

AMERICAN TOWER CORP /MA/
Form DEF 14A
April 14, 2003
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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 Pursuant to (S)240.14a-11(c) or (S)240.14a-12

AMERICAN TOWER CORPORATION

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- 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:

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

(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):

(4) Proposed maximum aggregate value of transaction:

(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:

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

(3) Filing Party:

(4) Date Filed:

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April 14, 2003

Dear Stockholder:

It is a pleasure to invite you to our 2003 Annual Meeting in Boston, Massachusetts on Thursday, May 22, 2003 at 11:00 a.m., local time, at the offices of Palmer & Dodge LLP, 20th Floor, 111 Huntington Avenue, Boston, Massachusetts 02199. We have included the official notice of meeting, proxy statement and form of proxy with this letter. The proxy statement describes in detail the matters listed in the notice of meeting.

The vote of every stockholder is important. Therefore, I urge you to sign and date the enclosed proxy card and promptly return it in the enclosed envelope so that your shares will be represented at the meeting. Alternatively, you may also vote your shares over the Internet. Please refer to the enclosed proxy card for detailed instructions. You may withdraw your proxy and vote in person at the meeting if you wish to do so.

Your Board of Directors and management look forward to greeting those of you who are able to attend.

Sincerely,

Steven B. Dodge

Chairman of the Board and

Chief Executive Officer

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AMERICAN TOWER CORPORATION

116 Huntington Avenue Boston,

Massachusetts 02116

NOTICE OF 2003 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 22, 2003

To the Stockholders:

The 2003 Annual Meeting of Stockholders of American Tower Corporation, a Delaware corporation, will be held at the offices of Palmer & Dodge LLP, 20th Floor, 111 Huntington Avenue, Boston, Massachusetts 02199 on Thursday, May 22, 2003 at 11:00 a.m., local time, to consider and act upon the following matters:

1. To elect six directors, including two Class A directors to be elected by the holders of Class A Common Stock voting separately as a class, for the ensuing year or until their successors are elected and qualified;
2. To approve an offer to exchange eligible options outstanding under the Company's Amended and Restated 1997 Stock Option Plan for a fewer number of new options to be granted at least six months and one day from the cancellation of the tendered options;
3. To ratify the selection of Deloitte & Touche LLP as our independent auditors for 2003; and
4. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Stockholders of record at the close of business on March 28, 2003 are entitled to notice of, and to vote at, the Annual Meeting. Our stock transfer books will remain open for the transfer of our Common Stock. For a period of ten days prior to the Annual Meeting, a complete list of the stockholders entitled to vote at the Annual Meeting will be available at our principal executive offices for inspection by any stockholder of record for any purpose germane to the Annual Meeting.

By order of the Board of Directors,

William H. Hess

Secretary

Boston, Massachusetts

April 14, 2003

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND PROMPTLY MAIL THE PROXY CARD IN THE ENCLOSED ENVELOPE IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES AT THE ANNUAL MEETING. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED WITHIN THE UNITED STATES. ALTERNATIVELY, PLEASE VOTE OVER THE INTERNET BY FOLLOWING THE INSTRUCTIONS ON THE ENCLOSED PROXY CARD.

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AMERICAN TOWER CORPORATION

116 Huntington Avenue

Boston, Massachusetts 02116

PROXY STATEMENT

FOR THE 2003 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 22, 2003

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of American Tower Corporation, a Delaware corporation, for use at the 2003 Annual Meeting of Stockholders to be held on May 22, 2003, or at any adjournment or postponement thereof.

We are mailing our Annual Report to Stockholders for the fiscal year ended December 31, 2002 to stockholders with the mailing of this Proxy Statement on or about April 21, 2003. Our Annual Report to Stockholders includes a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2002 as filed with the Securities and Exchange Commission (SEC), except for exhibits.

Record Date, Voting Rights and Outstanding Shares

The Board of Directors has fixed March 28, 2003 as the record date for determining holders of our Common Stock who are entitled to vote at the Annual Meeting.

We have three classes of Common Stock issued and outstanding: Class A Common Stock, \$.01 par value per share, Class B Common Stock, \$.01 par value per share, and Class C Common Stock, \$.01 par value per share. We refer to our Class A Common Stock, our Class B Common Stock and our Class C Common Stock collectively as our Common Stock.

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With respect to the matters submitted for vote at the Annual Meeting, each share of Class A Common Stock is entitled to one vote, and each share of Class B Common Stock is entitled to ten votes. Our Class C Common Stock is not entitled to vote on the matters submitted for vote at the Annual Meeting.

Except with respect to the election of two of the directors, our Class A Common Stock and Class B Common Stock will vote as a single class in regards to the matters submitted at the Annual Meeting. With respect to the election of directors, the holders of Class A Common Stock are entitled by class vote, exclusive of all other stockholders, to elect two Class A directors, whom we refer to as the Class A Directors. On March 28, 2003, there were outstanding and entitled to vote 185,804,678 shares of Class A Common Stock and 7,916,070 shares of Class B Common Stock.

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the votes represented by the Class A Common Stock and the Class B Common Stock issued and outstanding on March 28, 2003, will constitute a quorum for the transaction of business. For the separate vote of the Class A Common Stock, a quorum will be the presence in person or by proxy of the holders of a majority of the votes represented by the Class A Common Stock. We will count votes withheld, abstentions and broker non-votes for purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting.

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Stockholders who do not attend the Annual Meeting in person may submit proxies by mail or over the Internet. Proxies in the enclosed form and proxies properly submitted over the Internet, if received in time for voting and not revoked, will be voted at the Annual Meeting in accordance with the instructions contained therein. If no instructions are indicated, the shares represented by the proxy will be voted:

FOR the election of the Director nominees named herein;

FOR the approval of an offer to exchange eligible options outstanding under the Company's Amended and Restated 1997 Stock Option Plan for a fewer number of new options to be granted at least six months and one day from the cancellation of the tendered options;

FOR the ratification of the selection of Deloitte & Touche LLP as our independent auditors for fiscal year 2003; and

In accordance with the judgment of the proxy holders as to any other matter that may be properly brought before the Annual Meeting, or adjournments thereof.

We will not count shares which abstain from voting on a particular matter, and shares held in street name by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote the shares as to a particular matter (broker non-votes), as votes in favor of such matter. We will also not count them as votes cast or shares voting on such matter. Accordingly, abstentions and broker non-votes will have no effect on the outcome of voting on the matters to be voted on at the Annual Meeting that require the affirmative vote of a certain percentage or a plurality of the votes cast on a matter.

Voting of Proxies

You may vote by any one of the following means:

by mail;

over the Internet; or

in person, at the Annual Meeting.

To vote by mail, sign, date and complete the enclosed proxy card and return it in the enclosed self-addressed envelope. No postage is necessary if the proxy card is mailed in the United States. Instructions for voting over the Internet can be found on your proxy card. If you hold your shares through a bank, broker or other nominee, it will give you separate instructions for voting your shares.

Revocability of Proxies

Any stockholder giving a proxy has the power to revoke it at any time before it is exercised. You may revoke the proxy by filing an instrument of revocation or a duly executed proxy bearing a later date with our Secretary, at our principal executive offices, 116 Huntington Avenue, Boston, Massachusetts 02116. You may revoke a proxy submitted over the Internet and submit a new proxy in its place in accordance with the instructions set forth on the Internet voting website. You may also revoke a proxy by attending the Annual Meeting and voting in person. If not revoked, we will vote the proxy at the Annual Meeting in accordance with your instructions indicated on the proxy card or, if submitted over the Internet, as indicated on the submission.

Solicitation

We will bear all costs of solicitation of proxies. In addition to solicitations by mail, our directors, officers and regular employees, without additional remuneration, may solicit proxies by telephone, telecopy and personal interviews. We will request brokers, banks, custodians and other fiduciaries to forward proxy soliciting material to the beneficial owners of stock they hold of record. We will reimburse them for their reasonable out-of-pocket expenses incurred in connection with the distribution of the proxy materials. We have retained Georgeson Shareholder, a proxy solicitation firm, to assist us in soliciting proxies. We will pay Georgeson approximately \$15,000 for these services, plus reasonable out-of-pocket expenses.

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The following sets forth certain information known to us as of March 12, 2003, with respect to the shares of Common Stock that are beneficially owned as of such date by:

each director;

the Chief Executive Officer and the four other most highly compensated executive officers who were serving as executive officers on December 31, 2002, whom we refer to collectively as the Named Executive Officers;

all directors and executive officers as a group; and

each person known by us to beneficially own more than 5% of our outstanding Common Stock.

We determined the number of shares of Common Stock beneficially owned by each person under rules promulgated by the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and also any shares which the individual or entity had the right to acquire within sixty days of March 12, 2003 through the exercise of an option, conversion feature or similar right. We refer to these options as Presently Exercisable Options. All percentages are based on the shares of Common Stock outstanding as of March 12, 2003. Except as noted below, each holder has sole voting and investment power with respect to all shares of Common Stock listed as owned by that holder.

Name and Address of Beneficial Owner	Number of Shares	Percent of Class A	Percent of Class B	Percent of Common Stock	Percent of Total Voting Power
Directors and Named Executive Officers					
Steven B. Dodge (1)	10,291,403	1.13%	79.11%	5.17%	28.97%
Alan L. Box (2)	994,642	*		*	*
Arnold L. Chavkin (3)	6,070,031	2.05%		3.10%	1.44%
Raymond P. Dolan (4)	25,000	*		*	*
J. Michael Gearon, Jr. (5)	2,673,239	1.44%		1.36%	1.01%
Fred R. Lummis (6)	1,221,748	*		*	*
Steven J. Moskowitz (7)	372,000	*		*	*
Pamela D.A. Reeve (8)	25,000	*		*	*
Bradley E. Singer (9)	175,000	*		*	*
James D. Taiclet, Jr. (10)	133,000	*		*	*
Mary Agnes Wilderotter (11)	82,500	*		*	*
All executive officers and directors as a group (13 persons) (12)	22,254,967	6.24%	79.11%	11.03%	32.01%
Five Percent Stockholders					
FMR Corp. (13)	28,120,651	15.16%		14.37%	10.62%
Wellington Management Company, LLP(14)	10,327,325	5.57%		5.28%	3.90%

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Thomas H. Stoner (15)	1,050,348	*	11.81%	*	3.57%
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* Less than 1%.

- (1) Includes 1,081,935 shares of Class A Common Stock and 924,864 shares of Class B Common Stock owned by Mr. Dodge, an aggregate of 54,822 shares of Class A Common Stock and 33,915 shares of Class B Common Stock owned by three trusts for the benefit of Mr. Dodge's children, 4,790,000 shares of Class B Common Stock owned by a limited liability company, of which Mr. Dodge is the sole member, 5,000 shares of Class A Common Stock owned by Mr. Dodge's wife and 5,000 shares of Class B Common Stock owned by a charitable foundation of which Mr. and Mrs. Dodge are trustees. Mr. Dodge's wife and a third party serve as co-trustees for the three trusts. Mr. Dodge disclaims beneficial ownership of all shares owned by

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- such trusts, the charitable foundation and his wife. Includes Presently Exercisable Options to purchase an aggregate of 2,435,867 shares of Class B Common Stock and 960,000 shares of Class A Common Stock. Mr. Dodge's address is 116 Huntington Avenue, Boston, Massachusetts 02116.
- (2) Includes 357,429 shares of Class A Common Stock owned by Mr. Box, 14,935 shares of Class A Common Stock owned by Mr. Box's minor child and Presently Exercisable Options to purchase an aggregate of 622,278 shares of Class A Common Stock.
 - (3) Mr. Chavkin is an Executive Partner of J.P. Morgan Partners, LLC (JPMP), which is the management company for the private equity division of J.P. Morgan Chase & Co. He is also an Executive Vice President of JPMP Capital Corp., the sole general partner of the general partner of J.P. Morgan Partners (BHCA), L.P. (BHCA) and the sole managing member of J.P. Morgan Partners (23A SBIC), LLC (JPSBIC). Includes 121,719 shares of Class A Common Stock and 2,267,813 shares of Class C Common Stock owned by BHCA and 3,584,960 shares of Class A Common Stock owned by JPSBIC. Mr. Chavkin disclaims beneficial ownership of those shares. Includes Presently Exercisable Options to purchase an aggregate of 95,539 shares of Class A Common Stock. The address of JPMP, BHCA and JPSBIC is 1221 Avenue of The Americas, New York, New York 10020.
 - (4) Includes Presently Exercisable Options to purchase an aggregate of 25,000 shares of Class A Common Stock.
 - (5) Includes 727,443 shares of Class A Common Stock owned by Mr. Gearon and an aggregate of 1,471,345 shares of Class A Common Stock owned by limited partnerships that Mr. Gearon controls. Does not include 520,799 shares of Class A Common Stock held by a trust for the benefit of Mr. Gearon's children, of which J. Michael Gearon, Sr. is the trustee. Mr. Gearon disclaims beneficial ownership in all shares owned by such trust. Includes Presently Exercisable Options to purchase an aggregate of 474,451 shares of Class A Common Stock.
 - (6) Includes 69,105 shares of Class A Common Stock owned by Mr. Lummis, an aggregate of 256,252 shares of Class A Common Stock owned by trusts of which he is trustee, and 324,349 shares of Class A Common Stock owned by Summit Capital, Inc., an affiliate of Mr. Lummis by reason of Mr. Lummis' 50% ownership of its common stock. Mr. Lummis disclaims beneficial ownership of all shares owned by the trusts and Summit Capital, Inc., except to the extent of his pecuniary interest therein. Includes Presently Exercisable Options to purchase an aggregate of 572,042 shares of Class A Common Stock.
 - (7) Includes 3,000 shares of Class A Common Stock owned by Mr. Moskowitz and Presently Exercisable Options to purchase an aggregate of 369,000 shares of Class A Common Stock.
 - (8) Includes Presently Exercisable Options to purchase 25,000 shares of Class A Common Stock.
 - (9) Includes 5,000 shares of Class A Common Stock owned by Mr. Singer and Presently Exercisable Options to purchase an aggregate of 170,000 shares of Class A Common Stock.
 - (10) Includes 8,000 shares of Class A Common Stock owned by Mr. Taiclet and Presently Exercisable Options to purchase an aggregate of 125,000 shares of Class A Common Stock.
 - (11) Includes 7,500 shares of Class A Common Stock held indirectly by a family trust and Presently Exercisable Options to purchase an aggregate of 75,000 shares of Class A Common Stock.
 - (12) Includes Presently Exercisable Options to purchase an aggregate of 3,690,560 shares of Class A Common Stock and Presently Exercisable Options to purchase an aggregate of 2,435,867 shares of Class B Common Stock.

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- (13) Based on FMR Corp. s (FMR) Schedule 13G filed on February 13, 2003, FMR has sole voting power over 2,078,348 shares of Class A Common Stock, and FMR, Edward C. Johnson 3d and Abigail P. Johnson have dispositive power over 28,120,651 shares of Class A Common Stock. FMR s Schedule 13G indicates that certain subsidiaries and affiliates of FMR are considered beneficial owners of such shares, as follows: Fidelity Management & Research Company, a wholly owned subsidiary of FMR, is the beneficial owner of

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26,000,328 shares of Class A Common Stock (includes 282,787 shares of Class A Common Stock which may be acquired through 6.25% convertible notes and 2,352,135 shares of Class A Common Stock which may be acquired through 2.25% convertible notes); Fidelity Management Trust Company, a wholly owned subsidiary of FMR, is the beneficial owner of 2,026,477 shares of Class A Common Stock (includes 95,492 shares of Class A Common Stock which may be acquired through 6.25% convertible notes and 61,117 shares of Class A Common Stock which may be acquired through 2.25% convertible notes); and Fidelity International Limited (FIL), which provides management services for certain investors, is the beneficial owner of 93,846 shares of Class A Common Stock (includes 7,346 shares of Class A Common Stock which may be acquired through 2.25% notes). FMR and FIL filed such Schedule 13G as if they own such shares on a joint basis. The address of FMR is 82 Devonshire Street, Boston, Massachusetts 02109.

- (14) Based on Wellington Management Company, LLP s (WMC) Schedule 13G filed on February 12, 2003, WMC has shared voting power over 8,261,225 shares of Class A Common Stock, and shared dispositive power over 10,327,325 shares of Class A Common Stock. The address of WMC is 75 State Street, Boston, Massachusetts 02109.
- (15) Mr. Stoner resigned as a director effective May 16, 2002. Includes 31,311 shares of Class B Common Stock owned by his wife, an aggregate of 828,559 shares of Class B Common Stock owned by trusts of which he and/or certain other persons are trustees and 74,939 shares of Class B Common Stock and 10,000 shares of Class A Common Stock owned by a charitable foundation of which Mr. Stoner serves as an officer. Mr. Stoner disclaims beneficial ownership of the shares owned by the charitable foundation. Includes Presently Exercisable Options to purchase an aggregate of 105,539 shares of Class A Common Stock. Mr. Stoner s address is 410 Severn Avenue, #309, Annapolis, MD 21403.

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PROPOSAL 1

ELECTION OF DIRECTORS

The Board of Directors currently consists of eight directors. Mr. Box and Mr. Gearon have indicated that they will be retiring from the Board of Directors at the expiration of their current terms. The Board of Directors has voted to decrease its size to six directors effective upon the election of directors at this year's Annual Meeting, and has nominated for election as directors at the Annual Meeting the six directors listed below. Persons elected at the meeting will hold office until the 2004 Annual Meeting or until their successors are elected and qualified, subject to earlier retirement, resignation or removal. If any of the nominees become unavailable to serve, we will vote the shares represented by proxies for the election of such other person as the Board of Directors may recommend. Unless otherwise instructed, we will vote all proxies we receive FOR the nominees listed below.

Required Vote

Except for the election of the Class A Directors, the election of directors requires a plurality of the votes properly cast by or on behalf of the holders of Class A Common Stock and Class B Common Stock at the Annual Meeting, voting as a single class. The election of the Class A Directors requires votes properly cast by or on behalf of the holders of a plurality of Class A Common Stock at the Annual Meeting, voting as a separate class.

Mr. Lummis and Ms. Wilderotter have been nominated as the Class A Directors.

The Board of Directors recommends that you vote FOR the election of each of the nominees listed below to serve as our directors until the next annual meeting or until their successors are elected and qualified.

Set forth below are the name and age of each director, his or her principal occupation and business experience during the past five years and the names of other publicly traded companies of which he or she serves as a director as of January 31, 2003.

Nominee

Principal Occupations and Business Experience During the Past Five Years

Steven B. Dodge

Age 57

Mr. Dodge has served as our Chairman and Chief Executive Officer since we were incorporated. He also served as President until September 2001. Mr. Dodge was the Chairman of the Board of Directors, President and Chief Executive Officer of American Radio from its founding in November 1993 until June 1998. In 1988, Mr. Dodge founded Atlantic Radio, one of the predecessor entities of American Radio. Mr. Dodge currently serves as a director of Nextel Partners, Inc. and Sothebys Holdings, Inc.

Arnold L. Chavkin

Age 51

Mr. Chavkin has been a director and a member of the Compensation Committee since November 1997 and a member of the Nominating and Corporate Governance Committee since August 2002. Mr. Chavkin also served previously as a member of the Audit Committee. Mr. Chavkin is an Executive Partner of JP Morgan Partners, the investment adviser to BHCA and JPSBIC, stockholders of ours. He is also an Executive Vice President of JPMP Capital Corp., a subsidiary of JPMC, which is the general partner of the general partner of BHCA. In addition, Mr. Chavkin has been the President of Chemical Investments, Inc. since 1991. Mr. Chavkin serves as a director of Better Minerals & Aggregates Co., Carolina Broadband, Crown Media Holdings, Inc., Encore Acquisition Partners, and Triton PCS Holdings Inc.

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Nominee	Principal Occupations and Business Experience During the Past Five Years
Raymond P. Dolan Age 45	Mr. Dolan was elected as a director in February 2003 and is a member of the Compensation Committee. Mr. Dolan has been Chairman and Chief Executive Officer of Flarion Technologies, Inc. since May 2000. From 1996 until May 2000, Mr. Dolan was Chief Operating Officer of NextWave Telecom. Prior to joining NextWave, he was Executive Vice President of Marketing for Bell Atlantic/NYNEX Mobile.
Fred R. Lummis Age 49	Mr. Lummis has been a director and member of the Audit Committee since our merger with American Tower Corporation (Old ATC), an unaffiliated company, in June 1998. Mr. Lummis was the Chairman, Chief Executive Officer and President of Old ATC from September 1994 through June 1998. From June 1998 until early 2000, Mr. Lummis served as the Chairman, President and Chief Executive Officer of Advantage Outdoor Company, L.P. Mr. Lummis has been the Managing Director of the CapStreet Group, LLC since May 2000 and the President of Summit Capital, Inc., a private investment firm, since June 1990. He serves as a director of Southwest Bancorporation of Texas.
Pamela D.A. Reeve Age 53	Ms. Reeve has been a director since March 2002. Ms. Reeve has been a member of the Audit Committee and the Nominating and Corporate Governance Committee since August 2002. Ms. Reeve previously also served as a member of our Compensation Committee. Ms. Reeve is the President and Chief Executive Officer and a director of Lightbridge, Inc., a global provider of mobile business solutions, offering products and services for the wireless telecommunications industry. Prior to joining Lightbridge in 1989, Ms. Reeve spent eleven years as a consultant and in a series of executive positions at the Boston Consulting Group, Inc. Ms. Reeve serves as a director of NMS Communications Corp.
Mary Agnes Wilderotter Age 48	Ms. Wilderotter has been a director since August 1998. Ms. Wilderotter has been a member of the Nominating and Corporate Governance Committee since August 2002, a member of the Audit Committee since March 2001, and a member of the Compensation Committee since November 1998. Ms. Wilderotter is Senior Vice President of Business Strategy at Microsoft Corporation. Before joining Microsoft in November 2002, Ms. Wilderotter served as the President and Chief Executive Officer and a director of Wink Communications, Inc., a provider of television-based interactive electronic-commerce services. Prior to joining Wink in 1997, Ms. Wilderotter was the Executive Vice President of National Operations for AT&T Wireless Services, Inc., and Chief Executive Officer of AT&T's Aviation Communications Division. Ms. Wilderotter has also served as Senior Vice President of McCaw Cellular Communications, Inc. and Regional President of its California, Arizona, New Mexico, Nevada and Hawaii Region. Ms. Wilderotter serves as a director of Airborne Express, Inc., Anixter International Inc. and The McClatchy Corporation.

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CORPORATE GOVERNANCE

General

We have long believed that good corporate governance is important to ensure that American Tower is managed for the long-term benefit of its stockholders. During the past year, we have been reviewing our corporate governance policies and practices and comparing them to those suggested by various authorities in corporate governance and the practices of other public companies. We have also been reviewing the provisions of the Sarbanes-Oxley Act of 2002, the new and proposed rules of the SEC and the proposed new listing standards of the New York Stock Exchange (NYSE).

Based on our review, we have taken steps to implement voluntarily many of the proposed new rules and listing standards. In particular, we have:

adopted Corporate Governance Guidelines;

created a Nominating and Corporate Governance Committee and adopted its charter;

adopted new charters for our Audit Committee and Compensation Committee and reconstituted the committee members; and

adopted a Code of Conduct, which applies to all executive officers, directors and employees.

Board of Directors Meetings and Committees

The Board of Directors has responsibility for establishing broad corporate policies and reviewing our overall performance rather than day-to-day operations. The Board's primary responsibility is to oversee the management of the Company and, in so doing, serve the best interests of the Company and its stockholders. Management keeps the directors informed of company activity through regular written reports and presentations at Board and committee meetings.

During the fiscal year ended December 31, 2002, our Board held four regular meetings. Each of the current directors who was then in office attended at least 75% of the aggregate number of meetings of our Board and all of its committees on which that director served, except for Mr. Chavkin, who attended 50% of these meetings. The Board currently has the following committees: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. Each Committee has a charter that has been approved by the Board. All members of all committees are non-employee directors.

Compensation Committee. Our Compensation Committee currently consists of Ms. Wilderotter (Chairperson), Mr. Chavkin and Mr. Dolan, who became a member in February 2003. Ms. Reeve served on this committee from May 2002 through February 2003. During the fiscal year

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ended December 31, 2002, the Compensation Committee held two meetings. The primary responsibilities of the Compensation Committee are to assist the Board in establishing compensation policies for the Board and the Company's executive officers, including approval of any employment agreements or arrangements with executive officers. This committee also is responsible for administering the Company's stock options plan and approving any proposed amendments or modifications to our Amended and Restated 1997 Stock Option Plan (the "Stock Option Plan").

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Audit Committee. Since August 2002, our Audit Committee has consisted of Mr. Lummis (Chairperson), Ms. Wilderotter and Ms. Reeve. Mr. Chavkin served on this committee from February 2001 through April 2002 (and had also earlier been a member of this committee) and Mr. Box served from May 2002 until August 2002. During the fiscal year ended December 31, 2002, the Audit Committee held thirteen meetings. Our Audit Committee assists the Board in fulfilling its responsibility to oversee management's conduct of our financial reporting processes. This includes the selection and evaluation of our independent auditors, the oversight of our systems of internal accounting and financial controls, the review of the annual independent audit of our financial statements, the review of the Company's Code of Conduct, the establishment of whistle-blowing procedures, and the oversight of other compliance matters.

The SEC has promulgated, and the NYSE has proposed, new audit committee rules in response to the passage by the United States Congress in July 2002 of the Sarbanes-Oxley Act. In response to these recent developments, the Board adopted a revised charter for the Audit Committee in February 2003, which is attached as Appendix I. The members of the Audit Committee are independent as defined by the current rules of the NYSE and the SEC.

Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee currently consists of Ms. Reeve (Chairperson), Ms. Wilderotter and Mr. Chavkin. This committee was formed in August 2002 and held its first meeting in February 2003. This committee assists the Board by establishing performance criteria for the annual evaluation of the Board and its committees and identifying and recommending qualified individuals to serve on the Board and its committees. In addition, this committee assists the Board in developing and recommending Corporate Governance Guidelines (including the appropriate size, composition and responsibilities of the Board and its committees), and generally advises the Board with respect to committee charters, composition and operations. The Nominating and Corporate Governance Committee will consider for nomination to the Board candidates recommended by the stockholders, provided that such recommendations are delivered to us no later than the deadline for submission of stockholder proposals. See Additional Information Proposals of Stockholders.

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Audit Committee Report

The Audit Committee of the Company's Board of Directors is composed of three members and acts under a written charter as amended and restated in February 2003, a copy of which is attached to this Proxy Statement as Appendix I. The members of the Audit Committee are independent directors, as required by the charter, and as defined by the rules of the NYSE and the SEC. The Audit Committee held thirteen meetings during the fiscal year ended December 31, 2002.

The Audit Committee reviewed the Company's audited financial statements for the fiscal year ended December 31, 2002 and discussed these financial statements with the Company's management. Management is responsible for the Company's financial reporting process, including its system of internal controls, and for the preparation of consolidated financial statements in accordance with generally accepted accounting principles. The Company's independent auditors, Deloitte & Touche LLP, are responsible for performing an independent audit of the Company's financial statements in accordance with generally accepted auditing standards and for issuing a report on the financial statements. The Audit Committee's responsibility is to monitor and review these processes. The Audit Committee also reviewed and discussed with Deloitte & Touche LLP the audited financial statements and the matters required by Statement on Auditing Standards No. 61, as amended (Communication with Audit Committees).

The Company's independent auditors also provided the Audit Committee with the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees). Independence Standards Board Standard No. 1 requires auditors annually to disclose in writing all relationships that in the auditor's professional opinion may reasonably be thought to bear on independence, to confirm their independence and to engage in a discussion of independence. The Audit Committee also considered whether the independent auditors' provision of other, non-audit related services to the Company is compatible with maintaining such auditors' independence.

Based on its discussions with management and the independent auditors, and its review of the representations and information provided by management and the independent auditors, the Audit Committee recommended to the Company's Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

By the Audit Committee of the Board of Directors of American Tower Corporation.

AUDIT COMMITTEE

Fred R. Lummis, Chairperson

Pamela D.A. Reeve

Mary Agnes Wilderotter

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Independent Auditor Fees and Other Matters

The fees paid to our independent auditors for the year ended December 31, 2002 were as follows:

Audit Fees

Deloitte & Touche LLP billed us an aggregate of approximately \$1.9 million in fees (including expenses of approximately \$76,000) for professional services rendered in connection with the audit of our financial statements for the year ended December 31, 2002, reviews of the financial statements included in each of our Quarterly Reports on Form 10-Q during the fiscal year ended December 31, 2002, and certain statutory audits required related to our foreign subsidiaries.

Financial Information Systems Design and Implementation Fees

During the fiscal year ended December 31, 2002, Deloitte & Touche LLP did not perform or receive any fees for any professional services in connection with financial information systems design or implementation, the operation of our information system or the management of our local area network.

All Other Fees

Deloitte & Touche LLP billed us an aggregate of approximately \$1.3 million in fees (including expenses of approximately \$39,000) for all other services rendered to us and our affiliates for the fiscal year ended December 31, 2002. These other fees can be subcategorized as follows:

Attestation fees. The aggregate of fees for attestation services rendered by Deloitte & Touche LLP for matters such as audits of employee benefit plans and agreed upon procedures were approximately \$25,300.

Tax Fees. The aggregate of fees for all tax services, such as consultation related to tax planning and compliance, rendered by Deloitte & Touche LLP in the 2002 fiscal year were approximately \$1.3 million.

Certain Relationships and Related Transactions

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JP Morgan Chase Bank (Chase) is a lender under our credit facilities and had a participation percentage ranging from 1.68% to 6.67% during 2002, 2001 and 2000. Chase is an affiliate of JPMP, BHCA and JPSBIC. BHCA and JPSBIC are stockholders of ours. Mr. Chavkin, one of our directors, is an Executive Partner of JPMP. The aggregate principal amount outstanding under those credit facilities was \$1.5 billion as of December 31, 2002. Chase's participation in our credit facilities at December 31, 2002 was 2.22%. Chase's approximate share of interest and fees earned from us pursuant to our various credit arrangements during 2002 was approximately \$0.9 million.

In October 2001, we consummated the sale of 8.7% of our Mexican subsidiary, ATC Mexico Holding Corp. (ATC Mexico Holding), to J. Michael Gearon, Jr., an executive officer and director, for \$8.4 million. Mr. Gearon paid \$1.7 million in cash and delivered a 7% secured note due 2010 in the principal amount of \$6.7 million. The note, which accrues interest and is payable quarterly, is secured with recourse only to shares of our Class A Common Stock owned by Mr. Gearon and his interest in ATC Mexico Holding. The purchase price represented the fair market value of an 8.7% interest in ATC Mexico Holding on the date of the sale as determined by an independent appraiser. Mr. Gearon may require us to purchase his interest in ATC Mexico Holding for its then fair market value any time after the soonest to occur of July 1, 2004, a change in control (as defined in the stockholder agreement relating to Mr. Gearon's investment) of us or ATC Mexico Holding, or Mr. Gearon's death or disability. We have the right to purchase Mr. Gearon's interest in ATC Mexico Holding for its then fair market value after the earliest to occur of July 1, 2005, Mr. Gearon's death or disability or upon the occurrence of a Gearon Termination Event or a Forfeiture Event as described in the stockholder agreement. Interest income (paid quarterly) on the 7% secured note was approximately \$470,000 for year ended

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December 31, 2002. In January 2003, as a result of the occurrence of a change in control (as defined in the stockholder agreement), Mr. Gearon's right to require us to purchase his interest in ATC Mexico Holding was accelerated and is currently exercisable.

William H. Hess, our Executive Vice President and General Counsel, received a \$75,000 demand loan from us in March 2001, all of which was outstanding as of December 31, 2002. Interest on the loan does not accrue until demand, at which time such accrued interest is at the prime rate.

David J. Porte, our former Executive Vice President Technology and Strategy, received a \$144,000 demand loan from us in October 2001. The loan bore interest after issue at the applicable federal rate determined by the Internal Revenue Service related to imputed interest. The loan was repaid in full during the year ended December 31, 2002. Mr. Porte's employment with us ended effective as of December 2002.

Bradley E. Singer, our Chief Financial Officer and Treasurer, received a \$180,000 demand loan from us in 2001, \$90,000 of which was outstanding as of December 31, 2002. The loan bears interest one year after issue at the applicable federal rate determined by the Internal Revenue Service related to imputed interest.

During the past several years, we retained several wholly owned subsidiaries of Nordblom Co. Inc. to provide various real estate services to us in connection with our acquisition, financing, ownership and leasing of several properties. Two brothers and the father of our Chief Executive Officer's (Mr. Dodge) wife own a controlling interest of Nordblom Co. Inc. and Nordic Properties, an affiliate of Nordblom. Mr. Dodge's wife has no interest in Nordblom Co. Inc. or Nordic Properties, and Mr. Dodge was not involved in the negotiation of any of the arrangements. We paid the Nordblom companies, including Nordic Properties, an aggregate of \$574,000 in 2002. We believe that all of the arrangements with the Nordblom companies are on terms and conditions that are customary in the industry and at least as favorable to us as we could obtain from an unrelated real estate management company.

In December 2002, in connection with a potential financing transaction between us and SPO Partners II, LP (SPO), we entered into a letter agreement with SPO, which at the time was a holder of more than 5% of our Class A Common Stock. The agreement provided for a \$2.0 million break-up fee (plus expenses) payable to SPO in the event that we consummated an alternative financing transaction. As a result of our 12.25% senior subordinated discount notes and warrants offering in January 2003, we expect to pay this \$2.0 million break-up fee and reimburse certain expenses to SPO in the second quarter of 2003.

COMPENSATION AND OTHER INFORMATION CONCERNING DIRECTORS AND OFFICERS

Director Compensation

In 2002, our standard compensatory arrangement with our non-employee directors was as follows: a \$10,000 annual payment, paid on a quarterly basis, for serving on the board of directors and a \$1,000 annual payment for serving on one or more committees or a \$3,000 annual payment for serving as the chairperson of one or more committees. During the fiscal year ended December 31, 2002, we granted our non-employee directors options to purchase an aggregate of 115,000 shares of Class A Common Stock consisting of the following: in January 2002, we granted to each of Ms. Wilderotter and Messrs. Chavkin, Lummis and Box (who was also an employee until February 2002) an option to purchase 5,000 shares of Class A Common Stock; in February 2002, we granted to Mr. Box an option to purchase 20,000 shares of Class A Common Stock in connection with his employment; in March 2002, we granted to Ms. Reeve an option to purchase 25,000 shares of Class A Common Stock in connection with her election to the Board; and in December 2002, we granted to each of Ms. Wilderotter, Ms. Reeve, and

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Messrs. Chavkin, Lummis and Box an option to purchase 10,000 shares of Class A Common Stock.

The options granted to the non-employee directors prior to the December 2002 grants are immediately exercisable for 100% of the underlying shares. The options granted in December 2002 are exercisable in 25% cumulative annual increments beginning one year from the date of grant. All of the options granted expire at the end of ten years from the date of grant.

Table of Contents**Executive Compensation**

The following table provides certain information concerning compensation earned by each of the Named Executive Officers for the fiscal years ended December 31, 2002, 2001 and 2000:

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-term Compensation	All Other Compensation(a)
		Salary	Bonus	Other Annual Compensation	Securities Underlying Options	
Steven B. Dodge (b) Chairman of the Board and Chief Executive Officer	2002	\$ 200,000	\$ 100,000		300,000	\$ 44,374
	2001	220,395				3,971
	2000	227,500			300,000(c)	3,032
J. Michael Gearon, Jr. (d) Vice Chairman of American Tower Corporation and President of American Tower International	2002	200,000	100,000		100,000	3,662
	2001	268,750				3,461
	2000	300,000			200,000	2,812
Steven J. Moskowitz (e) Executive Vice President Tower Division	2002	300,000	125,000		450,000	11,782
	2001	282,292			10,000	11,915
	2000	280,000	50,000		100,000	8,120
Bradley E. Singer (f) Chief Financial Officer and Treasurer	2002	475,000	150,000		510,000	21,643
	2001	325,000				20,903
	2000	68,960			300,000	2,044
James D. Taiclet, Jr. (g) President and Chief Operating Officer	2002	500,000	150,000		300,000	137,542
	2001	156,250			500,000	3,210

- (a) Included in this category for 2002 are amounts paid with respect to the Named Executive Officers for: (A) matching contributions to our 401(k) plan of \$2,100, \$3,500, \$3,220, \$2,850, and \$3,500, respectively; (B) group term life insurance payments of \$774, \$162, \$162, \$162, and \$180, respectively; (C) automobile expenses of \$8,400, \$12,000, and \$12,000 for Messrs. Moskowitz, Singer and Taiclet, respectively; (D) relocation expenses for Mr. Taiclet of \$121,862; (E) original issue discount on an outstanding loan to Mr. Singer of \$6,631; and (F) tax planning and preparation fees paid on behalf of Mr. Dodge of \$41,500.
- (b) Mr. Dodge served as Chairman of the Board, President and Chief Executive Officer through September 3, 2001.
- (c) Mr. Dodge surrendered and forfeited for no consideration this option to purchase 300,000 shares of Class A Common Stock at an exercise price of \$30.625 per share in 2001.
- (d) Mr. Gearon served as an Executive Vice President until December 2001.
- (e) Mr. Moskowitz served as our Executive Vice President Marketing and Vice President and General Manager of Northeast Region in 2001.
- (f) Mr. Singer joined the Company in September 2000 as Executive Vice President Strategy. He served as Executive Vice President Finance and Vice President and General Manager of Southeast Region in 2001.
- (g) Mr. Taiclet joined the Company in September 2001 as President and Chief Operating Officer.

Table of Contents**Options Granted in 2002**

The following table sets forth certain information relating to options granted in 2002 pursuant to our Stock Option Plan to the individuals named in the Summary Compensation Table above.

Option Grants in Last Fiscal Year

Name	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(c)	
	Number of Securities Underlying Options Granted	Percent of Total Options Granted to Employees in Fiscal 2002(a)	Exercise Price		5%	10%
			Per Share(b)	Expiration Date		
Steven B. Dodge	300,000	3.40%	\$ 3.04	12/9/12	\$ 573,552	\$ 1,453,493
J. Michael Gearon, Jr.	100,000	1.13	3.04	12/9/12	191,184	484,498
Steven J. Moskowitz	200,000	2.26	5.91	1/18/12	743,353	1,883,804
	50,000	0.57	3.15	6/14/12	99,051	251,014
	200,000	2.26	3.04	12/9/12	382,368	968,995
Bradley E. Singer	200,000	2.26	5.91	1/18/12	743,353	1,883,804
	60,000	0.68	3.15	6/14/12	118,861	301,217
	250,000	2.83	3.04	12/9/12	477,960	1,211,244
James D. Taiclet, Jr.(d)	175,000	1.98	1.07	10/4/12	117,761	298,428
	125,000	1.41	3.04	12/9/12	238,980	605,622

- (a) Based on options to purchase an aggregate of 8,835,624 shares granted to our employees and directors pursuant to our Stock Option Plan during the year ended December 31, 2002.
- (b) The exercise price per share of each option was equal to the closing price of our Class A Common Stock on the NYSE on the date of grant.
- (c) The potential realizable value is calculated based on the term of option at the time of grant. Stock price appreciation of 5% and 10% is assumed pursuant to rules promulgated by the Securities and Exchange Commission and does not represent our prediction of stock price performance. The potential realizable values at 5% and 10% appreciation are calculated by assuming that the exercise price on the date of grant appreciates at the indicated rate for the entire term of the option and that the option is exercised at the exercise price and sold on the last day of its term at the appreciated price.
- (d) See Employment and Severance Agreements.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table sets forth certain information regarding the unexercised options granted pursuant to our Stock Option Plan (or outstanding with respect to options granted under predecessor plans) to the individuals referred to in the Summary Compensation Table above. None of the Named Executive Officers exercised any options during 2002.

Aggregated Option Values in Last Fiscal Year

and Fiscal Year-End Option Values

Name	Number of Securities Underlying Unexercised Options at December 31, 2002		Value of Unexercised In-the-Money Options at December 31, 2002(a)	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Steven B. Dodge	3,055,867	1,080,000	\$ 195,790	\$ 147,000
J. Michael Gearon, Jr.				