October 28, 2019

Technical Director, File Reference No. 2019-780
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, Connecticut 06856-5116

Re: Debt (Topic 470) – Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent)

Dear Sir/Madam:

We are responding to the invitation of the FASB to comment on the exposure draft issued on September 12, 2019, for “Debt (Topic 470) – Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent) (Revised)” (“Proposed Standard”). Specifically, the following response contains an overview of our business as well as responses to questions posed to constituents surrounding the Proposed Standard.

Business Overview

Crown Castle International Corporation ("we" or "our") is a large accelerated filer that owns, operates and leases shared communications infrastructure that is geographically dispersed throughout the U.S, including (1) more than 40,000 towers and other structures, such as rooftops (collectively, “towers”), and (2) more than 75,000 route miles of fiber primarily supporting small cell networks (“small cells”) and fiber solutions.

We maintain a website at www.crowncastle.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other information about us are made available, free of charge, through the investor relations section of our website at http://investor.crowncastle.com and at the SEC’s website at http://sec.gov.

Responses to Questions Posed to Constituents

Please refer to our responses to the questions below.

Question 1: Proposed paragraph 470-10-45-23 would preclude an entity from considering an unused long-term financing arrangement (for example, a letter of credit) in determining the classification of a debt arrangement. Would
that proposed requirement simplify the guidance without diminishing the usefulness of the financial statements? Why or why not?

We believe the proposed preclusion described above would diminish the usefulness of the financial statements in situations where management has the ability and intent to refinance on a long-term basis using availability under long-term financing arrangements.

We based our conclusion on the following factors:

- Most importantly, we believe that if the Proposed Standard is adopted, short-term classification of certain debt arrangements would not accurately reflect the nature and intent of such borrowings. For such arrangements, we believe that both ability and intent should be considered in the assessment of balance sheet classification and that such considerations enhance financial statement presentation.
- As it relates to the current standard, we agree with the Board's original view that "the scheduled maturity date of an obligation is not necessarily indicative of the point in time at which that obligation will require the use of the enterprise's funds." Therefore, classifying arrangements as current solely based on the maturity date would not reflect the substance of such debt, but merely its legal form. We believe presentation under the current standard most accurately reflects the substance of our debt arrangements to the users of our financial statements, and presentation under the Proposed Standard would decrease usefulness to users.
- Additionally, we believe that if the Proposed Standard is adopted, the financial statements will be made more complex, and the usefulness of financial statements will be hindered by unanticipated consequences such as (1) distorting financial analysis, (2) causing user confusion due to a classification that is not aligned with the underlying intent of a debt arrangement, and (3) creating negative impacts to certain debt covenants that may be influenced by a current liability classification for such arrangements.
- Furthermore, we believe the conclusions proposed surrounding classification of unused long-term financing arrangements (which could result in more indebtedness being classified as short-term in nature) are inconsistent with the conclusions proposed surrounding classification of a long-term debt arrangement in which a debt arrangement provides a grace period, which could create user confusion in assessing the financial statements.
- Lastly, information surrounding the timing of contractual maturities by year is already required disclosure under current ASC 470-10-50-1 guidance, and as such, any party in need of such information can derive it from other sources, such as accompanying financial statement footnotes.

For the reasons described above, we believe that the current standard appropriately captures the balance sheet classification of debt when management possesses the ability and intent to refinance using available lines of credit or other long-term financing options, and that any change to the current standard on this topic would be detrimental.
to users of the financial statements. We recommend that the Board does not eliminate the current guidance in ASC 470 surrounding the ability and intent to refinance short-term debt on a long-term basis.

**Question 2:** The Board considered and rejected both of the following approaches in determining the classification of debt when an entity has unused long-term financing arrangements that require an entity to:

- a. Combine the debt with all unused long-term financing arrangements.
- b. Evaluate the contractual linkage between debt and other financing arrangements.

In both approaches, the debt classification might change from a current liability to a noncurrent liability. (See paragraphs BC29–BC35 in this proposed Update for further information.) Is there any additional information about the expected costs and benefits, simplification of classification guidance, or operability of applying those approaches that the Board should be aware of?

Please refer to our response in question #1.

**Question 3:** Proposed paragraph 470-10-45-24 would provide classification guidance in scenarios in which an entity violates a provision of a long-term debt arrangement and the debt arrangement provides a grace period. Is that proposed guidance clear and understandable? Why or why not?

Please refer to our response in question #1.

**Question 4:** Proposed paragraph 470-10-45-22 includes a principle for classifying debt as a noncurrent liability in a classified balance sheet. Would the guidance in that proposed paragraph be operable for an entity that has a debt arrangement with contractual terms that require settlement entirely through the issuance of equity?

We believe if a debt arrangement classified as a liability requires by its terms that the settlement be effected entirely through the issuance of equity, the arrangement should remain classified as a non-current liability, since the settlement will not involve the payment of cash or consumption of any other current asset.

**Question 5:** Proposed paragraph 470-10-50-9 would require that an entity disclose additional information in the period in which the entity violates a provision of a long-term debt arrangement about the violation and the terms of the grace period. Would the proposed requirements provide decision-useful information? Why or why not?

We are supportive of this proposed disclosure requirement.

**Question 6:** The objective of this project is to reduce the cost and complexity for preparers and auditors when determining whether debt should be classified as current or noncurrent in the balance sheet while providing financial statement users with more consistent and transparent information. Given the additional changes in this revised
proposed Update, will that objective be achieved? For example, would the expected benefits of the proposed amendments justify the expected costs? Why or why not?

As noted in our responses above, we question whether the proposed standard would result in financial statement issuers providing more useful information for the users of their financial statements than what is required under the current rules. Although preparing and auditing the financial statements under the proposed standard might possibly be less burdensome, we believe such a potential benefit, if any, is outweighed by the negative impact of providing more complex and less useful information to financial statement users.

Please feel free to reach out with any questions you may have on this letter and thank you for your consideration on this matter.

Sincerely,

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