

Assessing the Economic and Financial Impacts from DISH's Infrastructure Contract Defaults

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Executive Summary

KEY TAKEAWAYS

In late 2025, DISH Wireless LLC (DISH) (a subsidiary of EchoStar) notified tower companies and other of its vendors that it believed its long-term master lease agreements were “excused” following EchoStar’s decision to sell its spectrum holdings after the Federal Communications Commission (FCC) began an investigation into whether EchoStar had met its buildout obligations. Wireless infrastructure providers, including tower companies, have disputed this “excuse” claim and several have initiated litigation to enforce contractual obligations. DISH has signalled that it will not receive any of EchoStar’s spectrum sale proceeds—an apparent suggestion that it could become judgment-proof. EchoStar’s proposed spectrum sale requires FCC approval and is currently under review.

This report assesses the economic and financial consequences on the wireless infrastructure ecosystem if the FCC allows DISH and EchoStar to use the spectrum sale as an excuse to break long-standing industry norms and default without bearing any consequences. If DISH’s decision to default is allowed to stand, I estimate that to fully offset the financial loss, tower companies would need to increase rents on remaining tenants by approximately 5.7 to 10.7 percent, in addition to typical annual escalators, and/or decrease future investments into this critical infrastructure. Additionally, my analysis shows that if large-scale contractual defaults become perceived as plausible, lenders and investors will price in higher counterparty risk, which will negatively impact smaller tower companies and could lead to greater difficulties in access to capital, delayed investment and/or rural coverage gaps.

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Long-term tower leases are foundational to the economics of wireless infrastructure and to the success of wireless-carrier network deployment in the United States. Tower companies make substantial, sunk investments in site acquisition, construction, structural upgrades, and ongoing maintenance in reliance on stable, multi-year contracted revenues. Economic principles demonstrate that enforceable contracts and appropriate damages if contracts are broken are essential to sustaining such investment. When a counterparty defaults without bearing the

expected economic consequences, the result is not limited to a bilateral dispute — it undermines the incentive structure that supports efficient, forward-looking investment across the sector.

Based on publicly available data that is supported by proprietary data, I estimate that DISH's leases account for approximately 5.1 to 7.0 percent of annual rental revenues across the industry. If the Commission approves the transfer without conditions, the unexpected shock from the loss of this revenue would force tower companies to choose a combination of economically significant responses including rent increases, higher financing costs, reduced investment, and potential coverage gaps that would ultimately harm consumers through higher prices, diminished service quality, and slower technological progress.

With respect to increasing lease rates on remaining tenants to recover the shortfall¹¹, I estimate that to fully offset the lost revenue and significant decommissioning costs, tower companies would need to increase rents on remaining tenants by approximately 5.7 – 10.7 percent, in addition to typical annual escalators. Given that tower access is a necessary input, such increases would raise carriers' operating costs and, over time, place upward pressure on consumer wireless prices. Economic literature on cost pass-through supports the conclusion that industry-wide input cost increases in relatively concentrated markets like wireless service are often substantially passed through to consumers.

With respect to reducing capital expenditures, if tower companies instead absorb some or all the revenue loss, the result will be reduced investment, which impacts broadband deployment. Wireless infrastructure is not static; it requires continuous capital deployment to support 5G densification, edge computing, fiber integration, and early-stage 6G readiness. A material and persistent revenue shock would slow new builds, delay upgrades, and constrain rural expansion. In areas where margins are already thin, especially rural markets, even modest reductions in expected cash flows can render projects economically infeasible. The result would be slower improvements in coverage, capacity, and service quality, reducing consumer surplus and a weakening of U.S. leadership in next-generation wireless deployment.

The default may also introduce systemic risk, especially for smaller tower companies leading to increased default expectations and an increase in returns an infrastructure owner will demand to mitigate the expectation of increased default risk. If this shock is sufficiently large, the cost of capital may increase, which can amplify the reduction in investment. Tower valuations and

¹¹ This report does not explore the feasibility of rental increases. Instead, it quantifies the magnitude of DISH and EchoStar's impact in the form of a corresponding rental increase necessary to offset the losses.

financing terms are predicated on the historically strong enforceability of long-term lease agreements. If large-scale, consequence-free contractual defaults become perceived as plausible, lenders and investors will price in higher counterparty risk. Smaller and regional tower companies—already facing higher weighted average costs of capital (WACC)—are particularly vulnerable. My analysis shows that for each 1 percentage point increase in WACC, required rents would need to rise by approximately 0.3 percentage points to offset the financial burden of DISH’s default. For firms operating with thin margins and limited tenant diversification, this represents a substantial economic strain that could lead to reduced access to capital, delayed investment or rural coverage gaps.

In sum, DISH’s choice to default is not simply a private contractual dispute. It represents a material negative shock to a capital-intensive sector that sits at the core of U.S. wireless competition and innovation. If not remedied, the resulting rent increases, higher financing costs, reduced investment, and potential coverage gaps would ultimately harm consumers through higher prices, diminished service quality, and slower technological progress. Reinforcing the established norm of contractual stability in this context is therefore critical not only for the parties directly involved, but for the long-term health of the American wireless ecosystem. In addition to the effects on existing tower companies and wireless providers, for any new entrants there is a high likelihood of reduced contract length and increased rent to avoid the potential for a shock like this.

I. Introduction

In late 2025, following EchoStar’s agreements to sell some of its spectrum licenses for approximately \$42.6 billion (\$23 billion to AT&T for 3.45 GHz mid-band and 600 MHz low-band spectrum,² \$17 billion to SpaceX for AWS-4, H-block,³ and \$2.6 billion in Space X stock for 15 MHz of unpaired AWS-3 licenses),⁴ EchoStar subsidiary DISH notified its wireless infrastructure provider partners that it believed its lease obligations were “excused”.⁵ DISH claimed that actions by the FCC effectively forced it to sell the spectrum and so had removed the basis on which its tower leases were entered into.⁶

The tower companies dispute the claim that DISH is “excused” from its obligations, and several have decided to take the matter to court. American Tower filed a declaratory judgment complaint in the U.S. District Court for the District of Colorado in October 2025, accusing DISH of “contrived efforts to evade its clear and undisputed contractual obligations.”⁷ American Tower stated that DISH’s contracts accounted for “roughly 4% of the company’s U.S. and Canada property revenue”

² David Shepardson, Harshita Mary Varghese, “EchoStar to Sell Wireless Spectrum Licenses to AT&T in \$23 Billion Deal,” Reuters, August 26, 2025, <https://www.reuters.com/en/echo-star-sell-wireless-spectrum-licenses-att-23-billion-deal-2025-08-26/>. EchoStar, “EchoStar Announces Spectrum Sale and Hybrid Mobile Network Operator (MNO) Agreement, Steps Toward Resolving Federal Communications Commission’s (FCC) Inquiries,” August 26, 2025, <https://ir.echostar.com/news-releases/news-release-details/echo-star-announces-spectrum-sale-and-hybrid-mobile-network>. See also, Jason Rainbow, “EchoStar Sells More Spectrum in \$2.6 Billion Deal for Bigger SpaceX Stake,” November 6, 2025, <https://spacenews.com/echo-star-sells-more-direct-to-device-spectrum-for-bigger-spacex-stake/> (“EchoStar Sells More Spectrum in \$2.6 Billion Deal for Bigger SpaceX Stake”).

³ EchoStar, “EchoStar Announces Spectrum Sale and Commercial Agreement with SpaceX,” September 8, 2025, <https://ir.echostar.com/news-releases/news-release-details/echo-star-announces-spectrum-sale-and-commercial-agreement-spacex>. EchoStar, “EchoStar Agrees to Sell Full Unpaired AWS-3 Spectrum License Portfolio to SpaceX,” November 6, 2025, <https://ir.echostar.com/news-releases/news-release-details/echo-star-agrees-sell-full-unpaired-aws-3-spectrum-license>.

⁴ EchoStar Sells More Spectrum in \$2.6 Billion Deal for Bigger SpaceX Stake.

⁵ Jeff Baumgartner, “‘Forced Sale’ of Spectrum Renders Tower Space ‘Unusable’ – Dish Wireless,” Light Reading, January 9, 2026, <https://www.lightreading.com/5g/-forced-sale-of-spectrum-renders-tower-space-unusable-dish-wireless>, (“‘Forced Sale’ of Spectrum Renders Tower Space ‘Unusable’ – Dish Wireless”).

⁶ See ‘Forced Sale’ of Spectrum Renders Tower Space ‘Unusable’ – Dish Wireless.

⁷ Wireless Estimator, “Boost Turns to Bust: American Tower Sues to Stop DISH Ditching Tower Rent; Towercos Could Lose \$9 Billion,” October 29, 2025, <https://wirelessestimator.com/articles/2025/boost-turns-to-bust-american-tower-sues-to-stop-dish-ditching-tower-rent-towercos-could-lose-9-billion/>, (“Boost Turns to Bust: American Tower Sues to Stop DISH Ditching Tower Rent; Towercos Could Lose \$9 Billion”).

and that it would lose \$210 million annually due to the DISH default.⁸ Crown Castle followed with its own lawsuit in November 2025, and in January 2026 announced that DISH had formally defaulted on its payment obligations, prompting Crown Castle to terminate its agreement and seek recovery of over \$3.5 billion in remaining lease payments owed to the company.⁹ SBA Telecommunications has also filed a lawsuit.¹⁰ In addition to the tower companies, equipment vendors and suppliers have also sued DISH with regard to DISH renegeing on existing contracts.¹¹ DISH, however, has signaled that it will not receive any of the proceeds from the sale of its parent EchoStar’s spectrum—an apparent suggestion that it could become judgment- proof.

This report assesses the economics of how such unexpected, consequence-free, contractual defaults can have an adverse impact on the non-defaulting parties’ current and future investment decisions, in turn leading to a lose-lose situation for the tower companies and for the American consumer. If DISH’s defaults are allowed to stand, the tower companies face a choice: They must act to recover the lost revenue from their remaining and future tenant base and/or reduce their capital expenditures. Both pathways carry serious consequences for the broader telecommunications ecosystem and, ultimately, for American consumers, businesses, and national competitiveness.¹²

⁸ Boost Turns to Bust: American Tower Sues to Stop DISH Ditching Tower Rent; Towercos Could Lose \$9 Billion.

⁹ John Celentano, “Crown Castle Terminates DISH Contract, Seeks to Collect \$3.5B in Payments Owed,” Inside Towers, January 14, 2026, <https://insidetowers.com/crown-castle-terminates-dish-contract-seeks-to-collect-3-5b-in-payments-owed/>.

¹⁰ *SBA Telecommunications, LLC et al v. DISH Wireless L.L.C.*, No. 1:2026cv00218, Justia Dockets & Filings (W.D.N.Y. filed Feb. 5, 2026).

¹¹ For example, *Sabre Industries, Inc. v. DISH Wireless Leasing L.L.C.*, 1:26-cv-00209, (S.D.N.Y. filed Jan. 9, 2026). See also, *DataVerge LLC v. DISH Wireless L.L.C.*, No. 503203/2026 (N.Y. Sup. Ct., Kings Cnty. filed Jan. 28, 2026). See also, EchoStar, “Form 10-K For The Fiscal Year Ended December 31, 2025,” March 2, 2026, p. F-90 (“On February 27, 2026, Comcast Business Communications, LLC filed a declaratory judgment lawsuit against us and our wholly-owned subsidiary DISH Wireless L.L.C. in the United States District Court for the District of Colorado... Comcast Business Communications is seeking \$54 million in damages.”). See also, *Zayo Group LLC v. Dish Wireless LLC*, 2025CV034300 (Colorado 2nd Judicial District, Denver Cnty, filed Nov. 26, 2025).

¹² While this report focuses on wireless infrastructure providers, there are also negative impacts to other entities in the wireless infrastructure ecosystem, including rooftop owners, fiber providers, and equipment manufactures that have experienced defaults.

II. If Allowed to Stand, DISH's Defaults Could Harm Consumers and Investment in U.S. Wireless Infrastructure

A. The Economics of Contracts, Enforcement and Damages

Contracts play a critical role in society, facilitating economic relationships that are Pareto Improving (transactions where some parties involved are made better off and nobody is made worse off). This is because contracts solve intertemporal coordination problems. Without enforceable contracts, parties can't credibly commit to future performance, so gains from trade requiring sequential exchange — investment today, payment tomorrow — are reduced, leading to lower social welfare.

Models of contracting in economics treat contract default (*i.e.*, nonperformance, nonpayment, or opportunistic termination) as a rational choice a party can take when the gain from renegeing exceeds the expected value of continuing the relationship with the contracting party. Contracts need to satisfy what economists term “the incentive compatibility constraint” for the parties to want to fulfil the promise, *i.e.*, the expected gain from the performance must be at least as valuable as the gain from a default or contract breach. However, incentive compatibility constraints can evolve over time. For example, incentives to comply could weaken, because of, say, improved outside options and lead to default becoming more likely. Thus, a foundational result in the economics of contracts is that high performance can be sustained more effectively when there is an enforceable punishment mechanism that kicks in when a contract is breached, which effectively offsets any potential weakening of the incentive compatibility for any given party.

The importance of contract enforceability and appropriate damages in the case of a breach have been studied thoroughly. Without enforceability and appropriate damages, parties cannot credibly commit, and valuable cooperative exchanges would not occur.¹³ Especially in exchanges that require one party to act first, if the promisor cannot credibly commit to perform, the

¹³ Robert Cooter and Thomas Ulen, *Law and Economics, 6th Edition*, (Berkeley Law Books, 2016), p. 283, (“*Law and Economics*”).

promisee would rationally withhold cooperation.¹⁴ Damages, when properly determined, play a crucial role in preventing opportunistic nonperformance because they internalize the cost of breaching the contract to the promisor.¹⁵ However, damages can only achieve this effect if contracts are enforceable. Without enforcement, even well-designed damages are meaningless since the promisor would face no real incentive to internalize the costs of breach.¹⁶ Therefore, appropriate damages and enforceability operate together: damages align incentives, and enforcement makes those incentives credible.

In the current context, DISH entered into long-term contracts with tower companies that met their contractual obligations up front, enabling DISH to build out its wireless network and meet its buildout obligations. Consistent with long-standing industry norms, these contracts internalized the expected risk of breach and the appropriate compensation/damages in the case of a breach. These two key variables, appropriate damages and enforceability, incentivized all parties to enter into a welfare-improving relationship. A default on a parties' contractual obligations, without the expected damages marks a departure from the efficient outcome. Furthermore, it will establish a precedent that shapes future expectations of default risk, affecting not only current social welfare, but also social welfare in years to come. The reduction in efficiency (*i.e.*, the reduction in social welfare) arises because the default may lead to stranded investments, an under-supply of the downstream product, and higher prices for other parties who rely on the contract being performed. These are all relevant to the present context.

In industries where fixed costs are substantial and a seller requires several buyers that, over time, fund the provision of the goods, *e.g.*, towers being constructed and being funded over time by multiple tenants leasing space on the tower, there is a classic intertemporal commitment problem. Tower companies must get their tenants to make a credible commitment to pay over time to recoup the investments that they initially make, and continue to make over the life of the asset through maintenance and improvements, to facilitate the space occupied by each tenant. The credibility is driven by the enforceability of the contract, and the damages that parties have to pay if the contract is breached. In addition, a default by one buyer can have effects that extend beyond the immediate bilateral contract. The default by one buyer can lead to a negative revenue and cashflow shock for the supplier, potentially stranded capacity and higher per-unit average costs. This makes it even more critical that contracts are enforced.

¹⁴ *Law and Economics*, p. 286.

¹⁵ *Law and Economics*, p. 289.

¹⁶ *Law and Economics*, p. 307.

Another characteristic of industries with high fixed costs and low incremental costs (*e.g.*, infrastructure, utilities, network industries) is that cost recovery depends on stable volume over a sufficient threshold over a long time horizon. If a meaningful buyer unexpectedly defaults, the seller's remaining revenue base shrinks while fixed costs remain.¹⁷ This can increase the seller's average cost per remaining unit sold and put pressure on the contracts with the remaining downstream customers by forcing higher wholesale input prices, which may be passed down to consumers.

However, in this situation if prices that the wireless infrastructure providers can charge to their tenants are constrained, the seller may instead cut capital expenditures, delay upgrades, reduce maintenance, or slow innovation. Simply put, a negative cashflow shock can reduce investment, particularly if external financing is costly or uncertain. If the defaulting buyer represented capacity that can easily be resold, the effect from the default may be muted. This depends on whether capacity is fungible, whether demand from other buyers exists, switching costs and time to redeploy.

Additionally, under certain conditions, such a default can also increase systemic risk. Systemic risk in multiparty relational contracting arises when a single default changes incentives and beliefs across other contractual relationships, causing cascades (widespread breakdown of trade, runs, or further defaults) rather than containment (localized renegotiation and continued cooperation).¹⁸ One member's default can shift beliefs about the group. In the current context, this means that the DISH default has the potential to change beliefs about the less financially secure wireless providers (*e.g.*, new and/or smaller regional wireless companies that want to rent space on a tower) as a cohort leading to increased default expectations and an *ex ante* increase in returns a tower owner will demand to mitigate the expectation of increased default risk. If this shock is sufficiently large, the seller's credit rating may deteriorate, and the cost of capital may increase. Higher capital costs can amplify the reduction in investment.

Below I describe these impacts in further detail and quantify estimates of how much remaining tenant leases would increase for the financial impact of DISH's default to be offset completely for the tower companies. I also assess the incremental pressure that may accrue to smaller tower companies that are more susceptible to changes in systemic risk.

¹⁷ In this instance, fixed costs will *increase* as DISH is expecting tower companies to pay for the significant decommissioning costs of dealing with its abandoned equipment (as discussed below).

¹⁸ Franklin Allen & Douglas Gale, "Financial Contagion," *Journal of Political Economy*, Vol. 108, No. 1 (2000), 1–33, pp. 2, 4–5.

B. Unexpected Negative Shocks to Revenues Could Raise Prices for Consumers and Reduce Provider Investment

The unilateral move by DISH to claim that the FCC forced them to sell their spectrum and ultimately renege on its long-term Master Lease Agreements (MLAs) introduces a severe, unmitigated, and unexpected shock to the revenue streams of U.S. tower companies. Industry observers estimate that these contract defaults put at risk more than \$9 billion of contracted revenues.¹⁹ Below I discuss how the tower companies' imperative of needing to continuously invest in new infrastructure implies that they must either recover the lost revenue from their remaining tenant base and/or reduce their capital expenditures.²⁰

1. Continuous and Steady Infrastructure Investment from Tower Companies is Imperative for the Industry

Regardless of the legal outcome of these disputes, the immediate economic reality of DISH's decision to unilaterally breach its contractual obligations and halt payments is a sudden, material evaporation of contracted revenues. For large tower companies with diversified portfolios and national anchor tenants (AT&T, Verizon, and T-Mobile), this default does not necessarily physically strand the assets,²¹ but nevertheless is a significant negative shock to the U.S. telecommunications industry. This is because of the nature of the tower companies' role in the industry and the economics of their business model. Tower companies are not passive landlords maintaining existing structures. Rather, the business model is to provide the physical and operational platform that allows wireless operators to deploy successive generations of technology quickly, reliably, and at scale. That requires continual reinvestment in the underlying site ecosystem. This is especially true as the sector transitions from "coverage-first" deployments

¹⁹ See Boost Turns to Bust: American Tower Sues to Stop DISH Ditching Tower Rent; Towercos Could Lose \$9 Billion.

²⁰ If there are future new wireless provider entrants, they too may face increased rents due to increases in systemic risk the tower companies demanding a higher rate of return to mitigate the increased risk.

²¹ Although the towers themselves are not stranded, I understand that there would be decommissioning costs of approximately [BEGIN CONFIDENTIAL] **REDACTED** [END CONFIDENTIAL] per site (tower/rooftop) that would be borne by the infrastructure companies if DISH is allowed to walk away from its network as it plans. See, Data produced by select WIA members under protective order.

to prioritizing “capacity, latency, and compute” deployments, driven by the popularization of more interactive uses for mobile broadband like artificial intelligence and augmented reality.²²

Current telecommunication industry trends toward 5G Advanced and, over the medium horizon, 6G, implies several investment burdens on tower infrastructure that are necessary to keep the U.S. telecommunications sector ahead and thriving.²³ Tower sites—with their existing land, power, and fiber connectivity—are critical locations for edge data centers that process data closer to end users. For example, American Tower has begun deploying aggregation edge data centers at select tower sites, and Crown Castle made a strategic investment in Vapor IO, an edge colocation provider.²⁴ 6G’s commercial deployment is expected around 2030, but the standardization process and early infrastructure planning are happening now. In addition to the equipment upgrades required for current 4G and 5G deployments, entire new spectrum bands will be deployed for 6G. The current administration and past ones have recognized the importance of 6G networks to the economic prosperity and security of the U.S.²⁵ From a tower company’s perspective, the relevant fact is that 6G’s expected use of new mid-band spectrum and in the long-term, the deployment of ultra-high frequencies (*e.g.*, sub-THz frequency bands), which propagate over shorter distances than current spectrum, will require new and denser site

²² Kristen Beckman, “Industry Leaders Make Their Predictions for 2025,” Wireless Infrastructure Association, January 13, 2025, <https://wia.org/industry-leaders-make-their-predictions-for-2025/>. See, Ericsson, “5G Advanced: Evolution Towards 6G,” Ericsson White Paper, June 2023, <https://www.ericsson.com/49ce19/assets/local/reports-papers/white-papers/5g-advanced-evolution-towards-6g-v2.pdf>, p. 9.

²³ Investing in multi-access edge computing (MEC) infrastructure is one such example (“MEC offers application developers and content providers cloud-computing capabilities and an IT service environment at the edge of the network. This environment is characterized by ultra-low latency and high bandwidth as well as real-time access to radio network information that can be leveraged by applications.”). See Dario Sabella, “Multi-access Edge Computing,” ETSI, last accessed March 2, 2026, <https://www.etsi.org/technologies/multi-access-edge-computing>.

²⁴ Tilly Gilbert, “50 Edge Computing Companies to Watch in 2025,” STL Partners, last accessed March 2, 2026, <https://stlpartners.s3.eu-west-2.amazonaws.com/article/edge/2025-04+50+Edge+companies+2025.pdf>; see also, Sean Kinney, “How Tower Companies Can Facilitate Edge Computing Deployments,” RCR Wireless News, May 11, 2018, <https://www.rcrwireless.com/20180511/5g/tower-companies-edge-computing-deployments-tag17>.

²⁵ See, The White House, “Fact Sheet: President Donald J. Trump Takes Action to Win the 6G Race,” December 19, 2025, <https://www.whitehouse.gov/fact-sheets/2025/12/fact-sheet-president-donald-j-trump-takes-action-to-win-the-6g-race/>. See also, The White House, “Winning the 6G Race,” Presidential Memoranda, December 19, 2025, <https://www.whitehouse.gov/presidential-actions/2025/12/national-security-presidential-memorandum-nspm-8-0bda/>. See also, National Telecommunications and Information Administration, U.S. Department of Commerce, “Advancement of 6G Telecommunications Technology,” The Daily Journal of the United States Government, May 23, 2024, <https://www.federalregister.gov/documents/2024/05/23/2024-11277/advancement-of-6g-telecommunications-technology>.

infrastructure, including additional small cells, repeaters, and AI-optimized RAN equipment. The investment cycle for site readiness begins years before commercial launch.²⁶

Faced with the loss of an expected, contractually committed revenue stream and an imperative to continue to invest in cutting-edge infrastructure, tower companies have two options. They must either recover the lost revenue from their remaining tenant base or reduce their capital expenditure. Both pathways carry serious consequences for the broader telecommunications ecosystem and, ultimately, for American consumers. Below I assess the consequences of the two paths that are available to tower companies.

2. Option 1: Unexpectedly Lost Revenue Must be Recovered through Rent Increases on Remaining Tenants, Putting Upward Pressure on Consumer Wireless Prices.

The economics of multi-tenant tower companies are straightforward. Tower companies finance the acquisition, construction, modifications, and maintenance of their assets on the expectation of a certain number of paying tenants per tower. Tower companies are structurally reliant on stable, long-duration contracted revenues because the sector is capital-intensive, requiring substantial ongoing capex for new site development, structural upgrades, and maintenance to support new radios, new bands, and densification. When one tenant defaults, the required return per remaining tenant is likely to rise to maintain the required – and expected – capital recovery trajectory. Tower contracts are long term and are designed to match the long-lived nature of infrastructure investments. Defaults are exceedingly rare, and the expected rate of return of tower companies reflect this. DISH’s actions fall well outside industry norms.

Table 1 below summarizes the information I have found from public sources.²⁷ My calculations from these data estimate that DISH revenues would have made up about 5.1% - 7.0% of Big 3 carriers plus DISH tower industry rental revenues per year (focused on macro sites).

²⁶ See Ericsson, “Sub-terahertz Communication in 6G,” last accessed March 2, 2026, <https://www.ericsson.com/en/6g/spectrum/sub-thz>. See also, IEEE Communications Society, “Best Readings in Terahertz Communications,” last accessed March 2, 2026, <https://www.comsoc.org/publications/best-readings/terahertz-communications>. See also, NGMN Alliance, “6G Position Statement,” last accessed March 6, 2026, https://www.ngmn.org/wp-content/uploads/NGMN_6G_Position_Statement.pdf, p. 3.

²⁷ Where possible, I cross-checked my inputs with data from WIA members’ data and found that they agreed. However, given the confidential nature of the members’ data, I am opting to use publicly available data.

TABLE 1: HIGH-LEVEL ESTIMATED RANGE OF BIG 3 + DISH INDUSTRY RENTAL REVENUE SHARE USING ESTIMATED MACRO SITES AND ANNUAL RENTS

		Average Annual Rent Per Tower		Estimated Number of Towers Rented [C]	Estimated Total Annual Revenue (\$M)		% of Total Revenue	
		Scenario 1 [A]	Scenario 2 [B]		Scenario 1 [D]	Scenario 2 [E]	Scenario 1 [F]	Scenario 2 [G]
					[A]*[C]	[B]*[C]	[D]/[D][5]	[E]/[E][5]
AT&T	[1]	\$30,000	\$42,000	75,000	\$2,250	\$3,150	31.4%	32.1%
T-Mobile	[2]	\$30,000	\$42,000	82,000	\$2,460	\$3,444	34.4%	35.1%
Verizon	[3]	\$30,000	\$42,000	65,000	\$1,950	\$2,730	27.2%	27.8%
Dish	[4]	\$20,000	\$20,000	25,000	\$500	\$500	7.0%	5.1%
Total	[5]				\$7,160	\$9,824		

Sources and notes:

[A]: Scenario 1: DISH’s annual rent is set at \$20,000, which is consistent with WIA member survey data on DISH rental rates and generally corresponds to the lower bound of \$18,000 the range reported in Adam Simmons, “Cell Tower Lease (Rates, Agreements, Buyout, Value),” Dgtl Infra, January 12, 2024, <https://dgtlinfra.com/cell-tower-lease-rates-agreements/>. For the other nationwide carriers, we use \$30,000, which is consistent with rental rate data reported by a majority of WIA member survey respondents.

[B]: Scenario 2 holds DISH's annual rent at the value that has been verified to be consistent with WIA member survey data. For the other nationwide carriers, we apply the upper bound of the range reported by Simmons. See, Adam Simmons, “Cell Tower Lease (Rates, Agreements, Buyout, Value),” Dgtl Infra, January 12, 2024, <https://dgtlinfra.com/cell-tower-lease-rates-agreements/>. This is consistent with the data reported in the 10-K’s for Crown Castle, American Tower and SBA. See, AMT 2025 10-K, SBA 2025 10-K and Crown Castle International 2025 10-K. See, American Tower, Form 10-K for the Fiscal Year Ended December 31, 2025, p. 11 and F-4, <https://americantower.gcs-web.com/static-files/bc617cc0-a47e-4d8f-bc7f-5e2b575bcf7f>. See, Crown Castle Inc., Form 10-K for the Fiscal Year Ended December 31, 2025, p. 8 and 37, <https://investor.crowncastle.com/static-files/68fb84e1-1dac-440d-96b4-55b9603e10dd>. See, SBA Communications Corporation, Form 10-K for the Fiscal Year Ended December 31, 2025, F-37 and F-40, <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001034054/806661a12-1528-4050-9cfd-43e73df15653.pdf>. This rental rate data is consistent with public sources indicating that DISH accounts for approximately 4% of tower company revenues. See, Footnote 6 (“Chief Executive Officer Steven Vondran told analysts... [Dish] accounts for roughly 4% of the company’s U.S. and Canada Property revenue.”).

[C][1]: Steel in the Air, "AT&T Cell Tower Lease," last accessed March 3, 2026, <https://www.steelintheair.com/att-cell-tower-lease/#:~:text=AT&T%20has%20approximately%2075%2C000%20cell,%2C%20building%2C%20or%20other%20structure>.

[C][2]: T-Mobile US Inc., Form 10-K for the Fiscal Year Ended December 31, 2024, p. 8, <https://www.sec.gov/Archives/edgar/data/1283699/000128369925000012/tmus-20241231.htm>.

[C][3]: Mike Dano, "Verizon Hints at 5G Life After C-band Buildout," Light Reading, May 13, 2025, <https://www.lightreading.com/5g/verizon-hints-at-5g-life-after-c-band-buildout>.

[C][4]: Wireless Estimator, "Boost Turns to Bust: American Tower Sues to Stop DISH Ditching Tower Rent; Towercos Could Lose \$9 Billion," October 29, 2025, <https://wirelessestimator.com/articles/2025/boost-turns-to-bust-american-tower-sues-to-stop-dish-ditching-tower-rent-towercos-could-lose-9-billion/#:~:text=DISH%27s%20network%20has%20grown%20substantially,a%20year%20in%20lost%20revenue>.

Note that if DISH was going to be a national provider, it would likely have had to expand its footprint of towers in the future. This implies that my estimates of DISH’s share is conservative.

[D]: This is an absolute lower bound I am reporting for completeness given the range of estimated annual rents that are publicly available. Given my industry expertise and other corroborative public data, the true value is likely to be closer to my upper bound estimate.

[E]: Crown Castle, SBA, and American Tower's macro tower lease revenues from the wireless providers combined are approximately \$10B - 11B. Crown Castle's revenue is approximately \$4B for the full year ended December 31, 2025. See Crown Castle, "Crown Castle Reports Fourth Quarter and Full Year 2025 Results and Provides Outlook for Full Year 2026," February 4, 2026, <https://investor.crowncastle.com/news-releases/news-release-details/crown-castle-reports-fourth-quarter-and-full-year-2025-results>. \$1.9B for SBA's US towers segment (total revenue from leasing is \$2.6B and 72.6% was from US sites). See, SBA Communications Corporation, Form 10-K for the Fiscal Year ended December 31, 2025, p. 3 and F-4, <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001034054/80661a12-1528-4050-9cfd-43e73df15653.pdf>. \$4.5B for American Tower (10B total revenue, 52% sites are in the US and Canada, 87% of revenue from communication sites). See American Towers, Form 10-K for the Fiscal Year Ended December 31, 2024, p. 3 and F-5, <https://americantower.gcs-web.com/static-files/1c366119-8a3a-42f6-a911-20c7d30a4f04>. This is generally consistent with the range I have reported in this table for revenues from the Big 3 carriers plus DISH. The publicly available estimates for aggregate site leasing and our estimates in Table 1 are different due to assuming average tower lease rates that do not vary between tower companies of the wireless providers.

If DISH's defaults are allowed to stand, this 5.1% - 7.0% of revenues will have to be recovered from the remaining tenants. To assess the increase in the remaining tenant rents required to recover the shortfall left by DISH I develop a simple financial model and calculate how much remaining tenants' lease rates must increase by to recover the profits left by DISH.

My calculation assumes that DISH's tower contracts would have been "evergreen" *i.e.*, the tower companies expect that the DISH contracts will automatically renew into the foreseeable future. This is a reasonable assumption because, based on the regulatory framework established by the FCC and DOJ, tower companies had reason to expect long-term, evergreen lease relationships with DISH. The federal consent decree required DISH to deploy at least 15,000 5G cell sites by June 2023 and maintain nationwide 5G coverage to at least 75% of the population in each geographic area through June 2025.²⁸ The entire regulatory structure was designed to ensure DISH would fulfil its promise to become a viable, long-term, facilities-based competitor, not just a temporary market participant or reseller.

A dimension I vary is the amount of time tower companies must wait until they have an opportunity to recover DISH's unpaid revenue from the remaining tenants. I consider two models here: one where the tower companies do not need to wait at all ("No Delay" case), and another

²⁸ Federal Communications Commission, "Applications of T-Mobile US, Inc., and Sprint Corporation For Consent To Transfer Control of Licenses and Authorizations; Applications of American H Block Wireless L.L.C., DBSD Corporation, Gamma Acquisition L.L.C., and Manifest Wireless L.L.C. for Extension of Time," Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, WT Docket No. 18-197, FCC 19-103, 34 FCC Rcd 10578 (released Nov. 5, 2019), https://docs.fcc.gov/public/attachments/FCC-19-103A1_Rcd.pdf.

where the contracts with the remaining tenants have a uniform age distribution assuming a fifteen-year contract period (“Staggered” case).

Specifically, for the “No Delay” model, I assume that tower companies can immediately increase the rent across all remaining tenants.²⁹ The required percentage increase is applied uniformly to all towers and is assumed to persist indefinitely up to the point where the increase makes up for the NPV of the revenue decrease implied by DISH’s decision to default. For the “Staggered” model, I assume that the rent increases are constrained by contract renewals. Tower leases commonly have an initial non-cancellable term of 5 to 10 years and additional automatically renewing 5-year extensions are common.³⁰ Given this, I conservatively assume that approximately 1/15 of towers are repriced each year.³¹ As each cohort of towers renews, rents on those towers permanently increase by a uniform percentage, while non-renewed towers continue to pay their existing contractual rates. This means, overtime, the share of towers subject to the higher rent increases cumulatively until all towers have been repriced in year 15, *i.e.*, the revenue recovery occurs gradually over the 15 years as increasing portions of the portfolio are repriced.

For both models, the percentage increase is calibrated such that the present value of the remaining tenants’ revenues, after applying the uniform increase, equals the NPV of what the tower companies would receive if DISH did not default on its contracts plus one-time and immediate average removal cost of [BEGIN CONFIDENTIAL] **REDACTED** [END confidential] per tower.³² These equipment removal costs implies that DISH’s actions not only reduces the tower companies future revenue flows, but also generates immediate additional fixed costs.

Table 2 below summarizes the implied increase in remaining tenant rent for the “No Delay” model and the “Staggered” model using the two scenarios of average annual rent per tower from Table 1.

²⁹ This characterization serves as an upper bound to my estimates.

³⁰ Adam Simmons, “Cell Tower Lease (Rates, Agreements, Buyout, Value),” Dgtl Infra, January 12, 2024, <https://dgtlinfra.com/cell-tower-lease-rates-agreements/>, (“Cell Tower Lease (Rates, Agreements, Buyout, Value”). Tower leases commonly have an initial non-cancellable term of 5 to 10 years. Four additional automatically renewing 5-year extensions are common.

³¹ If I consider longer horizons for the rents for remaining tenants to be repriced, the amount of rent increase required would be higher.

³² Conservatively using the lower end of the range of data produced by select WIA members under protective order (see footnote 21 above).

TABLE 2: REMAINING TENANT RENT INCREASES FOR VARIOUS SCENARIOS

Implied Increase in Remaining Tenant Rent		
<i>Delay in Rent Increases</i>		
	None	Staggered
Scenario 1	7.9%	10.7%
Scenario 2	5.7%	7.7%

My analysis finds that to recover the lost revenues from DISH’s contract default, the tower companies will need to increase the lease costs for the remaining tenants by 5.7% to 10.7%. Note that this is in addition to an assumed standard annual escalator of 3% and a weighted average cost of capital (WACC) of 7%.³³ Additionally, note that this model only captures the financial implications of DISH’s default. In the case that the tower companies must wait until they can renegotiate their contracts with the remaining tenants, not only is the required lease costs increase higher, but it also induces a direct shortfall of revenues for investment during the waiting period. These issues have not gone unnoticed in the financial markets. For example, in December 2025, Barclays downgraded both American Tower and Crown Castle from “Overweight” to Equal Weight,³⁴ saying the tower companies face rising uncertainty over their ability to collect rent tied

³³ Individual tower company WACC is reported to be between 6 to 13.8%, I have chosen to use a WACC of 7% in my model after triangulating between different publicly available sources. *See, for example*, as of March, 2026, American Tower’s estimated WACC is approximately 6.5%. *See* GuruFocus, “AMT (American Tower) WACC %:6.49% (As of Mar. 08, 2026),” last accessed March 8, 2026, <https://www.gurufocus.com/term/wacc/AMT>. Additionally, American Tower was valued using a WACC of 6.3% in February 2026. *See* Ali Naqvi, Madhvendra Singh, and Phani Kanumuri, “American Tower Corp (AMT US) Hold: 4Q25 Results Update,” HSBC Global Investment Research, February 25, 2026. Crown Castle’s WACC is estimated to be approximately 6.4%. *See also*, GuruFocus, “CCI (Crown Castle) WACC %:6.42% (As of Mar. 08, 2026),” last accessed March 8, 2026, <https://www.gurufocus.com/term/wacc/CCI>. SBA Communications’ WACC is estimated to be approximately 5.7%. *See* GuruFocus, “SBAC (SBA Communications) WACC %:5.68% (As of Mar. 08, 2026),” last accessed March 8, 2026, <https://www.gurufocus.com/term/wacc/SBAC>. Analyst have also derived a WACC of 6.6% for Crown Castle, 6.7% for American Towers, and 7.3% for SBA Communications. *See*, Michael Rollins, Nick Joseph, Roberta Versiani, and Caitlyn Walsh, “US Telecom Infrastructure, Staying Positive on Tower Stocks Ahead of Further Outlook Recalibration & Citi’s Global Property CEO Conference,” Citi Research, February 20, 2026. Analyst comparison of WACC for American Tower and its competitors are in a range between 9.3% and 13.8%. *See* “WACC for American Tower Corp,” FinBox, last accessed March 8, 2026, <https://finbox.com/NYSE:AMT/explorer/wacc/>.

³⁴ Overweight rating means that stock is expected to outperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon. Equal weight rating means that the stock is expected to perform in line with the unweighted expected total return of the industry coverage universe over a 12-month investment horizon. *See*, Barclays, “Guide to the Barclays Fundamental Equity Research Rating System,” last accessed March 2, 2026, https://publicresearch.barclays.com/misc/ratingSystemGuide_EQ_NoIndustry.html.

to DISH, which could push 2026 growth lower and limit prospects for a near-term re-rating. American Tower's stock fell by 4% in September after DISH announced its spectrum sales in late August.³⁵ In the same period, Crown Castle and SBA's stock also fell by 2% and 4% respectively.³⁶ In comparison, during this period, the S&P 500 rose by 4%.³⁷

With respect to wireless consumers, given that tower lease costs are a material component of carriers' cost of service, increases in this component will tend to be reflected in retail pricing over time. The empirical literature on cost passthrough in relatively concentrated markets supports the conclusion that industry-wide cost shocks, *i.e.*, where all firms face the same input cost increase simultaneously, tend to be passed through at rates approaching or exceeding full passthrough.³⁸ The U.S. wireless market – in which all three national carriers have a similar number of sites – would face roughly the same tower lease increase due to DISH's actions, presents conditions consistent with high passthrough.

3. Option 2: Investments Curtailed, Reducing the Quality of Service for Consumers Now and Into the Future

If DISH is allowed to unilaterally walk away from its contracts, and tower companies choose not to (or are unable to) recover lost DISH revenues through higher lease rates, the alternative is a

³⁵ EchoStar Corporation, "EchoStar Announces Spectrum Sale and Hybrid Mobile Network Operator (MNO) Agreement, Steps Toward Resolving Federal Communications Commission's (FCC) Inquiries," PR Newswire, August 26, 2025, <https://www.prnewswire.com/news-releases/echostar-announces-spectrum-sale-and-hybrid-mobile-network-operator-mno-agreement-steps-toward-resolving-federal-communications-commissions-fcc-inquiries-302538317.html>. American Tower Corporation's (AMT) close price on September 2, 2025, was \$200.49 and close price on September 30, 2025, was \$192.32. See, "American Tower Corporation (AMT)," Yahoo Finance, last accessed March 6, 2026, <https://finance.yahoo.com/quote/AMT/>.

³⁶ Crown Castle Inc.'s (CCI) close price on September 2, 2025, was \$98.10 and close price on September 30, 2025, \$96.49. See, "Crown Castle Inc. (CCI)," Yahoo Finance, last accessed March 6, 2026, <https://finance.yahoo.com/quote/CCI>. SBA Communications Corporation's (SBAC) close price on September 2, 2025, was \$202.00 and close price on September 30, 2025, was \$193.35. See also, "SBA Communications Corporation (SBAC)," Yahoo Finance, last accessed March 6, 2026, <https://finance.yahoo.com/quote/SBAC/>.

³⁷ S&P 500's close price on September 2, 2025, was \$6415.54 and close price on September 30, 2025, \$6688.46. See Yahoo Finance, "S&P 500," last accessed March 8, 2026, <https://finance.yahoo.com/quote/%5EGSPC/>.

³⁸ See Nathan H. Miller, M. Osborne, and Gloria Sheu, "Pass-Through in a Concentrated Industry: Empirical Evidence and Policy Implications," *Semantic Scholar*, 2014, <https://www.semanticscholar.org/paper/Pass-Through-in-a-Concentrated-Industry-%3A-Empirical-Miller-Osborne/40cca0ea63057d5235b99c15753c8a1b7ecdcd56>; see also, Christos Genakos and Mario Pagliero, "Competition and Pass-Through: Evidence from Isolated Markets," *American Economic Journal: Applied Economics* 14 (2022): 35-57, <https://www.aeaweb.org/articles?id=10.1257/app.20200863>.

reduction in capital expenditure and possible job cuts.³⁹ The consequences of this path are arguably more damaging to the long-term health of the U.S. telecommunications ecosystem.

A carrier's ability to expand coverage and capacity depends heavily on scalable access to infrastructure (towers, rooftop sites, and related assets), and ongoing network evolution requires continuing upgrades and new builds. A capex pullback by tower companies can therefore result in delayed rural broadband coverage expansion, slower capacity adds in high-traffic areas, and fewer timely structural modifications that enable rapid deployment of new spectrum bands — each of which can manifest as slower speeds, more congestion, or reduced service quality. In short, the large revenue shock that tower companies would experience here is not merely a private contract dispute: because tower companies sit in the critical path of mobile network expansion, abrupt cashflow disruption can translate into lower investment in the infrastructure that underpins the quality of service for American consumers and businesses.

To put the scale of DISH's default into this context, I have reviewed WIA members' data on the estimated financial losses caused by DISH's default and compared it to capital expenditures where publicly available. I find that for tower companies that had DISH as a tenant on a large number of towers, the costs of the default will be almost double their entire annual capital expenditures. Such a relatively large, unexpected shock in cashflows, if not recovered (as assumed in Option 2) implies an inevitable reduction in capital investment by tower companies. This would slow the densification of 5G networks, delaying the deployment of additional macro sites and small cells in underserved and high-demand areas. This directly affects network quality, coverage, and capacity for all wireless subscribers. Additionally, it could reduce the industry's capacity to invest in the research, prototyping, and early deployment of 6G-ready infrastructure, risking the United States' position in the global race to next-generation wireless standards.

C. Increases in Systemic Risk Undermine Smaller Tower Companies' Financing Ability and Can Reduce Investment into Infrastructure

The DISH default does not affect all tower companies equally. Smaller and regional tower companies have fundamentally different capital structures than their publicly traded counterparts. Smaller tower companies are particularly vulnerable. Industry reporting has noted

³⁹ Crown Castle has announced that the DISH default is causing the company to “to accelerate planned layoffs” of about 20% of its workforce. See, Jake Neenan, “Dish Default Causing Crown Castle to Accelerate Layoffs,” February 5, 2026, <https://broadbandbreakfast.com/dish-default-causing-crown-castle-to-accelerate-layoffs/>.

that 5–10 % of DISH’s sites were with smaller companies.⁴⁰ These smaller tower companies face a higher cost of capital compared to their large public counterparts. This baseline cost disadvantage means that even modest changes in perceived risk translate into materially higher financing costs, tighter debt covenants, and reduced capacity to fund new builds or acquisitions. In rural and less densely populated areas, where each tenant’s revenue is critical to covering fixed costs, this loss of expected rent could push marginal tower companies toward insolvency, reducing infrastructure investment and potentially leading to coverage gaps or deferred maintenance, with negative implications for both competition and consumer welfare. In my stylized model of a smaller wireless infrastructure provider, I capture these additional risks by assessing the impact of a higher WACC relative to what is expected from a larger wireless infrastructure provider.⁴¹

The DISH dispute introduces a category of risk that lenders and investors of tower companies had largely treated as negligible: carrier credit default on long-term master lease agreements. Tower companies valuations, and by extension their borrowing capacity, rest on the assumption that contracted lease revenue has limited risk over multiple decades, with built-in annual escalators averaging approximately 3 percent.⁴² If the FCC permits DISH and its parent EchoStar to use the spectrum sales to unilaterally void billions of dollars in binding commitments, while allowing EchoStar to reap billions from those very same sales,⁴³ the precedent could cause an increased risk to be priced in every tower lease going forward. Industry analysts have already warned that such an outcome would “fundamentally reintroduce carrier default risk” into tower valuations.⁴⁴ As discussed above, Barclays downgraded even the larger tower companies. For a small tower developer financing a new build at high costs for capital, even a small repricing of carrier default risk can render a project uneconomic, particularly for single-tenant sites where the entire revenue stream depends on one carrier’s continued performance.

Smaller tower companies frequently face a WACC that is higher than the large tower companies due to their limited diversification and illiquidity. Given this, I calculate the incremental impact

⁴⁰ Boost Turns to Bust: American Tower Sues to Stop DISH Ditching Tower Rent; Towercos Could Lose \$9 Billion.

⁴¹ With efficient capital markets, a higher WACC should be due to the cost of capital pricing in all types of risk on future revenues, including but not limited to, limited diversity of tenants and less geographical diversification.

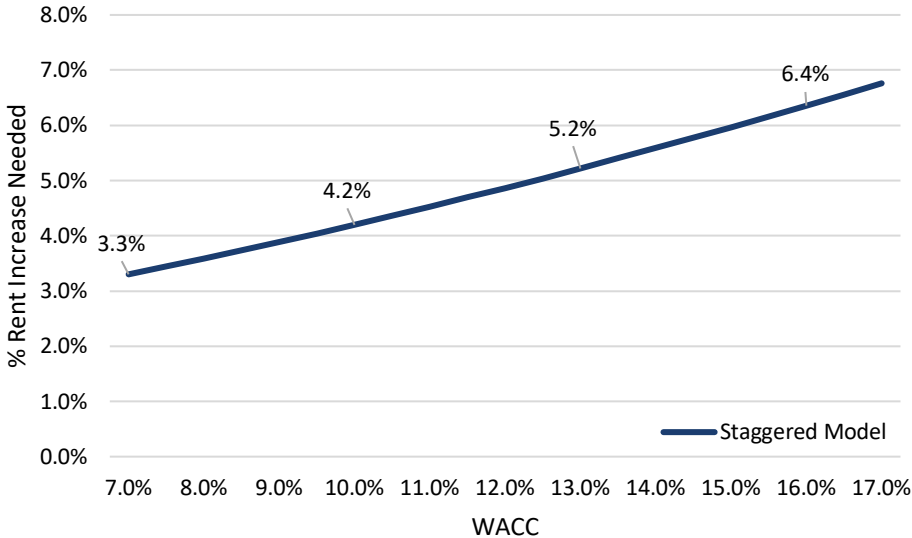
⁴² Cell Tower Lease (Rates, Agreements, Buyout, Value).

⁴³ See Boost Turns to Bust: American Tower Sues to Stop DISH Ditching Tower Rent; Towercos Could Lose \$9 Billion.

⁴⁴ See Boost Turns to Bust: American Tower Sues to Stop DISH Ditching Tower Rent; Towercos Could Lose \$9 Billion.

that a higher WACC has on the implied financial burden of DISH’s default. This can provide a directional check on how much more the smaller tower companies are going to feel the impact of DISH’s default relative to their larger peers as they need to adjust the rent on any remaining tenants over time. For a hypothetical small tower company,⁴⁵ I calculate the increase in rent required for existing tenants to recover the financial burden of DISH’s default for a range of WACC. Given that 7% is the average WACC for the wireless infrastructure sector,⁴⁶ and reflects an average of both small and large cap companies in the industry, I do the calculation on a range of 7 – 17% to cover a reasonable range of WACCs that small tower companies may have.

FIGURE 1: IMPACT OF A HIGHER WACC ON RENT INCREASE REQUIRED



My calculations show that for a 1 percentage point increase in WACC, the increase in rent required on existing tenants is approximately 0.3 percentage points to recover the expected revenue and keep NPV equal under my staggered repricing assumption. This is economically meaningful, particularly in a sector characterized by long-term contracts and relatively modest annual escalators (often fixed at a rate of 3% annually).⁴⁷ In practical terms, a 1 percentage point rise in WACC effectively absorbs close to 10% of a year’s typical contractual rent growth, and a multi-percentage-point increase in WACC could necessitate rent adjustments that materially exceed industry norms. For smaller tower companies operating with thin margins and limited

⁴⁵ The hypothetical tower company I model has DISH collocating on 10.1% of the towers and has a higher WACC than the market average. This is my industry wide estimate from Table 1 above.
⁴⁶ See, Footnote 33.
⁴⁷ Cell Tower Lease (Rates, Agreements, Buyout, Value).

tenant diversification, such increases would not be trivial; they could heighten the risk of vacancy or non-renewal, which may ultimately lead to tower decommissioning in some instances. In that sense, a 0.3 percentage point increase in rent adjustment per 1 percentage point WACC increase represents a substantial financial burden with significant detrimental effects on the wireless industry.

III. Conclusion

DISH's default on its tower payment obligations, coupled with its attempt to use the spectrum sales to escape the consequences of that default, represents a departure from the long-standing industry norm of strict adherence to long-term lease agreements. Tower contracts are typically structured as binding, multi-year commitments designed to support the substantial upfront investment required to construct and maintain infrastructure. By choosing not to make agreed-upon payments, DISH has disrupted the predictable revenue streams on which tower companies rely to finance operations and future deployments. This action is not only affecting the immediate counterparties but has also introduced uncertainty into a market that depends heavily on contractual stability and mutual compliance with agreed to commitments.

From a policy perspective, this dynamic has broader implications for the nation's network quality and infrastructure availability. Tower markets function on the premise that long-term contracts provide predictable revenue streams sufficient to support capital formation. A material downward adjustment in rents risks undermining that expectation, potentially increasing the cost of capital and slowing infrastructure deployment. In that sense, rent levels are not merely a transfer between contracting parties; they shape the long-run trajectory of wireless network investment and service quality for the country.

I estimate that if DISH is allowed to default without consequence then tower companies will stand to lose on average 5.1% - 7.0% of their annual revenues. Because tower infrastructure is highly capital intensive, investment decisions are driven by expectations of stable, long-term contractual revenues. A 5.1% - 7.0% reduction in tower rental revenues would directly lower the expected return on existing and future projects. Even if towers remain operational in the short run, the reduction in revenue would weaken the economic case for deploying new sites, particularly in areas where demand is more uncertain or margins are already thin. If not recovered, lower expected returns would affect not only current cash flows but also forward-

looking investment incentives and pricing structures. Tower construction, upgrades, and densification require substantial upfront capital that is recovered over many years. If expected lease revenues are reduced, investors may reassess the risk-adjusted attractiveness of these projects, leading to fewer new builds, delayed expansions, and/or more selective deployment strategies. Marginal projects—such as rural coverage sites, infill sites to relieve congestion, or early-stage 6G and future network upgrades—would be the most vulnerable.

It is also possible that the tower companies will have to increase the rent of the other tenants to make-up for the revenue shortfall, so that their cash-flows and consequently their future investments are not adversely affected. I have constructed a simple financial model to estimate the implied increase in average annual rent for existing tenants. My analysis finds that to recover the lost revenues from DISH's contract default, the tower companies will need to increase the lease costs for the remaining tenants by approximately 5.7% to 10.7%. Additionally, if there is an increase in systemic risk and the cost of capital increases, then my calculations show that there for a 1 percentage point increase in WACC, the increase in rent required on existing tenants would be approximately 0.3 percentage points.

If tower companies recovered the rent lost from DISH by increasing lease rates for other wireless operators collocated on the same towers, the consequences would extend beyond a simple internal rebalancing of revenues. Higher tower rents would directly increase operating costs for the remaining carriers. Those increased costs would affect not only current operations but also forward-looking deployment decisions, potentially leading carriers to delay upgrades, scale back densification efforts, or be more selective about expanding into lower-margin areas.

Over time, these higher infrastructure costs could also be passed through—at least in part—to consumers. In competitive markets, cost increases do not disappear; they compress margins, reduce investment, and/or translate into higher retail prices. The likely outcome would be some combination of all three. As a result, efforts to offset DISH's default through higher rents on remaining carriers could ultimately increase the cost of wireless service to consumers and slow network improvements, extending the impact of the default beyond the immediate contractual parties.

Thus, a reduction in consumer welfare could arise through several channels. Higher tower rents that are passed through to wireless carriers may lead to increased retail prices, reduced promotional offerings, or less generous service plans. At the same time, if higher infrastructure costs dampen investment in network expansion and upgrades, consumers may experience slower improvements in coverage, capacity, and service quality. 6G deployments may not

progress as fast. The combined effect—higher prices and diminished network performance—would reduce overall consumer surplus and slow the pace of innovation in wireless services.

In particular, DISH's default could contribute to coverage gaps in rural areas if the rent revenue shortfalls for small rural tower companies materially affect their ability to cover ongoing operational costs. Rural wireless infrastructure typically serve fewer tenants and generate lower aggregate lease revenue than urban sites, yet they face many of the same fixed expenses, including ground leases, power, maintenance, insurance, and backhaul. When margins are already thin, the loss of a contracted tenant—or the broader financial strain created by an increase in systemic risk—can push a site from breakeven into loss. In such circumstances, tower companies may defer maintenance, delay upgrades, or in extreme cases decommission marginal sites altogether. Because rural areas often have limited infrastructure redundancy, the loss or degradation of even a single tower can reduce coverage, weaken network reliability, and undermine service availability for consumers who already face fewer connectivity alternatives.

As explained in Section II.A, from a game-theoretic perspective, long-term contracts in capital-intensive industries function as coordination devices that sustain efficient investment equilibria. Tower companies undertake substantial upfront sunk investments relying on the expectation that counterparties will honor multi-year lease commitments; wireless carriers, in turn, benefit from predictable access to infrastructure. When the industry norm is strict performance and defaults are exceedingly rare, parties form expectations—and price contracts—on the assumption of compliance, including that the contracting parties will not use administrative corporate changes to shift responsibilities. A high-profile deviation from that norm risks shifting the equilibrium toward one characterized by greater perceived counterparty risk, higher required returns, and underinvestment.