

T-Mobile USA to Cut 900 More Jobs

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Update: T-Mobile USA has revised its estimates on the net number of job cuts. It will still eliminate 900 positions, but an upcoming round of hiring will bring the net job losses to [just 350](#). [1]

T-Mobile USA is handing pink slips to 900 more employees in its second round of layoffs since March, when its CEO warned that more cuts could be in store.

The workforce reductions will help lower expenses as the operator embarks on a costly turnaround effort that will overhaul its network and re-launch its brand.

"While difficult choices had to be made, restructuring our organization will help us better respond to market and customer demands," T-Mobile said in a statement, confirming an earlier report by [The Verge](#) [2], which published a memo from CEO Philipp Humm listing additional layoffs.

Some positions will be eliminated and others will be outsourced, offsetting the addition of new employees in growth areas like its enterprise segment and sales force, where it has added 1,000 new positions.

The layoffs announced three months ago closed seven call centers and eliminated a net [1,900 jobs](#). [3]

T-Mobile's workforce shrunk nearly 12 percent during the past year, according to the most recent earnings statement from parent company Deutsche Telekom. At the end of March, it employed about 32,000 people, so the latest reductions are estimated to eliminate just under 3 percent of its current U.S. workforce.

T-Mobile said the cuts are necessary to focus its resources on returning the company to growth after a long string of customer losses.

The company has hired [Ericsson and Nokia Siemens Networks](#) [4] to build a new network that will replace its legacy equipment and install LTE at 37,000 cell sites nationwide. The \$4 billion project is currently under way and T-Mobile expects its LTE service to go live next year.

T-Mobile has long marketed its HSPA+ service as offering "4G speeds," but its LTE launch will still come much later than other top-tier operators, namely Verizon Wireless, which already have substantial footprints of the next-generation mobile broadband service.

Adding to its competitive disadvantages is the fact that it still does not offer the iPhone, which is sold at rivals AT&T, Verizon Wireless and Sprint. It has said the changes to its network will make its service more "compatible" with the popular

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device and estimates more than 1 million unlocked iPhones currently use its network.

T-Mobile lost 510,000 contract customers during the first quarter. The declines in its postpaid base were offset by the addition of prepaid subscribers, machine-to-machine connections and MVNO customers, resulting in a net addition of 187,000 customers.

Source URL (retrieved on 06/12/2013 - 2:17pm):

<http://www.wirelessweek.com/news/2012/05/t-mobile-usa-cut-900-more-jobs>

Links:

- [1] <http://wirelessweek.com/News/2012/05/carriers-T-Mobile-gives-update-on-Layoff-numbers/>
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