

CROWN CASTLE INTERNATIONAL CORP  
Form DEF 14A  
April 11, 2006  
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## SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

## SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. \_\_)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only**  
(as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

.. Soliciting Material Under Rule 240.14a-12

**Crown Castle International Corp.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

- .. Fee paid previously with preliminary materials.
  
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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April 11, 2006

Dear Stockholder:

It is my pleasure to invite you to attend Crown Castle International Corp.'s 2006 Annual Meeting of Stockholders. The meeting will be held on Thursday, May 25, 2006 at 9:00 a.m. local time at the Company's corporate office, located at 510 Bering Drive, Suite 600, Houston, Texas. The Notice of Annual Meeting and Proxy Statement accompanying this letter describe the business to be conducted at the meeting. The Proxy Statement and the accompanying form of proxy are being mailed to the Company's stockholders on or about April 18, 2006.

The Board of Directors welcomes this opportunity to have a dialogue with the Company's stockholders and looks forward to your comments and questions.

If you are a stockholder of record who plans to attend the meeting, please mark the appropriate box on your proxy card. If your shares are held by a bank, broker or other intermediary and you plan to attend the meeting, please send written notification to the Company's Corporate Secretary, 510 Bering Drive, Suite 600, Houston, Texas 77057, and enclose evidence of your ownership (such as a letter from the bank, broker or intermediary confirming your ownership or a bank or brokerage firm account statement). The names of all those indicating they plan to attend will be placed on an admission list held at the registration desk at the entrance to the meeting.

It is important that your shares be represented at the meeting, regardless of the number you may hold. *Whether or not you plan to attend, please sign, date and return your proxy card as soon as possible.* This will not prevent you from voting your shares in person if you are present.

I look forward to seeing you on May 25, 2006.

Kind Regards,

J. Landis Martin

Chairman of the Board

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**Thursday, May 25, 2006**

**9:00 a.m.**

**510 Bering Drive, Suite 600**

**Houston, Texas 77057**

April 11, 2006

Dear Stockholder:

You are invited to the Annual Meeting of Stockholders of Crown Castle International Corp. (the Company). The annual meeting will be held at the time and place noted above. At the meeting, the Company will ask you to:

elect the Company's three class II directors: Ari Q. Fitzgerald, John P. Kelly and Robert E. Garrison II

ratify the appointment of KPMG LLP as the Company's independent public accountants for fiscal year 2006

transact such other business as may properly come before the Annual Meeting

Stockholders of record at the close of business on March 31, 2006, will be entitled to vote at the meeting or any adjournment of the meeting. A complete list of these stockholders will be open for examination by any stockholder of record at the Company's principal executive offices at 510 Bering Drive, Suite 600, Houston, TX 77057 for a period of 10 days prior to the Annual Meeting. The list will also be available for examination by any stockholder of record present at the Annual Meeting.

**Your vote is important. To be sure your vote counts and to assure a quorum, please vote, sign, date and return the proxy card (or use the telephone or internet service listed on the proxy card) whether or not you plan to attend the Annual Meeting.**

By Order of the Board of Directors,

Donald J. Reid, Jr.

Corporate Secretary

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**I. INFORMATION ABOUT VOTING**

**Solicitation of Proxies.** The Board of Directors ( Board ) of Crown Castle International Corp. ( CCIC or the Company ) is soliciting proxies for use at the 2006 Annual Meeting of Stockholders of CCIC ( Annual Meeting ) and any adjournments of the Annual Meeting. CCIC first sent this proxy statement, the accompanying form of proxy and the CCIC Annual Report on Form 10-K for the year ended December 31, 2005 to its stockholders on or about April 18, 2006.

**Agenda Items.** The agenda for the Annual Meeting is to:

1. Elect three class II directors for a term of three years;
2. Ratify the appointment of KPMG LLP ( KPMG ) as the Company s independent public accountants for fiscal year 2006; and
3. Transact such other business as may properly come before the Annual Meeting.

**Who can Vote.** You can vote at the Annual Meeting if you are a holder of record on the Record Date of CCIC s common stock, par value of \$0.01 per share ( Common Stock ). The record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting is the close of business on March 31, 2006 ( Record Date ). Holders of Common Stock will have one vote for each share of Common Stock. As of the close of business on the Record Date, there were 216,011,277 shares of Common Stock outstanding.

**How to Vote.** You may vote in two ways:

You can come to the Annual Meeting and cast your vote there; or

You can cause your shares to be voted by signing and returning the enclosed proxy card (or contacting the internet or telephone voting service listed on your proxy card). If you do, the individuals named on the card will vote your shares in the manner you indicate (or if you fail to so indicate, in the manner described in Use of Proxies below).

**Use of Proxies.** Unless you mark the proxy card to vote differently, the individuals named in the proxy card will vote all shares represented by the signed and returned proxies **FOR** the Board nominees named herein (Proposal 1), and **FOR** the ratification of the appointment of KPMG LLP as the Company s independent public accountants for fiscal year 2006 (Proposal 2). The Company does not now know of any other matters to come before the Annual Meeting. If they do, the proxy holder will vote the shares represented by the proxies in his or her best judgment.

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**Revoking a Proxy.** You may revoke your proxy at any time before it is exercised. You can revoke a proxy by:

Sending a written notice of revocation to the Corporate Secretary of CCIC;

Delivering a properly executed, later-dated proxy; or

Attending the Annual Meeting and voting in person.

**The Quorum Requirement.** A quorum of stockholders is needed to hold a valid Annual Meeting. A quorum will exist to hold a valid Annual Meeting if the holders of at least a majority in voting power of the outstanding shares of Common Stock entitled to vote at the Annual Meeting attend the Annual Meeting in person or are represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of establishing a quorum. A broker non-vote occurs when a broker votes on some matters on the proxy card but not on others because the broker has not received voting instructions from its customer or does not have the authority to do so.

**Vote Required for Action.** Directors are elected (Proposal 1) by a plurality vote of the holders of shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. The ratification of KPMG LLP as CCIC's independent public accountants for fiscal year 2006 (Proposal 2) requires the affirmative vote of the holders of a majority of the voting power represented by the shares of Common Stock present in person or represented by proxy at the annual meeting and entitled to vote on such matter. Generally, all other actions which may come before the Annual Meeting require the affirmative vote of a majority of the voting power represented by shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote on such matters.

With respect to Proposal 1, abstentions and broker non-votes have no effect on determinations of plurality, except to the extent that they affect the total votes received by any particular candidate. Abstentions have the same effect as a vote against with respect to all proposals other than the election of directors. Shares represented by broker non-votes are not considered to be entitled to vote for purposes of Proposal 2; therefore, broker non-votes will have the practical effect of reducing the number of affirmative votes required to achieve a majority vote by reducing the total number of shares from which the majority is calculated.



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**II. PROPOSALS**

**1. The Election of Directors**

CCIC has three classes of directors of as nearly equal size as possible. The term for each class is three years. Class terms expire on a rolling basis, so that one class of directors is elected each year. The term for current class II directors (Ari Q. Fitzgerald, John P. Kelly and Carl Ferenbach) expires at the Annual Meeting. Mr. Ferenbach will retire from the Board effective upon the election and qualification of his successor at the Annual Meeting. On February 23, 2006, the Board adopted a resolution reducing the number of directors to nine, effective as of the Annual Meeting, in anticipation of Mr. Ferenbach's retirement from the Board. To even out the classes, Mr. Garrison, who is currently serving as a class I director, will stand for election at the Annual Meeting as a class II director. Assuming all nominees for director are elected at the Annual Meeting, three directors will be serving in each of classes I, II and III. In the event that Mr. Garrison is not elected as a class II director, he will continue to serve the remainder of his current term as a class I director, the number of class I directors will remain at four and the total number of directors will remain at nine.

As such, the nominees for class II directors this year are: Ari Q. Fitzgerald, John P. Kelly and Robert E. Garrison II.

Each nominee has consented to be nominated and has expressed his intention to serve if elected. The Board expects that each of the nominees for class II directors will be able and willing to serve as a director. If any nominee is not available, the proxies may be voted for another person nominated by the current Board to fill the vacancy, or the size of the Board may be reduced. Information about the nominees, the continuing directors and the Board is contained in the next section of this proxy statement (see III. Board of Directors ).

**The Board of Directors recommends a vote FOR the election of Ari Q. Fitzgerald, John P. Kelly and Robert E. Garrison II as class II directors.**

**Table of Contents****2. Ratification of Appointment of Independent Public Accountants**

The Audit Committee of the Board has appointed KPMG LLP to continue to serve as CCIC's independent public accountants for fiscal year 2006. KPMG LLP has served as CCIC's independent public accountants since 1995. In the event the stockholders do not ratify the appointment, the appointment will be reconsidered by the Audit Committee. Approval of the resolution will in no way limit the Audit Committee's authority to terminate or otherwise change the engagement of KPMG LLP for fiscal year 2006.

The Company expects a representative of KPMG LLP to attend the Annual Meeting. The representative will have an opportunity to make a statement if he or she desires and also will be available to respond to appropriate questions.

In connection with the audit of the Company's 2005 financial statements and internal control over financial reporting, the Company entered into an agreement with KPMG LLP which sets forth the terms by which KPMG LLP will perform audit services for the Company. That agreement is subject to alternative dispute resolution procedures, an exclusion of punitive damages and various other provisions.

The Company was billed for professional services provided with respect to fiscal years 2004 and 2005 by KPMG LLP in the amounts set forth in the following table.

<b>Services Provided</b>	<b>2004</b>	<b>2005</b>
Audit Fees (a)	\$ 2,147,000	\$ 2,842,000
Audit-Related Fees (b)	110,000	28,000
Tax Fees (c)	1,122,000	892,000
All Other Fees (d)		
<b>Total</b>	<b>\$ 3,379,000</b>	<b>\$ 3,762,000</b>

(a) Represents the aggregate fees billed for professional services rendered by KPMG LLP for the audit of the Company's annual financial statements, review of financial statements included in the Company's quarterly reports on Form 10-Q, services related to the audit of internal control over financial reporting, and other services normally provided by KPMG LLP in connection with statutory and regulatory filings or engagements.

(b) Represents the aggregate fees billed for assurance and related services by KPMG LLP that are reasonably related to the performance of the audit or review of the Company's financial statements not reported as Audit Fees. Audit-related fees for 2005 include services relating to audits of employee benefit plans. Audit-related fees for 2004 include services relating to potential transactions, the sale of Crown Castle UK Limited, and audits of employee benefit plans.

(c) Represents the aggregate fees billed for professional services rendered by KPMG LLP for tax compliance, tax advice and tax planning. Tax fees for 2005 consist of (1) tax compliance, planning and preparation services of \$410,000 and (2) tax consulting and advisory services of \$482,000. Tax fees for 2004 consist of (1) tax compliance, planning and preparation services of \$437,000 and (2) tax consulting and advisory services of \$685,000.

(d) No products or services were provided to the Company by KPMG LLP other than those reported as audit, audit-related or tax fees.

**The Board of Directors recommends a vote FOR ratification of the appointment of KPMG LLP as the Company's independent public accountants for fiscal year 2006.**

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III. BOARD OF DIRECTORS

Nominees for Director

Class II Term Expiring in 2009

Ari Q. Fitzgerald

Principal Occupation: Partner with Hogan & Hartson L.L.P.

Age: 43

Director Since: 2002

**Mr. Fitzgerald** was appointed a director of CCIC in August 2002. Mr. Fitzgerald is currently a partner in the Washington, D.C. office of Hogan & Hartson L.L.P., and is a member of that firm's Communications Group where he concentrates on wireless, international and internet-related issues. Prior to joining Hogan & Hartson, Mr. Fitzgerald was an attorney with the Federal Communications Commission ( FCC ) from 1997 to 2001. While at the FCC he served for nearly three years as legal advisor to FCC Chairman William Kennard and later as Deputy Chief of the FCC's International Bureau. Prior to joining the FCC, Mr. Fitzgerald was an attorney in the Office of Legal Counsel of the U.S. Department of Justice. He also served as legal counsel to former U.S. Senator Bill Bradley. Prior to working for the U.S. Department of Justice, Mr. Fitzgerald worked as an attorney for the international law firm of Sullivan & Cromwell LLP. Mr. Fitzgerald also worked as a financial analyst for the investment bank First Boston before entering law school.

John P. Kelly

Principal Occupation: President and Chief Executive Officer

Age: 48

Director Since: 2000

**John P. Kelly** was elected as a director of CCIC in May 2000 and was appointed President and Chief Executive Officer ( CEO ) of CCIC in August 2001. Prior to his appointment as CEO, he served as President and Chief Operating Officer ( COO ) of CCIC. Mr. Kelly joined CCIC in July 1998 and was named President and COO of Crown Communication, Inc. in December of that year. From January 1990 to July 1998, Mr. Kelly was the President and COO of Atlantic Cellular Company L.P. From December 1995 to July 1998, Mr. Kelly was also President and COO of Hawaiian Wireless, Inc., an affiliate of Atlantic Cellular. He currently serves on the board of directors of PCIA, the Wireless Infrastructure Association.

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Robert E. Garrison II

Principal Occupation: President of Sanders Morris Harris Group

Age: 64

Director Since: New Nominee for Director

**Robert E. Garrison II** is President and a director of Sanders Morris Harris Group ( SMHG ), a publicly owned financial services company, and has served in such capacities since January 1999. Mr. Garrison served as CEO of SMHG from January 1999 until May 2002 and also serves as a director of Sanders Morris Harris, Inc., an operating subsidiary of SMHG. Mr. Garrison co-founded Harris Webb &

Garrison, Inc. and until January 1999 served as its Executive Vice President and head of investment banking. Until January 1999, he also served as Chairman and CEO of Pinnacle Management & Trust Company ( PMT ), which he co-founded in 1994; he now serves on the management committee of Salient Capital Management, LLC, the general partner of Pinnacle Trust Company, LTA (the successor to PMT). Mr. Garrison also serves as Chairman and a director of SMH Capital and a director of SMH Capital Advisors, Inc. From 1990 to 1991, Mr. Garrison served as President and CEO of Medical Center Bank & Trust Company, and from 1989 to 1990 he was President of Iroquois Brands. Before such time, he served as Managing Partner of Lovett Mitchell Webb & Garrison (a division of Kemper Securities Group, Inc.) from 1983 to 1989 and Director of Research for Underwood Neuhaus and Co. from 1971 to 1982. Mr. Garrison is also a director of FirstCity Financial Corporation, a public financial services company; Prosperity Bank; and Somerset House Publishing. He also serves on the board of directors of the Memorial Hermann Hospital Systems and is Chairman of the board of directors of Brava Therapeutics. Mr. Garrison has over 38 years experience in the securities industry and is a Chartered Financial Analyst.

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**Directors Continuing in Office**

**Class III For a Term Expiring in 2007**

Randall A. Hack

Principal Occupation: Senior Managing Director, Capstone Capital L.L.C and Senior Managing Director, Nassau Capital L.L.C.

Age: 58

Director Since: 1997

**Randall A. Hack** was elected as a director of CCIC in February 1997. Mr. Hack currently serves as Senior Managing Director of Capstone Capital L.L.C. He has served since 1995 as a Senior Managing Director of Nassau Capital L.L.C., an investment firm that he founded, which manages a portfolio of investments in private companies exclusively on behalf of Princeton University's endowment. Mr. Hack is also an Advisory Director of Berkshire Partners LLC, a private equity investment firm based in Boston with approximately \$3.5 billion of capital under management. From 1990 to January 1995, Mr. Hack served as President of the Princeton University Investment Company ( PRINCO ), which has overall management responsibility for Princeton's \$11 billion endowment. From 1978 to 1988, he served as President and CEO of Matrix Development Company, a commercial and industrial real estate development firm that he founded. Mr. Hack holds a number of corporate directorships, including Output Exploration L.L.C. ( OPEX ), a private company engaged in oil and gas exploration and production; and FiberTower Corporation, a private company providing backhaul services to wireless carriers.

Edward C. Hutcheson, Jr.

Principal Occupation: Private Investments

Age: 60

Director Since: 1999 (with prior service as a director from 1995 to 1999)

**Edward C. Hutcheson, Jr.** has served as a director of CCIC from January 1995 until February 1999 and from July 1999 until the present. Mr. Hutcheson co-founded CCIC in 1994 and served as CEO or Chairman from its inception until March 1997. Since February 2000, Mr. Hutcheson has been involved in private investment activities. From March 1997 until February 2000, he served in several capacities, including COO, with Sanders Morris Harris Group, a publicly owned financial services company, and its predecessor companies. From 1987 through 1993, he served in senior management roles with Baroid Corporation, a publicly owned petroleum services company. He served as President, COO and a director of the Baroid holding company from 1990 through 1993. Mr. Hutcheson also serves on the board of directors of Trico Marine Services, a publicly held provider of marine support vessels to the oil and gas industry.

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J. Landis Martin

Principal Occupation: Founder and Managing Director, Platte River Ventures, LLC (private investments)

Age: 60

Director Since: 1999 (with prior service as a director from 1995 to 1998)

**J. Landis Martin** has been a director of CCIC from 1995 through November 1998 and November 1999 to the present. Mr. Martin has served as Chairman of the Board of CCIC since May 2002. Mr. Martin

is the founder of Platte River Ventures, LLC and has been Managing Director since November 2005. Mr. Martin retired as Chairman and CEO of Titanium Metals Corporation ( TIMET ), an integrated producer of titanium metals, where he served from January 1994 until November 2005. Mr. Martin served as President and CEO of NL Industries, Inc. ( NL ), a manufacturer of titanium dioxide chemicals, from 1987 to 2003 and as a director from 1986 to 2003. Mr. Martin is also a director of Halliburton Company and Apartment Investment Management Company.

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**Class I Term Expiring in 2008**

Dale N. Hatfield

Principal Occupation: Adjunct Professor, Interdisciplinary Telecommunications Program, University of Colorado at Boulder

Age: 68

Director Since: 2001

**Dale N. Hatfield** was appointed a director of CCIC in July 2001. Mr. Hatfield has been an Adjunct Professor in the Department of Interdisciplinary Telecommunications at the University of Colorado at Boulder since April 2002. Before assuming his current position, Mr. Hatfield had been the Chair of the Interdisciplinary

Telecommunications Program at the University of Colorado at Boulder since January 2001. Prior to assuming that position, Mr. Hatfield was the Chief of the Office of Engineering and Technology at the FCC and, immediately before that, he was the FCC's Chief Technologist. He retired from the FCC and government service in December 2000. Before joining the FCC in December 1997, he was CEO of Hatfield Associates, Inc., a Boulder, Colorado based multidisciplinary telecommunications consulting firm. Prior to founding Hatfield Associates in 1982, Mr. Hatfield was Deputy Assistant Secretary of Commerce for Communications and Information and Deputy Administrator of the National Telecommunications and Information Administration ( NTIA ). Before moving to NTIA, Mr. Hatfield was Chief of the Office of Plans and Policy at the FCC.

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Lee W. Hogan

Principal Occupation: Individual Investor

Age: 61

Director Since: 2001

**Lee W. Hogan** was appointed as a director of CCIC in March 2001. Mr. Hogan served as President and CEO of SFM Limited from March 2001 to December 2001. Mr. Hogan served as an officer and director of Reliant Energy Inc. ( Reliant ), a public diversified international energy services and energy delivery company, from 1990 to 2000. During his tenure at Reliant, Mr. Hogan served as Vice Chairman and

as one of four members of The Office of the Chief Executive Officer, the principal management policy instrument of Reliant. In addition, he served on the finance committee of Reliant's board of directors. Previously, Mr. Hogan served as CEO of Reliant's Retail Energy Group, president and CEO of Reliant's International Business Group (directing energy operations in Asia, Europe and Latin America), and in a variety of capacities for Reliant's Houston Lighting & Power subsidiary. Mr. Hogan was the founding president of The Greater Houston Partnership, a business advocacy organization, where he served from 1987 to 1990. Mr. Hogan is a member of the board of directors of St. Luke's Episcopal Health System, Greater Houston Community Foundation, The Texas Heart Institute and Carlyle/Riverstone Advisory Board.

Robert F. McKenzie

Principal Occupation: Individual Investor

Age: 62

Director Since: 1995

**Robert F. McKenzie** was elected as a director of CCIC in 1995. From 1990 to 1994, Mr. McKenzie was the COO and a director of OneComm, Inc., a mobile communications provider that he helped found in 1990. From 1980 to 1990, he held general management positions with Northern Telecom, Inc., a supplier of telecommunications equipment, and was responsible for the marketing and support of its Meridian

Telephone Systems and Distributed Communications networks to businesses throughout the Western United States. Since 1995, Mr. McKenzie has sought to help develop telecommunications companies as an independent investor and a director, including Cordillera Communications Corporation, CO Space, Velocom Inc. and Vector ESP, Inc.



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**IV. INFORMATION ABOUT THE BOARD OF DIRECTORS**

**Meetings**

During 2005, the Board held five regular meetings and seven special meetings. Each incumbent director attended at least 75% of the aggregate of (1) the total number of meetings of the Board during the period which he was a director and (2) the total number of meetings of all Board committees ( Committees ) on which he served during the period which he was a director.

The Company's Corporate Governance Guidelines provide that, while the Board understands that scheduling conflicts may arise resulting in absences, the Board strongly encourages each director to attend the Company's annual meeting of stockholders. Of the 11 directors who were serving on the Board at the time of the Company's 2005 annual meeting of stockholders, all 10 of the current directors attended such annual meeting of stockholders.

The non-management members of the Board generally meet in executive session at each regularly scheduled meeting of the Board (typically five times per year). The Company's Corporate Governance Guidelines provide that if the Chairman of the Board is a non-management director, the Chairman of the Board shall preside at such meetings, and if the Chairman of the Board is a member of management, the non-management directors may elect a chairman to preside at such executive sessions.

**Committees**

The Board has four standing Committees: Audit Committee, Compensation Committee, Nominating & Corporate Governance Committee ( NCG Committee ) and Strategy Committee. Copies of the Committee charters of each of the Audit Committee, Compensation Committee and the NCG Committee, together with certain other corporate governance materials, including the Financial Code of Ethics, can be found under the Investor Relations section of the Company's website at <http://investor.crowncastle.com>. The Audit Committee Charter is set forth on *Appendix A* hereto. A summary of each Committee's function is set forth below.

• **Audit Committee**

*Members:* Mr. McKenzie (Chairman), Mr. Hack, Mr. Hogan and Mr. Garrison all independent directors, as defined under NYSE listing standards and SEC rules.

*Number of Meetings in 2005:* 18

*Functions:* The functions of the Audit Committee include:

provide assistance to the Board in fulfilling its oversight responsibility relating to:

the Company's financial statements and accounting practices;

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the quality and integrity of the financial statements and other financial information the Company provides to any governmental body or the public;

the Company's compliance with legal and regulatory requirements;

the qualifications and independence of the Company's independent external auditors ( Auditors );

the performance of the Company's internal audit function and the Auditors;

the Company's systems of internal controls and internal audit function;

select and appoint the Auditors to audit the financial statements of the Company; and

approve audit and non-audit services to be performed by the Auditors.

*Audit Committee Financial Expert:* The Board has determined that the Audit Committee has at least one audit committee financial expert pursuant to applicable SEC rules and that Robert E. Garrison II meets the requirements of an audit committee financial expert pursuant to such SEC rules. For information regarding Mr. Garrison's business experience, see III. Board of Directors.

For additional information regarding the Audit Committee, see VIII. Audit Committee Matters.

• **Compensation Committee**

*Members:* Mr. Hogan (Chairman), Mr. Ferenbach and Mr. Fitzgerald all independent directors, as defined under NYSE listing standards.

*Number of Meetings in 2005:* 6

*Functions:* The functions of the Compensation Committee include:

assist the Board with its responsibilities relating to compensation of executives of the Company;

design, recommend, administer and evaluate the executive compensation plans, policies and programs of the Company;

oversee administration of the Company's incentive compensation and equity-based compensation plans;

review and recommend to the independent directors of the Board the compensation of the CEO;

review and recommend to the Board the compensation of the CEO's direct reports and certain other senior officers of the Company and its subsidiaries ( Specified Officers ); and



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generally review and monitor compensation for employees other than the CEO and the Specified Officers. For additional information regarding the Compensation Committee, see VII. Executive Compensation Compensation Committee 2005 Report.

• **Nominating & Corporate Governance Committee**

*Members:* Mr. Hutcheson (Chairman), Mr. Fitzgerald, Mr. Hatfield and Mr. Martin all independent directors, as defined under NYSE listing standards.

*Number of Meetings in 2005:* 5

*Functions:* The functions of the NCG Committee include:

assist the Board by identifying individuals qualified to become Board members and recommend director nominees for election by the stockholders or for appointment to fill vacancies;

recommend to the Board director nominees for each Committee of the Board;

advise the Board about director compensation and make recommendations to the Board with respect thereto;

advise the Board about appropriate composition of the Board and its Committees;

advise the Board about and recommend to the Board appropriate corporate governance practices and assist the Board in implementing those practices; and

oversee the periodic evaluation of the Board and its Committees.

*Consideration of Director Nominees:* The NCG Committee has the authority to recommend nominees for election as directors to the Board. In considering candidates for the Board, the NCG Committee considers the entirety of each candidate's credentials and currently does not maintain any specific minimum qualifications that must be met by an NCG Committee recommended nominee.

While the NCG Committee does not maintain a formal list of qualifications, in making its evaluation and recommendation of candidates, the NCG Committee will generally consider, among other factors, whether prospective nominees are able to read and understand basic financial statements, have relevant business experience, have industry or other specialized expertise and have high moral character. The NCG Committee may attribute greater or lesser significance to different factors at particular times depending upon the needs of the Board, its composition, or the NCG Committee's perception about future issues and needs.

The NCG Committee may consider candidates for the Board from any reasonable source, including from a search firm engaged by the NCG Committee or through stockholder

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recommendations (provided the procedures set forth below in section IX. Other Matters Stockholder Recommendation of Director Candidates are followed). The NCG Committee does not intend to alter the manner in which it evaluates candidates based on whether the candidate is recommended by a stockholder or not. However, in evaluating a candidate's relevant experience, the NCG Committee may consider previous experience as a member of the Board.

- **Strategy Committee**

*Members:* Mr. Ferenbach (Chairman), Mr. Hack, Mr. Hatfield, Mr. Hutcheson, Mr. Kelly, Mr. McKenzie all independent directors, except Mr. Kelly, CCIC's President and CEO.

*Number of Meetings in 2005:* 5

*Functions:* The functions of the Strategy Committee include:

support the Company's executive management in developing and overseeing the Company's strategic initiatives;

provide management with guidance and oversight on strategy development and execution; and

act as an advisor to the Board and management on strategy-related issues and direction.

## **Board Independence, Compensation and Relationships**

- **Independence.** To assist in its determination of the independence of members of the Board, the Board has adopted certain categorical standards, as set forth on *Appendix B* hereto. The Board has affirmatively determined, taking into account such categorical standards, that each member of the Board, except Mr. Kelly (CCIC's President and CEO), has no material relationship with CCIC and is an independent director, as defined under NYSE listing standards.
- **Compensation Plan.** The Board maintains a compensation arrangement for non-employee directors of CCIC as described below.
- **Retainer and Fees.** Each non-employee director of CCIC receives an annual retainer of \$20,000 (plus an additional \$10,000 for the Audit Committee chairman and an additional \$5,000 for each other Committee chairman) paid quarterly and reimbursement of reasonable incidental expenses. Each non-employee director also receives \$1,500 for attendance at each Board meeting held in person and \$1,000 for attendance at each Board meeting held by conference call. In addition, each non-employee director receives \$1,500 for each Committee meeting attended (plus, in the case of a Committee chairman, an additional \$1,000 for each Committee meeting after the fourth such meeting in any given year).

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- **Equity Compensation.** At the first regularly scheduled Board meeting of each year, CCIC typically grants each non-employee director an equity-based award as a component of compensation for service on the Board. In connection with the equity award for both 2005 and 2006, the Board retained the services of an independent executive compensation consulting firm to conduct research regarding equity compensation standards and trends for non-employee directors. Following receipt and review of the compensation consultant's analysis with respect to the 2005 award, and upon recommendation from the NCG Committee, the Board approved a policy of granting, at the Board's first regularly scheduled meeting of each year, shares of Common Stock to each non-employee director having a valuation equal to \$55,000, priced at the per share closing price of the Common Stock as of the date of such first Board meeting. Pursuant to such policy, the Board granted pursuant to the 2001 Stock Incentive Plan (1) 3,395 shares of Common Stock (priced at \$16.20 per share, the closing price of the Common Stock on February 24, 2005) to each non-employee director of the Board other than J. Landis Martin and (2) 8,490 shares of Common Stock to J. Landis Martin for service as non-employee Chairman of the Board.

Following receipt and review of the compensation consultant's analysis with respect to the 2006 award, and upon recommendation from the NCG Committee, the Board amended its policy such that, at the Board's first regularly scheduled meeting of each year, shares of Common Stock would be granted to each non-employee director having a valuation equal to \$85,000, priced at the per share closing price of the Common Stock as of the date of such first Board meeting. Pursuant to such policy, the Board granted pursuant to the 2004 Stock Incentive Plan (1) 2,752 shares of Common Stock (priced at \$30.89 per share, the closing price of the Common Stock on February 23, 2006) to each non-employee director of the Board other than J. Landis Martin and Carl Ferenbach. The Board granted 4,856 shares of Common Stock to J. Landis Martin for service as non-employee Chairman of the Board. Mr. Ferenbach waived receipt of any non-employee director equity grant as a result of his decision not to stand for re-election to the Board at the Annual Meeting.

- **Other Compensation.** Each non-employee director is eligible to participate, at such director's election, in the Company's medical and dental plans at the same cost such plans are made available by the Company to its employees. A director who is also an employee of the Company receives no additional compensation for services as a director.
- **Compensation Committee Interlocks and Insider Participation.** During 2005, none of the Company's executive officers served on the compensation committee or board of directors of another company, one of whose executive officers served on the Company's Board or Compensation Committee. During 2005 and the first quarter of 2006, the Company retained the law firm of Hogan & Hartson L.L.P. to provide certain regulatory legal counsel, including with respect to the spectrum license acquired in FCC Auction 46 in 2003. Mr. Fitzgerald, a director of CCIC and member of the Compensation Committee, is a partner with Hogan & Hartson L.L.P.

**Table of Contents****V. EXECUTIVE OFFICERS OF THE COMPANY**

Set forth below is certain information relating to the current executive officers of the Company. Biographical information with respect to Mr. Kelly is set forth above under III. Board of Directors.

<b>Name</b>	<b>Age</b>	<b>Position</b>
John P. Kelly	48	President and Chief Executive Officer
W. Benjamin Moreland	42	Executive Vice President and Chief Financial Officer
E. Blake Hawk	56	Executive Vice President and General Counsel
James D. Young	44	President Tower Operations
James D. Cordes	40	Senior Vice President Corporate Development & Strategy
Michael T. Schueppert	40	Senior Vice President of CCIC and President Modeo

**W. Benjamin Moreland** has served as Executive Vice President and Chief Financial Officer ( CFO ) since February 2004. He was appointed CFO and Treasurer of CCIC in April 2000. Prior to being appointed CFO, he had served as Senior Vice President and Treasurer of CCIC and its domestic subsidiaries since October 1999. Mr. Moreland joined CCIC following 15 years with Chase Manhattan Bank, primarily in corporate finance and real estate investment banking. He is responsible for general corporate financing and compliance activities for CCIC.

**E. Blake Hawk** has been Executive Vice President and General Counsel of CCIC since February 1999. Mr. Hawk was an attorney with Brown, Parker & Leahy, LLP (merged into Thompson & Knight LLP) in Houston, Texas from 1980 to 1999 and became a partner with the firm in 1986. Mr. Hawk was licensed by the State Bar of Texas in 1976 and certified as a Certified Public Accountant (Texas) in 1976.

**James D. Young** was appointed President Tower Operations of CCIC in October 2005. Prior to joining the Company and since 2000, Mr. Young was Region Vice President Engineering & Operations at Nextel Communications where he oversaw site development, radio frequency engineering and fixed network elements for Nextel s network in the northeastern United States. From 1997 to 2000, Mr. Young was Vice President, Network/Operations Florida with Nextel Communications, during which time he oversaw site development, radio frequency and network support for Nextel s network in Florida.

**James D. Cordes** was appointed Senior Vice President Corporate Development & Strategy of CCIC in October 2005. Prior to joining the Company, from 2000 to 2004, Mr. Cordes was Director of Corporate Planning & Strategic Relationships with Novadigm, Inc., a publicly-traded enterprise management software company sold to Hewlett-Packard in 2004. In such capacity, Mr. Cordes led corporate strategy, mergers and acquisitions, strategic alliances and other special projects for Novadigm. From 1995 to 2000, Mr. Cordes was Vice President Investment Banking with Donaldson, Lufkin & Jenrette, Inc.

**Michael T. Schueppert** was appointed President Modeo in September 2004 and Senior Vice President of CCIC in July 2000. Prior to being appointed Senior Vice President of CCIC, he had served as Director of Sales & Marketing for Crown Castle UK Limited since September 1997.

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**Table of Contents****VI. SECURITY OWNERSHIP OF CCIC****Management Ownership**

The table below shows the beneficial ownership as of March 31, 2006 of CCIC's capital stock held by each of the directors, nominees for director, executive officers named in the Summary Compensation Table below (see VII. Executive Compensation Summary Compensation Table ) and all directors and executive officers as a group. This table also gives effect to shares that may be acquired pursuant to options, warrants or other convertible securities within 60 days after March 31, 2006.

<b>Executive Officers and Directors(a)</b>	<b>Title of Class</b>	<b>Shares Beneficially Owned</b>	
		<b>Number(b)(c)</b>	<b>Percent(d)</b>
James D. Cordes	Common Stock	69,038(e)	*
Carl Ferenbach	Common Stock	253,222	*
Ari Q. Fitzgerald	Common Stock	37,522	