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Inside Towers

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Carriers Look to Alternative Revenue Sources

As a result of flattening wireless service revenues, major carriers like Verizon and AT&T are seeking different ways to generate revenue to complement stagnant wireless revenues, reports *Computerworld.com*. Earlier this week Verizon announced its plan to purchase Yahoo for $4.8 billion, and AT&T acquired DirecTV in 2014.

In the second quarter of this year, AT&T Mobility, which is responsible for overseeing the company's wireless revenues, saw a 2.1% decline from the second quarter of 2015. Similarly, Verizon's wireless service revenue declined by 4% from second quarter 2015 to 2016.

According to analysts, shrinking revenues are a sign of a saturated U.S. wireless market, which have catalyzed carriers to find different revenue streams.

"AT&T and Verizon both figured out a while ago that when you each have 30% or more in a very competitive wireless service market, that there's not that much room for growth," Roger Entner, an analyst at Recon Analyst, told *Computerworld* in a recent interview. "Rather than doubling down on the same strategy, you have to come up with something better."

Cellnex Remains Dominant Atop Europe's Wireless Market

So who's the biggest towerco in Europe?

If you guessed Cellnex Telecom, you know your European market. Cellnex Telecom, Europe's leading wireless infrastructure operator, expanded its presence within its market in 2016 compared to last year. In the first half of 2016, the company generated $377.82 million of revenue and EBITDA of $149.79 million, reports *thecorner.eu*. The company increased its first half income by over 33%, from $20.12 million to $26.83 million.

Cellnex President Francisco Reynés noted the two characteristics of this year which indicate the company's growth:

“growth in key indicators and business activity in line with market expectations.”

“The results also highlight our team’s ability not only to identify growth opportunities in Europe, but also prioritise [sic] and deliver on them,” Reynés said. Cellnex has expanded its portfolio to over 15,000 sites located in Spain, Italy, Holland and France. In addition to towers, the company is also involved with small cell and DAS deployments; 949 of its 15,135 sites are small cell and DAS nodes. Cellnex also owns and operates television stations in Europe. The company added six new channels to its portfolio this past April.

FCC’s Mixed Decisions Open Up 5G But Still Cling To The Past

The two decisions made by the FCC regulators last week contrast how the Commission is simultaneously ushering in the next generation of mobile broadband, while clinging to older, more expensive systems.

The vote opening radio spectrum for 5G developers will firmly ensconce the U.S. as the first to adopt 5G technology. Standing U.S. policy dictates the new high frequency radio bands will be auctioned off to network operators, while the rest will be shared or set aside for general public use. It is expected 5G will offer mobile network speeds 100 times faster than current networks. Continue Reading

Tower Ticker

July 29, 2016 at Close

SYMBOL	TIME & PRICE		CHG & % CHG		DAY'S LOW & HIGH		VOLUME	52-WK HIGH	52-WK LOW
AMT	04:00pm EDT	115.77	-0.88	-0.75%	115.56	116.45	2,230,695	118.26	83.07
AMX	04:00pm EDT	11.53	-0.22	-1.87%	11.02	11.55	13,940,757	19.72	11.02
CCI	04:00pm EDT	97.02	+0.45	+0.47%	96.60	97.50	1,539,391	102.82	75.71
CTL	04:00pm EDT	31.44	+0.61	+1.98%	30.75	31.50	4,814,816	32.94	21.94
DY	04:00pm EDT	94.05	-1.37	-1.44%	92.86	95.96	404,592	97.3	47.1
ERIC	04:00pm EDT	7.47	+0.03	+0.40%	7.44	7.49	3,936,515	10.8	6.96
FTR	04:00pm EDT	5.20	+0.11	+2.16%	5.10	5.20	12,177,242	5.85	3.81
LVLT	04:00pm EDT	50.59	-0.30	-0.59%	50.13	51.14	2,978,594	57.59	40.86
S	04:00pm EDT	6.14	+0.14	+2.25%	5.90	6.22	22,650,595	6.35	2.18
SBAC	04:00pm EDT	115.00	+2.52	+2.24%	113.07	115.20	1,433,986	128.47	82.8
T	04:00pm EDT	43.27	+0.69	+1.62%	42.46	43.39	19,397,778	43.89	30.97
TMUS	04:00pm EDT	46.34	+0.12	+0.26%	46.12	46.96	2,988,928	46.96	33.23
VZ	04:00pm EDT	55.35	+0.49	+0.89%	54.97	55.72	11,820,786	56.95	38.06
ZAYO	04:00pm EDT	28.31	-0.17	-0.60%	28.25	28.59	1,047,042	29.76	19.59

SBA Reports Good 2nd Quarter Results; Analysts Agree

Wells Fargo Securities reported SBA (SBAC) showed solid Q2 2016 results and increased its 2016 outlook. “We note there was some noise in the quarter driven by a decision to claim $16.5MM in bad debt expense related to Oi receivables amid its 6/20 judicial restructuring, but that aside, leasing activity in the U.S. and Brazil were both steady and in line with expectations,” said Senior Analyst Jennifer Fritzsche.

“SBAC noted there was a lot available on the M&A market, but that at current prices, it preferred to buy back its own shares, and repurchased 1MM for $100MM in the quarter. We reiterate our Market Perform rating on the stock, and believe near term the Brazil operations and foreign exchange (FX) headwinds, coupled with domestic leasing activity at lower levels, will weigh on the stock,” she said. “We are increasing our valuation range to $112-114 from $95-100 prior.” Continue Reading

American Tower Questioned About Tenancy Rates

The recent American Tower press conference following their 2Q Earnings Report drew some pointed questions from analysts about ATC’s rate structure going forward. Analysts from Barclays and Bank of America, cited carrier concerns about tenancy rates and escalators, and their potential migration to alternative sites.

ATC CEO Jim Taiclet addressed the concerns with data supporting a low churn rate of only 0.2 percent and an escalator keeping up with the average across the U.S. of 3 percent.

“We feel very confident about the stability of our U.S. domestic sort of big four asset base or revenue base right now,” Taiclet said.

One analyst, readdressing the migration issue pointed out that some major carriers have “gone out there and tried to solicit alternatives for macrocell sites that have been compounding for maybe 10 years or more years.”

Taiclet responded that the major towercos are still on solid ground. Changing sites is no small matter, he said, considering changing equipment is a costly operation in man hours alone and any new builds, assuming they could even be done at all much less in a timely manner is an enormous barrier to would be migrants.

The longer the site has been up, Taiclet said, the more it becomes “embedded” in the network.

Taiclet added that ATC is always trying to come to “mutually beneficial” terms with their tenants and giving them reasons to stay where they are.

Zoning & Moaning

Ohio

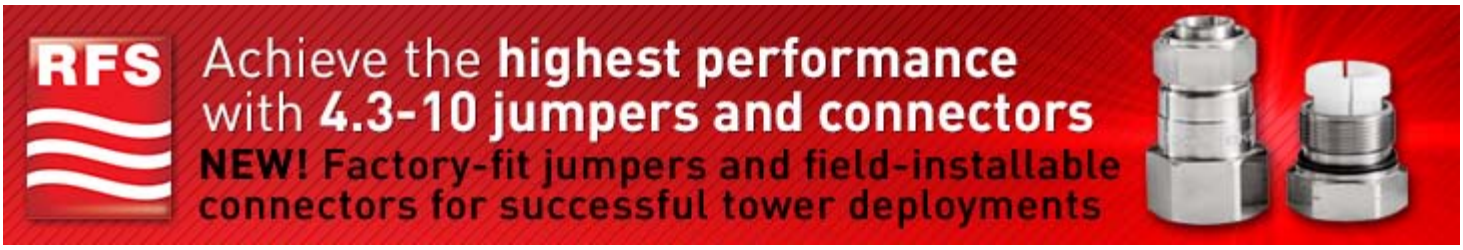
Belmont County Asks Voters To OK $1 Million For New 911 System

Belmont County, Ohio’s public safety radio microwave system was installed in 1998. That’s just one example of needed upgrades in the county, according to 911 Director Bryan Minder.

At Wednesday’s board of commissioners meeting, Minder spoke about voting on a renewal for a $1 million 911 Public Safety Emergency Radio Communications System and Equipment Levy, originally approved in 2012. It was approved, and voters will cast their ballots in November for the five-year levy, according to the *Times Leader.*

The *Times Leader* reported that the levy will be used/can be used to:

- replace, add to and upgrade the radio system used by law enforcement, fire, emergency medical and emergency management personnel.
- purchase mobile radios, radio system infrastructure, equipment such as dispatch radio consoles, pagers, paging equipment, computers for the operation of the system and computers for mobile terminals for use inside vehicles, as well as next-generation 911 equipment.
- replace six-year-old pagers that now are obsolete.
- upgrade the 800 MHz radio system to include more access. “The 911 department utilizes five frequencies in the county. One is a control channel with four remaining for communication,” the *Times Leader* noted.
- possible build of two new towers, leasing the use of cell phone towers or placing new equipment on water towers to give sites like Glencoe and Neffs, which are impacted often with flooding, more coverage.



Cell-ebrations

Pennsylvania

Crawford County Approves Cell Site

Vital statistics: County paid $31,957 for tower build, project paid for with $1.65 monthly 911 fee

The commissioners made their decision on July 27. Daley Tower, based in Louisiana, was one of four companies bidding to install the 150-foot tower at the county's new public safety building. Fibrebond, also located in Louisiana, is providing a 12-by-16-foot prefabricated and pre-wired concrete shelter, which will house equipment for the tower.

Emergency Management reports Fibrebond's $60,276 was the lowest bid for the shelter. Daley Tower undercut its competitors with a $31,957 bid to supply the prefabricated tower. While the plan may seem costly, Kevin Nicholson, Crawford's 911 director, says the county's 911 funds will pay for the project. The money stems from a $1.65 monthly fee on every device capable of using the 911 system.

Parts for the tower and shed are expected to be delivered this fall, and a new public safety center will begin full operations by summer 2017.

Iowa

20' Tall COWS Make An Appearance At County Fair

Several COWS towered over the Great Jones (IA) County Fairground last Thursday but were not in the running for a blue ribbon nor were hardly even noticed.

The cell site on wheels facilities were provided by U.S. Cellular, served to keep the fair goers connected with the outside world and provided additional network capacity for the thousands of attendees. The temporary site, located inside of the track behind the amphitheater, also increased U.S. Cellular's network capacity in nearby Monticello according to the *Journal-Eureka*.

It was the second year of deploying the truck for the fair. Peak times for calls during the fair vary, according to U.S. Cellular Network Operations Manager Joe Salomon, but the most calls typically occur during concerts as picture messaging and live streaming increases.

There are five cell on light trucks in Iowa. They are utilized at several county fairs throughout the state as well as music festivals and for natural disasters when towns lose cellular phone service, the *Journal-Eureka* said.

CTIA Announces StartUp Lab 2016 Finalists

Friday CTIA® announced 29 seed and growth-stage companies participating in the CTIA StartUp Lab 2016. The CTIA StartUp Lab connects wireless-focused companies with mobile industry leaders and corporate and venture capital investors.

Worldwide accelerator programs and CTIA member companies nominated CTIA StartUp Lab's 2016 participating companies, which represent 14 states and 4 countries. Finalists will fast pitch their products and services on CTIA Super Mobility's show floor September 7-8 in Las Vegas, Nevada. Continue Reading

Tower Calendar

See You in Seattle – CCA's Annual Convention Showcases Mobile Innovations

September 20-22, Washington State Convention Center, Seattle

Competitive carriers face a unique set of technology challenges. They are responsible for bringing the latest innovations to a diverse subscriber base servicing both large cities and remote, rural parts of the country. Because they must bring innovative, affordable services to everyone in their service areas, and remain competitive with large national carriers, they are always looking for ways to do more with their current network infrastructure, while looking ahead to the next set of revenue opportunities and mobile services to come to market.

At CCA's 2016 Annual Convention, taking place September 20-22 at the Washington State Convention Center in Seattle, these innovative carriers will come together with leaders in the technology, infrastructure, media and regulatory fields to discuss trends that will drive new mobile offerings as well as the technology and business approaches that will help them capitalize on those trends. Continue Reading

Tower Jobs

Expert Construction – Project Engineer

Expert Construction is currently seeking to hire a Project Engineer. Click HERE for more information.

Infinigy – Engineering Project Managers & Auto CAD Drafter

Infiginy is seeking Engineering Project Managers in Baltimore and Denver; and Auto CAD Drafters in CA, CO, WA, MD, and GA.

Ericsson Field Service Operations – Telecom Tower Technician I

Ericsson is currently looking for experienced Telecom Tower Technicians to join their organization in multiple cities across the United States. More information about the job is available HERE.

B+T – Tower Technician

B+T is looking to hire a Tower Technician responsible for completing on-site field work activities associated with each field service project. Click here for more information.

Tower Shot

Brought to you by ROHN

Tower in Ogden, UT. Contributed by Cal Wadsworth. "The project included the construction and erection of three new communication towers, a support building, road access to the towers, and remote - radio controlled 3,000 gal propane storage tank. Construction took place over three building seasons due to the high altitude and heavy snow fall. CWC demobilized each fall, winterized the building site and returned each spring to resume work. A concrete

building was constructed with the use of helicopters, pumps and heavy earth moving equipment. An access road was constructed to reach the peak of Mt Ogden, elevation 10,300 feet. Three communication towers were erected on the peak with a helicopter (note helicopter pad)."

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