

10.1 Profiting From Antenna Site Activities

If you've been with us to this point you already know there are a number of ways you can profit from antenna site activities. When you own and operate a site you have positioned yourself for long term and regular income. If you are willing to specialize a bit, there are other opportunities waiting in the wings which utilize your personal efforts working part-time or as a full time consultant on behalf of others.

In this chapter, we are pleased to present ten (10) scenarios which directly relate to antenna site activities. Several of these activities are obvious and the main thrust of the *Antenna Site Operating Guide*. Others are not so obvious and may involve, in addition to what you have learned about antenna sites, special abilities that you might also possess. It is a pretty good bet that you are keeping abreast of current siting events and either have some electronics or construction background in maintenance, marketing or sales; or that you have some experience in real estate, management or an interest in investment opportunities. This assumption is based upon experiences with presentations and participating in roundtable discussions on these subjects. Certain individuals always seem to come forward wanting more information. Unfortunately no material was available to offer until now. Many of the questions fielded in these presentations have served as inspiration for the preparation of this *Guide* and in some cases entire chapters. So I shouldn't think I'm too far off in assuming that some of these personalities have found their way to this chapter with similar motivations.

You might also like to consider some additional activities which are indirectly related to the antenna site business, many of which qualify as careers in their own right. The prospects for careers in *site acquisition* for example, are excellent. There are also other related jobs in the industry which can challenge both the young and the more experienced in emerging telecommunication occupations. There is room for a wide range of business and sales disciplines. Then to, if your interest is in your own business, a combination of some of these activities might also serve to assist your goal.

Finally, most of my truly rewarding work in telecommunications has taken place since my retirement. It was then that I was able to select projects of interest to me while serving a fair number of large and small communication companies. Not having to face the prospect of a boring or competitive career, project work seems to be everywhere and is exciting. You get to meet some pretty nice people and the pay is good. In most cases communication companies don't even advertise for *free lancers* because not many of them are around and when they are, negotiating a job can be a bit out of the ordinary.

If a large communication company has a small scale build-out project they won't necessarily be motivated to hire full time employees to task the job which when completed will usually be abolished. Young folks don't as a rule gravitate to jobs which transfer them all over the place only to result in layoffs when the project is completed. The use of specialized consultants solves this problem to some degree but at a premium. A *Project Coordinator* who can go anywhere, anytime on an hourly and expense basis, i.e. no retirement nor medical benefits other than disability and workmen's compensation etc., is indeed a desirable commodity. It is a great way for the semi-retired worker with communication experience to keep up with the industry while making new contacts and sharpening skills.

Consulting firms also are on the lookout for interim *Project Coordinators* too. In some cases they might be under a requirement from their client to place everyone who is associated with them under a "non-compete" or an "ideas, inventions and confidential information" (a.k.a. non-disclosure) agreement. I once started working for a site acquisition company under contract with a PCS. The work was fun the people were great but the "paperwork" didn't catch up with me until a week or two later. Buried in what amounted to be a full commission arrangement, (no salary but nevertheless fair compensation) was one of the most injurious and restrictive non-compete agreements I had ever seen. It was clear *what* they wanted me to do. But to commit to the consultant's Services Agreement for the privilege of commissioned jobs, I wouldn't be able to work for anyone else in *any* communication capacity for several years. Needless to say I didn't sign that one. Later I learned that all the PCS client wanted was a non-disclosure agreement and some sort of a fiduciary relationship between any independent contractor (me) and the consultant. Here was a case where the consultant's legal people, I feel, threw the baby

(me) out with the bath water. I took another assignment and wound up working with the same people under a different arrangement and everything worked out just fine. Had I signed the thing it is unlikely I would have been permitted to publicly speak, write trade articles or even author this *Guide*, let alone work for a living.

So if you plan to work with consultants be sure to define your relationship carefully in advance. If you have local area knowledge you'll be a valuable commodity. Be in a position to negotiate a more reasonable relationship based upon an ethical devotion to your employer as well as your future value to some other company desiring your services when this contract is over. If you are a *licensed* real estate agent you might already be compliant to your employer's fiduciary relationship. After all, attorneys do this frequently and conflicts of interest are pretty easy to define in their domain. But unless you in some way actually injure your original employer it is unlikely they would challenge your non-compete status. It is an expensive process for all parties involved and is pretty difficult to defend with impunity in most states. But your talents should not be stifled nor should you be denied your future right to be able to make a living without compensation.

Here are some typical situations based upon actual cases which will allow you to evaluate how you might wish to proceed:

10.2 ONE - As A Single Tower Owner

You have uncovered a need which you have filled with 190' foot self-supporting tower and a cinder block building which you constructed on your own land. Your total cost was \$62,000 of which you borrowed \$50,000. You now have six (7) tenants. An FM broadcaster, two (2) paging companies, a 220Mhz. trunked radio system, a PCS and a Cellular customer. Your monthly gross rental income is \$4,170 or an annualized income of \$50,040. All tenants except the FM broadcaster and the trunked radio service pay their own electricity. Your annual costs, including taxes are \$3,800 for a net income of \$46,240 per year. Your plan is to pay off the tower loan in two years leaving you approximately \$19,240 of net disposable income for the next two years and \$46,240 yearly after that. All your leases are generally for five and ten years. Your antenna site has a market value of approximately \$500,000 or 10 times "multiple". You have two more deals in the works, a business band repeater and a government agency which might add another \$1000 of monthly revenue if

the deals are closed. Not bad for one year of work!

10.3 TWO - As A Single Roof-top Owner

You own a four (4) story office building right along US Route 76. Your business allowed you to construct the building a few years ago for your own needs but you added several office suites as an investment in the hopes of generating some additional income in order to pay off the twenty-year mortgage. You wondered about the siting potential of your building but never realized what it might be until reading the *Guide*. Fortunately the elevator penthouse was constructed of steel girders and there are several small offices on the fourth floor near the elevator which could serve as equipment storage areas. You contacted a *site management* firm who put you under contract to represent your building with a commission of 25%. The management company procured three accounts for you, a paging receiver for a two-way paging company, a PCS site and microwave data link for a long distance carrier. Your additional net revenue is \$1,725 per month for a total floor space commitment of 200 square feet. All customers *meter* their own electricity. The monthly mortgage for the building is \$7,752. The net revenue from the antenna site accounts if applied to the monthly mortgage payment would offset this amount by 22.25%. However if the site revenue was used to *pay down* principal on the note an interest savings of over \$223,000 would result during the life of the loan. What a great idea!

10.4 THREE - As a Five Tower *Option* Owner

You are driving along a heavily traveled twenty-five mile stretch of a rural road not too near a large city. You attempt to make a call on your cellular portable and notice the signal strength is pretty low. You call anyway but it is scratchy none the less. You know that several PCS's are developing nearby metropolitan areas and you heard that a cellular company may eventually want to improve its reliable coverage along this route (just verified by you) which it is now attempting to serve from its *boomer site* on a mountain top further away. So you resolve to try to find a few possible locations along the road.

Obtaining topographical maps showing the road, you plot the positions for several proposed towers along the way and secure options from the property owners should a tower be approved. Zoning activities are

not well organized in the area so you are successful in obtaining letters of acceptance for your plan. You cost out the five (5) tower project placing them at about five mile intervals. You secure bids and run the engineering coverages at 800 and 1900 MHz. putting it all together in a composite 99% reliability multicolor map. You attach a written presentation and propose several optional lease packages which will cover your financing needs.

Site Savvy

When your portable telephone experiences *lousy* coverage look around you, it might be a great place for an antenna site.

Remember, thus far you have done *no construction* and paid only the copy shop for the *paper package* you have developed. At this point your promotional efforts require your meeting with the players and convincing them you can have this system operational in several months. If you are successful in getting two of the six or seven players who will be developing the area, you have a plan. If you can not obtain the money to develop the system take your *options and expressions of intent* and consign them to a *tower development company* for a quick turnover deal. Should you be successful in building this package for say three (3) users on your five (5) towers, you could expect to sell the “network” for well over a million dollars in a few years.

10.5 FOUR - As a Roof-top Site Manager or a *Bulk Site Landlord*

You have several friends who own businesses, property and buildings and perhaps an apartment building in the town where you live. You offer to survey each of these properties and do a *siting assessment study* to see if any of these properties could provide site services. Several locations have provisions for equipment and antenna mounting areas on the roof and show up as being fairly usable. Others are marginal but with some owner improvement, might accommodate siting. You offer to manage these sites for a *few terms* to get things going and ask your associates if they know of any other fellow building owners who would be interested in a similar marketing analysis.. You finalize the site surveys, develop maps and profiles, post your site availability signs and put them into a site package sending them to all the current and prospective players and consultants.

You *bag* several clients and implement site rentals in association with your individual roof-top property management agreements. You figure your contract commission for the buildings you now manage will total about \$1250 dollars a month and that your billing services, collections and obligations to your clients will cost about \$30.00 and take about one (1) hour of your time per month. You resolve to grow your building inventory and double your communication accounts each year for the next five years. At the end of your five year project period your are netting approximately \$62,000 per year in commissions for your efforts.

10.6 FIVE - As a Site Deal Broker

I have a friend who has made a business of doing what consultants and communication companies can't *always* seem to do. Here is the situation. A consultant is hired by the communication company and sets up operation in the area. They hire, and bring in specialists and new prospects. The recruits usually have area real estate backgrounds or are independent contractors. After some weeks of training, the search rings are attacked and the project gets underway. My friend has taken time to develop *strong contacts* with the communication company (also likely to be consultants) and as a result gets *connected* quickly with the site acquisition key personnel.

After a time, a few of the "dogs" pop up. These are sites where building or land owners are reluctant to work with the site acquisition firm or have some personality reservations or concerns that aren't being answered. Also just about this time a few staffers with the site acquisition firm decide they are not cut out for the work leaving with some of their projects open. Prior to moving these projects to the *B-alternate site* my friend asks if he can take a crack at them before they are abandoned. After applying some plain old good salesmanship, he frequently winds up brokering the deal. The greedy site owner is usually amenable to signing a *one deal only* management representation agreement (usually because he figures he can get all the rest of the business himself) and everyone benefits.

This application really works. Here is why I believe it is successful. Some Site Acquisition Specialists are under strict guidelines and having little authority to negotiate in the field. They are also under *rent ceilings* requiring approvals. Inexperienced people are thrown into the field along with heavy site loads, expectations and performance requirements. They

might encounter a recalcitrant or semi-astute business man. Time goes by with no deal. Soon a back log develops. They figure if its going to take too much time they will just *move on to the next site* and get that one done. The problem site keeps popping up on the *to-do* board and willingly assigned to my friend. The difference is that my friend is not working for the site acquisition or communication company. He writes his own deals. Bottom line, the site acquisition company gets the site finished, the communication company builds it and my friend snags the commission setting his now satisfied site owner up for the next deal to come along. And they really do it seems. I realize that this scenario might seem like a generalization but it is absolutely amazing how often a situation like this happens. Building confidences and getting things done is part of the sales and marketing discipline and not everyone is up to the task even though with the volume of work that needs to be done successes by less qualified individuals can still be achieved.

Several variations on this technique is also on my friends plate of tricks. He will routinely call a communication company project manager and ask if they have any problem sites pending or left over from a site acquisition job or just lying around waiting for some resources to pick them up again. One time he did this and got fourteen (14) search rings to work on. He didn't get them all but he landed about seven (7) of them with the difference being they were *his* deals. Not even the site acquisition company gets a piece of the action not to mention once again he now has more inventory ready for the next communication company who may want to use the sites he has obtained.

Another practice is to ask for the location (and files) for the *A sites* which were abandoned (for any number of reasons) in favor of the *B site* which was selected and constructed. Going back to the *A site* owner, issues are resolved. In addition, the fact that *business is being lost* is driven home providing a reality check for the *A site* owner. Often he then can be "signed" as future inventory for my friend's site portfolio.

10.7 SIX - As A Site Network Investor

Believe it or not there are lots of old tower sites and single application locations around which have been abandoned or are too small for the big boys to be interested in. In just the last few years I've reviewed hundreds of sites for sale both locally and nationally. Some of them have no

services on them are in disrepair or are obsolete. As an example, microwave towers are being declared surplus by common carriers who are switching to satellite and fiber optics. Two-way shops who used to make a great living providing community repeaters have lost a lot of their business to the PCS and Cellular industry. Construction firms who used to dispatch their trucks with in-house low-band two-way radio systems have switched to ESMR and just haven't taken down their towers.

These locations may be in *grand fathered* zoning areas. In addition the facilities may be undersized and require augmentations. If the astute investor can capture a series of these facilities and network them into a *footprint offering* rather than just a single tower here or there, a marketable commodity can be presented to both the communication companies as well as tower companies who purchase these systems. In some instances small companies might *carry paper* for you, making your cash requirements significantly lower. If you have the good fortune of partnering with some investment capital, a network can be carefully optioned and acquired with you as the project developer. You might even consider using a program similar to a Real Estate Investment Trust (REIT). Here you would create stock in a closed corporation issuing it to the tower owner in return for his pledging his tower. Dividends come from site revenues. Check your local state laws for this type of operation.

One of the neatest deals that another friend of mine put together was to buy the tower site owned by a small struggling broadcast station. It seems that when the principal acquired the station he had to finance it with a rather heavy debt load. By spinning off the antenna site for cash he could pay off the note and rent the tower (lease back) so that now his profit position was significantly improved and he could enjoy the small town status of being a successful broadcaster. Lots of opportunities here. (But be careful of AM towers unless the stations are no longer operating).

Also with the introduction of disposable circuits and microprocessor based communication, the service shop industry has changed radically in the past decade. Large communication companies have closed authorized factory service and delegated much of their servicing to different types of businesses usually by mail. Most communication companies employ their own technicians and perform wholesale equipment replacement rather than try to do field repairs with a soldering iron as once was the case. The reason is simple. The systems are too complex for field repair and too

much is riding on *down time*. The loss of a single paging transmitter in a network could effect thousands of subscribers in a very small area. Thus many two-way shops are ready to close their doors or become sales agents for larger equipment suppliers. The changing nature of their business affords opportunity to acquire tower assets, materials and other supplies which have been fully depreciated and may be useful in developing your own *poorman's* antenna network. I purchased a site once and found two 180' self-supporting towers covered with weeds on the ground near the main building. These towers were new twenty years ago but had never been used. They were in fairly good shape and stored off the ground and protected. The price of a 180' tower has quadrupled over the years making the appreciation of this material asset almost as valuable as the site which was purchased. The owner didn't value these assets because they have already been depreciated and he just wanted out of the business.

CATV sites are the next big tower surplus market hitting the used tower market. Off air programing has become unreliable and satellite down stations and fibre optics are replacing many of these behemoth off-air antennas. And small systems are being consolidated and purchased by larger systems with valueless assets being spun off. Some cable companies have recognized that these old towers have some applicability, others with smaller systems could care less and don't want the responsibility of tower maintenance, FAA/FCC Regulations or to have to deal with the liability and insurance issues. The tower assets are not what is of interest but rather the number of subscribers who can be picked up in the deal. Often these towers are in *quiet* areas, i.e. not near other transmitting facilities because of their receiving functions. Then again they may not be desirable to communication carriers at all for the same reason unless they will be used as *fill-in* locations. Finally many of these towers are heavily loaded with dishes and large industrial TV receive antennas and cabling. It will be a significant expense stripping these towers to restore their loading for other clients.

10.8 SEVEN - Get A Couple of Sites at an Airport!

Several years ago I attempted to procure a receiving site at an International Airport. Most of the facilities at airports are operated by authorities or municipalities who have enough to worry about on a day to day basis without accommodating (let alone even talking to) a Site Acquisition Specialist. But there is no doubt the need for reliable airport

antenna systems is growing and is very desirable to have under *your* control. In addition, any “stick” regardless of how high, anywhere on the grounds of an airport, is under the jurisdiction of the NRA (not the National Rifle Association although it would seem so); but Non-Rural Airport authority of the FAA. In addition many airports are also subject to state aviation regulations or have government buildings and other regulated structures, i.e. water tanks, making the process of cutting a deal and obtaining construction and hazard marking authority most difficult. Only thing worse might be a military base, but the same principles apply.

RF considerations are also important. Even though the FAA does not exercise jurisdiction over RF matters, they are nonetheless fussy over any RF systems operating near airports and require complete disclosures, sometimes even studies on *their* forms, to prove that there will be absolutely no interference whatsoever to aeronautical air ground communication or radar. The fact that many of these systems operate in the AM mode notwithstanding.

On the other hand there are thousands of people being processed through airports each hour. They make that last call or receive that last page before boarding. They can't wait till they get back on the ground to update or retrieve their messages, check their voice mail and entertain their pages etc. Waiting around airports also triggers heavy use of paging and wireless telephone services including increased on-line services through specialized carriers. Cornering the future on a suitable antenna farm location near the main terminal building and providing reliable building penetration for a myriad of low power wireless devices will put you in a very advantageous position with every carrier.

The problem is that it takes way too long to secure all the approvals even if you can rent some space in a subcontracted building nearby. Government operated systems can take months to process the simplest of requests, they usually try to get a piece of the action or set outrageous fees probably intended to frustrate your agency so they can deal directly with the communication carrier. The U.S. General Services Administration launched its National Antenna Program making roof-tops available for lease to “qualified providers” (doesn't sound like that's us) and carriers. GSA owns more than eighteen hundred (1800) buildings nationwide including some property near or on airports. Naturally these were recommendations and not regulations. It might also be necessary to deal with the specific

agency housed in the building first, in addition to the GSA. Try getting into your equipment room at 11:30PM on a Saturday night. Think you'll ever get a key to the building? Here are some policy guidelines and personal comments concerning this program: development of a government lease (probably year to year); site pricing, they will study that one for at least a year; site competition, they will probably wind up using an *auction*; fee reimbursement, does the money go into the General Fund or remain with the agency using the facility such as the FAA housed in a GSA building?; site security and access rights of way, with emphasis upon *carriers fixing everything* going wrong in the building; and this one I can't help wondering about, site request denial tracking! Is it any wonder that communication carriers even bother with this program unless it is absolutely imperative to have the site? You can be sure there will be few twenty-five (25) year leases written on these properties. Nevertheless the GSA got a taste of the revenue possible by reporting initial leases of over \$500,000 being implemented around the country. It is also a pretty safe bet that few of these leases were commissioned or are a result of site management brokers. Finally, you guessed it, they will need an office to administer *all this activity* and that means another couple of dozen government employees. Any talk of *charging fair market rates* desired by the carriers will probably give way to *percent of gross revenue*, a very distasteful concept to the industry. Seeing how states get their sales tax, and the Feds impose their excise taxes with per-subscriber fees even charged to fund the FCC, a percent of the gross revenue seems a bit much.

The U.S. Forest Service and the Bureau of Land Management along with state commissions administering public lands have been renting mountain top sites for decades. What is interesting here is that some communication firms still hold ninety-nine (99) year leases with nominal rents such as a couple of hundred dollars per year. But in recent years, these long term leases have been reduced to short periods and are offered at substantially higher rates. Work a public lease if you must but protect your future carefully.

What all this amounts too is that its pretty hard to get something happening which you can control at an airport. But if you can do it, even if it's a small local airport which someday will be huge it might be worth the effort to lock something in. I once thought of buying an old van and stuffing it with antennas and transmitters, parking it on the top level of an airport parking complex. At \$7 dollars per day, that's only \$220 per month. Not a bad rent if you could arrange for some electrical power.

Continuing with the project described, an increasingly pressing need for antenna sites at airport terminals is the *receive path* required in *talk-back pager* applications. After about a year, a single collinear antenna about 10' feet in length and mounted on the side of a hanger roof-top was approved. Unable to secure accessible space inside due to ownership changes, a proposal was made to use outside space for a cabinet to be mounted on a cement pad near an electrical distribution service area. The cabinet just looked like any other transformer box used for power. A water-proof cabinet can escape scrutiny so it can be enlarged to hold several rack mounted receivers, a UPS power back-up system, and a combination receiving antenna distribution amplifier and *combiner*. This way, additional two-way paging tenants can be added in *the box* without mounting another antenna structure.

Finally, some thought might be given to the installation of *triaxial* cable. These systems are also known as *radiating cables* or *leaky feeders* which provide RF coverage in enclosed or confined areas where point to point antennas are not practical. The cables have been used in tunnels, basements and in underground parking garages to provide two-way radio, paging, cellular and PCS coverage. As with all RF cables of this type degradation and power loss is of key concern. The cables are also effected by their environment and often exhibit different characteristics under differing installation conditions. Finally the cables, if installed in areas subject to fire safety regulations, must *resist flamability* and combustion problems by meeting fire regardant codes (A, RN, RNT1 and RNT); also these cables must meet NES, ASTM and IEEE standards. A good starting point for more information on this type of cable is Andrew Corporation. Ask for Bulletin 3979 for *High Performance Radiax© Cable*.

10.9 EIGHT - Brownfield Site Restoration

Here is a long shot for the strong of heart. I do not profess to know if this concept has any validity at all, but it might be worth a try if you have any experience with government agencies and the process known as *Land Recycling*. Here is the problem. Right smack in the middle of town is a site of an old ammunition factory. The soils are *loaded* with lead and other pollutants. The property has been abandoned and is now a ward of the state. The land is subject to so many state, local and federal liability issues under legislation and regulations that no one wants to touch any part of the land *let alone with a ten (10) foot pole*. The original owners have

changed their names and moved out of state. Some states have initiated programs which attempt to rehabilitate the land by correcting or containing non-reversible pollutants in order to move the land use to some new long term stabilized purpose (an antenna site?). If you investigate some of these programs further there are state agencies who will work with an applicant proposal of any kind to do this, granting liability relief, engineering assistance and in some cases even financial aid and zoning waivers. The states are so glad to get rid of the problem they provide a lot of incentives to assist a site developer to contain everything and perhaps install a tower on the property. The program is usually proposal based which means you can make a written “what if” proposal without entering into any agreements. If it flies, you can move to the next step. This process is called Site-Re mediation. The authorities review the types of re-mediation required, resolve technical and liability problems, which have historically hurt any commercial real estate transaction (like zoning), and finally suggest that it saves using clean land (a.k.a. *greenfield* sites) as an alternative.

Some states work in cooperation with economic development agencies with sources of lender funds providing immunity for liability for all fiduciaries. These programs by far are not easy to sort out but they do carry the prospect of some pretty interesting alternatives which are supported by government in a lot of ways. Be sure to look around your area for any of these *brownfield* locations and make a few inquiries. One such state operating a program can be reviewed at <http://www.dep.state.pa.us>

10.10 NINE - The DTV “Kick Out”

Radio and television stations will also be effected by any *clamp down* on siting issues for the construction of new towers. The current thinking by the FCC as a result of several detailed Notices of Inquiry into the subject is that not much preemption will be taking place to brush away local government regulations. One broadcaster problem arises from the fact that many television stations will be switching over to Digital TV, a.k.a. High Definition Television or HDTV, which will require many new towers.

In general the new DTV antennas must be higher and are heavier than standard analog TV antennas. Some stations may be required to operate both the old system and the new one for a time. TV stations

operating analog systems have also in the past accepted additional loading from revenue producing tenants. The fact is that in a few cases the existing tower could have been able to accommodate the new digital antenna had it not been for loading up all the other services. The TV industry must now balance the additional site revenue with the new construction costs. In some cases the cost of these new towers, some call them *super-towers*, won't even come close to the rental income generated by the site tenants. If local zoning boards are concerned over a 120' monopole they are really going to appreciate these new super towers (800 to over 1000') in their midst. The RF energy coming off one of these babies is so much greater. For example. One Million Watts ERP as opposed to the flea power generated by a PCS antenna at a mere 50 Watts or so. Under these circumstances it is hardly worth the effort considering the RFR issue at the PCS level.

The *National Association of Broadcasters* (NAB) and the *Association for Maximum Services Television* (MSTV) have filed FCC petitions asking that the FCC adopt rules preempting certain local and state restrictions on the placement, construction and modification of broadcast transmission facilities. The TV licensees may not be able to complete their upgrades as required by the industry. Of even more concern TV stations are also being stymied by local permitting authorities in making alterations and augmentations to existing structures.

"It's a bad confluence of things right now. Everybody wants tower space. Vertical real estate is like gold these days. People want space for paging, PCS and expansion of cellular phones"; says Terry Baun, of the *Society of Broadcast Engineers* (SBE) in support of the above petition.

So what does it all mean. Well for one thing if new towers are going to be constructed they are likely to be *joint ventures* by the TV stations involved. That is to say that two or three TV stations go together and build a *super tower* capable of supporting all of the DTV resources necessary. In other cases a TV station may extinguish site tenant leases who will then be scrambling for alternate sites. Finally a program of on-tower argumentation could be considered. This is a radical new technology which implements in-place tower mechanical enhancements. Henry McGinnis, a PE for *Landmark Towers*, in Ft. Worth TX said in a recent article for *Mobile Radio Technology*:

“An axiom in the tower business is that towers attract antennas and owning several towers myself, I can attest to the truth of that statement. It also has been said that necessity is the mother of invention. I know of this to be true also. One tower in our inventory was located in a popular location and reached the point of overload quickly. In fact the potential for continued loading was still growing and we determined that something innovative had to be done to bring the tower into compliance with the EIA regulations. It may even be possible to construct a tower around a tower, building up the facility’s capacity to four or five times its original design.

Check with *Landmark Tower*, 1-800-438-6244 for more information.

These three situations might greatly effect site inventory. Indeed it should provide opportunity for the site developer and investor. Such *super towers* might very well be in the \$1 to 5 Million Dollar range or more. This could, for example, represent an expenditure of nearly \$20K to \$30K in site rent (or note payments) per month for a typical fifteen year lease not to mention the required liability and casualty insurance for such a project. It is a huge financial outlay for a small local TV station. If you are into problem solving, here are some real challenges that are not likely to have clear-cut immediate solutions. An informed *deal master* might proffer some unique opportunities in this evolving situation.

There are a few national companies specializing in this process right now. But their resources might permit them to only participate in a few projects at a time. If you could even get the players to sit down to talk you certainly could proceed as a *transaction broker* in order to reach some preliminary agreements. Then invite the big boys in to see what they would be willing to do for your *consortium*. At minimum you might wind up with a commission; at best you could establish an investment package and own a piece of the deal.

10.11 TEN - Valuing a Site Business

Selling your site is one of the most difficult decisions you will have to face. But if you made the choice to sell, your next step will be to determine what you can do to increase your tower’s value in the market place. The best way to accomplish this is to address weaknesses and capitalize on strengths *before* negotiations. Preparation takes some care. Assuming you understand certain potentials about your site’s location an

offering notebook should be prepared including maps, pictures, revenue projections, and expenses. You must also look at the potential for additional clients. There should be some. Land values, zoning status, existing accounts, quality of leases and of course the cash flow should all be clearly stated. As a rule of thumb towers used to be valued at between 3 and 5 times annual gross income. If you had an annual gross of \$50,000, a good starting place would be \$250,000 in cash for the tower, property and accounts.

Other good questions to answer. Is your site reaching maturity or tower loading limits, does the site show stable growth and increasing income? Is the industry maturing with no more tenants expected for a while? Are the location and mounting opportunities limited or open? Is competition likely to happen or is the door to additional or nearby sites closing because of tighter zoning restrictions. What have you done to provide for growth or expansion. Why do tower investment companies want to pay these prices which are not as typical as in other real estate ventures or enterprises? Well for one thing they are buying your future income and that must make sense. If you have twenty(20) or twenty-five (25) year leases, they figure they will make nothing on the tower for five years and then make your income for the remaining fifteen to twenty years. If purchasing this future income doesn't make sense you won't attract any attention for your site. Secondly they are looking for additional accounts to *grow the income* to reduce the payoff time. With effective marketing, they may stand to be able to do this a lot more effectively than you could as a single tower owner.

That is why they want at least some minimum excess capacity as inventory whereby they can add tenants without much additional investment during the buy-down period. Finally they are buying a future and hopefully restricted land use situation whereby your tower might wind up being the *only ball game* in town.

There are two other considerations which you should know about as well. In the *feeding frenzy* to serve the siting needs of all these telecommunication firms, investment capital has poured into small corporations looking to go public for some really big bucks through acquisition of as many towers as possible. It seems that the best way to get into the tower business right now is to buy a tower rather than build it. Its fast, its up, its producing revenue while adding additional assets to the mix

which allows additional leveraging to purchase future towers and maintain a fair credit position. Many large tower owners today merely acquire smaller tower owners and tower networks, adding each new acquisition to its nationwide portfolio of inventory. Many companies are following this line of reasoning. Investment capital does not yet seem to be a problem for either those companies who are independent or are wholly owned subsidiaries of larger companies looking to spin off with initial public offerings (IPO) or who will buy everything they can find in order to package it and then sell it to a *bigger fish up the food chain*.

Every effort should be made to put a positive spin on these factors when offering your site for sale. You should already have some idea of the value of your site as a result of previous negotiating sessions. If there are plenty of alternatives you may have a reduced valuation. However if your tower is the only one for miles and is likely to be that way for a while you can command a greater *multiple*. But some multiples asked for by site owners have been outrageous. I saw a large tower investment company walk away from an 18 tower network offered at twelve times multiple because the towers were old, light duty, lightly loaded with inferior clientele and on land whose lease lengths were year to year and “iffy”. It did however make an offer at nine times multiple for this system which was flatly rejected. Another tower investment company, in on the negotiations, took the deal at twelve. So what’s going on here? Why would one firm disregard rational buy based decisions grounded upon sound fiscal and practical due diligence where another said “we’ll take it”? Could it be that the 18 towers would be added to a tower portfolio and eventually wind up being combined with others, and sold to someone else for even more? You betcha! Had the second tower investment company intended to operate these facilities, the cash flow wouldn’t cover the purchase price. So obviously there are other forces operating here. Without knowing what is going on behind the scenes in the industry you would have lost some serious dollars. That is why valuation is not just based upon your property’s earnings potential and can’t be the only factor used when bringing it to the sales table.

Finally, what about selling your management contracts? Of course you can but they are not quite the same as hard steel inventory. A combination of both will usually fly but large tower site owners have predictably less enthusiasm over managed sites than owned *steel* sites. I often wonder why. These sites literally produce income with no plant,

expenses or depreciation. They are yet another unique form of profit that can be derived from siting activities. Yet acquisition companies generally want towers. It is unlikely that managed sites would be the *only* thing they would buy. But as part of a tower deal they often acquire the whole package.

There are a great number of factors associated with the sale of a site, many beyond the scope of this *Guide*. Fortunately good accounting can come to the rescue and should be the first place you should go. Another good resource would be the previous owners of a recently acquired small tower system. These transactions are frequently reported in the trades to show momentum on the part of the company acquisitions. Large companies usually want to pay cash for your site which can create capital gains problems for you. In some instances they will suggest common stock at the current value in addition to cash. If the site company hasn't yet peaked in its *mergers & acquisition* plan it may be prudent to do a stock deal. I've seen it go both ways. But what a deal if your site is acquired, to improve the bigger company's asset position, they go public and your stock jumps twenty-points! Just hope you have held for a couple of years. So far, most site companies have not done too badly. Those that have not, just seem to get bought out.

I can't help wondering what will happen someday when one company controls 70 to 80 percent of all the antenna sites in the nation. Are we going to see an anti-trust brake up? Who knows for sure. But keeping an eye on the players and their actions will keep you pretty well informed insuring you obtain a fair market price (actual or premium) for your tower when you do decide to sell.



Fig. 10.11 Roof-top site contracts have value in a facilities sale

10.12 Related Fields and Occupations

If the preceding ten areas of income speculation were not enough to inspire you to find a niche in this fascinating and lucrative enterprise there are more areas to consider for your future in the antenna site business.

These are positions needed to be filled by firms all over the country as well as independent contractor functions which you can perform by yourself, near your home, or in your own business. Some of these positions require a few skills which are not that hard to acquire. Availability is the key to success. Do they know you are available, can you do the work, are your prices reasonable. Once you get a reputation of being the contractor of choice, you are on your way to a very rewarding part time or full time career in the wireless communications field.

Let us list a few of the possibilities while briefly describing the educational requirements and the potentials for income. These are just a few and there can be many more when you consider combining the knowledge you have obtained from this *Guide* with the special skills you already possess. This synergy is almost magical in its application to the telecommunication industry and you should have little difficulty working your way into the system as a valued employee or as an independent consultant.

10.13 Site Acquisition Specialist

The goals of a professional site acquisition firm are to secure desired antenna locations ready for construction for their client communication company. The compensation to do this can vary. It is often so much per site but could be by the project, daily or even by the hour. The lines between engineering consultants preparing search rings, Site Acquisition Specialists who find actual sites and zoning activities after the site has been identified and placed under an option are beginning to blur. Many consulting firms are maturing and are now able to provide turn key services all the way to system turn on. A search of the trade publications and Web sites of some of the better known players clearly shows this evolution. But even so, the job functions are still essentially bifurcated and specialized as they always have been. However now there is better coordination between the sequential activities which may initially have had some elements of confusion or inefficiency. There are still many firms who just specialize in site acquisition or site offering services without the other activities, but most have expanded their portfolios to take a communication company from the marketing recommendation to the final facility.

Isolating just the site acquisition function for our purposes here, will enable you to locate who is working in your area, how you can present

yourself and your qualifications, and perhaps sign on as a part time or full time employee or as an independent contractor.

Once hired or awarded a contract, the site acquisition company is furnished with a purpose or expectation statement and is trained in the specific protocol and systems that the communication company will be employing. It is not absolutely necessary to know the electronic theory for the systems to be used. What is important are the physical requirements and dimension for cabinets, antenna types, weight and other system parameters so that sites can be quickly evaluated to determine if they are suitable or at least augmentable to being used. Much of the planning associated with a build-out has already been accomplished prior to the arrival of the site acquisition team. That is why when certain sites can't seem to be negotiated, the entire plan or at least critical portions of it can be seriously effected. These are *key sites* and usually assigned to more seasoned analysts. In addition to critical site work, experienced analysts are also assigned the task of hiring and training additional staff as needed. After training, less experienced site acquisition personnel are relegated to less critical siting projects. In this way the major sites are acquired immediately with the peripheral or rural sites undertaken simultaneously. Rarely will a site acquisition firm bring in an entire crew from another area to do a contract job because many build-outs are going on at the same time. So only key people are brought in with a view towards picking up some temporary help in the specific location to complete the staffing. Local people can assist in many ways, area familiarity, personalities and government regulations to name a few. However a lot depends upon the deadlines imposed and the geographic area to be covered by the over all project.

Then too, after a communication company is securely established in the market, a new demand arises for a *locally operated full time consultancy* to continually work on selected system build-outs and expansions. Some communication companies perform this function internally but a local consultancy might also be possible at a later date to meet these needs.

In many cases, superior local site acquisition talent is either hired by the site acquisition consultant or even the communication company into full time



Fig. 10.13 Look for Site Acquisition Specialist ads in current trade journals

positions. I've have seen cases where outstanding work has been recognized with a "thank you note" and a *pink slip*. However it works for you the process of making contacts and impressively performing your job goes a long way in determining what will happen after the consultant contract has concluded.

Site acquisition training programs first emphasize happiness and a good attitude toward not only the client communication company but to everyone. This emphasis is based upon the premise that conflict, personality and attitude problems have no place in this type of endeavor no matter how hard the job might be or contract is to negotiate. One must simply have to do their best regardless of how *testy* other people may become. Team work is also important as the more experienced specialist is obliged to assist the less experienced in this task oriented job.

Why even employ less experienced people? There is plenty of work that needs doing. Simply by reading this *Guide*, you probably have obtained more knowledge than the average *new hire* in an area site acquisition project. Specialization within the group promotes over all success. For example. The new employee *trudges* around the search ring, making the contacts finding the key people, spending hours researching deeds, titles and property descriptions in proximity to the desired site. A proposed contract is presented and can be meet with any number of typical responses. In some cases the site owner will just sign the contract and the deal is done. In other cases they will have it reviewed by their attorney (who may rewrite it). Renegotiations might be necessary, compromises require approvals and of course there will be a few additional rewrites along the way. Problems seem to crop up in every clause if communication attorneys do not wish to depart from their standard texts. And all this just so you can proceed with the next phase of the project, running it through zoning and building permitting process. Some consultants are likely to be considered as guest personnel in their customer's operation. The problem is that they are not employees of the host company and are often viewed as the *hired help* perhaps akin to *area temporaries* categorically being blamed for things that go wrong in any given protracted site deal. Because it is one of the first activities to take place in a PCS build-out, all eyes are upon the speed and effectiveness of actually putting the *pin into the map* demonstrating to investors and program people how close the project is to a "turn-on" and thus profitability.

We have emphasized the relationship between the systems design or RF group and their site counterparts working with the maps and search rings in the field. The locations, often referred to as *candidates*, must be researched in detail. The activity is really detailed clerical work. With a sense of understanding of the process it can be made much more effective. Further, because a site is located within the search ring it may or may not operate as predicted. To test the site, *drive tests* sometimes have to be run using small transmitting units mounted on *high-reach* or bucket trucks simulating the approximate height of the tower. Special vehicular receivers collect data as the area around the simulated site is explored. These tests are usually a condition of actual site selection and an executed contract. Because each site requires utilities, these functions must also be coordinated with telephone company and power company officials. Usually a specialized person is on the job coordinating these activities. The Site Acquisition Specialist must work with all these people as well.

Frequently site acquisition project managers will have active flow charts or Gantt charts established which guide each of the specific activities channeling the work of each interactive endeavor. These charts and work sheets vary from company to company and form the basis of a candidate *project file*. It assists the continuity of each step should a specialist be reassigned, transferred or discontinue working on the project.

Generally broad guidelines are established which allow the specialist to seek only those sites most favorable to the project, to the exclusion of others so as not to waste time. For example. It may be necessary in dense urban areas to consider only buildings that are over fourteen stories. As a rule, anything less will not be considered unless it is out in the open or positioned on a rise in topography within the city. Rural areas on the other hand might support antenna structures on roof-tops as low as four to five stories also depending upon topography and placement. *Greenfield*, or new sites, require tower and ancillary equipment, existing sites require closer attention to equipment placement and the logistics of using the best features of the structure. Two entirely different sets of problems.

A general information form, developed a few years ago for a project transmittal in the construction of a build-to-suite program contains most of the basic *data elements* required in any site acquisition evaluation. Beginning surveys are likely to be far more detailed until the final information is “sifted down” to what is actually relevant for the given project. There can be more data for sure and the entire process after a time can be systemized into a *huge data entry*

The image shows a highly detailed and complex form titled "SITE ACQUISITION SUMMARY DATA FORM". It is organized into several distinct sections, each with its own set of fields and checkboxes. The sections include:

- GENERAL INFORMATION:** Fields for project name, location, and other basic details.
- PROPERTY INFORMATION:** Fields for owner name, address, phone number, and other property-specific data.
- UTILITIES:** Fields for listing utility companies and their services.
- ROADS AND TRANSPORTATION:** Fields for nearby roads, highways, and transportation routes.
- ENVIRONMENTAL AND ZONING:** Fields for zoning information, environmental concerns, and other regulatory factors.
- ADDITIONAL INFORMATION:** A section for providing further details or notes.

The form is densely packed with text and includes numerous checkboxes for indicating the presence or status of various elements. It appears to be a standardized template used for collecting and summarizing site acquisition data.

Fig. 10.13a Site acquisition summary data form

a *huge data entry* system consisting of perhaps fifteen to twenty pages per site. Typically a survey form is provided by the engineering or RF group indicating their requirements. If this form passes muster, then it is on to the actual site survey inventory form. All the physical information is collected, owner’s names, addresses, phone numbers, Longitude and Latitude, ground elevation, utility companies, nearby roads and other local area features. Maps, sketches and descriptions in detail of structures, locations and existing roads. Some movement into external and political factors are the next items surveyed such as the zoning area or authority. These forms can be very comprehensive and take days to research in detail. Accuracy is of the utmost importance because from this form is developed other profiles required in the process.

Some tasks performed by a typical site specialist are demanding and may require many times better than a full business day including weekends. After a time the routine is pretty straight forward as

effectiveness of technique in the area improves.

Compensation can be by hour, by day, salary, or by the completed job. Typically one could expect to receive between \$12 to \$18 per hour, or \$100 to \$200 per day plus expenses



Fig. 10.13b Reverse side of site acquisition survey form

as site acquisition compensation. Site acquisition work may be paid a fee for each signed site agreement which could range anywhere between \$100 for a receive-only site to \$2500 for a signed PCS site agreement found to be acceptable to *all* the other divisions. Now I realize that these “ball park rates” might find some challenge in the industry, but from my point of view, I wouldn’t want to work for much less than the median values given. What does the site acquisition company get per site? Well that’s *top secret* and a lot depends upon the way the contract was negotiated. I’ve heard rumors that one firm got \$14,000 per completed site. Others, after rigorous competitive bidding, might get as low as \$3500 per site. But look at it this way, if you are building a PCS system in an MSA of over a million population, you might need about sixty sites for a 98% penetration. If you could have them all wrapped up (not built) in 6 months for \$750,000 I think you would be pretty happy. Having worked with “cut rate” site acquisition companies, I can only comment that PCS’s do get what they pay for.

Salaries for full time experienced site acquisition personnel are usually in the mid \$40K's to \$70K's plus expenses and depending upon experience level and effectiveness. Once again *ball park salaries* but generally what is out there for quality work. A good “site-ack guy” can land about forty sites per year and with luck even more. However don’t panic. Many professionals in the business know that one *really good* site can be worth more than \$1 Million in revenue *per month* to a communication carrier. *So all is relative!*

10.14 Training Specialist

If you have any training or educational experience there is work for you training area Site Acquisition Specialists in the one or two week orientation program. Each company has its own requirements but I have seen several training programs and they are essentially the same. These orientation sessions cover broad subjects such as the client's specific system, procedures, reporting, negotiating skills and contracting requirements. These tasks might find you traveling all over the country for several days at a time. It can be irregular work hours too. But nevertheless interesting and directly related to many of the tasks explained in the *Guide* as supplemented by the consultant company's unique operating procedures. In some cases there are consultants who serve the consultants serving as regional trainers, researchers or seminar leaders.

The work will most likely be by the job. It allows you to interface with many of the top companies. In addition, you might like to take the information contained in the *Guide*, add it to your own experience and put your own seminar together if there is local interest. There is always public speaking potential in these subjects for civic, business, real estate and specialized groups such as builders, industrial, commercial or any other SID classification who would like to learn a lot more about antenna sites. A \$10 breakfast meeting with a speaker (you) and slides covering antennas, towers, site principles, practice and potential income all expounding the basics from the *Guide*, might net you a couple of thousand per event. If you sell copies of my *Guide* while you are there, even more. *Contact me if you think you'd like to give it a try.*

10.15 Site Inspection Services

A quick review of the players in the mega-amassing of existing antenna sites nationally has demonstrated that at least a dozen or so of these mergers have taken place in recent years. Placing sites into inventory by purchasing them provides additional opportunities for site evaluation, inventory and inspection. As simple as this sounds (once again) picture a company now marketing over seventeen hundred 1700 sites from a central location or on the Internet. Companies are emphasizing ownership rather than perhaps knowing about them intimately at this point in time. Sites should be visited at least four (4) times a year, inspected for weed growth, vermin, breeches in security, lighting and a host of other preventative maintenance observations previously described in the *Guide*. In addition, sites must be visited from time to time by perspective clients,

(not having keys) or for simple alarm resets, line checks etc. Take a company at random and run an area search of their owned towers from the Internet, say within a 100 mile radius of your house. Design a site inspection form and put it together with some digital pictures, an e-mail response which includes an asset report and offer it as a “Four time per year site inspection package” on a per site or package basis. If you charge \$200 per tower for 4- inspections and they have sixty towers, you’ll have a nice little part time business on the side. You can also be available for special site showings and “sign postings” (because they keep changing their names when new companies buy them out). There are clean-ups, trash removal or lock replacements etc.; or just a simple modification or two which service technicians sometimes do at up to \$100 per hour. Can’t beat this for a nice part time job. And once you obtain a reputation you can expand your work, say out to 200 hundred miles to meet additional needs. You are also free to serve other site owners as well.

10.16 Performance Technician

If you have some electronics background and wish to acquire some additional skills and equipment, you can create a highly desirable single person consultancy or take a job with a communication company in the area of transmission cable connection, repair, line sweeping and antenna testing. These functions are used when sites are first turned on, and at regular intervals to detect the degradation of transmission systems. They are also used from time to time when it is suspected that system parameters are degrading. Pre-launch testing is a detailed process of analyzing the interoperability of all the equipment prior to its installation in the field. Once installed readings are compared and detailed to keep track of any changes which will require remedial action. Test equipment or station testers are available at substantial costs from suppliers like *Tektronix* for example but so are their training programs if you have only the theoretical background and wish to obtain some practical experience and certification. This technique is useful if your intention is to reinvent yourself or upgraded your technical skills for a more desirable avocation. Most PCS’s have their own in-house network testing group. Small companies contract for these services.



Fig.10.16 Be ready to replace transmission lines for a nice business

Interference studies and methods for detection take some time to learn but the process is not totally mystifying for one who would like to enter the job market. Sometimes referred to as *quality assurance* people, the process is repeated routinely. So taking this process from the construction phase to the actual optimization process can provide routine and lucrative work. But PCS and cellular testing isn't the only area of specialization. Two-way data messaging and voice paging is also a future technology with narrow band PCS (NPCS) coming along in the wings. These bidirectional communications protocols require understanding of several new technologies. Likewise the testing for quality control in these systems as opposed to PCS or analog cellular testing are a bit different. Several things to consider: a) *Functional testing* which refers to operating the pager or NPCS device in its functional mode. b) *Sensitivity testing* for subscriber units involves the proper receiving levels and transmitting levels within a predicted coverage area. c) *Transmitter testing* includes on channel, power output, modulation characteristics and other nominal performances which must be maintained and frequently verified. *Motorola Communications* has a division called *Messaging Test Products* which provides equipment and testing instruction in these disciplines. In general these manufacturers specialize in "one-box" test equipment. Highly complex but functional pieces of equipment that test all the functions. Another manufacturer of digital radio testing is *RACAL Instruments Inc., Berkeley Varitronics Systems* <http://www.bvsystems.com> and can provide information on test units for measuring signal propagation, positioning antennas, setting power levels or validating coverages.



Fig.10.16.1 System optimization is a lucrative consultancy

Finally, a whole new area of testing is the RF safety industry explained in detail in Chapter Nine. These studies measure Non-Ionizing Radiation (NIR) emitted from RF generators and transmitters as well as other heavy industrial equipment using RF in heating or cutting applications. One company who provides reasonably priced survey equipment and training is NARDA . Specializing in this area can provide a unique and highly desirable single person consultancy for the industry. Check in with these companies and their equipment and offerings to acquaint you with the process of system testing and the extent to which you wish to enter the

activity.

10.17 Other Job Titles

In a single issue of a current trade journal the following job titles were noted:

Electronics Service Technician
Wireless Employment Opportunities - a Head Hunter
System Technicians
Manger RF Design
Network Planner
Field Service Technician
RF Engineers
Systems Engineers
Software Specialists
Site Acquisition Specialists
Zoning & Permitting Specialist
Construction Manager
Field Sales
Management Trainees Branch manager
Technical Supervisor
Bench Technicians
Microwave Installation Specialists
System Line Up tester
Base Site Installer
Switchers
RF Engineers
Performance Engineer
Implementation Engineers
Network Planners
Construction Mangers
Network Surveillance
Base Station Installer
Leasing Project Manager
Public Speaker
Marketing Manger
Retail Sales Personnel
RF Design Engineer
Telecom & Information Technology Professionals

Site Acquisition & Real Estate Specialist
Manufacturers Representative
Interconnect Engineer
A & E Manager
CADD Specialist
Radio Engineers
OSP Engineer (Fiber Optic)
Cell Technicians
Tower Riggers
Tower Painters
Tower Bulb Changers
Nationwide Agents

Most of these positions require less than two years experience. Many can be filled quickly if you are willing to travel or take on-location assignments.

10.18 Internet Web Page Designer

I won't belabor the point but this *Guide* has referred the reader to hundreds of Web sites for additional information from vendors, consultants, tower representatives and the government. One common element that immediately comes to mind when viewing only a few of these Web sites is how poorly many of them have been constructed. Further many are out of date, dysfunctional and reflect poorly the products, information, personnel and availability of information, dealers and sources of information especially for companies with whom I am familiar and who have absolutely fantastic products and services. There is a stellar opportunity for someone with Web design experience to assist these folks with far better presentations improving their image and reach ability. I needn't sell this prospective opportunity to anyone who knows what I'm saying but the niche market for work here could be a full-time telecommunication oriented Web design company. Your prospect list is already waiting for you in Appendix B.

10.19 Wireless Trading and Investing

Keeping up with the wireless industry is relatively easy compared to other more segmented industries. Many of the trade publications report literally every minor tremor, acquisition or movement of many emerging and

well established companies. Not near as complex as the computer business, telecommunications, I feel, is more manageable from a trend perspective because markets are clearly assigned, more competitive and react quickly to the least bit of pressure from new entrants, services or products. In addition wireless companies are seeking good images on Wall Street to maintain their ratings and continued investor interest. Every week lists of key wireless companies are reported in *stock watch* pages and summarized in an index which has not yet emerged as a measurement in its

own right. By adding less than one hundred (100) wireless companies to your stock portfolio (or practice list) you can keep track of some pretty interesting advances and investment opportunities.

For example. A trade journal reports that *360° Communications Co. XO* (NYSE) a cellular telephone company operating in 15 states, showed an advance for the week of 4.2%, with a 52-week low of \$13 and closing at \$26. This company has been acquired several times in the past and has acquired a few smaller companies itself. It has demonstrated brilliant management with adequate growth in subscribers and revenue. Now comes Alltel, *AT* (NYSE), vying for acquisition of *360°*. In the same journal, Alltel shows a 1.8% advance for that week with a 52-week low of \$29 closing at \$44. The *\$4.1 Billion buyout* was rumored for weeks. Plenty of time to buy-in on some stock in either company before trading might be halted. The original proposal had *360°*share holders getting 74 cents, and a share Alltel stock. The deal is done and *360°* is no more.

When you work numbers on some of these advance releases for various companies, the average investor could have done very well keeping track with what was going on and speculating upon the probably outcome. In fact of the one hundred or so wireless stocks of interest better than 56 had advances with less than 26 having declines. Fifteen of them had new all time highs. Even companies having a bit of trouble in the past are on the rebound according to the trades. *Moody* reported the number of issuers defaulting on publicly held corporate debt more than doubled in the past three years with technological companies representing 11% of this total. The only telecommunication company to bog down in this report was *In-Flight Phone Corp.* a provider of *Flightlink* air-to ground

telecommunications. Now it is understandable that this technology may be in need of some revision by any of us who have used in-flight telephone systems. But the debt service was less than \$290 Million when Chapter 11 bankruptcy protection was filed in January of 1997. But think about it, the service is not going to go away and something must happen to fix it.

If you are a stay at home kind of electronic opportunist you can specialize in wireless investing and enjoy some interesting gains. There is a down-side to every story, so good knowledge of the industry doings and its players is essential.

There are also some *sleeze bags* who set up Nationwide investment schemes like the *CPA* who pleaded guilty to conspiracy and money laundering for his role in defrauding investors of an estimated \$35 Million dollars. The phony wireless cable venture was telemarketed “in a manor calculated to deceive investors”. The sale of these interests raised money from folks around the nation who had little or no understanding of what the services were but at least were excited enough to figure that anything in the wireless industry is “supposed to be profitable”. Reports indicate that most of the money is gone. Few will be repaid. Jail terms resulting in 4 to 6 years await some of the convicted players except for one of the suspects in the case who was found dead in a Las Vegas hotel room when he failed to show up for his U.S. District Court pleading. It is sad to report that this is not the first time investment schemes in the wireless industry have surfaced though infomercial or newspaper advertisements. What is unique is that the real action with the real players is so much easier to understand and with a little research and intuition can provide a more solid investment portfolio with greater income potential. The growth potential in telecommunications is actually unbelievable. Some say the wireless market might reach \$70 Billion by the middle of the next decade. It was \$41 Billion in 1997 which makes the industry second only to the medial industry. If you want to position yourself where the *action is* projected, try telecommunications and in particular the antenna site industry.

10.20 Negotiating, Lobbying and Advocacy

The FCC has suggested that it promote the resolution of siting conflicts between communication companies and municipalities by using *negotiated settlements*. Stopping just short of arbitration, these activities, once developed, would then be monitored by the FCC for procedural

fairness and practicality. Obviously there will be a need for skilled negotiators/arbitrators for this activity. The field is wide open on this new activity. Accordingly if you have experience in government, public service or labor negotiations, some exciting niches await you in antenna site operations as well as business.

When negotiating a contract many of the old tactics no longer apply. Deal makers rely upon honesty to make the deal work and sell. The reason is that the parties are going to be around for a long time and you have got to get off on the right foot if you want to maintain an amicable relationship with the people you have to work with. Should you be tough in your negotiations, or play the role of Mr. Niceguy? The answer to this question by people who know the negotiation business is to *do neither*. The problem is that few negotiators are well prepared and have a less than organized approach to the negotiation process.

Roger Fisher is the author of the book *Getting to Yes* (Penguin Books, New York City) and has been training corporate executives and labor leaders for years. The book offers methods for creating mutually beneficial agreements. As Fisher outlines:

Whenever anything is to be negotiated, it is always necessary to build a *relationship* first. Real estate sales people have known this principle for years. You simply can't interact with people who have little confidence in what you do and that goes for your opponent in a negotiation. Negotiating is all about creating *value, not dividing wealth*.

Site Savvy

Negotiating is all about creating value not dividing wealth.

It is a meeting of the minds not a competitive process. Power negotiations are sometimes created by the money involved. Perhaps a large corporation with whom you are dealing is inflexible to the point where it is left to you to be creative in order to devise another kind of advantage in the negotiation process. When you are prepared in your negotiations the people with whom you negotiate become disarmed and must acknowledge your understanding of the alternatives that they might have assumed (or were

hoping) you didn't know about.

When you know with whom you are dealing, a lot more can be accomplished especially in internal negotiations . One must always have a back up plan or alternative in the event of a *deadlock* so that negotiations won't terminate abruptly. So when you are ready, listen to everything first, adapt the information, then do the deal. Take it one item at a time and keep personalities out of it. Negotiating is a fun process with much written on the subject. Learn about the fundamentals and become comfortable in the process. It is a crucial part of the site operations business and good negotiating skills can always get you what you want at prices which will make you smile.

If you have had any experience with labor negotiations or work with labor unions or operations you will have another interesting area in which to operate. In a key alliance, environmentalists teamed up with organized labor to block antenna siting and publicize alleged health risks. Why are they doing this? Well perhaps as leverage to settle more longstanding disputes related to health benefits or wage concessions with telephone owned wireless companies. The case is well known in the industry but illustrates what can happen when attention is not paid to related issues which can delay sensitive site issues. Even if the labor issues have nothing to do with siting, the sensitivity of the problem surely is a brilliant strategy on the part of the union to get management's attention. The industry warning, "look over your shoulder for old foes with a new weapon".

Finally there are countless government issues which require an industry stated concise position and strategy. This process is called lobbying. One such issue is the Senate Commerce Committee's legislation to use Federal antenna siting fees to upgrade local and state wireless 911 systems. This is a sensitive but interesting twist. The wireless industry is now responsible for over thirty 30 million, *E911* calls per year (most of them to report auto accidents or road conditions). Some view this policy as an alternative to the FCC's providing federal preemptions to local zoning authority for the placement of towers. Could it be an "olive branch" to public service and law enforcement sectors? But predictably, the next step after this would have to be a *buck a month* on your wireless telephone bill to cover all those *E911* operators. Another issue is the imposition of the 3-percent excise tax on wireless and wireline telephone service. This tax was implemented in 1898 to fund the Spanish-American War. It was re-

imposed in 1914 as a temporary tax on luxuries. But somehow it isn't clear why telephone service is still considered a luxury. Look for bill stuffers urging wireless subscribers to write their congressman in support of ending this tax. Plenty of issues to keep after. If your bent is in the advocacy area you've got your work cut out for you.

10.21 Unlocking Your Future

A couple of years ago, William C.Y. Lee, V.P. and Chief Scientist for *Air Touch Communications* speculated in an article for *Wireless World* on the future of telecommunications. The gist of his article (with apologies to Mr. Lee for being so brief):

Wireless was invented barely a century ago when Marconi successfully established an 18 mile link between the Isles of Wright and a tug boat in the English Channel. From that date to today the growth has been geometric to say the least. Are there any new technologies on the horizon which will change the basic way we communicate? Not likely. *Subspace* channels permitting faster than light telecommunications are still highly theoretical and relegated to the science fiction writer. But advances in digital and wide band technologies have revolutionized the present use of spectrum and have had some highly impressive products emerge in the last decade which promise to keep pace with the needs of a technological society becoming highly mobile. So as you can see the industry is product driven.

I can recall about 10 years ago writing a position paper for a legislative budget hearing. Operating as a communication analyst I was working under an information technology director who crossed out my use of the word "wireless" and inserted "two-way radio". What was interesting about that situation was that as an antique "wireless" collector, the word was actually one of the very first terms describing the process of radio in general (i.e. *wireless apparatus*). And now it is back with a vengeance.

So for the future we could see a *Wireless Information Superhighway System*, a single number telephone unit which follows you everywhere you go, and satellite services which provide a wealth of information technologies yet to be envisioned.

All wireless services must emanate from somewhere. This

Guide may be the first step in assisting you in your effort to provide for some of these services through the building, marketing and operating of an antenna site for profit. Good luck!