Telecom's Job Cuts Pull Down Local Industry By 6%

Verizon Trims 1,000 in OC, Leads to 2nd Drop in a Row

■ By CHRIS CASACCHIA

A companywide restructuring fueled the second straight year of significant job losses among Orange County's largest telecommunications companies.

The 29 biggest providers of phone, Internet and data services, and related equipment here shed a net 631 jobs in the past 12 months, down nearly 6.3% to 9,348 people, according to this week's Business Journal



Two years of sizeable job losses followed two consecutive years of growth that helped offset a six-year run of declines through economic downturn, consolidations and restructurings.

The list, dominated by the nation's largest wireless carriers and cable providers, is comprised of a diverse group of companies that also includes traditional phone operators, high-speed Internet and digital TV providers, telecommunications equipment makers, and network-service providers.

Eight companies added jobs, and two cut employment. Three were flat, and 16 were Business Journal estimates, or the companies did not provide enough information for comparison.

The list has two newcomers for the second straight year, and the top three companies remained unchanged from a year

■ Perennial No. 1, AT&T Inc., had an estimated 3,500 employees. The Dallasbased stopped providing local employment ago.



had "nine consecuwhich tive quarters of keeps its regional growth'

management team in Cerritos and operations in Anaheim and elsewhere in OC, provides commercial and residential phone services and sells wireless and digital TV services.

The Federal Communications Commission last month approved AT&T's \$48 billion acquisition of El Segundo-based DirecTV, linking the second largest wireless carrier with the largest satellite TV provider in the U.S.

- No. 2, New York-based Verizon Communications Inc., which provides local phone service primarily to coastal OC and also sells wireless and digital TV services. cut 1,000 jobs, leaving 1,500 local workers. The 40% drop, prompted by the closure of its Irvine call center in a nationwide, multibillion-dollar cost-cutting plan, was the steepest on the list and the primary reason behind the sector's job losses over the past year.
- T-Mobile USA Inc. moved up one spot to No. 4 after adding 220 workers for a total of 880 OC employees. It was the third straight year T-Mobile had the biggest jobs

increase of any company on the list.

The 33% jump has helped meet strong consumer demand stemming from several new programs the Bellevue, Wash.-based company recently introduced, including extending coverage across Canada and Mexico at no extra charge, free international data roaming, shared data plans, and eliminating annual service contracts.

"Our Un-carrier revolution has resulted in nine consecutive quarters of growth and I am proud that we added over 200 employees in Orange County alone to better meet our daily business needs," said T-Mobile Southwest Area Vice President Sam Sindha, who splits his time between the company's Irvine and Redondo Beach operations.

Newcomer

■ Newcomer Mobilitie LLC debuted at No. 9 with 117 employees, up 185.3% from a year earlier, by far the biggest percentage jump of any company on the list.

The Newport Beach-based company, launched in 2005 by OC technology and real estate entrepreneur Gary Jabara, has grown into one of the largest owners of cellphone towers in the U.S. It has carved out a lucrative niche installing distributed antenna systems at indoor and outdoor entertainment and sports venues to provide better cellphone and wireless connections. Customers include the Honda Center in Anaheim, Las Vegas-based MGM Resorts International, and Churchill Downs, which set a data-usage record at an AT&T in-venue mobile network during the Kentucky Derby in May.

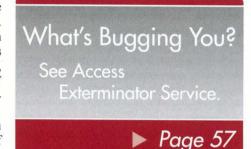
Mobilitie signed a deal in July with Sprint and majority owner SoftBank of Japan to install 70,000 cellphone stations in the U.S. in what would be among the largest network deployments of its type in U.S. history.

"Mobilitie's growth is driven in large part by the substantial need for increased wireless connectivity in cities and large public venues," President Christos Karmis said. "With people using more data across more platforms to share and connect with friends and family, additional coverage and capacity is needed."

■ Boulder, Colo.-based Zago Group LLC ranked No. 12 with an estimated 70 employees. The company in February acquired Orange County's largest data center operator, Latisys-which ran two adjacent locations on Von Karman Avenue that total 138,000 square feet—for \$675 million.

Latisys has had local operations since

■ The other newcomer to the list, Method Technologies Inc., added five positions, increasing its employee base to 23, up from 18 a year ago. The Cypress-based company handles traditional IT services, including telephone and Internet; data and fiber cabling; Web hosting and design; and computer support. ■





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