

Telecoms Drop Employment After 2 Years of Gains

630 Jobs Lost As Verizon, Time Warner Cut Costs

By CHRIS CASACCHIA

Two cost-cutting moves fueled a significant drop in local employment among Orange County's largest telecommunications companies in the past year.

The 29 biggest providers of phone, Internet, data services and related equipment here shed 630 jobs in the past 12 months, down nearly 6% to 9,985 people, according to this week's Business Journal list.

The cuts snapped two consecutive years of growth that followed a six-year run of declines through the recession and a trend of consolidations and restructurings.



Hinduja: Staples Center contract boosted ARQ

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

Five companies added jobs, and one cut employment. Ten were flat, and 13 were Business Journal estimates.

The list has two newcomers, and the top three companies were unchanged from a year ago.

■ Perennial No. 1, **AT&T Inc.**, had an estimated 3,500 employees. The Dallas-based company stopped providing local employment figures last year.

AT&T, which keeps its regional management team in Cerritos and its operations in Anaheim and elsewhere in the county, provides commercial and residential phone services and sells wireless and digital TV services.

The second largest wireless carrier is seeking to acquire **DirecTV**, the nation's largest satellite cable provider, in a \$48.5 billion deal that has drawn criticism from politicians and consumer groups as it awaits regulatory approvals. They contend that the deal would weaken consumer options and lead to higher bills.

Verizon

■ No. 2, New York-based **Verizon Communications Inc.**, which locally provides phone service primarily to coastal OC and also sells wireless and digital TV services, had about 2,500 employees, down from an estimated 3,265 a year ago.

The company announced in February that its Irvine call center was among five in the U.S. that will close.

The closure will affect more than 5,000 employees around the country, including nearly 1,100 at the Irvine campus.

The move to consolidate to 22 call centers in the U.S. is "a regular part of our operational approach to look at the best use of open space in all our centers," **Ken Muche**, spokesperson for the Southern California operations of Verizon Wireless, told the Business Journal at the time.

More than 1,300 Verizon Wireless employees will continue to work at the Irvine campus, which serves as the company's West Area and Southern California headquarters.

■ **Time Warner Cable Inc.**, also based in New York, moved down one spot to No. 4 after cutting about 70 sales jobs from an office in Cypress, the Business Journal reported in March. The company has an estimated 850 local employees, down from 900 a year ago.

The largest cable provider in Southern California is set to be acquired by Philadelphia-

based **Comcast Corp.**, the largest cable company in the country, in a \$45 billion deal that would create a giant in the television and Internet-provider industries, reaching about a third of all U.S. homes.

■ **T-Mobile USA Inc.** moved up one spot to No. 5 after adding 160 people for a total of 660 OC employees. For the second straight year, it was the highest employee increase by number of any company on the list.

"Our business has been on fire," said **Sam Sindha**, who oversees OC as vice president for T-Mobile's Southwest region.

The job gains have been fueled by retail additions and infrastructure upgrades of its 4G LTE network to handle increasing data demands and new customers.

The Bellevue, Wash.-based company has posted two strong quarters this year after scrapping industry-standard annual contracts; invoking simpler rate plans on data, text and talk; paying early-termination fees of consumers who switch coverage to T-Mobile; and allowing consumers to upgrade phone models twice a year for a \$10 monthly fee.

■ Irvine-based **ARQ LLC**, a newcomer to the list, debuted at No. 16 after doubling local employment to 40 people. The 100% jump is the highest percentage increase of any company on the list.

ARQ, established in 2008, changed its game plan from designing and building cellular networks for outdoor venues to indoor venues,

such as casinos, shopping malls, office buildings, hospitals and theme parks.

Its flagship contract for outfitting the Staples Center for the 2010 NBA All-Star game jumpstarted the company, according to founder **Kunal Hinduja**.

ARQ is one of the few telecoms on the list to benefit from improving economics in the fiercely competitive industry. Telecom equipment sales, buoyed by growing demand for mobile data and streaming, are forecast to grow steadily to \$30 billion by 2018, a 2% annual growth rate, according to Redwood City-based researcher **Dell'Oro Group**.

"The outdoor networks can't handle the amount of data hitting the towers," he said. "There's not many people in the industry today that have experience in this specific area." ■



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