 2008. Based on this review, the Company revised the estimated useful lives of its towers and certain tower related intangible assets, primarily its network location intangible assets, from its historical estimate of 15 years to a revised estimate of 20 years, effective January 1, 2008. The Company accounted for the change in estimated useful lives as a change in estimate which was accounting for prospectively effective January 1, 2008. For the year ended December 31, 2008, the change resulted in a reduction in depreciation and amortization expense of approximately \$121.2 million and an increase in net income of approximately \$74.4 million.

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

**3. GOODWILL AND OTHER INTANGIBLE ASSETS**

The changes in the carrying value of goodwill for the years ended December 31, 2009 and 2008 are as follows (in thousands):

	<u>2009</u>	<u>2008</u>
Beginning balance as of January 1,	\$2,186,233	\$2,188,312
Net decrease due to adjustments for previously completed acquisitions	—	(2,079)
Additions	50,663	—
Effect of foreign currency translation	954	—
Balance as of December 31,	<u>\$2,237,850</u>	<u>\$2,186,233</u>

The Company's other intangible assets subject to amortization consist of the following as of December 31, (in thousands):

	<u>Estimated Useful Lives (years)</u>	<u>2009</u>	<u>2008</u>
Acquired network location (1)	20	\$ 1,101,232	\$ 1,055,313
Acquired customer base	15-20	756,928	737,108
Acquired customer relationships	20	883,491	775,000
Acquired licenses and other intangibles	5-15	21,574	21,574
Economic Rights, TV Azteca	70	30,292	30,292
Total		<u>2,793,517</u>	<u>2,619,287</u>
Less accumulated amortization		<u>(1,238,579)</u>	<u>(1,103,521)</u>
Intangible assets, net		1,554,938	1,515,766
Deferred financing costs, net (2)	N/A	43,695	50,389
Total intangible assets, net		<u>\$ 1,598,633</u>	<u>\$ 1,566,155</u>

- (1) Acquired network location intangibles are amortized over the shorter of the term of the corresponding ground lease or 20 years, as the Company considers these intangibles to be directly related to the tower assets.
- (2) Deferred financing costs are amortized over the term of the respective debt instruments to which they relate. This amortization is included in interest expense, rather than in amortization of intangibles.

The acquired network location intangible represents the value to the Company of the incremental revenue growth which could potentially be obtained from leasing the excess capacity on acquired communications sites. The acquired customer base and acquired customer relationship intangibles typically represent the value to the Company of customer contracts and relationships in place at the time of an acquisition, including assumptions regarding estimated renewals. The Company has historically differentiated these intangible assets based upon whether or not they result from an acquisition which meets the criteria of a business combination (acquired customer relationship) or does not meet the criteria of a business combination (acquired customer base). The acquired licenses and other intangibles consist primarily of the TVAzteca Economic Rights, detailed in note 4, and non-competition agreements acquired from SpectraSite, Inc., and in other tower acquisitions.

The Company amortizes these intangibles on a straight-line basis. As of December 31, 2009, the weighted average amortization period of the Company's intangible assets, excluding the TV Azteca Economic Rights is approximately 11 years. Amortization of intangible assets for the years ended December 31, 2009, 2008 and

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

2007 aggregated approximately \$140.2 million, \$143.1 million and \$168.1 million, respectively (excluding amortization of deferred financing costs, which is included in interest expense). Based on the current estimated useful lives, the Company expects to record amortization expense (excluding amortization of deferred financing costs) as follows over the next five years (in thousands):

Year Ending December 31,	
2010	\$148,145
2011	143,800
2012	141,411
2013	132,315
2014	119,686

**4. NOTES RECEIVABLE AND OTHER LONG-TERM ASSETS**

Notes receivable and other long-term assets consist of the following as of December 31, (in thousands):

	<u>2009</u>	<u>2008</u>
Deferred rent asset	\$365,112	\$329,250
Notes receivable	110,565	112,378
Long-term prepaid assets	84,801	47,954
Other miscellaneous assets	90,655	91,951
Balance as of December 31,	<u>\$651,133</u>	<u>\$581,533</u>

*Deferred Rent Asset*—The Company's deferred rent asset is associated with non-cancelable tenant leases that contain fixed escalation clauses over the terms of the applicable leases.

*Notes Receivable*—In 2000, the Company loaned TV Azteca, S.A. de C.V. ("TV Azteca"), the owner of a major national television network in Mexico, \$119.8 million. The loan has an interest rate of 13.11%, payable quarterly. As of December 31, 2009 and 2008, approximately \$119.8 million undiscounted (approximately \$108.2 million discounted) under the loan was outstanding and included in notes receivable and other long-term assets in the accompanying consolidated balance sheets. The term of the loan is seventy years; however, the loan may be prepaid by TV Azteca without penalty during the last fifty years of the agreement. The discount on the loan is being amortized to interest income, TV Azteca, net of interest expense, using the effective interest method over the seventy-year term of the loan.

Simultaneous with the signing of the loan agreement, the Company also entered into a seventy year Economic Rights Agreement with TV Azteca regarding space not used by TV Azteca on approximately 190 of its broadcast towers. In exchange for the issuance of the below market interest rate loan and the annual payment of \$1.5 million to TV Azteca (under the Economic Rights Agreement), the Company has the right to market and lease the unused tower space on the broadcast towers (the "Economic Rights"). TV Azteca retains title to these towers and is responsible for their operation and maintenance. The Company is entitled to 100% of the revenues generated from leases with tenants on the unused space and is responsible for any incremental operating expenses associated with those tenants.

The term of the Economic Rights Agreement is seventy years; however, TV Azteca has the right to purchase, at fair market value, the Economic Rights from the Company at any time during the last fifty years of the agreement. Should TV Azteca elect to purchase the Economic Rights (in whole or in part), it would also be obligated to repay a proportional amount of the loan discussed above at the time of such election. The Company's obligation to pay TV Azteca \$1.5 million annually would also be reduced proportionally.

**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The Company has accounted for the annual payment of \$1.5 million as a capital lease (initially recording an asset and a corresponding liability of approximately \$18.6 million). The capital lease asset and the discount on the note, which aggregate approximately \$30.2 million, represent the cost to acquire the Economic Rights, which are recorded as an intangible asset and are being amortized over the seventy-year life of the Economic Rights agreement.

As of December 31, 2009 and 2008, the Company also had other long-term notes receivable outstanding of approximately \$2.3 million and \$4.2 million, respectively.

*Long-Term Prepaid Assets*—Long-term assets consist primarily of long-term prepaid ground leases.

**5. ACQUISITIONS**

*XCEL Acquisition*—On May 27, 2009, the Company acquired 100% of the outstanding common and preferred stock of XCEL Telecom Private Limited (“XCEL”) for an aggregate cash purchase price of approximately \$96.0 million, consisting of an initial cash payment of \$98.0 million, net of preliminary purchase price adjustments of approximately \$2.0 million. XCEL provides shared telecom infrastructure services to telecom operators in India. At closing, XCEL owned approximately 1,660 towers located in fifteen telecom circles in India. Additionally, XCEL had approximately 70 towers in various stages of development. The acquisition of XCEL is consistent with the Company’s strategy to expand in selected geographic areas.

The acquisition of XCEL has been accounted for as a business combination. The operating results of the acquired business have been included in the Company’s consolidated results of operations since the date of acquisition. The operating results of XCEL for periods prior to the acquisition by the Company were not material to the Company’s consolidated results of operations and accordingly, pro forma results of operations have not been presented. The purchase price was preliminarily allocated to the acquired assets and liabilities based on the estimated fair value at the date of acquisition. The preliminary goodwill of \$50.6 million is calculated as the purchase premium after first allocating the purchase price to the fair value of net assets acquired and represents future growth opportunities and established infrastructure that XCEL provides. The allocation of the purchase price will be finalized upon the final settlement of the purchase price with the sellers and the subsequent completion of analyses of the fair value of XCEL’s assets and liabilities and certain tax matters. These analyses include examination of the underlying book and tax records, completion of an appraisal of certain tangible and intangible assets and liabilities and a full assessment of legal and tax contingencies. Certain immaterial adjustments were made to the assets acquired and liabilities assumed upon completion of updated analyses of the fair value of XCEL’s assets and liabilities.

The following table summarizes the aggregate purchase consideration paid for XCEL and the amounts of assets acquired and liabilities assumed at the acquisition date (in thousands):

Current assets (1)	\$ 27,808
Other non-current assets (2)	31,804
Property and equipment	83,523
Intangible assets (3)	38,091
Current liabilities	(23,066)
Long-term debt	(72,013)
Other long-term liabilities (2)	(40,745)
Fair value of net assets acquired	<u>\$ 45,402</u>
Preliminary goodwill (4)	<u>\$ 50,641</u>

F-19

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

- (1) Includes approximately \$5.8 million of accounts receivable which approximates the gross value due the Company under certain contractual arrangements.
- (2) Includes contingent amounts of approximately \$27.2 million related to tax positions related to the acquisition and a related indemnification asset.
- (3) Consists of customer relationships of approximately \$18.3 million and network location intangibles of approximately \$19.8 million. The customer relationships and network location intangibles are being amortized on a straight-line basis over a period of 20 years.
- (4) No goodwill is expected to be deductible for income tax purposes. The goodwill was allocated to the Company's rental and management segment.

*Insight Acquisition*—On October 28, 2009, the Company acquired 100% of the outstanding stock of Insight Infrastructure Pte. Ltd. ("Insight") for an aggregate cash purchase price of approximately \$18.9 million, consisting of an initial cash payment of \$19.9 million, net of preliminary purchase price adjustments of approximately \$1.0 million. Insight, a holding company incorporated in Singapore, owns Transcend Infrastructure Holding Pte. Ltd and Transcend Infrastructure Limited ("Transcend"). Insight's main operating subsidiary is Transcend, an independent tower company providing shared telecom infrastructure services to telecom operators in India. At closing, Transcend owned approximately 326 towers located in a number of telecom circles in India. Additionally, Transcend had approximately 40 towers in various stages of development. The acquisition of Insight is consistent with the Company's strategy to expand in selected geographic areas.

The acquisition of Insight has been accounted for as a business combination. The operating results of the acquired business have been included in the Company's consolidated results of operations since the date of acquisition. The operating results of Insight for periods prior to the acquisition by the Company were not material to the Company's consolidated results of operations and accordingly, pro forma results of operations have not been presented. The purchase price was preliminarily allocated to the acquired assets and liabilities based on the estimated fair value at the date of acquisition. The preliminary goodwill of \$0.02 million is calculated as the purchase premium after first allocating the purchase price to the fair value of net assets acquired and represents future growth opportunities and established infrastructure that Insight provides. The allocation of the purchase price will be finalized upon the final settlement of the purchase price with the sellers and the subsequent completion of analyses of the fair value of Insight's assets and liabilities and certain tax matters. These analyses include examination of the underlying book and tax records, completion of an appraisal of certain tangible and intangible assets and liabilities and a full assessment of legal and tax contingencies.

The following table summarizes the aggregate purchase consideration paid for Insight and the amounts of assets acquired and liabilities assumed at the acquisition date (in thousands):

Current assets (1)	\$ 3,291
Other non-current assets	261
Property and equipment	19,625
Intangible assets (2)	4,408
Current liabilities	(7,238)
Other long-term liabilities	(1,456)
Fair value of net assets acquired	<u>\$18,891</u>
Preliminary goodwill (3)	<u>\$ 22</u>

- (1) Includes approximately \$1.2 million of accounts receivable which approximates the gross value due the Company under certain contractual arrangements.

**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

- (2) Consists of customer relationships of approximately \$1.8 million and network location intangibles of approximately \$2.6 million. The customer relationships and network location intangibles are being amortized on a straight-line basis over a period of 20 years.
- (3) No goodwill is expected to be deductible for income tax purposes. The goodwill was allocated to the Company's rental and management segment.

*Brazil Acquisition*—On July 22, 2009, the Company completed its acquisition of 230 towers and related third party leases located in Brazil for an aggregate purchase price of approximately \$51.3 million, which consisted of \$50.5 million in cash and the assumption of \$0.8 million in liabilities. This acquisition is consistent with the Company's strategy to expand in selected geographic areas.

The acquisition has been accounted for as a business combination. The purchase price was preliminarily allocated to the acquired assets based on the estimated fair value of the acquired assets at the date of acquisition. The allocation of the purchase price will be finalized upon completion of analyses of the fair value of the assets acquired and may result in the recognition of goodwill.

The following table summarizes the aggregate purchase consideration paid and the amounts of assets acquired at the acquisition date (in thousands):

Property and equipment	\$32,015
Intangible assets (1)	19,260
Fair value of net assets acquired	<u>\$51,275</u>

- (1) Consists of a preliminary estimate of customer relationships of approximately \$19.3 million. The customer relationships are being amortized on a straight-line basis over a period of 20 years.

Pursuant to a definitive purchase agreement, the Company is obligated to acquire an additional 114 towers, pending regulatory approvals, for an aggregate purchase price of approximately \$18.0 million. If regulatory approvals are not obtained by June 30, 2010, the definitive purchase agreement expires, unless extended by mutual consent of the parties.

*Cincinnati Bell Acquisition*—On December 23, 2009, the Company acquired 196 towers from Cincinnati Bell Inc. for an aggregate purchase price of approximately \$99.9 million. This acquisition is consistent with the Company's strategy to expand in selected geographic areas.

The acquisition has been accounted for as a business combination. The purchase price was preliminarily allocated to the acquired assets based on the estimated fair value of the acquired asset at the date of acquisition. The allocation of the purchase price will be finalized upon completion of analyses of the fair value of the assets acquired and may result in the recognition of goodwill.

The following table summarizes the aggregate purchase consideration paid and the amounts of assets acquired at the acquisition date (in thousands):

Property and equipment	\$16,147
Intangible assets (1)	83,723
Fair value of net assets acquired	<u>\$99,870</u>

- (1) Consists of a preliminary estimate of customer relationships of approximately \$69.0 million and network location intangibles of approximately \$ 14.7 million. The customer relationships and network location intangibles are being amortized on a straight-line basis over a period of 20 years.

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Other Tower Acquisitions*—During the year December 31, 2009, the Company acquired an additional 96 towers in the United States from various third parties for an aggregate purchase price of approximately \$35.2 million, which includes approximately \$1.7 million of accrued contingent consideration. During the year ended December 31, 2008, the Company acquired 269 towers in the United States, Mexico and Brazil from various third parties for an aggregate purchase price of approximately \$42.8 million. These acquisitions did not meet the criteria of a business combination and have accordingly been accounted for as acquisitions of assets.

**6. LONG-TERM OBLIGATIONS**

Outstanding amounts under the Company's long-term financing arrangements consist of the following as of December 31, (in thousands):

	2009	2008
Commercial Mortgage Pass-Through Certificates, Series 2007-1	\$1,750,000	\$1,750,000
Revolving credit facility	550,000	750,000
Term loan	325,000	325,000
XCEL credit facility	73,367	—
4.625% senior notes	599,210	—
7.00% senior notes	500,000	500,000
7.25% senior notes	295,038	—
5.0% convertible notes	59,683	59,683
7.25% senior subordinated notes	288	288
7.125% senior notes	—	501,107
7.50% senior notes	—	225,000
3.00% convertible notes	—	161,893
Notes payable and capital leases	58,995	60,134
Other convertible notes	—	41
Total	4,211,581	4,333,146
Less current portion of long-term obligations	(70,521)	(1,837)
Long-term obligations	<u>\$4,141,060</u>	<u>\$4,331,309</u>

*Commercial Mortgage Pass-Through Certificates, Series 2007-1*—During the year ended December 31, 2007, the Company completed a securitization transaction (the "Securitization") involving assets related to 5,295 broadcast and wireless communications towers (the "Secured Towers") owned by two special purpose subsidiaries of the Company, through a private offering of \$1.75 billion of Commercial Mortgage Pass-Through Certificates, Series 2007-1 (the "Certificates").

The Certificates were issued by American Tower Trust I (the Trust), a trust established by American Tower Depositor Sub, LLC (the "Depositor"), an indirect wholly owned special purpose subsidiary of the Company. The assets of the Trust consist of a recourse loan (the "Loan") initially made by the Depositor to American Tower Asset Sub, LLC and American Tower Asset Sub II, LLC (the "Borrowers"), pursuant to a Loan and Security Agreement among the foregoing parties dated as of May 4, 2007 (the "Loan Agreement"). The Borrowers are special purpose entities formed solely for the purpose of holding the Secured Towers subject to the Securitization.

The Certificates were issued in seven separate classes, comprised of Class A-FX, Class A-FL, Class B, Class C, Class D, Class E and Class F. Each of the Certificates in Classes B, C, D, E and F are subordinated in right of

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

payment to any other class of Certificates which has an earlier alphabetical designation. The Certificates were issued with terms identical to the Loan except for the Class A-FL Certificates, which bear interest at a floating rate while the related component of the Loan bears interest at a fixed rate, as described below. The various classes of Certificates were issued with a weighted average interest rate of approximately 5.61%. The Certificates have an expected life of approximately seven years with a final repayment date in April 2037.

The Company used the net proceeds from the Securitization to repay all amounts outstanding under the SpectraSite credit facilities, including approximately \$765.0 million in principal, plus accrued interest thereon and other costs and expenses related thereto, as well as to repay approximately \$250.0 million drawn under the revolving loan component of the credit facilities at the American Tower operating company level. An additional \$349.5 million of the proceeds was used to fund the Company's tender offer and consent solicitation for the ATI 7.25% senior subordinated notes due 2011 ("ATI 7.25% Notes"), as described below, and the remainder was used for general corporate purposes. The Company also funded \$14.3 million in cash reserve accounts with proceeds from the Securitization as required under the Loan Agreement.

The Loan will be paid by the Borrowers solely from the cash flows generated by the Secured Towers. These funds in turn will be used by or on behalf of the Trust to service the payment of interest on the Certificates and for any other payments required by the Loan Agreement. The Borrowers are required to make monthly payments of interest on the Loan. Subject to certain limited exceptions described below, no payments of principal will be required to be made prior to the anticipated repayment date for the Loan in April 2014. On a monthly basis, after payment of all required amounts under the Loan Agreement, the excess cash flows generated from the operation of the Secured Towers are released to the Borrowers, which can then be distributed to, and used by, the Company. However, if the debt service coverage ratio (the "DSCR"), generally defined as the net cash flow divided by the amount of interest, servicing fees and trustee fees that the Borrowers will be required to pay over the succeeding 12 months on the Loan, is (A) for the five-year period commencing on the closing date of the Securitization, 1.30x or less for such calendar quarter or (B) beginning with the first full calendar quarter after the expiration of such five-year period, 1.75x or less for such quarter, and such DSCR continues to exist for two consecutive calendar quarters (the "Cash Trap DSCR"), then all cash flow in excess of amounts required to make debt service payments, to fund required reserves, to pay management fees and budgeted operating expenses and to make other payments required under the loan documents, referred to as excess cash flow, will be deposited into a reserve account instead of being released to the Borrowers. The funds in the reserve account will not be released to the Borrowers unless the DSCR exceeds the Cash Trap DSCR for two consecutive calendar quarters. An "amortization period" commences if (i) as of the end of any calendar quarter the DSCR falls below (A) for the five-year period commencing on the closing date of the Securitization, 1.15x or (B) beginning with the first full calendar quarter after the expiration of such five-year period, 1.45x (the "Minimum DSCR") for such calendar quarter and such DSCR continues to exist until the end of any two consecutive calendar quarters the DSCR exceeds the Minimum DSCR for such two consecutive calendar quarters or (ii) on the anticipated repayment date the Loan has not been repaid in full.

The Borrowers may not prepay the Loan in whole or in part at any time prior to May 2009, except in limited circumstances, including the occurrence of certain casualty and condemnation events relating to the Secured Towers and certain dispositions of Secured Towers. Thereafter, prepayment is permitted provided it is accompanied by applicable prepayment consideration. If the prepayment occurs within nine months of the anticipated repayment date, no prepayment consideration is due. The entire unpaid principal balance of the Loan components will be due in April 2037. The Loan may be defeased in whole or in part at any time.

The Loan is secured by (1) mortgages, deeds of trust and deeds to secure debt on substantially all of the Secured Towers and their operating cash flows, (2) a security interest in substantially all of the Borrowers' personal property and fixtures and (3) the Borrowers' rights under the Management Agreement (as defined below).



---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

American Tower Holding Sub, LLC, whose only material assets are its equity interests in each of the Borrowers, and American Tower Guarantor Sub, LLC, whose only material asset is its equity interest in American Tower Holding Sub, LLC, each have guaranteed repayment of the Loan and pledged their equity interests in their respective subsidiary or subsidiaries as security for such payment obligations. American Tower Guarantor Sub, LLC, American Tower Holding Sub, LLC, the Depositor and the Borrowers each were formed as special purpose entities solely for purposes of the Securitization, and the assets and credit of these entities are not available to satisfy the debts and other obligations of the Company or any other person, except as set forth in the Loan Agreement.

The Loan Agreement includes operating covenants and other restrictions customary for loans subject to rated securitizations. Among other things, the Borrowers are prohibited from incurring other indebtedness for borrowed money or further encumbering their assets. The organizational documents of the Borrowers contain provisions consistent with rating agency securitization criteria for special purpose entities, including the requirement that the Borrowers maintain at least two independent directors. The Loan Agreement also contains certain covenants that require the Borrowers to provide the Trustee with regular financial reports and operating budgets, promptly notify the Trustee of events of default and material breaches under the Loan Agreement and other agreements related to the Secured Towers, and allow the Trustee reasonable access to the Secured Towers, including the right to conduct site investigations.

A failure to comply with the covenants in the Loan Agreement could prevent the Borrowers from taking certain actions with respect to the Secured Towers, and could prevent the Borrowers from distributing any excess cash from the operation of the Secured Towers to the Company. If the Borrowers were to default on the Loan, the Bank of New York (the “Servicer”) could seek to foreclose upon or otherwise convert the ownership of the Secured Towers, in which case the Company could lose the Secured Towers and the revenue associated with the Secured Towers.

Under the Loan Agreement, the Borrowers are required to maintain reserve accounts, including for debt service payments, ground rents, real estate and personal property taxes, insurance premiums and management fees, and to reserve a portion of advance rents from tenants on the Secured Towers. Based on the terms of the Loan Agreement, all rental cash receipts received each month are restricted and held by the Trustee. The \$44.3 million held in the reserve accounts as of December 31, 2009 is classified as restricted cash on the Company’s accompanying consolidated balance sheet.

*Revolving Credit Facility*—As of December 31, 2009, the Company had \$550.0 million outstanding under its \$1.25 billion senior unsecured revolving credit facility (“Revolving Credit Facility”) and has approximately \$4.2 million of undrawn letters of credit outstanding. In March 2008, the Company increased its borrowing under the Revolving Credit Facility using net proceeds from its term loan, as discussed below. The Company continues to maintain the ability to draw down and repay amounts under the Revolving Credit Facility in the ordinary course.

The Revolving Credit Facility has a term of five years and matures on June 8, 2012. Any outstanding principal and accrued but unpaid interest will be due and payable in full at maturity. The Revolving Credit Facility does not require amortization of principal and may be paid prior to maturity in whole or in part at the Company’s option without penalty or premium. The Revolving Credit Facility allows the Company to use borrowings for working capital needs and other general corporate purposes of the Company and its subsidiaries (including, without limitation, to refinance or repurchase other indebtedness and, provided certain conditions are met, to repurchase the Company’s equity securities, in each case without additional lender approval).

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The Company has the option of choosing either a defined base rate or the LIBOR rate as the applicable base rate for borrowings under the Revolving Credit Facility. The interest rate ranges between 0.40% to 1.25% above the LIBOR rate for LIBOR based borrowings or between 0.00% to 0.25% above the defined base rate for base rate borrowings, in each case based upon the Company's debt ratings. A quarterly commitment fee on the undrawn portion of the Revolving Credit Facility is required, ranging from 0.08% to 0.25% per annum, based upon the Company's debt ratings.

The loan agreement for the Revolving Credit Facility contains certain reporting, information, financial ratios and operating covenants and other restrictions applicable to the Company and its subsidiaries designated as restricted subsidiaries on a consolidated basis. These include limitations on additional debt, distributions and dividends, guaranties, sales of assets and liens, as well as certain financial maintenance tests. Any failure to comply with the financial maintenance tests and operating covenants of the loan agreement for the Revolving Credit Facility would not only prevent the Company from being able to borrow additional funds, but would constitute a default, which could result in, among other things, the amounts outstanding, including all accrued interest and unpaid fees, becoming immediately due and payable.

*Term Loan*—In March 2008, the Company increased its borrowing capacity under its \$1.25 billion Revolving Credit Facility by adding \$325.0 million of term loan commitments ("Term Loan"). As of December 31, 2009, the Term Loan was fully drawn. At closing, the Company received net proceeds of approximately \$321.7 million from the Term Loan, which, together with available cash, was used to repay \$325.0 million of existing indebtedness under the Revolving Credit Facility.

The Term Loan is governed by the terms of the loan agreement for the Revolving Credit Facility. Consistent with the terms of the Revolving Credit Facility, the borrower under the Term Loan is American Tower Corporation, and the maturity date for the Term Loan is June 8, 2012. Any outstanding principal and accrued but unpaid interest will be due and payable in full at maturity. The Term Loan does not require amortization of principal and may be paid prior to maturity in whole or in part at the Company's option without penalty or premium. The Company has the option of choosing either a defined base rate or the LIBOR rate as the applicable base rate for borrowings under the Term Loan. The interest rate ranges between 0.50% to 1.50% above the LIBOR rate for LIBOR based borrowings or between 0.00% to 0.50% above the defined base rate for base rate borrowings, in each case based upon the Company's debt ratings.

*XCEL Credit Facility*—At the time of the Company's acquisition of XCEL, a 4.8 billion Indian Rupee-denominated credit facility ("XCEL Credit Facility") was in place, of which 3.4 billion Indian Rupees was outstanding. As of December 31, 2009, 3.4 billion Indian Rupees or \$73.4 million was outstanding under the XCEL Credit Facility.

The borrower under the XCEL Credit Facility is XCEL. The XCEL Credit Facility has a term of four years and matures on March 31, 2016. Interest is payable monthly and accrues at an initial rate of 13.25% per year. In March 2010, the initial interest rate will be adjusted based upon the benchmark rate of interest of each lender. The XCEL Credit Facility allows the Company to use borrowings for construction and acquisition of communications sites and is secured by a first mortgage on all movable and immovable fixed assets of XCEL and a pledge of certain equity interests of XCEL.

The XCEL Credit Facility contains certain reporting, information, financial ratios and operating covenants and other restrictions applicable to XCEL. These include limitations on additional debt, dividends, sales of assets, as well as certain financial maintenance tests. Any failure to comply with the financial maintenance tests and operating covenants would constitute a default, which could result in, among other things, the amounts outstanding, including all accrued interest becoming immediately due and payable.

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Outstanding Notes*—The following is a description of the Company's outstanding senior and convertible notes as of December 31, 2009 and 2008.

*4.625% Senior Notes*—The 4.625% senior notes due 2015 ("4.625% Notes") were issued during the year ended December 31, 2009 and mature on April 1, 2015, and interest is payable semi-annually in arrears on April 1 and October 1 of each year. The Company may redeem the 4.625% Notes at any time at a redemption price equal to 100% of the principal amount, plus a make-whole premium, together with accrued interest to the redemption date. The indenture for the 4.625% Notes contains certain covenants that limit the Company's ability to merge, consolidate or sell assets and the Company's ability and the ability of its subsidiaries to incur liens. These covenants are subject to a number of exceptions, including that we may incur certain liens on assets, mortgages or other liens securing indebtedness, if the aggregate amount of such liens shall not exceed 3.5x Adjusted EBITDA, as defined in the indenture. If the Company undergoes a change of control and ratings decline (in the event that on, or within 90 days after, an announcement of a change of control, both of the Company's current investment grade credit ratings cease to be investment grade), each as defined in the indenture for the 4.625% Notes, it may be required to repurchase all of the 4.625% Notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, and additional interest, if any, to but not including the date of repurchase. The 4.625% Notes rank equally with all of the Company's other senior unsecured debt and are structurally subordinated to all existing and future indebtedness and other obligations of the Company's subsidiaries.

As of December 31, 2009, the Company had \$599.2 million net (\$600.0 million aggregate principal amount) outstanding under the 4.625% Notes. As of December 31, 2009, the carrying value includes a discount of \$0.8 million.

*7.00% Senior Notes*—The 7.00% senior notes due 2017 ("7.00% Notes") mature on October 15, 2017, and interest is payable semi-annually in arrears on April 15 and October 15 of each year. The Company may redeem the 7.00% Notes at any time at a redemption price equal to 100% of the principal amount, plus a make-whole premium, together with accrued interest to the redemption date. The indenture for the 7.00% Notes contains certain covenants that restrict the Company's ability to incur more subsidiary debt or permit the Company and its subsidiaries to create liens; and merge, consolidate or sell assets. These covenants are subject to a number of exceptions, including that the Company's subsidiaries may incur certain indebtedness or the Company and its subsidiaries may incur liens on assets, mortgages or other liens securing indebtedness, if the aggregate amount of such indebtedness and such liens shall not exceed 3.5x Adjusted EBITDA as defined in the indenture. If the Company undergoes a change of control and ratings decline (in the event that on, or within 90 days after, an announcement of a change of control, both of the Company's current investment grade credit ratings cease to be investment grade), each as defined in the indenture for the 7.00% Notes, the Company may be required to repurchase all of the 7.00% Notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, and additional interest, if any, to but not including the date of repurchase. The 7.00% Notes rank equally with all of the Company's other senior unsecured debt and are structurally subordinated to all existing and future indebtedness and other obligations of the Company's subsidiaries.

As of December 31, 2009 and 2008, the Company had \$500.0 million outstanding under the 7.00% Notes.

*7.25% Senior Notes*—The 7.25% senior notes due 2019 ("7.25% Notes") were issued during the year ended December 31, 2009 and mature on May 15, 2019, and interest is payable semi-annually in arrears on May 15 and November 15 of each year. The Company may redeem the 7.25% Notes at any time at a redemption price equal to 100% of the principal amount, plus a make-whole premium, together with accrued interest to the redemption date. The indenture for the 7.25% Notes contains certain covenants that may restrict the Company's ability to

**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

merge, consolidate or sell assets and our ability and the ability of our subsidiaries to incur liens. These covenants are subject to a number of exceptions, including that we may incur liens on assets, mortgages or other liens securing indebtedness, if the aggregate amount of such liens does not exceed 3.5x Adjusted EBITDA as defined in the indenture. If the Company undergoes a change of control and ratings decline (in the event that on, or within 90 days after, an announcement of a change of control, both of the Company's current investment grade credit ratings cease to be investment grade), each as defined in the indenture for the 7.25% Notes, the Company may be required to repurchase all of the 7.25% Notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, and additional interest, if any, to but not including the date of repurchase. The 7.25% Notes rank equally with all of the Company's other senior unsecured debt and are structurally subordinated to all existing and future indebtedness and other obligations of our subsidiaries.

As of December 31, 2009, the Company had \$295.0 million net (\$300.0 million aggregate principal amount) outstanding under the 7.25% Notes. As of December 31, 2009, the carrying value includes a discount of \$5.0 million.

*5.0% Convertible Notes*—The 5.0% convertible notes due 2010 ("5.0% Notes") matured on February 15, 2010, and interest was payable semiannually on February 15 and August 15 of each year. The 5.0% Notes were convertible at any time into shares of the Company's Class A common stock ("Common Stock") at a conversion price of \$51.50 per share, subject to adjustment in certain cases.

As of December 31, 2009 and 2008, the Company had \$59.7 million outstanding under the 5.0% Notes.

*ATI 7.25% Senior Subordinated Notes*—The ATI 7.25% Notes mature on December 1, 2011 and interest is payable semi-annually in arrears on June 1 and December 1 of each year. The ATI 7.25% Notes are jointly and severally guaranteed on a senior subordinated basis by the Company and substantially all of the wholly owned domestic restricted subsidiaries of ATI and the Company, other than SpectraSite and its subsidiaries. The notes rank junior in right of payment to all existing and future senior indebtedness of ATI, the sister guarantors (as defined in the indenture relating to the notes) and their domestic restricted subsidiaries. The ATI 7.25% Notes are structurally senior in right of payment to all other existing and future indebtedness of the Company, including the Company's senior notes, convertible notes and the Revolving Credit Facility and Term Loan.

As of December 31, 2009 and 2008, the Company had \$0.3 million outstanding under the ATI 7.25% Notes.

*7.125% Senior Notes*—The 7.125% senior notes due October 15, 2012 ("7.125% Notes") were issued with a maturity of October 15, 2012, and interest was payable semi-annually in arrears on April 15 and October 15 of each year. The indenture for the 7.125% Notes contained certain covenants that restricted the Company's ability to incur more debt; guarantee indebtedness; issue preferred stock; pay dividends; make certain investments; merge, consolidate or sell assets; enter into transactions with affiliates; and enter into sale leaseback transactions. The 7.125% Notes ranked equally with all of the Company's other senior unsecured debt obligations, including its senior notes, its convertible notes and the Revolving Credit Facility and Term Loan, and were structurally subordinated to all existing and future indebtedness and other obligations of the Company's subsidiaries.

During the year ended December 31, 2009, the Company issued a notice for the redemption of the principal amount of its outstanding 7.125% Notes. In accordance with the redemption provisions and the indenture for the 7.125% Notes, the 7.125% Notes were redeemed at a price equal to 101.781% of the principal amount, plus accrued and unpaid interest up to, but excluding, November 13, 2009, for an aggregate purchase price of \$511.7 million, including approximately \$2.8 million of accrued and unpaid interest.

As of December 31, 2009 and 2008, none and \$501.1 million, net (\$500.0 million principal amount) of the 7.125% Notes remained outstanding.

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*7.50% Senior Notes*—The 7.50% senior notes due 2012 (“7.50% Notes”) were issued with a maturity of May 1, 2012, and interest was payable semi-annually in arrears on May 1 and November 1 of each year. The indenture for the 7.50% Notes contained certain covenants that restricted the Company’s ability to incur more debt; guarantee indebtedness; issue preferred stock; pay dividends; make certain investments; merge, consolidate or sell assets; enter into transactions with affiliates; and enter into sale leaseback transactions. The 7.50% Notes ranked equally with all of the Company’s other senior unsecured debt obligations, including its senior notes, its convertible notes and the Revolving Credit Facility and Term Loan, and were structurally subordinated to all existing and future indebtedness and other obligations of the Company’s subsidiaries.

During the year ended December 31, 2009, the Company repurchased \$204.2 million aggregate principal amount of the 7.50% Notes pursuant to a cash tender offer. Subsequent to the expiration of the tender offer, the Company completed the redemption of the remaining \$20.8 million aggregate principal amount of the 7.50% Notes. In accordance with the redemption provisions and the indenture for the 7.50% Notes, the remaining 7.50% Notes were redeemed at a price equal to 101.875% of the principal amount, plus accrued and unpaid interest up to, but excluding, July 20, 2009. The Company paid an aggregate of \$231.7 million, including approximately \$2.0 million of accrued and unpaid interest. Upon completion of this redemption, none of the 7.50% Notes remained outstanding.

As of December 31, 2009 and 2008, none and \$225.0 million of the 7.50% Notes remained outstanding.

*3.00% Convertible Notes*—The 3.00% convertible notes due August 15, 2012 (“3.00% Notes”) were issued with a maturity of August 15, 2012, and interest was payable semi-annually in arrears on February 15 and August 15 of each year. The 3.00% Notes were convertible at any time prior to maturity, subject to their prior redemption or repurchase, into shares of the Company’s Common Stock at a conversion price of approximately \$20.50 per share, subject to adjustment in certain events. The 3.00% Notes ranked equally with all of the Company’s other senior unsecured debt obligations, including its other convertible notes, its senior notes and the Revolving Credit Facility and Term Loan, and were structurally subordinated to all existing and future indebtedness and other obligations of the Company’s subsidiaries.

During the year ended December 31, 2009, the Company issued a notice for the redemption of the remaining principal amount of its 3.00% Notes. In accordance with the conversion provisions and the indenture for the 3.00% Notes, holders of the 3.00% Notes had the right at any time up to and including, but not after the close of business on August 26, 2009, to convert their 3.00% Notes into shares of Common Stock at a conversion rate of 48.7805 shares per \$1,000 principal amount of notes. Holders of approximately \$162.1 million of the 3.00% Notes converted their notes into an aggregate of 7,908,316 shares of Common Stock prior to redemption. In accordance with the redemption provisions and the indenture for the 3.00% Notes, the remaining 3.00% Notes were redeemed at a price equal to 101.125% of the principal amount, plus accrued and unpaid interest up to, but excluding, August 27, 2009.

As of December 31, 2009 and 2008, none and \$161.9 million (\$162.2 million principal amount) of the 3.00% Notes remained outstanding.

*Capital Lease Obligations and Notes Payable*—The Company’s capital lease obligations and notes payable approximated \$59.0 million and \$60.1 million as of December 31, 2009 and 2008, respectively. These obligations bear interest at rates ranging from 5.4% to 9.3% and mature in periods ranging from less than one year to approximately seventy years.

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*Maturities*—As of December 31, 2009, aggregate carrying value of long-term debt, including capital leases, for the next five years and thereafter are estimated to be (in thousands):

Year Ending December 31,	
2010	\$ 70,521
2011	16,232
2012	888,004
2013	12,891
2014	1,762,943
Thereafter	<u>1,466,743</u>
Total cash obligations	4,217,334
Unamortized discounts and premiums, net	<u>(5,753)</u>
Balance as of December 31, 2009	<u><u>\$4,211,581</u></u>

**7. OTHER LONG-TERM LIABILITIES**

Other long-term liabilities consist of the following as of December 31, (in thousands):

	<u>2009</u>	<u>2008</u>
Straight-line rent	\$194,003	\$170,762
Unearned revenue	63,419	62,893
Asset retirement obligations	245,212	210,811
Other miscellaneous liabilities	159,605	138,766
Balance as of December 31,	<u>\$662,239</u>	<u>\$583,232</u>

**8. ASSET RETIREMENT OBLIGATIONS**

The changes in the carrying value of the Company's asset retirement obligations for years ended December 31, 2009 and 2008 are as follows (in thousands):

	<u>2009</u>	<u>2008</u>
Beginning balance as of January 1,	\$210,811	\$184,162
Additions (deductions) and revisions in estimated cash flows, net of settlements	18,869	12,976
Accretion expense	15,532	13,673
Balance as of December 31,	<u>\$245,212</u>	<u>\$210,811</u>

As of December 31, 2009, the estimated undiscounted future cash outlay for asset retirement obligations was approximately \$862.9 million.

**9. DERIVATIVE FINANCIAL INSTRUMENTS**

The Company enters into interest rate protection agreements to manage exposure on the variable rate debt under its credit facilities and to manage variability in cash flows relating to forecasted interest payments (interest rate swaps). Under these agreements, the Company is exposed to credit risk to the extent that a counterparty fails to meet the terms of a contract. Such exposure is limited to the current value of the contract at the time the counterparty fails to perform. The Company believes its contracts as of December 31, 2009 and 2008 are with credit-worthy institutions. For additional information regarding the Company's derivative financial instruments, see note 1.

**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

As of December 31, 2009 and 2008, the carrying amounts of the Company's derivative financial instruments, along with the estimated fair values of the related liabilities are reflected in other long-term liabilities in the accompanying consolidated balance sheet, are as follows (in thousands except percentages):

<u>As of December 31, 2009</u>	<u>Notional Amount</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Carrying Amount and Fair Value</u>
Interest rate swap agreements	\$100,000	4.08%	Expiring 2010	\$ (3,535)
Interest rate swap agreement	525,000	2.86% - 3.74%	Expiring 2011	(15,317)
Total	<u>\$625,000</u>			<u>\$ (18,852)</u>

<u>As of December 31, 2008</u>	<u>Notional Amount</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Carrying Amount and Fair Value</u>
Interest rate swap agreements	\$150,000	3.95%	Expiring 2009	\$ (3,681)
Interest rate swap agreements	100,000	4.08%	Expiring 2010	(5,125)
Interest rate swap agreements	525,000	2.86% - 3.74%	Expiring 2011	(17,815)
Total	<u>\$775,000</u>			<u>\$ (26,621)</u>

As of December 31, 2009, the Company held 13 interest rate swap agreements to manage exposure to variability in cash flows relating to forecasted interest payments under its Revolving Credit Facility and Term Loan. As of December 31, 2008, the Company held fifteen interest rate swap agreements to manage exposure to variability in cash flows relating to forecasted interest payments under its Revolving Credit Facility. During the year ended December 31, 2009, two of the outstanding contracts matured.

During the year ended December 31, 2009, the interest rate swap agreements held by the Company had the following impact on other comprehensive income ("OCI") included in the consolidated balance sheet and in the consolidated statement of operations:

<u>Amount of Gain/(Loss) Recognized in OCI on Derivatives (Effective Portion)</u>	<u>Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)</u>	<u>Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)</u>	<u>Location of Gain/(Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)</u>	<u>Gain/(Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)</u>
\$(14,234)	Interest expense	\$(19,004)	N/A	N/A

The Company paid \$8.0 million related to a treasury rate lock agreement entered into and settled during the year ended December 31, 2008. The cost of the treasury rate lock is being recognized as additional interest expense over the 10-year term of the 7.00% Notes.

During the year ended December 31, 2007, the Company also received \$3.1 million in cash upon settlement of the assets and liabilities under ten forward starting interest rate swap agreements with an aggregate notional amount of \$1.4 billion, which were designated as cash flow hedges to manage exposure to variability in cash flows relating to forecasted interest payments in connection with the Certificates issued in the Securitization in May 2007. The settlement is being recognized as a reduction in interest expense over the five-year period for which the interest rate swaps were designated as hedges. The Company also received \$17.0 million in cash upon settlement of the assets and liabilities under thirteen additional interest rate swap agreements with an aggregate notional amount of \$850.0 million that managed exposure to variability of interest rates under the credit facilities but were not considered cash flow hedges for accounting purposes. This gain is included in other income in the accompanying consolidated statement of operations for the year ended December 31, 2007.

**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

In May 2009, the Company entered into a foreign currency exchange contract to hedge the foreign currency exposure associated with its acquisition of XCEL. The foreign currency exchange contract was not designated as a hedging instrument and was settled upon the completion of the acquisition of XCEL on May 27, 2009. The settlement resulted in a gain of approximately \$1.7 million, which was reflected in other income (expense) in the accompanying consolidated statement of operations for the year ended December 31, 2009.

As of December 31, 2009 and 2008, other comprehensive (loss) income included the following items related to derivative financial instruments (in thousands):

	2009	2008
Deferred loss on the settlement of the treasury rate lock, net of tax	\$ (3,842)	\$ (4,332)
Deferred gain on the settlement of interest rate swap agreements entered into in connection with the		
Securitization, net of tax	866	1,238
Unrealized losses related to interest rate swap agreements, net of tax	(11,579)	(16,349)

During the years ended December 31, 2009 and 2008, the Company recorded an aggregate net unrealized gain of approximately \$4.8 million and an unrealized loss of \$15.8 million, respectively (net of tax provisions of approximately \$3.0 million and \$10.2 million, respectively) in other comprehensive loss for the change in fair value of interest rate swaps designated as cash flow hedges and reclassified an aggregate of \$0.1 million and \$0.1 million, respectively (net of income tax provisions of \$0.1 million and \$2.0 million, respectively) into results of operations.

**10. FAIR VALUE MEASUREMENTS**

*Items Measured at Fair Value on a Recurring Basis*—The fair value of the Company's financial assets and liabilities that are required to be measured on a recurring basis at fair value is as follows:

December 31, 2009				
	Fair Value Measurements Using			Assets/Liabilities at Fair Value
	Level 1	Level 2	Level 3	
	(in thousands)			
Assets:				
Short-term investments and available-for-sale securities (1)	\$ 9,776			\$ 9,776
Liabilities:				
Interest rate swap agreements (2)		\$ 18,852		\$ 18,852

December 31, 2008				
	Fair Value Measurements Using			Assets/Liabilities at Fair Value
	Level 1	Level 2	Level 3	
	(in thousands)			
Assets:				
Short-term investments and available-for-sale securities (1)	\$ 2,028			\$ 2,028
Liabilities:				
Interest rate swap agreements (2)		\$ 26,621		\$ 26,621

- (1) Consists of available-for-sale securities traded on active markets as well as certain Brazilian Treasury securities that are highly liquid and actively traded in over-the-counter markets.
- (2) Consists of interest rate swap agreements based on the London Interbank Offering Rate ("LIBOR") swap rate whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from, or corroborated by, observable market data.



Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The fair value of the Company's interest rate swap agreements recorded as liabilities is included in other long-term liabilities in the accompanying consolidated balance sheet as of December 31, 2009. Fair valuations of the Company's interest rate swap agreements reflect the value of the instrument including the values associated with counterparty risk and the Company's own credit standing. The Company includes in the valuation of the derivative instrument the value of the net credit differential between the counterparties to the derivative contract.

*Items Measured at Fair Value on a Nonrecurring Basis*—The Company's long-lived assets, intangibles and goodwill are measured at fair value on a nonrecurring basis. During the year ended December 31, 2009, the Company recorded charges of approximately \$12.4 million to write down certain long-lived assets to their net realizable value. The \$12.4 million write down was determined by comparing the estimated proceeds from sales of assets or the projected future discounted cash flows to be provided from the long-lived assets (calculated using Level 3 inputs) to the assets' carrying value.

**11. INCOME TAXES**

The Company files a consolidated United States federal tax return, which includes all of its wholly owned domestic subsidiaries, and the Company also files tax returns in various states and countries. The Company's state tax returns reflect different combinations of the Company's subsidiaries and are dependent on the connection each subsidiary has with a particular state. The following information pertains to the Company's income taxes on a consolidated basis.

The income tax provision from continuing operations was comprised of the following for the years ended December 31, (in thousands):

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Current:			
Federal	\$ (6,508)	\$ —	\$ (911)
State	(5,623)	(5,207)	(2,531)
Foreign	(13,654)	(37,789)	(35,127)
Deferred:			
Federal	(156,282)	(97,528)	(61,513)
State	(8,412)	(11,591)	45,025
Foreign	7,914	16,606	(4,752)
Income tax provision	<u><u>\$ (182,565)</u></u>	<u><u>\$ (135,509)</u></u>	<u><u>\$ (59,809)</u></u>

The domestic and international components of income from continuing operations before income taxes and income on equity method investments were as follows for the years ended December 31, (in thousands):

	<u>2009</u>	<u>2008</u>	<u>2007</u>
United States	\$407,112	\$295,139	\$118,922
International	14,375	76,781	33,918
Total	<u><u>\$421,487</u></u>	<u><u>\$371,920</u></u>	<u><u>\$152,840</u></u>

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

A reconciliation between the U.S. statutory rate and the effective rate from continuing operations was as follows for the years ended December 31,

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Statutory tax rate	35%	35%	35%
State taxes, net of federal benefit	3	4	(19)
Non-deductible losses on retirement of long-term obligations	—	—	1
Non-deductible stock compensation	1	1	2
Foreign taxes	3	3	9
Changes in uncertain tax positions	(4)	2	(1)
Valuation allowance	—	(2)	4
Foreign currency gains	3	(7)	8
Audit settlement	2	—	—
Effective tax rate	<u>43%</u>	<u>36%</u>	<u>39%</u>

The components of the net deferred tax asset and related valuation allowance are as follows as of December 31, (in thousands):

	<u>2009</u>	<u>2008</u>
Current assets:		
Allowances, accruals and other items not currently deductible	\$ 21,771	\$ 14,908
Net operating loss carryforwards	173,062	154,896
Current deferred liabilities	(10,316)	(10,356)
Net short-term deferred tax assets	<u>\$ 184,517</u>	<u>\$ 159,448</u>
Long-term items:		
Assets:		
Net operating loss carryforwards	318,557	474,927
Basis step-up from corporate restructuring and tax planning strategies	31,358	39,998
Accrued asset retirement obligations	81,573	66,409
Stock awards	35,549	30,742
Deferred revenue	61,708	35,401
Items not currently deductible and other	97,066	100,702
Liabilities:		
Depreciation and amortization	(297,321)	(238,103)
Deferred rent	(62,703)	(57,556)
Other	(28,919)	(23,740)
Subtotal	236,868	428,780
Less: Valuation allowance	(47,816)	(47,352)
Net long-term deferred tax assets	<u>\$ 189,052</u>	<u>\$ 381,428</u>

The valuation allowance increased from \$47.4 million as of December 31, 2008 to \$47.8 million as of December 31, 2009. The increase was primarily due to foreign valuation allowances on loss carryforwards.

The Company's deferred tax assets as of December 31, 2009 and 2008 in the table above do not include \$113.9 million and \$105.8 million, respectively, of excess tax benefits from the exercises of employee stock options that

**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

are a component of net operating losses. Total stockholders' equity as of December 31, 2009 will be increased by \$113.9 million if and when any such excess tax benefits are ultimately realized.

Basis step-up from corporate restructuring represents the tax effects of increasing the basis for tax purposes of certain of the Company's assets in conjunction with its spin-off from American Radio Systems Corporation, its former parent company.

At December 31, 2009, the Company had net federal and state operating loss carryforwards available to reduce future federal and state taxable income of approximately \$1.3 billion. If not utilized, the Company's net operating loss carryforwards expire as follows (in thousands):

<u>Years ended December 31,</u>	<u>Federal</u>	<u>State</u>
2010 to 2014	\$ —	\$ 44,787
2015 to 2019	—	303,659
2020 to 2024	892,577	770,032
2025 to 2029	419,138	184,946
Total	<u>\$1,311,715</u>	<u>\$1,303,424</u>

In addition, the Company has alternative minimum tax credits of \$6.6 million which carry forward indefinitely, as well as Mexican tax credits of \$5.3 million which if not utilized would expire in 2017.

As of December 31, 2009, 2008 and 2007, the total amount of unrecognized tax benefits that would affect the effective tax rate, if recognized, was \$24.9 million, \$47.8 million and \$23.0 million, respectively. The Company expects the unrecognized tax benefits to change over the next 12 months if certain tax matters ultimately settle with the applicable taxing jurisdiction during this timeframe, or if the applicable statute of limitations lapses. The impact of the amount of such changes to previously recorded uncertain tax positions could range from zero to \$1.0 million. A reconciliation of the beginning and ending amount of unrecognized tax benefits are as follows for the years ended December 31, (in thousands):

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Balance at January 1,	\$ 94,076	\$65,906	\$ 183,953
Additions based on tax positions related to the current year	5,640	35,658	2,572
Additions for tax positions of prior years	592	3,162	5,412
Reductions for tax positions of prior years	—	(437)	(120,016)
Foreign currency	905	(5,967)	26
Settlements with tax authorities	(2,999)	(3,103)	(5,372)
Reduction as a result of the lapse of statute limitations	(10,239)	(1,143)	(669)
Balance at December 31,	\$ 87,975	\$94,076	\$ 65,906
Cash advance in connection with proposed settlement	—	(2,412)	(6,682)
Balance at December 31, net of cash advances	<u>\$ 87,975</u>	<u>\$91,664</u>	<u>\$ 59,224</u>

During the year ended December 31, 2009, the Company recorded penalties and tax-related interest income of \$14.1 million. During the year ended December 31, 2008, the Company recorded penalties and tax-related interest expense of \$3.8 million. During the year ended December 31, 2007, the Company recorded penalties and tax-related income of \$2.5 million and interest income from tax refunds of \$1.5 million. As of December 31, 2009 and 2008, the total unrecognized tax benefits included in other long-term liabilities in the consolidated

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

balance sheets was \$16.5 million and \$24.7 million, respectively. As of December 31, 2009 and 2008, the total amount of accrued income tax-related interest and penalties included in other long-term liabilities in the consolidated balance sheets was \$15.2 million and \$29.1 million, respectively.

During the year ended December 31, 2008, the Company recorded an income tax benefit of \$110.1 million related to losses associated with its investment in Verestar as income from discontinued operations. In addition, the Company also recorded a reserve of \$35.7 million due to potential uncertainties in sustaining the tax deduction with applicable taxing jurisdictions.

In the fourth quarter of 2007, the Company entered into a tax amnesty program with the Mexican tax authority. As of December 31, 2007, the Company had met all of the administrative requirements of the program, which enabled the Company to recognize certain tax benefits. In February 2008, the Company paid \$3.1 million to the Mexican tax authority, and the authority confirmed that all requirements had been met. The benefits include a reduction of uncertain tax benefits of \$5.4 million along with penalties and interest of \$12.5 million related to 2002, all of which reduced income tax expense.

In connection with the above program, the Company paid \$6.7 million to the Mexican tax authority during the year ended December 31, 2007 as a proposed settlement offer for other uncertain tax positions related to 2003 and 2004. The Company considers these items to be effectively settled, in part due to the expiration of the statute of limitations.

During the years ended December 31, 2009 and 2008, the statute of limitations on certain unrecognized tax benefits lapsed, which resulted in a decrease of \$10.2 million and \$1.1 million, respectively, in the liability for uncertain tax benefits, all of which reduced the income tax provision.

The Company files numerous consolidated and separate income tax returns, including U.S. federal and state tax returns and foreign tax returns. The Company is subject to examination in various U.S. state jurisdictions for certain tax years. As a result of the Company's ability to carryforward federal and state net operating losses, the applicable tax years remain open to examination until three years after the applicable loss carryforwards have been used or expired. The U.S. federal income tax examinations for tax years 2004 and 2005 were concluded during the year ended December 31, 2009. Upon conclusion of the examinations, the Company recognized additional income tax expense of \$10.0 million relating to the disallowance of certain deductions, which is reflected in the accompanying consolidated statement of operations for the year ended December 31, 2009.

At December 31, 2009, the Company has provided a valuation allowance of approximately \$47.8 million which primarily relates to state net operating loss carryforwards, equity investments and foreign items. The Company has not provided a valuation allowance for the remaining deferred tax assets, primarily its federal net operating loss carryforwards, as management believes the Company will have sufficient taxable income to realize these federal net operating loss carryforwards during the twenty-year tax carryforward period. Valuation allowances may be reversed if related deferred tax assets are deemed realizable based on changes in facts and circumstances relevant to the assets' recoverability.

The recoverability of the Company's remaining net deferred tax asset has been assessed utilizing projections based on its current operations. The projections show a significant decrease in depreciation in the later years of the carryforward period as a result of a significant portion of its assets being fully depreciated during the first fifteen years of the carryforward period. Accordingly, the recoverability of the net deferred tax asset is not dependent on material improvements to operations, material asset sales or other non-routine transactions. Based on its current outlook of future taxable income during the carryforward period, management believes that the net deferred tax asset will be realized.

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The realization of the Company's deferred tax assets as of December 31, 2009 will be dependent upon its ability to generate approximately \$0.9 billion in federal and state taxable income, respectively, from January 1, 2010 to December 31, 2029. If the Company is unable to generate sufficient taxable income in the future, it will be required to reduce its net deferred tax asset through a charge to income tax expense, which would result in a corresponding decrease in stockholders' equity.

From time to time the Company is subject to examination by various tax authorities in jurisdictions in which the Company has significant business operations. The Company regularly assesses the likelihood of additional assessments in each of the tax jurisdictions resulting from these examinations. The Company believes that adequate provisions have been made for income taxes for all periods through December 31, 2009.

**12. STOCK-BASED COMPENSATION**

The Company recognized stock-based compensation of \$60.7 million, \$54.8 million and \$54.6 million for the years ended December 31, 2009, 2008 and 2007, respectively. Stock-based compensation for the year ended December 31, 2009 included \$6.9 million related to the modification of the vesting and exercise terms for certain employee's equity awards. The Company did not capitalize any stock-based compensation during the years ended December 31, 2009 and 2008.

*Summary of Stock-Based Compensation Plans*—The Company maintains equity incentive plans that provide for the grant of stock-based awards to its directors, officers and employees. In May 2007, the Company's stockholders approved the 2007 Equity Incentive Plan ("2007 Plan"), which provides for the grant of non-qualified and incentive stock options, as well as restricted stock units, restricted stock and other stock-based awards. Under the 2007 Plan, exercise prices in the case of non-qualified and incentive stock options are not less than the fair market value of the underlying common stock on the date of grant. Equity awards typically vest ratably over various periods, generally four years, and generally expire ten years from the date of grant.

*Stock Options*—During the year ended December 31, 2009, the Company granted options to purchase approximately 1.7 million shares of Common Stock under the 2007 Plan. As of December 31, 2009, the Company had the ability to grant stock-based awards with respect to an aggregate of 23.7 million shares of Common Stock under the 2007 Plan.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model based on the assumptions noted in the table below. The risk-free treasury rate is based on the U.S. Treasury yield in effect at the accounting measurement date. The expected life (estimated period of time outstanding) was estimated using the vesting term and historical exercise behavior of Company employees. The expected volatility was based on historical volatility for a period equal to the expected life of the stock options.

Key assumptions used to apply this pricing model are as follows:

	2009	2008	2007
Range of risk-free interest rates	1.41% – 2.04%	1.44% – 3.05%	3.41% – 4.92%
Weighted average risk-free interest rate	1.71%	1.89%	4.40%
Expected life of option grants	4.00 years	4.00 years	6.25 years
Range of expected volatility of underlying stock price	36.00% – 36.63%	28.51% – 35.30%	27.53% – 28.11%
Weighted average expected volatility of underlying stock price	36.23%	29.10%	28.00%
Expected annual dividends	N/A	N/A	N/A

**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

As of December 31, 2009, total unrecognized compensation expense related to unvested stock options was approximately \$40.1 million and is expected to be recognized over a weighted average period of approximately two years. The amount of cash received from the exercise of stock options was approximately \$63.9 million during the year ended December 31, 2009. During the year ended December 31, 2009, the Company realized approximately \$0.3 million of state tax benefits from the exercise of stock options. A summary of weighted average grant date fair value and the intrinsic value of stock options exercised is as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Weighted average grant date fair value per share	\$ 8.90	\$ 9.55	\$ 14.54
Intrinsic value of stock options exercised (in millions)	40.12	99.08	167.46

The following table summarizes the Company's option activity for the periods presented:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Contractual Term (Years)</u>	<u>Aggregate Intrinsic Value (in millions)</u>
Outstanding as of January 1, 2009	13,185,866	\$ 30.12		
Granted	1,698,669	28.94		
Exercised	(2,921,413)	21.84		
Forfeited	(284,974)	33.98		
Expired	(243,970)	37.22		
Outstanding as of December 31, 2009	11,434,178	\$ 31.81	6.63	\$ 131.0
Exercisable as of December 31, 2009	5,913,170	\$ 29.20	5.69	\$ 83.2
Vested or expected to vest as of December 31, 2009	11,398,507	\$ 31.79	6.63	\$ 130.9

The following table sets forth information regarding options outstanding at December 31, 2009:

<u>Options Outstanding</u>				<u>Options Exercisable</u>	
<u>Outstanding Number of Options</u>	<u>Range of Exercise Price Per Share</u>	<u>Weighted Average Exercise Price Per Share</u>	<u>Weighted Average Remaining Life (Years)</u>	<u>Options Exercisable</u>	<u>Weighted Average Exercise Price Per Share</u>
1,572,282	\$ 1.55 — \$18.60	\$ 15.53	4.49	1,572,282	\$ 15.53
599,620	20.93 — 27.86	23.04	5.60	502,945	22.50
1,559,211	28.39 — 31.09	28.64	8.61	167,566	29.86
2,317,543	31.50 — 37.13	31.61	5.67	1,439,696	31.64
4,343,203	37.52 — 37.70	37.57	7.06	1,741,856	37.55
1,042,319	37.88 — 48.88	42.62	7.78	488,825	42.93
<u>11,434,178</u>	<u>1.55 — 48.88</u>	<u>31.81</u>	<u>6.63</u>	<u>5,913,170</u>	<u>29.20</u>

*Restricted Stock Units*—During the year ended December 31, 2009, the Company granted restricted stock units with respect to 1.3 million shares of its Common Stock pursuant to the 2007 Plan. Restricted stock units typically vest ratably over various periods, generally four years. The Company recognizes the expense associated with the units over the vesting term. The expense is based on the fair market value of the units awarded at the date of grant, times the number of shares subject to the units awarded.

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The following table summarizes the Company's restricted stock unit activity during the year ended December 31, 2009:

	Number of Units	Weighted Average Grant- Date Fair Value
Outstanding as of January 1, 2009	1,138,268	\$ 37.19
Granted	1,309,557	28.72
Vested	(298,481)	36.71
Forfeited	(123,312)	33.78
Outstanding as of December 31, 2009	<u>2,026,032</u>	<u>\$ 31.98</u>
Vested and expected to vest, net of estimated forfeitures, as of December 31, 2009	<u>1,944,171</u>	<u>\$ 32.00</u>

As of December 31, 2009, total unrecognized compensation expense related to unvested restricted stock units granted under the 2007 Plan was \$48.1 million and is expected to be recognized over a weighted average period of approximately three years.

*Employee Stock Purchase Plan*—The Company also maintains an employee stock purchase plan ("ESPP") for all eligible employees. Under the ESPP, shares of the Company's Common Stock may be purchased during bi-annual offering periods at 85% of the lower of the fair market value on the first or the last day of each offering period. Employees may purchase shares having a value not exceeding 15% of their gross compensation during an offering period and may not purchase more than \$25,000 worth of stock in a calendar year (based on market values at the beginning of each offering period). The offering periods run from June 1 through November 30 and from December 1 through May 31 of each year. During the 2009, 2008 and 2007 offering periods employees purchased 77,509, 55,764 and 48,886 shares, respectively, at weighted average prices per share of \$23.91, \$30.08 and \$33.93, respectively. The fair value of the ESPP offerings is estimated on the offering period commencement date using a Black-Scholes pricing model with the expense recognized over the expected life, which is the six month offering period over which employees accumulate payroll deductions to purchase the Company's Common Stock. The weighted average fair value for the ESPP shares purchased during 2009, 2008 and 2007 were \$6.65, \$7.89 and \$9.09, respectively. At December 31, 2009, 8.7 million shares remain reserved for future issuance under the plan.

Key assumptions used to apply this pricing model for the years ended December 31, are as follows:

	2009	2008	2007
Range of risk free interest rates	0.29% - 0.44%	1.99% - 3.28%	4.98% - 5.05%
Weighted average risk-free interest rate	0.38%	2.58%	5.02%
Expected life of the shares	6 months	6 months	6 months
Range of expected volatility of underlying stock price	35.31% - 36.63%	27.85% - 28.51%	27.53% - 28.74%
Weighted average expected volatility of underlying stock price	35.83%	28.51%	28.22%
Expected annual dividends	N/A	N/A	N/A

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)****13. STOCKHOLDERS' EQUITY**

*Warrants*—In January 2003, the Company issued warrants to purchase approximately 11.4 million shares of its Common Stock in connection with an offering of 808,000 units, each consisting of \$1,000 principal amount at maturity of ATI 12.25% senior subordinated discount notes due 2008 and a warrant to purchase 14.0953 shares of the Company's Common Stock. These warrants became exercisable on January 29, 2006 at an exercise price of \$0.01 per share. As these warrants expired on August 1, 2008, none were outstanding as of December 31, 2008.

In August 2005, the Company completed its merger with SpectraSite, Inc. and assumed outstanding warrants to purchase shares of SpectraSite, Inc. common stock. As of the merger completion date, each warrant was exercisable for two shares of SpectraSite, Inc. common stock at an exercise price of \$32 per warrant. Upon completion of the merger, each warrant to purchase shares of SpectraSite, Inc. common stock automatically converted into a warrant to purchase shares of the Company's Common Stock, such that upon exercise of each warrant, the holder has a right to receive 3.575 shares of the Company's Common Stock in lieu of each share of SpectraSite, Inc. common stock that would have been receivable under each assumed warrant prior to the merger. Upon completion of the Company's merger with SpectraSite, Inc., these warrants were exercisable for approximately 6.8 million shares of Common Stock. Of these warrants, warrants to purchase approximately 1.7 million and 1.8 million shares of Common Stock remained outstanding as of December 31, 2009 and 2008, respectively. These warrants expired on February 10, 2010.

*Stock Repurchase Program*—During the year ended December 31, 2009, the Company repurchased an aggregate of approximately 6.6 million shares of its Common Stock for an aggregate of \$214.7 million, including commissions and fees, of which \$210.2 million was paid in cash prior to December 31, 2009 and \$4.5 million was included in accounts payable and accrued expenses in the accompanying consolidated balance sheet as of December 31, 2009, pursuant to its publicly announced stock repurchase program, as described below.

In February 2008, the Company's Board of Directors approved a \$1.5 billion stock repurchase program (2008 Buyback). In the near term, the Company expects to fund repurchases through a combination of cash on hand, cash provided by operations and borrowings under its Revolving Credit Facility. Purchases under this stock repurchase program are subject to the Company having available cash to fund repurchases. Under the program, the Company is authorized to purchase shares from time to time through open market purchases or privately negotiated transactions at prevailing prices as permitted by securities laws and other legal requirements, and subject to market conditions and other factors. To facilitate repurchases, the Company makes purchases pursuant to trading plans under Rule 10b5-1 of the Exchange Act, which allows the Company to repurchase shares during periods when it otherwise might be prevented from doing so under insider trading laws or because of self-imposed trading blackout periods.

Between January 1, 2010 and February 12, 2010, the Company repurchased approximately 0.8 million shares of its Common Stock for an aggregate of \$33.5 million, including commissions and fees. As of February 12, 2010, the Company had repurchased a total of 21.3 million shares of its Common Stock for an aggregate of \$781.6 million, including commissions and fees pursuant to the 2008 Buyback. The Company expects to continue to manage the pacing of the remaining \$718.4 million under the 2008 Buyback in response to general market conditions and other relevant factors.

*3.25% Convertible Notes*—During the year ended December 31, 2008, the Company issued a notice for the redemption of all of its outstanding 3.25% convertible notes due August 1, 2010 ("3.25% Notes"). In accordance with the conversion provisions of the 3.25% Notes and the indenture for the 3.25% Notes, holders of



**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

the notes had the right at any time until and including, but not after, the close of business on August 5, 2008, to convert their notes into shares of the Company's Common Stock. Holders of all \$4.7 million of the outstanding 3.25% Notes converted their notes into an aggregate of approximately 0.4 million shares of the Company's Common Stock prior to redemption. As a result, as of August 6, 2008, none of the 3.25% Notes remained outstanding. The Company recorded a charge of \$0.2 million related to amounts paid in excess of carrying value, which is reflected in loss on retirement of long-term obligations in the accompanying consolidated statement of operations for the year ended December 31, 2008.

**3.00% Convertible Notes**—During the year ended December 31, 2009, the Company issued a notice for the redemption of the remaining \$162.2 million aggregate principal amount of its 3.00% Notes. In accordance with the conversion provisions and the indenture for the 3.00% Notes, holders of the 3.00% Notes had the right at any time up to and including, but not after the close of business on August 26, 2009, to convert their 3.00% Notes into shares of Common Stock at a conversion rate of 48.7805 shares per \$1,000 principal amount of notes. Holders of approximately \$162.1 million of the 3.00% Notes converted their notes into an aggregate of 7,908,316 shares of Common Stock prior to redemption. In accordance with the redemption provisions and the indenture for the 3.00% Notes, the remaining 3.00% Notes were redeemed at a price equal to 101.125% of the principal amount, plus accrued and unpaid interest up to, but excluding, August 27, 2009, for an aggregate purchase price of \$0.1 million. Upon completion of this redemption, none of the 3.00% Notes remained outstanding.

**14. IMPAIRMENTS, NET LOSS ON SALE OF LONG-LIVED ASSETS**

During the years ended December 31, 2009, 2008 and 2007, the Company recorded impairments and net loss on sale of long-lived assets (primarily related to its rental and management segment) of \$12.6 million, \$11.2 million and \$9.2 million, respectively. Included in these amounts are impairment charges to write down certain assets to net realizable value after an indicator of impairment had been identified of approximately \$12.4 million, \$6.8 million and \$6.2 million for the years ended December 31, 2009, 2008 and 2007, respectively. Also included in these amounts are net losses associated with the sales of certain non-core towers and other assets and other miscellaneous items of \$0.2 million, \$4.4 million, and \$3.0 million, for the years ended December 31, 2009, 2008 and 2007, respectively.

**15. EARNINGS PER COMMON SHARE**

The following table sets forth basic and diluted income from continuing operations per common share computational data for the years ended December 31, 2009, 2008 and 2007 (in thousands, except per share data):

	2009	2008	2007
Income from continuing operations attributable to American Tower Corporation	\$238,416	\$236,264	\$ 92,712
Effect of convertible notes	1,734	5,224	—
Income available to common shareholders, as adjusted for diluted earnings	\$240,150	\$241,488	\$ 92,712
Basic weighted average common shares outstanding	398,375	395,947	413,167
Dilutive securities:			
Stock awards, warrants and convertible notes	8,573	22,410	12,912
Diluted weighted average common shares outstanding	406,948	418,357	426,079
Basic income from continuing operations attributable to American Tower Corporation per common share	\$ 0.60	\$ 0.60	\$ 0.22
Diluted income from continuing operations attributable to American Tower Corporation per common share	\$ 0.59	\$ 0.58	\$ 0.22

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

For the years ended December 31, 2009, 2008 and 2007, the weighted average number of common shares outstanding excludes shares issuable upon conversion of the Company's convertible notes of 1.2 million, 1.2 million and 18.5 million, respectively, and stock options and share based awards of 9.5 million, 6.3 million and 6.1 million, respectively, as the effect would be anti-dilutive.

**16. COMMITMENTS AND CONTINGENCIES**

*Lease Obligations*—The Company leases certain land, office and tower space under operating leases that expire over various terms. Many of the leases contain renewal options with specified increases in lease payments upon exercise of the renewal option. Escalation clauses present in operating leases, excluding those tied to CPI or other inflation-based indices, are recognized on a straight-line basis over the non-cancelable term of the lease.

Future minimum rental payments under non-cancelable operating leases include payments for certain renewal periods at the Company's option because failure to renew could result in a loss of the applicable tower site and related revenues from tenant leases, thereby making it reasonably assured that the Company will renew the lease. Such payments in effect at December 31, 2009 are as follows (in thousands):

Year Ending December 31,	
2010	\$ 258,427
2011	251,553
2012	243,457
2013	237,828
2014	233,483
Thereafter	2,814,908
Total	<u>\$4,039,656</u>

Aggregate rent expense (including the effect of straight-line rent expense) under operating leases for the years ended December 31, 2009, 2008 and 2007 approximated \$275.1 million, \$263.9 million and \$246.4 million, respectively.

Future minimum payments under capital leases in effect at December 31, 2009 are as follows (in thousands):

Year Ending December 31,	
2010	\$ 4,489
2011	3,985
2012	3,522
2013	3,379
2014	3,424
Thereafter	182,933
Total minimum lease payments	201,732
Less amounts representing interest	(156,665)
Present value of capital lease obligations	<u>\$ 45,067</u>

*Customer Leases*—The Company's lease agreements with its customers vary depending upon the region and the industry of the customer. In the United States, initial terms for television and radio broadcast leases typically

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

range between 10 to 20 years, while leases for wireless communications providers generally have initial terms of five to ten years. In Mexico, Brazil and India, the Company's typical tenant leases have an initial term of 10 years. In most cases, the Company's tenant leases have multiple renewal terms at the option of the customer.

Future minimum rental receipts expected from customers under non-cancelable operating lease agreements in effect at December 31, 2009 are as follows (in thousands):

Year Ending December 31,	
2010	\$1,580,074
2011	1,479,003
2012	1,383,804
2013	1,250,129
2014	1,088,969
Thereafter	2,739,799
Total	<u>\$9,521,778</u>

*Legal and Governmental Proceedings Related to Review of Stock Option Granting Practices and Related Accounting*—During the year ended December 31, 2006, the Company received a letter of informal inquiry from the SEC Division of Enforcement, a subpoena from the United States Attorney's Office for the Eastern District of New York, and an Information Document Request from the Internal Revenue Service ("IRS"), each requesting documents and other information related to Company stock option grants and stock option practices. In addition, in August 2007, the Company received a request for information from the Department of Labor ("DOL") with respect to the Company's retirement savings plan, including documents related to Company stock option grants and the Company's historical stock option administrative practices. The Company has also become aware that a former officer of the Company has received a "Wells" notice from the SEC which affords such individual the opportunity to make a submission to the SEC with respect to contemplated civil enforcement recommendations against such individual for certain violations of the federal securities laws. In September 2008, the DOL concluded its review and advised the Company that no action would be taken. The reviews being conducted by the SEC, the U.S. Attorney's Office and the IRS remain ongoing, and the Company continues to cooperate on these matters.

The Company was subject to a securities class action relating to its historical stock option granting practices and related accounting. On May 26, 2006, a purported securities class action was filed in United States District Court for the District of Massachusetts against the Company and certain of its current and former officers by John S. Greenebaum for monetary relief. In March 2007, an amended consolidated complaint was filed, naming certain of our current and former officers and directors of the Company as defendants and alleging that the defendants violated federal securities laws in connection with public statements made relating to the Company's stock option practices and related accounting. The complaint asserted claims under Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5. In February 2008, the court preliminarily approved a settlement the Company had reached with the plaintiffs. The settlement provided for a payment by the Company of \$14.0 million and led to a dismissal of all claims against all defendants in the litigation. In March and April of 2008, the Company paid the settlement amount. In May 2008, the original plaintiff, Mr. Greenebaum, filed an objection to the settlement which was subsequently dismissed by the court. In June and July of 2008, the court approved the settlement and denied a request by Mr. Greenebaum to opt-out of the settlement class certified by the court. Mr. Greenebaum appealed the decision of the court relating to him and in December 2008, the Company entered into a settlement agreement with Mr. Greenebaum providing for payment by the Company of \$5,000, which the court approved in January 2009. In January 2009, the plaintiff's class entered into a settlement agreement with Mr. Greenebaum. As a result of these settlements, Mr. Greenebaum withdrew his appeals, effectively ending the litigation.

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

On May 24, 2006 and June 14, 2006, two shareholder derivative lawsuits were filed in Suffolk County Superior Court in Massachusetts by Eric Johnston and Robert L. Garber, respectively. The lawsuits were filed against certain of the Company's current and former officers and directors for alleged breaches of fiduciary duties and unjust enrichment in connection with the Company's historical stock option granting practices. The lawsuits also named the Company as a nominal defendant. The lawsuits sought to recover the damages sustained by the Company and disgorgement of all profits received with respect to the alleged backdated stock options. In October 2007, the court dismissed the complaint, without leave to amend, due to the plaintiffs' failure to make a demand upon the Company's Board of Directors before initiating their lawsuits. In December 2007, the plaintiffs filed an appeal of that decision to the Massachusetts Court of Appeals. In June 2008, the Massachusetts Supreme Judicial Court elected, on its own motion, to hear the appeal, and in April 2009, affirmed the judgment dismissing the complaint without leave to amend. The plaintiffs' right to initiate a new claim based on the response to the demand made at the time of dismissal expired in July 2009.

*Mexico Litigation*—One of the Company's subsidiaries, SpectraSite Communications, Inc. ("SCI"), is involved in a lawsuit brought in Mexico against a former Mexican subsidiary of SCI (the subsidiary of SCI was sold in 2002, prior to the Company's merger with SCI's parent in 2005). The lawsuit concerns a terminated tower construction contract and related agreements with a wireless carrier in Mexico. The primary issue for the Company is whether SCI itself can be found liable to the Mexican carrier. The trial and lower appellate courts initially found that SCI had no such liability in part because Mexican courts do not have full jurisdiction over SCI. These decisions were appealed by the plaintiff, and in July 2008, they were reversed by an intermediate Mexican appellate court. In its decision, the intermediate appellate court identified potential damages of approximately \$23.0 million. SCI appealed that ruling to a higher constitutional court in Mexico. In January 2009, the constitutional court ruled in SCI's favor, remanding the case back to the intermediate appellate court for further proceedings. In March 2009, the intermediate appellate court issued its decision, which reasserts jurisdiction and reimposes liability on SCI. In April 2009, as permitted under Mexican law, SCI filed an appeal of this decision to the higher constitutional court on the grounds that the decision of the intermediate appellate court is inconsistent with the January 2009 ruling of the higher constitutional court and Mexican law. In August 2009, the plaintiff filed a petition with the Supreme Court of Mexico asking the court to rule on SCI's appeal to the constitutional court. In September 2009, the Supreme Court refused to hear the appeal. As a result, the case remains pending in the constitutional court and the Company is unable to estimate its share, if any, of potential liability at this stage of the proceedings.

*AT&T Transaction*—SpectraSite entered into an agreement with SBC Communications Inc., a predecessor entity to AT&T Inc. ("AT&T"), for the lease or sublease of approximately 2,500 towers from AT&T between December 2000 and August 2004. All of the towers are part of the Securitization. The average term of the lease or sublease for all sites at the inception of the agreement was approximately 27 years, assuming renewals or extensions of the underlying ground leases for the sites. SpectraSite has the option to purchase the sites subject to the lease or sublease upon their expiration. Each of the towers is assigned into an annual tranche, ranging from 2013 to 2032, which represents the outside expiration date for the sublease rights to that tower. The purchase price for each site is a fixed amount stated in the sublease for that site plus the fair market value of certain alterations made to the related tower by AT&T. The aggregate purchase option price for the towers leased and subleased was approximately \$413.0 million as of December 31, 2009, and will accrete at a rate of 10% per year to the applicable expiration of the lease or sublease of a site. For all such sites purchased by SpectraSite at the expiration of the lease or sublease, AT&T has the right to continue to lease the reserved space for successive one year terms at a rent equal to the lesser of the agreed upon market rate and the then current monthly fee, which is subject to an annual increase based on changes in the CPI.

**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

*ALLTEL Transaction*—In December 2000, the Company entered into an agreement with ALLTEL (which completed its merger with Verizon Wireless in January 2009) to acquire towers from ALLTEL through a 15-year sublease agreement. Pursuant to the agreement with ALLTEL, as amended, the Company acquired rights to a total of approximately 1,800 towers in tranches between April 2001 and March 2002. The Company has the option to purchase these towers at the expiration of the sublease period, which will occur between April 2016 and March 2017 based on the original closing date for such tranche of towers. The purchase price per tower as of the original closing date was \$27,500 and will accrete at a rate of 3% per annum through the expiration of the sublease period. The aggregate purchase option price for the subleased towers was approximately \$63.3 million as of December 31, 2009. At ALLTEL's option, at the expiration of the sublease period the purchase price would be payable in cash or with 769 shares of the Company's Common Stock per tower.

*Guarantees and Indemnifications*—The Company enters into agreements from time to time in the ordinary course of business pursuant to which it agrees to indemnify third parties for certain claims. The Company has also entered into purchase and sale agreements relating to the sale or acquisition of assets containing customary indemnification provisions. The Company's indemnification obligations under these agreements generally are limited solely to damages resulting from breaches of representations and warranties or covenants under the applicable agreements, but do not guaranty future performance. In addition, payments under such indemnification clauses are generally conditioned on the other party making a claim that is subject to whatever defenses the Company may have and are governed by dispute resolution procedures specified in the particular contract. Further, the Company's obligations under these agreements may be limited in duration and/or amount, and in some instances, the Company may have recourse against third parties for payments made by the Company. The Company has not historically made any material payments under these agreements and, as of December 31, 2009, is not aware of any agreements that could result in a material payment.

*Litigation*—The Company periodically becomes involved in various claims and lawsuits that are incidental to its business. In the opinion of Company management, after consultation with counsel, other than the legal proceedings discussed above, there are no matters currently pending which would, in the event of an adverse outcome, have a material impact on the Company's consolidated financial position, results of operations or liquidity.

**17. SUPPLEMENTAL CASH FLOW INFORMATION**

Supplemental cash flow information and non-cash investing and financing activities for the years ended December 31 are as follows (in thousands):

	December 31,		
	2009	2008	2007
Supplemental cash flow information:			
Cash paid during the period for interest	\$242,649	\$248,551	\$236,389
Cash paid (received) during the period for income taxes (net of refunds)	40,214	35,062	(29,034)
Non-cash investing and financing activities:			
Conversion of convertible notes (excluding loss on retirement)	160,331	198,545	88,085
Decrease in accounts payable and accrued expenses for purchases of property and equipment and construction activities	(6,555)	(5,593)	(1,474)
Capital leases	2,215	1,439	1,639

F-44

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)****18. BUSINESS SEGMENTS**

As of December 31, 2009, the Company operates in two business segments: rental and management and network development services. The rental and management segment provides for the leasing and subleasing of antenna sites on multi-tenant towers and other properties for a diverse range of customers primarily in the wireless communications and broadcast industries. Through its network development services segment, the Company offers tower-related services in the United States, including site acquisition, zoning and permitting services and structural analysis services which directly support the Company's site leasing business and the addition of new tenants and equipment on its sites.

The accounting policies applied in compiling the segment information below are similar to those described in note 1. In evaluating financial performance, management focuses on segment gross margin and segment operating profit. The Company defines segment gross margin as segment revenue less segment operating expenses excluding depreciation, amortization and accretion; selling, general, administrative and development expense; and other operating expense. The Company defines segment operating profit as segment gross margin less selling, general, administrative and development expense attributable to the segment, excluding stock-based compensation expense and corporate expenses. For reporting purposes, the rental and management segment operating profit and segment gross margin also include interest income, TV Azteca, net. These measures of segment gross margin and segment operating profit are also before interest income, interest expense, loss on retirement of long-term obligations, other income (expense), noncontrolling interest in net earnings of subsidiaries, income (loss) on equity method investments, income taxes and discontinued operations.

The Company's reportable segments are strategic business units that offer different services. They are managed separately because each segment requires different resources, skill sets and marketing strategies. Summarized financial information concerning the Company's reportable segments as of and for the years ended December 31, 2009, 2008 and 2007 is shown in the tables below. The Other column below represents amounts excluded from specific segments, such as stock-based compensation expense and corporate expenses included in selling, general, administrative and development expense; other operating expense; interest income; interest expense; loss on retirement of long-term obligations; and other income (expense), as well as reconciles segment operating profit to income (loss) before income taxes, noncontrolling interest and income (loss) on equity method investments. Rental and management segment gross margin for the years ended December 31, 2009, 2008 and 2007 includes non-cash straight-line revenue of \$36.3 million, \$50.4 million and \$69.7 million, respectively and non-cash straight-line expense of \$26.6 million, \$27.6 million and \$26.7 million, respectively.

F-45

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

	<u>Rental and Management</u>	<u>Network Development Services</u>	<u>Other</u>	<u>Total</u>
	(in thousands)			
<b>Year Ended December 31, 2009</b>				
Segment revenues	\$1,668,420	\$ 55,694		\$1,724,114
Segment operating expenses	383,990	32,385		416,375
Interest income, TV Azteca, net	14,210			14,210
Segment gross margin	<u>\$1,298,640</u>	<u>\$ 23,309</u>		<u>\$1,321,949</u>
Segment selling, general, administrative and development expenses	86,186	5,816		92,002
Segment operating profit	<u>\$1,212,454</u>	<u>\$ 17,493</u>		<u>\$1,229,947</u>
Other selling, general, administrative and development expenses			\$ 109,692	109,692
Depreciation, amortization and accretion	404,539	2,644	7,436	414,619
Other expenses (principally interest expense)			284,149	\$ 284,149
Income (loss) before income taxes and income on equity method investments	<u>\$ 807,915</u>	<u>\$ 14,849</u>	<u>\$(401,277)</u>	<u>\$ 421,487</u>
Capital expenditures	<u>\$ 235,468</u>	<u>\$ 7,272</u>	<u>\$ 7,522</u>	<u>\$ 250,262</u>
	<u>Rental and Management</u>	<u>Network Development Services</u>	<u>Other</u>	<u>Total</u>
	(in thousands)			
<b>Year Ended December 31, 2008</b>				
Segment revenues	\$1,547,035	\$ 46,469		\$1,593,504
Segment operating expenses	363,024	26,831		389,855
Interest income, TV Azteca, net	14,253			14,253
Segment gross margin	<u>\$1,198,264</u>	<u>\$ 19,638</u>		<u>\$1,217,902</u>
Segment selling, general, administrative and development expenses	68,104	4,351		72,455
Segment operating profit	<u>\$1,130,160</u>	<u>\$ 15,287</u>		<u>\$1,145,447</u>
Other selling, general, administrative and development expenses			\$ 107,919	107,919
Depreciation, amortization and accretion	395,974	2,511	6,847	405,332
Other expenses (principally interest expense)			260,276	260,276
Income (loss) before income taxes and income on equity method investments	<u>\$ 734,186</u>	<u>\$ 12,776</u>	<u>\$(375,042)</u>	<u>\$ 371,920</u>
Capital expenditures	<u>\$ 235,625</u>	<u>\$ 2,287</u>	<u>\$ 5,572</u>	<u>\$ 243,484</u>

Table of Contents

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

	<u>Rental and Management</u>	<u>Network Development Services</u>	<u>Other</u>	<u>Total</u>
	(in thousands)			
<b>Year Ended December 31, 2007</b>				
Segment revenues	\$1,425,975	\$ 30,619		\$1,456,594
Segment operating expenses	343,450	16,172		359,622
Interest income, TV Azteca, net	14,207			14,207
Segment gross margin	<u>\$1,096,732</u>	<u>\$ 14,447</u>		<u>\$1,111,179</u>
Segment selling, general, administrative and development expenses	65,920	3,726		69,646
Segment operating profit	<u>\$1,030,812</u>	<u>\$ 10,721</u>		<u>\$1,041,533</u>
Other selling, general, administrative and development expenses			\$ 116,837	116,837
Depreciation, amortization and accretion	514,486	2,168	6,274	522,928
Other expenses (principally interest expense)			<u>248,928</u>	<u>248,928</u>
Income (loss) before income taxes and income on equity method investments	<u>\$ 516,326</u>	<u>\$ 8,553</u>	<u>\$(372,039)</u>	<u>\$ 152,840</u>
Capital expenditures	<u>\$ 139,569</u>	<u>\$ 2,115</u>	<u>\$ 12,697</u>	<u>\$ 154,381</u>

Additional information relating to the Company's operating segments is as follows (in thousands):

	<u>Total Assets</u>	
	<u>2009</u>	<u>2008</u>
Rental and Management	\$7,934,650	\$7,398,877
Network Development Services	39,735	35,618
Other	<u>538,283</u>	<u>777,170</u>
	<u>\$8,512,668</u>	<u>\$8,211,665</u>

The Other line item above includes corporate assets such as cash and cash equivalents, certain tangible and intangible assets and income tax accounts which have not been allocated to specific segments.



**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Summarized geographic information related to the Company's operating revenues and long-lived assets (property and equipment, net, goodwill and other intangible assets, net) as of and for the years ended December 31 is as follows (in thousands):

	<u>December 31,</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating Revenues:			
United States	\$1,463,744	\$1,366,685	\$1,268,316
International:			
Mexico	153,121	155,321	134,800
Brazil	85,013	71,001	53,478
India	22,236	497	—
Total International	<u>260,370</u>	<u>226,819</u>	<u>188,278</u>
Total operating revenues	<u>\$1,724,114</u>	<u>\$1,593,504</u>	<u>\$1,456,594</u>
	<u>December 31,</u>		
	<u>2009</u>	<u>2008</u>	
Long-Lived Assets:			
United States		\$6,320,887	\$6,339,947
International:			
Mexico		273,870	327,398
Brazil		186,226	98,471
India		231,011	9,208
Total International		<u>691,107</u>	<u>435,077</u>
Total long-lived assets		<u>\$7,011,994</u>	<u>\$6,775,024</u>

For the year ended December 31, 2009, three customers within the rental and management and network development services segments accounted for 10% or more of the Company's consolidated operating revenues: AT&T Mobility, which accounted for approximately 19% of revenues, Sprint Nextel, which accounted for approximately 18% of revenues, and Verizon Wireless, which accounted for approximately 15% of revenues.

For the year ended December 31, 2008, three customers within the rental and management and network development services segments accounted for 10% or more of the Company's consolidated operating revenues: AT&T Mobility, which accounted for approximately 20% of revenues, Sprint Nextel, which accounted for approximately 19% of revenues, and Verizon Wireless and ALLTEL, which completed their merger in January 2009, accounted for approximately 11% and 5%, respectively, of revenues.

**Table of Contents**

**AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

**19. RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2009, 2008, and 2007, the Company had no significant related party transactions.

**20. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)**

Selected quarterly financial data for the years ended December 31, 2009 and 2008 is as follows (in thousands, except per share data):

	Three Months Ended				Year Ended December 31,
	March 31,	June 30,	September 30,	December 31,	
<b>2009:</b>					
Operating revenues	\$408,678	\$423,358	\$ 444,105	\$ 447,973	\$1,724,114
Cost of operations (1)	97,705	102,573	108,594	107,503	416,375
Operating income	150,285	166,447	179,077	176,449	672,258
Net income attributable to American Tower Corporation	58,601	56,289	67,355	64,350	246,595
Basic net income per common share	0.15	0.14	0.17	0.16	0.62
Diluted net income per common share	0.15	0.14	0.17	0.16	0.61
	Three Months Ended				Year Ended December 31,
	March 31,	June 30,	September 30,	December 31,	
<b>2008:</b>					
Operating revenues	\$382,184	\$393,728	\$ 409,268	\$ 408,324	\$1,593,504
Cost of operations (1)	90,558	96,874	103,857	98,566	389,855
Operating income	144,856	154,790	154,367	152,741	606,754
Net income attributable to American Tower Corporation (2)	42,155	158,786	60,466	85,839	347,246
Basic net income per common share	0.11	0.40	0.15	0.22	0.88
Diluted net income per common share	0.10	0.38	0.15	0.21	0.84

(1) Represents operating expenses, exclusive of depreciation, amortization and accretion, selling, general, administrative and development expense, and other operating expenses.

(2) The three months ended June 30, 2008, includes an income tax benefit of \$110.1 million related to losses associated with our investment in Verestar as income from discontinued operations.

---

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)****21. SUBSEQUENT EVENT**

*Asia Acquisition*—On February 24, 2010, the Company announced that its indirect wholly owned Indian subsidiary, Transcend, has entered into a definitive stock purchase agreement pursuant to which it will acquire from three Indian companies, Essar Telecom Infrastructure Holding Overseas Ltd., Essar Securities Limited, and Essar Investments, Limited, substantially all of the issued and outstanding shares of Essar Telecom Infrastructure Private Limited (“ETIPL”). ETIPL owns and operates approximately 4,450 wireless tower sites in India, including a number of tower sites that are currently under construction. The total consideration for the acquisition is estimated to be \$430 million and is subject to certain post closing adjustments. The consideration to be provided will be satisfied with cash and the assumption of ETIPL’s net liabilities at closing. The Company expects to use its Revolving Credit Facility to satisfy the cash requirements at closing. Consummation of the acquisition is subject to certain conditions, including receipt of regulatory approvals and other customary closing conditions. The transaction is expected to close by the end of the second quarter of 2010.

F-50

**EXHIBIT F**

Projected Financial Information

**[CONFIDENTIAL]**

This information contains confidential, proprietary, and sensitive information and is therefore filed under seal.

**EXHIBIT G**

Small and Minority-Owned  
Telecommunications Business Participation Plan

**ATC OUTDOOR DAS, LLC**

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS  
BUSINESS PARTICIPATION PLAN**

Pursuant to T.C.A. §65-5-112, as amended, ATC Outdoor DAS, LLC (“ATC-DAS”) submits this Small and Minority-owned Telecommunications Business Participation Plan (the “Plan”) along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate and local exchange services in Tennessee.

## **I. PURPOSE**

The purpose of §65-5-112 is to provide opportunities for small and minority-owned businesses to provide goods and services to telecommunications service providers. ATC-DAS is committed to the goals of §65-5-112 and to taking steps to support the participation of small and minority-owned telecommunications businesses in the telecommunications industry. ATC-DAS will endeavor to provide opportunities for small and minority-owned telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, ATC-DAS will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to ATC-DAS of such opportunities. ATC-DAS’s representatives will contact the Department of Economic and Community Development, the administrator of the small and minority-owned telecommunications assistance program, to obtain a list of qualified vendors. Moreover, ATC-DAS will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

## **II. DEFINITIONS**

As defined in §65-5-112.

*Minority-Owned Business.* Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

*Small Business.* Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

## **III. ADMINISTRATION**

ATC-DAS’s Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting ATC-DAS’s full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Alex Gamota - Director, DAS Strategic Relations and Network Policy  
American Tower Corporation/ATC Outdoor DAS, LLC  
400 Regency Forest Drive  
Suite 300  
Cary, NC 27518-7723  
781-926-4902

The Administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with §65-5-112 and the rules and orders of the Tennessee Regulatory Authority.
- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperating with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in §65-5-112.
- (5) Communication to existing vendors in order to understand and solicit involvement in the program.
- (6) Communications to existing vendors in order to determine primary vendor and sub-vendor involvement and relationships.
- (7) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) Providing records and reports and cooperating in any authorized surveys as required by the Tennessee Regulatory Authority.
- (7) Providing information and educational activities to persons within ATC-DAS and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator may utilize a number of resources, including, but not limited to:

Chambers of Commerce  
The Tennessee Department of Economic and Community Development  
The United States Department of Commerce  
Small Business Administration  
Office of Minority Business  
The National Minority Supplier Development Counsel  
The National Association of Women Business Owners  
The National Association of Minority Contractors  
Historically Black Colleges, Universities, and Minority Institutions

The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above.



#### IV. RECORDS AND COMPLIANCE REPORTS

ATC-DAS will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, ATC-DAS will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan.

ATC-DAS will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, ATC-DAS will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority. In conjunction with this Record Maintenance, ATC-DAS reserves the right to designate documents, reports, surveys and/or studies as "Confidential" or "Proprietary".

***This plan is a statement of objectives and is not intended to create any legal obligation, except those required by Statute or Rule of the TRA, of ATC Outdoor DAS, LLC or any of its employees.***

ATC Outdoor DAS, LLC

By: 

Alexander Gamota

Director, DAS Strategic Relations and Network Policy

ATC Outdoor DAS, LLC

Dated: December 10, 2010

**EXHIBIT H**

Toll Dialing Parity Plan

## **TOLL DIALING PARITY PLAN**

### **INTRODUCTION**

#### **ATC OUTDOOR DAS, LLC INTRALATA TOLL DIALING PARITY PLAN**

ATC Outdoor DAS, LLC (“ATC-DAS”) will give end user customers the opportunity to designate a carrier for their intraLATA toll call within all the exchanges in which ATC-DAS will provide local exchange telecommunications services in the State of Tennessee. IntraLATA toll calls will automatically be directed to the designated carrier without the customer having to dial an access code.

This Plan will be implemented upon the offering of switched voice telecommunications services by ATC-DAS after the TRA grants such authority.

### **POLICIES**

ATC-DAS will deploy two-PIC (Primary Interexchange Carrier) technology in its switches. This technology will enable the customer to presubscribe to the same or a different carrier for their intraLATA and/or interLATA service.

Appropriate tariffs will be filed in accordance with this plan.

ATC-DAS will offer customers the ability to access all participating carriers by dialing the appropriate access code (101XXXX).

All eligible ATC-DAS end user telephone line numbers will be presubscribed and must have a PIC associated with them.

ATC-DAS will treat all carriers on a non-discriminatory basis and will maintain a list of available toll carriers and keep it updated. Customers may call ATC-DAS’s toll-free telephone number (877-282-7483) whereby customers may speak with a ATC-DAS customer contact representative and hear a list of available carriers.

ATC-DAS will comply with all anti-slamming provisions and all rules of the FCC and TRA.

### **CARRIER INFORMATION**

Interexchange carriers will have the option of offering intraLATA service only, or both intraLATA and interLATA service.

Interexchange carriers will have the option of participating in all market areas or in a specific market area.

Interexchange carriers will be required to return a completed Non-Disclosure Agreement and Participation Agreement(s).

ATC-DAS will not participate in billing disputes for intraLATA service between alternative competing interexchange carriers and their customers.

Carriers wishing to participate will be requested to submit Access Service Requests/Translation Questionnaires to the Access Tandem owner and to ATC-DAS.

ATC-DAS representatives will not initiate or accept three-way calls from an alternative interexchange carrier in order to discuss presubscription.

### **CALL ELIGIBILITY/TOLL DIALING PLAN**

All local service customers of ATC-DAS will have calls routed according to the following plan:

If an ATC-DAS Customer Dials:	The Call is Handled By/Routed To:
911	PSAP on originating line number
411/555-1212	ATC-DAS's Directory Assistance Operator
0-	ATC-DAS's Operator
0 + intraexchange number	IntraLATA Toll Provider
1 + 7 or 10 digits	IntraLATA Toll Provider
0 + 7 or 10 digits interexchange number	InterLATA Toll Provider
101XXXX + 0-	XXXX Carrier
101XXXX + 0 + 7 or 10 digits	XXXX Carrier
101XXXX + 7 or 10 digits	XXXX Carrier

If an ATC-DAS customer originates a call to an alternative interexchange carrier's Operator by dialing 00-, the call will be routed to the PIC on that customer's line. If the customer originates a call to an alternative interexchange carrier's Operator by dialing an access code (e.g., 101XXXX + 0-), the call will be routed to the XXXX carrier. In both cases, the carrier's switch is responsible for routing this call to the alternative interexchange carrier's Operator or to an announcement.

### **NETWORK INFORMATION**

All originating intraLATA traffic will initially be routed via the incumbent Local Exchange Carrier (LEC) Access Tandem(s). Following conversion, direct trunks between the ATC-DAS switch and the interexchange carrier location(s) may be provided when warranted by traffic volume.

Interexchange carriers must have Feature Group D trunks in place (or ordered) between their point of presence and the incumbent LEC Access Tandem(s).

ATC-DAS will route all originating intraLATA traffic to the designated carrier and will only block traffic at the request of the end user customer and/or in compliance with regulatory requirements. Requests from carriers to block traffic or to remove customers from their network will not be honored. Calls that cannot be completed to a carrier will be routed to an announcement.

### **CUSTOMER CONTACT INFORMATION**

New customers will be informed of their ability to select interLATA and intraLATA toll providers at the time they request service from a ATC-DAS representative. ATC-DAS will explain the differences between local, intra- and interLATA toll calls and clearly notify the customer that he or she may select a different, or the same, carrier for each call category. Upon request, ATC-DAS will inform customers of participating carriers.

ATC-DAS customer contact representatives will process customer initiated PIC selections to ATC-DAS or to an alternative intraLATA carrier. ATC-DAS will provide customers with confirmation notification of their PIC (ATC-DAS or alternative carrier) selection. Carriers will have the option of allowing the ATC-DAS representative to process PIC requests on their behalf.

For new customers or customers ordering an additional line, ATC-DAS will accept as a bona fide PIC a selection of "NO PIC" as a choice. ATC-DAS will ensure that "NO PIC" customers will have access code dialing capability to reach participating intraLATA carriers. NO PIC customers will be informed of their ability to complete intraLATA toll calls via access codes. ATC-DAS will ensure that NO PIC customer intraLATA toll traffic is not automatically routed to the incumbent local exchange carrier.

ATC-DAS will instruct its customer contact representatives not to comment on a customer's choice of its intraLATA PIC when the customer contacts ATC-DAS to change the PIC. ATC-DAS customer contact representatives will respond to customer inquiries about intraLATA carriers in a competitively neutral fashion.

If the intraLATA toll carrier selected by the customer permits ATC-DAS to process orders on its behalf, ATC-DAS will accept the PIC change request.

ATC-DAS representatives will not discuss alternative carrier rates or services and will not provide customers with Carrier Identification Codes or access code dialing instructions.

### **PRESUBSCRIPTION INFORMATION**

New line customers, including customers adding lines, will have the opportunity to select a participating carrier or NO PIC. If a customer fails to make a choice, that customer will be assigned a NO PIC designation. Customers assigned a NO PIC designation as set forth in this paragraph will be required to dial an access code to reach an intraLATA carrier's network.

ATC-DAS will offer new line customers a 30-day grace period following placement of the customer's service order for the customer to designate its PIC(s) or NO PIC without charge.

After this 30-day period, ATC-DAS will assess a \$5.00 PIC charge for each PIC change made. ATC-DAS will impose a single \$5.00 fee when customers simultaneously change their intraLATA and interLATA toll service provider.

If a ATC-DAS customer denies requesting a change in intraLATA toll providers as submitted by an intraLATA carrier, and the intraLATA carrier is unable to produce evidence that the PIC change was properly executed pursuant to Tennessee Regulatory Authority and federal PIC change rules, the PIC will be changed as per the customer's request and the intraLATA carrier will be responsible for all costs incurred for changing the customer's PIC.

Alternative interexchange carriers may submit PIC changes to ATC-DAS via a fax/paper interface.

ATC-DAS will process intraLATA PIC selections in the same manner and under the same intervals of time as interLATA PIC changes.

Carriers will be required to submit PIC changes using the Customer Account Record Exchange (CARE) format via paper medium. ATC-DAS will provide carriers with PIC order confirmation and reject information using the CARE format. Specific details regarding CARE will be provided to participating carriers.

For customers who change their local service provider from the incumbent LEC to ATC-DAS and retain their incumbent LEC telephone number(s), ATC-DAS, as part of the CARE PIC process, will provide the selected intraLATA carrier with both the retained (incumbent LEC) telephone number and the ATC-DAS telephone number.

**EXHIBIT I**

Notice of Application and Certificate of Service

## **NOTICE OF APPLICATION**

**TO:** Incumbent Local Exchange Carriers Operating in the State of Tennessee

**FROM:** Catherine Wang  
Brett P. Ferenchak  
Kimberly A. Lacey  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, D.C. 20006  
(202) 373-6000 (Tel)  
(202) 373-6001 (Fax)

**RE:** Application of ATC Outdoor DAS, LLC for a Certificate of Convenience and Necessity to Provide Facilities-Based and Resold Competing Local Telecommunications Services and Facilities-Based and Resold Interexchange Telecommunications Services

---

By this Notice of Application, you are officially notified that ATC Outdoor DAS, LLC filed the above-referenced Application with the Tennessee Regulatory Authority on December 13, 2010. In particular, the Application seeks authority for ATC Outdoor DAS, LLC to provide its competitive local telecommunications services and interexchange telecommunication services statewide. While Applicant seeks statewide authority for its local exchange services, Applicant notes that it does not intend to provide local exchange voice services at this time and therefore only seek to provide such services in all areas open competition (AT&T, United/Sprint (Embarq) and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996).<sup>1</sup> A copy of the Application may be obtained from the Tennessee Regulatory Authority.

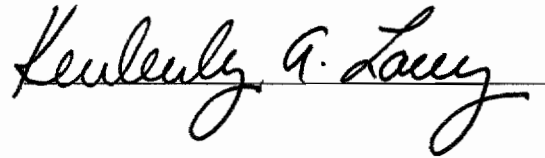
---

<sup>1</sup> At this time, Applicant does not seek to terminate any exemption held by a rural telephone company pursuant to 47 U.S.C. § 251(f).



**Certificate of Service**

**I HEREBY CERTIFY** that on this 13th day of December, 2010, a copy of the foregoing Notice of the Application of ATC Outdoor DAS, LLC for a Certificate of Convenience and Necessity to Provide Facilities-Based and Resold Competing Local Telecommunications Services and Facilities-Based and Resold Interexchange Telecommunications Services, as filed with the Tennessee Regulatory Authority was served by first class U.S. mail, postage prepaid on the incumbent local exchange carriers certificated in Tennessee and the Consumer Advocate and Protection Division of the Office of the Tennessee Attorney General as set forth on the attached list.

A handwritten signature in black ink, reading "Kimberly A. Lacy", written over a horizontal line.

**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS  
CERTIFICATED IN TENNESSEE  
(FACILITIES-BASED)**

- 1) **ARDMORE TELEPHONE COMPANY, INC.**  
P.O. Box 549  
517 Ardmore Avenue  
Ardmore, TN 38449  
(256) 423-2131
- 2) **BELLSOUTH TELECOMMUNICATIONS, INC.**  
333 Commerce Street  
Nashville, TN 37201-3300  
(615) 214-4066
- 3) **CENTURY TELEPHONE OF ADAMSVILLE**  
P.O. Box 4065  
Monroe, LA 71211  
(318) 362-1583
- 4) **CENTURY TELEPHONE OF CLAIBORNE**  
P.O. Box 4065  
Monroe, LA 71211  
(318) 362-1583
- 5) **CENTURY TELEPHONE OF OOLTEWAH-COLLEGEDALE, INC.**  
P.O. Box 4065  
Monroe, LA 71211  
(318) 362-1583
- 6) **CONCORD TELEPHONE EXCHANGE, INC. (TDS TELECOM)**  
P.O. Box 22995  
Knoxville, TN 37933-0995  
(865) 671-4753
- 7) **CROCKETT TELEPHONE COMPANY**  
C/O TSI Payment Processing Center  
Jackson, MS 39255  
(731) 677-8181
- 8) **EMBARQ COMMUNICATIONS, INC.**  
14111 Capital Blvd.  
Wake Forest, NC 27587  
(512) 867-1071

**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS  
CERTIFICATED IN TENNESSEE  
(FACILITIES-BASED)**

- 9) **FRONTIER COMMUNICATIONS COMPANY OF TENNESSEE**  
P.O. Box 770  
300 Bland Street  
Bluefield, WV 24701  
(304) 325-1216
- 10) **FRONTIER COMMUNICATIONS OF THE VOLUNTEER STATE**  
P.O. Box 770  
300 Bland Street  
Bluefield, WV 24701  
(304) 325-1216
- 11) **HUMPHREYS COUNTY TELEPHONE COMPANY (TDS TELECOM)**  
P.O. Box 22995  
Knoxville, TN 37933-0995  
(865) 671-4753
- 12) **LORETTO TELEPHONE COMPANY, INC.**  
P.O. Box 130  
Loretto, TN 38469  
(931) 853-4351
- 13) **MILLINGTON TELEPHONE COMPANY, INC.**  
4880 Navy Road  
Millington, TN 38053  
(901) 872-3311
- 14) **PEOPLE'S TELEPHONE COMPANY, INC. (TEC)**  
C/O TSI Payment Processing Center  
P.O. Box 24207  
Jackson, MS 39255  
(931) 289-4221
- 15) **TELLICO TELEPHONE COMPANY, INC. (TDS TELECOM)**  
P.O. Box 22995  
Knoxville, TN 37933-0995  
(865) 671-4753
- 16) **TENNESSEE TELEPHONE COMPANY (TDS TELECOM)**  
P.O. Box 22995  
Knoxville, TN 37933-0995  
(865) 671-4753

**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS  
CERTIFICATED IN TENNESSEE  
(FACILITIES-BASED)**

- 17) **UNITED TELEPHONE COMPANY**  
P.O. Box 38  
120 Taylor Street  
Chapel Hill, TN 37034  
(931) 364-2289
  
- 18) **WEST TENNESSEE TELEPHONE COMPANY, INC. (TEC)**  
C/O TSI Payment Processing Center  
P.O. Box 24207  
Jackson, MS 39255  
(731) 742-2211
  
- 19) **CONSUMER ADVOCATE AND PROTECTION DIVISION**  
Office of Consumer Advocate and Protection Division  
Tennessee Attorney General & Reporter  
P.O. Box 20207  
Nashville, Tennessee 37202-0207  
(615) 741-1671

**EXHIBIT J**

Numbering Issues

## Numbering Issues

Please provide answers to the following questions concerning numbering within your proposed service area.

1. **What is your company's expected demand for NXXs per NPA within a year of approval of your application?**

Initially, ATC-DAS will not require NXX codes because it will initially only provide transport services.

In the event that ATC-DAS provides local exchange services in the future, ATC-DAS will not require its own NXX blocks in areas where service is provided by resale of the ILEC services or a UNE-P substitute. In areas where ATC-DAS provides services on a facilities-based platform, ATC-DAS will require no more than 1 (one) Thousand number block per Rate Center in the first year.

2. **How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?**

Initially, ATC-DAS will not require NXX codes because it will initially only provide transport services.

In the event that ATC-DAS provide local exchange services in the future, ATC-DAS estimates the need for NANPA to provide 1 (one) Thousand number block per rate center in which services are provided via a facilities based platform. ATC-DAS anticipates that this number will not exceed 1-1000 in 2010 and not more than 1-1000 in 2011.

3. **When and in what NPA do you expect to establish your service footprint?**

Initially, ATC-DAS will not provide local exchange services. Therefore, it has not determined when and in what NPA it will establish its local exchange service footprint.

With regard to ATC-DAS's transport services, ATC-DAS intends to serve the entire state.

4. **Will the company sequentially assign telephone numbers within NXXs?**

Initially, ATC-DAS will not require NXX codes because it will initially only provide transport services.

In the event that ATC-DAS provide local exchange services in the future, ATC-DAS will abide by all of the numbering rules established by the FCC, including sequential assignment of telephone numbers, as well as any rules established by the TRA.

**5. What measures does the company intend to take to conserve Tennessee numbering resources?**

Initially, ATC-DAS will not require numbering resources because it will initially only provide transport services.

In the event that ATC-DAS provide local exchange services in the future, ATC-DAS will comply with all FCC regulations concerning number resource optimization in order to conserve numbering resources.

**6. When ordering new NXXs for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated?**

Initially, ATC-DAS will not require NXX codes because it will initially only provide transport services.

In the event that ATC-DAS provide local exchange services in the future, in requesting growth codes, ATC-DAS will comply with all applicable FCC regulations relating to utilization thresholds. While the threshold will rise in increments of 5%, current FCC regulations require that carriers achieve a 70% utilization prior to requesting growth codes.

**EXHIBIT K**

Tennessee Specific Operational Issues



### Tennessee Specific Operational Issues

Please provide answers to the following questions concerning Tennessee Specific Operational Issues.

- 1. How does the company intend to comply with TCA §65-21-114? In its description, please explain technically how the company will not bill for countywide calls within Tennessee.**

Initially, ATC-DAS will not provide services that require compliance with TCA §65-21-114, but will only provide transport services.

In the event that ATC-DAS provide services that require compliance with TCA §65-21-114 in the future, ATC-DAS expects that it will comply in the following manner. To the extent that the arrangements are not covered by a resale or Local Wholesale Complete arrangements with AT&T, Call Detail Records (CDR) will be captured in the ATC-DAS switch for each telephone call placed on the ATC-DAS network. Based on the Calling NPA NXX and Called NPA NXX the call will be assigned the jurisdiction of Local, Intrastate, Interstate or International. The means used to determine when the call is Local is based on the Rate Center of the Calling NPA NXX and the Rate Center of the Called NPA NXX which are derived from the LERG. The Calling Rate Center and the Called Rate Center are used to look up in the Local Route Table to determine if the call qualifies as a local call.

- 2. Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?**

Yes, ATC-DAS is aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter ATC-DAS's telephone numbers, to the extent it has any, in the database.

- 3. Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in your proposed service areas?**

Yes, ATC-DAS is aware of the local calling areas provided by the Incumbent Local Exchange Carriers in its proposed service area.

- 4. Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas.**

See procedure described in the response to question 1.

5. **Please provide the name and telephone number of an employee of your company that will be responsible to work with the TRA on resolving customer complaints.**

The following person is responsible for working with the TRA for customer complaints:

Alex Gamota - Director, DAS Strategic Relations and Network Policy  
American Tower Corporation/ATC Outdoor DAS, LLC  
400 Regency Forest Drive  
Suite 300  
Cary, NC 27518-7723  
781-926-4902

6. **Does the company intend to telemarket its services in Tennessee? If yes, is the company aware of the telemarketing statutes and regulations found in TCA §65-4-401 *et seq.* And Chapter 1220-4-11?**

At this time, ATC-DAS does not intend to employ telemarketers to market its service in Tennessee. ATC-DAS is aware of the telemarketing statutes and regulations found in Section 65-4-401 through Section 65-4-408 of the Tennessee Code Annotated and in Chapter 1220-4-11 of the TRA's Rules and Regulations and will comply with such rules if and when its plans change and it uses telemarketing in Tennessee.

**EXHIBIT L**

Sworn Pre-Filed Testimony

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

In the Matter of the Application of	)	
	)	
<b>ATC Outdoor DAS, LLC</b>	)	
	)	Docket No. _____
For a Certificate of Convenience and Necessity to	)	
Provide Facilities-Based and Resold Competing	)	
Local Telecommunications Services and	)	
Facilities-Based and Resold Interexchange	)	
Telecommunications Services in Tennessee	)	

**PREFILED TESTIMONY OF ALEXANDER GAMOTA**

I, Alexander Gamota, do hereby testify as follows in support of the application of ATC Outdoor DAS, LLC (“ATC-DAS”) for a Certificate of Convenience and Necessity to Provide Facilities-Based and Resold Competing Local Telecommunications and Facilities-Based and Resold Interexchange Telecommunications Services in the State of Tennessee.

**Q. Please state your full name, business address, and position.**

**A.** My name is Alexander Gamota. My business address is ATC Outdoor DAS, LLC (“ATC-DAS” or “Applicant”), 10 Presidential Way, Woburn, MA 01801. I am the Director for DAS Strategic Relations and Network Policy within ATC-DAS’s distributed antenna system (“DAS”) business.

**Q. Please briefly describe your duties.**

**A.** I am the Director for DAS Strategic Relations and Network Policy within ATC-DAS’s distributed antenna system (“DAS”) business.

**Q. Please describe your professional experience and background.**

**A.** In my current role as Director for DAS Strategic Relations and Network Policy, I am responsible for developing implementing the strategy for acquiring the necessary rights – municipal, state, federal, utility and other – to successfully deploy DAS networks throughout the United States. I have nearly 20 years of U.S. and international experience achieving results for technology-driven infrastructure businesses in senior management, consulting, and board roles leading to over \$1.5B in bottom-line revenues, savings, and investment opportunities. I have a broad background in wireless communications, infrastructure financing and deployment, and asset management in regulated and dynamic environments. Prior to coming to ATC-DAS, I helped create, and subsequently ran, National Grid Wireless’ DAS business – including the pioneering Nantucket, MA DAS launch. I hold a Masters degree from MIT and a Bachelors degree from the University of Michigan.

**Q. Are all statements in ATC-DAS’s Application true and correct to the best of your knowledge, information and belief?**

**A.** Yes.

**Q. What is the purpose of your testimony in this proceeding?**

**A.** The purpose of my testimony is to describe the services that ATC-DAS proposes to offer in Tennessee and to review issues related to Applicant’s request for a certificate to provide such services. My testimony specifically relates to Applicant’s managerial, financial, and technical competence to provide the telecommunications services for which authority is requested, and its compliance with the rules and policies of this Commission.

**Q. Please describe the authority that ATC-DAS seeks from the TRA.**

A. ATC-DAS seeks authority to provide facilities-based and resold local exchange and interexchange telecommunications services throughout the State of Tennessee.

**Q. Please describe the corporate structure of ATC-DAS.**

A. ATC-DAS is a limited liability company organized under the laws of the State of Delaware.

**Q. Does ATC-DAS possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?**

A. Yes.

**Q. Please describe ATC-DAS's managerial and technical qualifications.**

A. ATC-DAS is technically and managerially qualified to provide competitive local exchange and interexchange services in Tennessee. ATC-DAS's Tennessee operations will be directed by its existing corporate management, technical and operations staffs who are responsible for the interexchange and local exchange operations in other states. A description of the background of Applicant's key personnel, which demonstrates the extensive telecommunications experience of ATC-DAS's management team, is attached to the Application as Exhibit D.

**Q. Please describe ATC-DAS's financial qualifications.**

A. Financial information demonstrating ATC-DAS's financial qualifications is provided as Exhibit E, F and G to the Application. As shown in the attached information, ATC-DAS is financially qualified to operate within the State of Tennessee.

**Q. Please describe the types of services that ATC-DAS will offer in Tennessee.**

A. Applicant primarily plans to provide radio frequency ("RF") Transport Services to business customers, who are typically wireless carriers. RF Transport Services utilize

optical technology, including multi-wavelength optical technology, over dedicated transport facilities to provide customers with links to emit RF coverage. RF Transport Services connect customers to their networks through a combination of distributed antennas and bi-directional RF-to-optical conversion equipment aggregated at a hub facility. The conversion equipment allows the Company to accept RF traffic from the Customer and then send bi-directional traffic transmissions across the Customer's optical networks. At the remote end, the Customer's RF is received at Company-provided RF-to-optical conversion equipment that allows bi-directional conversion between optical signals and RF signals. RF signals can be received and transmitted at this remote access node. Hence the Company provides optical transit services for customer RF signals. Applicant may also offer other types of transport services.

Initially, Applicant will not offer switched local exchange and interexchange services in Tennessee. Applicant, however, seeks the full range of resold and facilities-based local exchange and interexchange authority so that it can have flexibility in provisioning its services in the future.

**Q. What facilities will ATC-DAS use to provide its proposed local exchange services?**

**A.** Initially, ATC-DAS will not offer switched local exchange and interexchange services in Tennessee. If and when this service is offered, it may be provided through the local wholesale complete arrangements, resale of the facilities of other certificated carriers through the use of unbundled network elements or Applicant's own facilities, or a combination thereof. ATC-DAS may deploy its own facilities in Tennessee as business and market conditions warrant.

**Q. What geographic areas will ATC-DAS serve?**

**A.** ATC-DAS seeks statewide authority.

**Q. Will ATC-DAS offer service to all consumers within its service area?**

**A.** ATC-DAS initially intends to offer service only to business customers (typically wireless carriers) in its service territory.

**Q. Does ATC-DAS plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?**

**A.** ATC-DAS seeks authority to provide facilities-based and resold local exchange in all services areas that are currently designated open for competition (AT&T, Untied/Sprint (Embarq) and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996).

**Q. Please provide the name, address and telephone number of the person that will serve as your company's contact to the Consumer Service Division for complaint resolution.**

**A.** Technician on Duty, 877-282-7483 (our Help Center is staffed 24/7)

**Q. If authorized to provide competitive telecommunications services, will ATC-DAS abide by the rules, regulations, policies and orders of the TRA, and the laws of the State of Tennessee, as now adopted or that may be adopted in the future, in its provision of competitive intrastate telecommunications services?**

**A.** Yes. ATC-DAS commits to abide by TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee, that are deemed to be applicable to ATC-DAS, including those for disconnection and reconnection of service. ATC-DAS also agrees to abide by all 911 requirements at such time as ATC-DAS begins to provide local exchange services.

**Q: Has ATC-DAS adopted a Small and Minority Business Participation Plan and a Toll Dialing Parity Plan?**

**A:** Yes.

**Q: Will ATC-DAS implement and comply with these Plans?**

**A:** Yes.



**Q. How will ATC-DAS guard against slamming?**

A. In the event ATC-DAS provide local exchange or long distance services, ATC-DAS will prevent unauthorized switching of customers by obtaining a signed letter of authorization (“LOA”), or similar authorization, from all new customers. ATC-DAS will comply with Tennessee law and Federal Communications Commission (“FCC”) regulations regarding how carriers may change a customer’s Primary Interexchange Carrier.

**Q. How will ATC-DAS bill for its services?**

A. ATC-DAS will bill customers directly for the services it provides its customers.

**Q. How will ATC-DAS handle service, billing and repair complaints?**

A. ATC-DAS has made arrangements for its customers to call the company at its toll-free customer service number: (877) 282-7483. ATC-DAS representatives will monitor calls 24 hours per day, seven days a week. In addition, customers may contact the company in writing at its principal place of business. The toll-free number will be printed on the customer’s monthly billing statements. ATC-DAS views customer satisfaction as critical to its success in the competitive marketplace and will address all services, billing, and repair complaints and inquiries promptly. If ATC-DAS is unable to resolve a billing complaint to a customer’s satisfaction, ATC-DAS will advise the customer of its right to file a complaint with the Tennessee Regulatory Authority.

**Q. Will ATC-DAS comply will all applicable TRA service rules and billing standards?**

A. Yes.

**Q. Please describe the public interest benefits associated with ATC-DAS’s proposed offering of telecommunications services in Tennessee.**

A. Granting this Application will promote the public interest by increasing competition in the provision of telecommunications services in Tennessee. Applicant will deploy and

expand the competitive telecommunications infrastructure in Tennessee, and will provide customers high quality, cost effective telecommunications services, with an emphasis on customer service. In addition to driving prices closer to costs, thereby ensuring just and reasonable rates, competition also promotes efficiency in the delivery of services and in the development of new services. These benefits work to maximize the public interest by providing continuing incentives for carriers to reduce costs while, simultaneously, promoting the availability of potentially desirable services. Accordingly, ATC-DAS's entry into the intrastate telecommunications services market will enhance materially the telecommunications infrastructure in the State of Tennessee, enhance the service options available to Tennessee citizens, and will facilitate economic development.

**Q. Has any state ever denied ATC-DAS or one of its affiliates authorization to provide intrastate service?**

**A.** No.

**Q. Has any state ever revoked the certification of ATC-DAS or one of its affiliates?**

**A.** No.

**Q. Has ATC-DAS or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities.**

**A.** No.

**Q. Who is knowledgeable about ATC-DAS's operations and will serve as ATC-DAS's regulatory and customer service contact?**

**A.** Gerard Ainsztein  
Senior Vice President  
ATC Outdoor DAS, LLC  
400 Regency Forest Drive  
Suite 300  
Cary, North Carolina 27518-7723  
Gerald.ainsztein@americantower.com

ATC-DAS's customer service contact is:

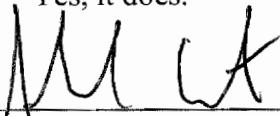
Technician on Duty, (877) 282-7483 (our Help Center is staffed 24/7).

**Q. Please explain in detail ATC-DAS's proposed procedures for responding to information requests from the TRA and its staff.**

**A.** Information requests related to this Application should be directed to our counsel with a copy to me. Our counsel will prepare a response for my review and together we will ensure the response is filed promptly and by any deadline set by staff. Following certification, information requests should be directed to me. I will ensure that the response is filed promptly and by any deadline set by staff.

**Q. Does this conclude your testimony?**

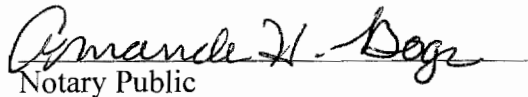
**A.** Yes, it does.



Alexander Gamota  
Director of DAS Strategic Relations and Network Policy  
ATC Outdoor DAS, LLC

~~STATE OF NORTH CAROLINA~~ )  
 )  
COUNTY OF ~~WAKE~~ <sup>Massachusetts</sup> Middlesex )

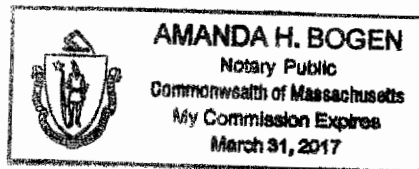
Subscribed and Sworn to me this 10<sup>th</sup> day of December 2010.



Notary Public


My Commission Expires: 3-31-2017

SEAL



## VERIFICATION

I, Alexander Gamota, being duly sworn, depose and state that I am Director of DAS Strategic Relations and Network Policy of ATC Outdoor DAS, LLC ("Applicant"); that I am authorized to make this verification on behalf of Applicant; that I have read the foregoing Application and the exhibits and know the content thereof; and that the same are true and correct to the best of my knowledge, information and belief.

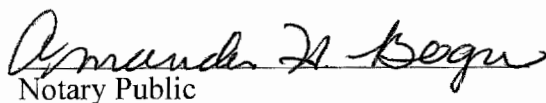


Name: Alexander Gamota

Title: Director of DAS Strategic Relations and Network Policy

STATE OF ~~NORTH CAROLINA~~ <sup>Massachusetts</sup> )  
COUNTY OF ~~WAKE~~ <sup>Middlesex</sup> )

Subscribed and Sworn to me this 10<sup>th</sup> day of December 2010.

  
Notary Public

My Commission Expires: 3-31-2017

SEAL

