
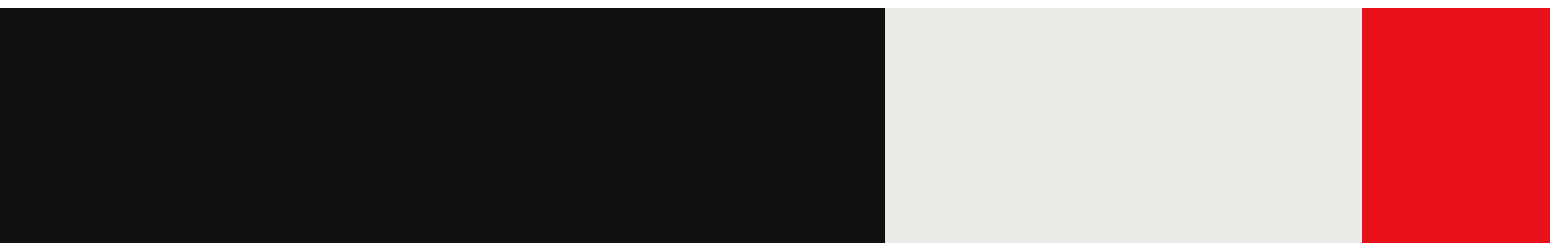


Key telecom industry shifts and challenges in 2024

Article



A recap: In 2024, network carriers continued to slow down their 5G buildouts and refocused on expanding networks by buying up regional carriers to grow market share without having to spend on new infrastructure.



Outages persisted, the FCC took notice: We saw a spike in outages affecting major carriers and partner mobile virtual network operators (MVNOs), which also led to intensifying

regulatory scrutiny.

- A **massive AT&T disruption** in February affected at least of its 70,000 customers, 3,000 **Verizon** customers, and 1,000 **T-Mobile** customers.
- After Hurricane Helene in October, over 100,000 Verizon customers experienced service interruptions, revealing the importance of network reliability during natural disasters.

The FCC said it was “determining the cause and extent of these service disruptions.” It’s also looking into the July AT&T outage that blocked more than 92 million voice calls and more than 25,000 attempts to reach 911.

Layoffs have been costly: Verizon laid off thousands of employees this year amid consolidation and restructuring efforts. **Workforce reductions for all three major carriers from as far back as 2022 slowed response times during outages and took a toll on the quality of service.**

- Verizon laid off 4,800 employees, **writing off \$1.9 billion in severance payments.** The cuts came amid the company’s announcement that it planned to acquire **Frontier Communications.**
- T-Mobile let go of 5,000 employees in 2023 and **AT&T** already 6,300 jobs in 2023 after nixing 39,700 in 2022.

Fines cut into profits: In August, AT&T agreed to a \$950,000 fine after a network outage in 2023 caused more than 400 failed 911 calls across several states. **T-Mobile agreed to pay \$31.5 million in penalties and remediation** for multiple data breaches over the past three years.

Spectrum shortages amid rising data use: People in the US consumed a record-breaking 100 trillion megabytes of wireless data in 2023, a 36% YoY increase according to the Cellular Telephone Industries Association’s (CTIA) [2024 Annual Wireless Industry Survey](#). The numbers for 2024 are expected to be even higher.

The spike in wireless data usage, driven by AI tools and connected devices, has led to concerns over spectrum availability.

Our take: As 5G expansion slows and network reliability becomes a critical issue, the coming year will likely see further scrutiny of carrier operations.

The telecom industry must widen its range of services and cater to enterprise customers for private 5G and edge networks to bring in additional revenue.

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