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Inside Towers

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FCC Auction To Bring T-Mobile 'Virtuous Cycle of Debt Reduction, Increased FCF'

Evercore ISI yesterday hosted an investor lunch with Nils Paellmann, VP/Investor Relations at TMUS. Telecom analysts Jonathan Schildkraut and Justin Ages later reported to investors that the discussion addressed key topics including the current competitive environment. They also discussed the handset refresh cycle and the implications of a lack of iconic phone launch, the decisions to pursue EIPs vs. leasing, the 600MHz spectrum auction and purchases, and future ways to improve network capacity. "Net/net, we expect FCF to ramp through the year, and believe the company, after the incentive auction, will begin a virtuous cycle of debt reduction, and increased FCF, and other positive effects, they wrote in the note to investors.

T-Mobile (NYSE: TMUS) acknowledged there has not been a huge change in the competitive landscape from 1Q to 2Q. The carrier attributes the lack of change to the absence of a catalyst (i.e., launch of iconic device) – "which should help churn," the analysts surmised. "As such, the company characterizes subs activity in the quarter as a "typical seasonal slowdown" - though indicating that porting ratios should be steady from 1Q (positive vs. all competitors)."

They also noted that last week, T-Mobile increased the size of its receivable facility from $800 million to $1.3 billion. "The immediate result of this is that TMUS should have $400 million in incremental cash (that will show up in CFO) in the second quarter. This stands in contrast to the implications of Verizon (NYSE: VZ) changing the way it securitizes its receivables." Continue Reading

Language Alteration in NY State Budget Stokes Government Overreach Concerns

Recently, the New York state legislature altered the state's Public Authorities Law when it passed the state budget in April. The change has some municipality leaders fearful that one interpretation of this law could lessen authority over their respective municipalities.

That language has local officials like Bronxville Mayor Mary Marvin, where the MTA owns the station and retail space, worried the agency can build anything from cell towers to parking garages to housing to retail without input from local boards. Originally, the Public Authorities Law was passed to enable the Metropolitan Transportation Authority (MTA) to build within local jurisdictions for “transportation purposes.” The wording of this law was changed in April to define “transportation purposes” as anything that “directly or indirectly” furthers the MTA’s mission, reports *lohud.com*, including “realization of revenues available for the costs and expenses of all or any transportation facilities.” Continue Reading

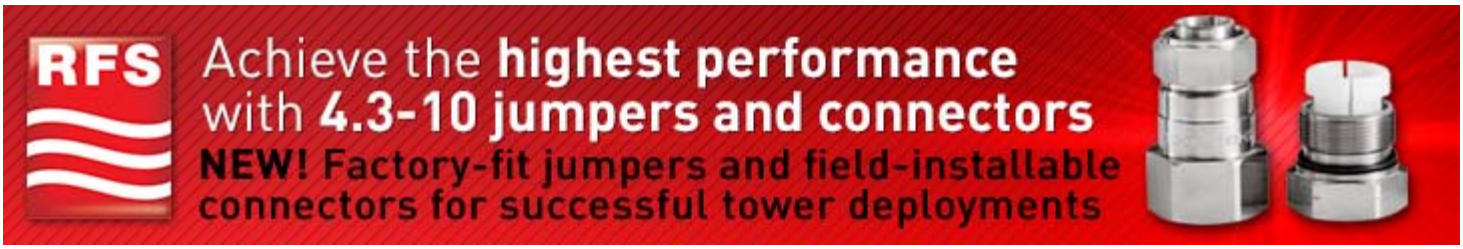
Woodland Lake, IN, Homeowner Wins Tower Battle with Verizon

While many homeowners and wireless companies agree on better coverage, Tom Janik did not expect a 35-foot-tall tower being erected right in his front yard. Janik claimed to *News-Sentinel.com* that he did not know or give permission to Verizon to install the tower, which was removed this week at his attorney neighbors’ request.

Verizon said that it plans to install more than 90 towers in the Fort Wayne area, at a cost of more than $10 million, the news site reported. Janik said that he first noticed a survey crew in his front yard, and when he asked them what they were doing there, they said “improvements would be made to improve cell phone service in the area.” Janik said that workers from ACD then left a tower “between the sidewalk and the street,” according to a photo that his wife sent him. He then sent that photo to his neighborhood association and contacted his city councilman.

City spokesman John Perlich told the news site: "As long as zoning allows, along with a very limited set of criteria, the city must approve a permit application from a provider to place their wireless infrastructure, including those within city right of way. We certainly do not want cell poles being placed in park strip areas in front of homes, and are appreciative that the contractor moved the pole . . . to a more commercial area in that vicinity.”

However, CEO of ACD Kevin Schoen said that the company moved the pole “voluntarily—not out of legal necessity.” He told the news site they didn’t have a problem moving the pole and do not want to put them in homeowners’ sight lines. Schoen said 70 similar poles have been put in the Fort Wayne area, with only one or two needing to be moved. Janik said he sees the value of the poles, but just asked that the company notify homeowners before starting work.



TIA Presents Awards To T6 CEO Harden, Retired TIA Engineering Chair Lucas

The Telecommunications Industry Association (TIA), which represents manufacturers and suppliers of high tech communications networks, last week named inductees to its first-ever TIA Hall of Fame during a ceremony at the TIA 2016: Network of the Future conference in Dallas, Texas. The 2016 TIA Hall of Fame Leadership award was presented to Tim Harden, former AT&T President of Worldwide Supply Chain, who currently serves as CEO of T6 Enterprises. Fred Lucas received the 2016 TIA Hall of Fame Standards and Technology award. Prior to retirement, Lucas spent more

than 35 years guiding industry standardization both domestically and internationally and chaired several TIA engineering committees.

“Both of our Hall of Fame inductees have exemplified what it means to be a leader and their character, along with a strong foundation of expertise in communications technology, distinguishes them from others in the field,” said TIA Scott Belcher.

TIA Director of Communications Ashley Simmons told Inside Towers the combined TIA Network of the Future conference and the AT&T Supplier Conference (the two events were held in conjunction) had over 1,500 attendees.

Tower Ticker

June 13, 2016 at Close

SYMBOL	TIME & PRICE		CHG & % CHG		DAY'S LOW & HIGH		VOLUME	52-WK HIGH	52-WK LOW
AMT	04:01pm EDT	108.93	+0.14	+0.13%	108.55	109.80	2,448,940	109.8	83.07
AMX	04:00pm EDT	11.67	-0.42	-3.47%	11.67	11.97	4,915,176	21.76	11.67
CCI	04:01pm EDT	94.50	+0.37	+0.39%	94.04	94.73	2,115,922	94.75	75.71
CTL	04:01pm EDT	26.89	-0.07	-0.26%	26.68	27.18	5,622,530	33.01	21.94
DY	04:00pm EDT	82.62	-2.14	-2.52%	81.42	84.32	748,817	90.82	47.1
ERIC	04:00pm EDT	7.34	-0.06	-0.81%	7.33	7.44	4,172,065	11.37	7.33
FTR	04:00pm EDT	4.87	-0.24	-4.70%	4.87	5.05	18,870,617	5.85	3.81
LVLT	04:02pm EDT	51.31	-0.96	-1.84%	51.30	52.39	1,428,030	56.11	40.86
S	04:03pm EDT	3.6200	-0.0900	-2.43%	3.62	3.82	8,291,357	5.29	2.18
SBAC	04:00pm EDT	100.76	-0.26	-0.26%	100.46	102.26	1,016,131	128.47	82.8
T	04:00pm EDT	40.19	-0.14	-0.35%	40.13	40.46	16,532,175	40.53	30.97
TMUS	04:00pm EDT	42.07	+0.14	+0.33%	41.57	42.57	3,947,403	44.13	33.23
VZ	04:02pm EDT	52.57	-0.10	-0.19%	52.23	52.83	12,245,412	54.49	38.06
ZAYO	04:01pm EDT	27.09	-0.31	-1.13%	27.06	27.82	1,575,073	29.62	19.59

Real-Time

Zoning & Moaning

Connecticut Tower Wrestles With Tower Letter That Is Likely A Fake

A letter that has raised questions whether construction of a tower in Stamford's Waterside neighborhood began before the project was approved may have been a hoax, reported the *Stamford Advocate*. The May 26 letter from the Public Utilities Regulatory Authority was sent to a concerned Waterside resident, stating Verizon notified nearby property owners and the mayor's office about its plan to install the antenna, but the city could not locate the documentation to support this claim. City authorities are now questioning whether the letter is authentic.

Arthur House, chairman of Connecticut's Public Utility Regulatory Authority or PURA, thinks the letter is a fake. After reviewing it last week, House concluded "it does not look like something PURA would send out," the Advocate reported. He's not alone. Stamford Mayor David Martin reported that a resident reached out to his office about construction activity near the utility pole based on information in the letter. Continue Reading

Qualico Developing Tower Site for Rogers Wireless in Winnipeg

Members of the Sage Creek community, where the tower will be located, were welcomed at an open house designed to preview details of the proposed tower. Locating the tower in the community was a joint effort by Qualico and the resident's association.

According to *CBC News*, residents have suffered from poor wireless service. The site chosen for the tower is out of the way of homes in the area, and has not raised concerns from the receptive homeowners.

St. Boniface Councilman Matt Allard was pleased with the joint decision. He said, "The area is under development which I think probably more favorable reaction because you don't have residents immediately near the site."
Once constructed, the tower will be the only cell site located in Sage Creek, and will alleviate public safety concerns held by many residents.

Cell-ebration

New Verizon Wireless Cell Site Possible for Ambler Borough, PA

Verizon has been making network improvements in the region over the past two months. The small borough is located north of Philadelphia, and has recently approved installation of three new Verizon sites, as well as acknowledged Borough Hall as the possible location for a new cell site.

The town's wireless consultant, Eagle River Consulting, identified the site to the Borough Council during its meeting on June 7. The *Times Herald* reported Tod Bettenhausen gave the presentation, and said the 105-foot monopole tower would be ideally located in the courtyard at Borough Hall.

Verizon would pay installation costs, but the borough would handle maintenance and any future co-location costs after it takes possession of the tower. No date has been determined for a vote on the proposal.

Small Cells

Big Apple Small Cells Present Huge Challenges, Massive Upside for Carriers

Small cell deployment in large cities presents a slew of challenges for carriers, as the deployment process in many cities is bogged down by a recent influx in small cell applications submitted to municipalities. New York City is perhaps the best example of this trend, as the largest American city has deployed roughly 2,800 small cells to date, reported RCR Wireless, a mere fraction of the number of small cells carriers would like to deploy.

“You can’t wake up one day and say I think I’m going to densify New York,” Verizon CFO Fran Shammo recently said to a group of investors. “It’s going to take you about 24 months to do that, just to put your first small cell up.”

The city has approved 3,500 small cells that have yet to be built, but the slow deployment process has made deployment and densification difficult. In an effort to streamline this process, the City has considered a number of methods that differ from the current deployment process.

Alphonso Jenkins, New York City’s deputy commissioner for telecommunications planning shared a few of these possibilities with RCR Wireless. Jenkins cited the potential for carriers to share infrastructure, like fiber conduit and utility pole, as well as altering the City’s poles to accommodate a smart antenna and RRH. Jenkins also noted the potential for deployment using the roughly 2,000 rooftop locations controlled by the New York City Housing Authority, as well as the City’s plan to increase the number of Wife kiosks.

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International

China Tower Considers 2017 IPO

Formed in 2014 by China’s three carrier giants -- China Mobile, China Unicom and China Telecom – China Mobile’s vice president Sha Yeti said the company will likely have a public offering next year, launching A and H shares. Chinese media estimates the tower company manages towers valued at US $41.2 billion.

Creating China Tower Corp. was intended to minimize at the overlapping of resources between the three telecom

companies. China Mobile chief executive Li Yue told *South China Morning Call* that a certain amount of overlap is still necessary to spur market competition in the industry.

“In theory, the ideal situation is to have no overlapping resources, as that is the most efficient,” said Li. “But to encourage market competition ... overlaps are unavoidable and in some cases necessary. If our customers get better service because of [competition], then that is positive for society as a whole,” he told the newspaper.

Li China Mobile’s investments in 5G resources and infrastructure are “very small but that 5G network standards will be set at the end of 2016 and the company hopes to begin internal trials together with other industry players in the second half of 2016. China Mobile will likely have more external 5G network trials next year, Li added, but emphasized that the company was not planning to inject major investments into the new network standard within in the coming year, *South China Morning Call* reported.

American Tower To Buy Another 270 Towers from TIM Brazil

The Boston-based tower operator will slide $31.3 billion across the table to complete its fourth tower acquisition – this time for another 270 towers -- from the Brazilian tower company. TIM announced the sale of 6,491 towers in November 20145 and hopes the sell-off will help it stabilize its business, CET News reported.

Tower Shot

A tower at 200 Telegraph Hill Rd. Holmdel, NJ.
Photo contributed by Joshua Cardona of AMP Communication LLC.

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