

Inside Towers

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Masayoshi Son Sprints Away from T-Mobile



Every tower owner can let out a huge sigh of relief because The Wall Street Journal reported last night that Sprint is ending its pursuit of T-Mobile. People familiar with the matter said the company and its parent, SoftBank, decided it would be too difficult to win approval from regulators. The Wall Street Journal also announced that Sprint is expected to replace CEO Dan Hesse and Re/code has reported that the company plans to name Marcelo Claure, one of its board members and head of wireless distributor Brightstar, as its new CEO. Japan's Softbank ac-

quired a majority stake in Brightstar last year, where Claure, the founder of Brightstar, owns the remainder of the company, which controls billions of dollars in cellular gear purchases each year, according to Re/code.

Jonathan Chaplin of New Street Research feels that Sprint abandoning T-Mobile is a step in the right direction, "We believe this is a step in the right direction. Masa and the new mgmt. team can now focus on turning Sprint's business around. The companies can revisit this deal in a year or two, when the regulatory environment should be more hospitable. The near-term will be rough; we wouldn't be surprised to see Sprint hit our standalone valuation target of \$4. VZ, T, and TMUS may all face pressure tomorrow; however, TMUS is best positioned among them. Positive for Towers." With T-Mobile saying "no" to Iliad and Masayoshi Son giving up on changing the U.S. wireless industry market it'll be interesting to see what happens next.

T-Mo Says No

The \$15 billion offer by Iliad for T-Mobile US is set to be rejected by the U.S. telecoms group after failing to meet the value of the business by Germany's Deutsche Telekom, CNBC reported. Even though the Iliad bid took the industry by surprise and caused a lot of speculation, T-Mobile has only acknowledged the offer and CNBC speculated that the carrier would deny the offer as early as this morning. According to CNBC, "Deutsche Telekom viewed the \$33-a-share offer from Iliad as too low. Deutsche Telekom is the largest shareholder in T-Mobile US with about two-thirds of shares." Iliad could come back with a higher offer, or an entirely different company might make a bid for T-Mobile.

An advertisement for ALLTEC exothermic welding products. On the left, there are images of various welding tools and a box labeled 'TerraWeld'. In the center, the ALLTEC logo is displayed above the text 'Special Pricing and Online Ordering for Exothermic Welding Products' and the website 'store.alltecglobal.com'. On the right, there is a photograph of a smiling worker wearing a yellow hard hat and safety vest, standing on a construction site.

Vertical Bridge Holdings Continues to Climb Higher



Alex Gellman's Vertical Bridge Holdings announced that it has completed its acquisition of four tower portfolios, which greatly enhances the company's footprint in the eastern United States. "We are pleased to announce another acquisition of tower portfolios, said Gellman, CEO and Co-Founder of Vertical Bridge. "The Eastern U.S. is an attractive market for towers given its heavily congested metropolitan areas and the need for cell site densification. We have acquired four more portfolios of strategically located towers. We expect to continue to build upon this acquisition momentum and see a number of opportunities as we continue to pursue strategic portfolio acquisitions." Vertical Bridge now owns or has exclusive leasing rights to 320 towers and rooftops across the U.S. The company also announced the appointment of telecom industry veteran, Jim McCulloch, to Vice President of the Real Estate division. Mr. McCulloch will lead the development and expansion of Vertical Bridges real estate portfolio. "We are delighted that an experienced executive such as Jim has joined our team to lead our real estate division, which is a key focus area of our business strategy and growth at Vertical Bridge," added Gellman.

FCC Announces Tower Climber Safety and Injury Workshop

The FCC and OSHA announced a workshop to explore the issues that tower climbers face regarding safety, injury prevention, and fatalities on towers. The FCC Public Notice reported, "In 2013, there were thirteen communications tower-related fatalities—more than the previous two years combined. The fatality rate for tower climbing work is more than ten times greater than that of the construction industry. In 2014, nine fatalities involving tower work have occurred to date." The joint workshop will include panel discussions on factors contributing to the high rate of tower climber injuries and fatalities and best practices that ensure tower climber safety and prevent injuries and fatalities. Jonathan Adelstein, President & CEO of PCIA - The Wireless Infrastructure Association said, "PCIA shares the FCC's abiding concern for worker safety and will continue to press our efforts to strengthen safety education and training at every turn. The FCC's October workshop augments the ongoing work that PCIA has been doing with the Department of Labor, the Department of Veterans Affairs, Warriors4Wireless, and a private-public coalition to bring job training and safety skills to America's veterans and other worker-trainees. In the coming weeks, PCIA will be working in concert with the FCC to ensure that its workshop benefits from the leading safety experts in the wireless infrastructure industry. PCIA members remain thoroughly committed to strengthening worker safety whenever and wherever we can, and we commend the FCC's initiative." To read the FCC's Public Notice, visit our Tower Information section.

Tower Approved After Lawsuit Filed

The city council in Covington, Georgia, reversed a decision to deny a cell tower on Monday night. They approved a 169-foot tower rather than the 199-foot tower as originally proposed. The council rejected the tower at its July 15th meeting, and afterward TowerCom V LLC filed a lawsuit against the city which would have amounted to legal bills of \$20,000 or more. According to CovNews, "Mayor Ronnie Johnston said it was a bad idea to fight a legal battle the city likely wouldn't win; nationwide, cell tower companies mostly win cases they're in." Johnson believes the 169-foot tower is a good compromise with the company.

Decisions in Durham

The city council members and county commissioners of Durham, North Carolina, will meet again this week to decide whether the regulations for cell phone towers need a major rewrite. While some residents believe the law needs to be reworked, the City/County Planning Department has told elected



officials they don't see a reason to change the 10 year old rule, which rewards tower projects that involve concealed structures with quick permit reviews. The Herald Sun explained, "The INC – a private advocacy group that represents neighborhood associations from across the city – wants officials to do away with the preferential treatment of camouflaged towers and instead send any that use residentially zoned land to a Board of Adjustment public hearing and permit review. But it's possible to tinker with the existing rules, retain the preferential treatment of camouflaged towers and still address the 'primary concerns' about public notice, safety and buffers that are at the heart of the issue, Planning Director Steve Medlin and his staff argue." By making small changes rather than rewriting the whole ordinance, they will save a lot of time and money. The city council and the county commission have been debating these topics for months; hopefully, they will make a decision at the upcoming meeting.

Water Tower Pours over \$1 Million into Meriden, Connecticut

Meriden, Connecticut, will soon have two new revenue streams generated by the local water tower. In a recent unanimous vote by the city council, lease agreements for two cell sites on the city water tower were approved. AT&T and Verizon each proposed plans that could span 25 years and generate a combined income of \$1.765 million. "I can't see a problem with this," Deputy Minority Leader Walter A. Shamock said. "I don't see a lot of businesses rushing into Meriden, so I think this should help generate some tax revenue." Verizon proposes a lease that would pay the city \$26,400 annually in the first five years with four, five-year options tacked on with 15 percent increases. AT&T proposed a \$2,000 per month lease with a 3 percent escalation fee annually over five years. Similarly, the five-year periods could be renewed for up to 25 years. Both leases were passed unanimously by the nine councilors present without much discussion other than Mayor Manny Santos noting the revenue would be "substantial".

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SYMBOL	TIME & PRICE	CHG & % CHG	DAY'S LOW & HIGH	VOLUME
★ AMT	04:03pm EDT 94.79	↓0.77 ↓0.81%	94.11 95.27	1,982,349
★ CCI	04:03pm EDT 72.85	↓0.22 ↓0.30%	72.61 73.20	1,616,098
★ CIGW	03:57pm EDT 0.38	↓0.01 ↓2.56%	0.34 0.43	45,291
★ SBAC	04:00pm EDT 104.76	↓0.19 ↓0.18%	104.38 105.49	966,342
★ TMUS	04:04pm EDT 33.91	↑0.22 ↑0.65%	33.21 34.55	8,980,155
★ VZ	04:00pm EDT 49.66	↓0.55 ↓1.10%	49.50 50.20	11,567,207
★ S	04:01pm EDT 7.28	↓0.09 ↓1.22%	7.16 7.48	17,147,958
★ T	04:00pm EDT 35.11	↓0.35 ↓0.99%	35.01 35.46	19,505,989

American Tower Corporation Prices Senior Notes Offering

American Tower Corporation announced the pricing of its registered public offering of senior unsecured notes due 2021, in an aggregate principal amount of \$650.0 million. The notes will have an interest rate of 3.450% per annum and are being issued at a price equal to 99.416% of their face value. The net proceeds of the offering are expected to be approximately \$641.1 million, after deducting underwriting discounts and estimated offering expenses. The company intends to use the net proceeds to repay existing indebtedness under its multi-currency \$2.0 billion senior unsecured revolving credit facility.

SBA Communications Given Consensus Rating of “Buy” by Brokerages

Shares of SBA Communications have earned an average recommendation of “Buy” from the fifteen ratings firms that are currently covering the company, Analyst Ratings Net reports. Three research analysts have rated the stock with a hold recommendation, six have given a buy recommendation and one has assigned a strong buy recommendation to the company. The average 1-year target price among analysts that have issued a report on the stock in the last year is \$114.33.



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Officials in Caln, Pennsylvania OK New Cell Tower

The Township Board of Commissioners in Caln, Pennsylvania, approved plans to build a 164 foot cell tower south of the Lincoln Highway. AT&T presented the plan to the township seeking a CUP (Conditional Use Permit) approval in the industrial district. A hearing was held in June with no objections from residents and was approved by township commissioners last week. Currently, the nearest property line to the planned tower site is 60-feet, and there is an “additional premises clause” in the agreement, which would allow the lease of additional space to other cellular providers. Township officials say construction for the tower will begin sometime in the next six months.