

T-Mobile US: How Far Should Home Internet Grow?

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At the end of February 2024, T-Mobile's High Speed Internet (HSI) service had become a visible part of the company's customer-growth story. The fixed-wireless service uses T-Mobile's nationwide 5G network and is offered to households in locations where the company says excess capacity is available. T-Mobile describes the product as an alternative to traditional landline internet for some consumers; the company says its plan has no annual service contract, data overages or hidden fees. [P1]

T-Mobile reported 4.776 million HSI customers at December 31, 2023: 4.288 million classified within postpaid-other customers and 488,000 within prepaid customers. The company reported 2.130 million HSI net additions during 2023 and 541,000 in the fourth quarter. Its January earnings release rounded the year-end base to 4.8 million and annual net additions to 2.1 million. T-Mobile called 2023 HSI net additions the highest in company history. [P1, P2]

These totals describe growth, but they do not show where customers live, which network locations have spare capacity, or how service performs at busy times. T-Mobile says HSI uses excess capacity and is available to millions of domestic households where that capacity currently exists. The company does not disclose local capacity headroom, an HSI-specific speed or reliability distribution, customer acquisition economics, or the effect of HSI usage on mobile customers. [P1]

The operating measures tell more than one story. T-Mobile's postpaid average revenue per account (ARPA) was \$139.27 per month in 2023, up \$1.84, or 1%, from 2022. The company attributed the increase partly to growth in customers per account, including continued HSI adoption. It also said increased promotional activity and growth in HSI-only accounts partly offset the increase. Postpaid ARPA is a broad measure across postpaid accounts and services; it is not HSI's standalone revenue or margin. [P1]

A hypothetical decision

For this case, assume you are part of a hypothetical T-Mobile strategy working group asked to recommend how the company should sequence further HSI growth. The assignment is to propose an approach for offering the existing service in capacity-qualified areas and specify what evidence should govern the next steps. T-Mobile has not publicly disclosed this assignment, a fixed investment pool, or a national capacity ceiling.

The working group is considering three approaches:

Approach	What it would mean	Questions to resolve
Maintain current qualification discipline	Continue offering HSI only at locations that meet existing excess-capacity criteria.	Does current screening capture enough of the opportunity while providing adequate customer experience? What evidence should trigger changes to eligibility?
Stage additional expansion	Add eligible locations in measured cohorts, reviewing uptake, HSI service quality and mobile experience before each next step.	Which local signals should be reviewed, and how long should each cohort be observed?
Broaden only where measured headroom supports it	Consider additional locations after updated network and customer evidence indicates room to serve them.	Which measures establish headroom and acceptable performance, and how should the company respond if results vary across locations?

The public figures do not settle the choice. Annual additions show substantial growth; management attributed it primarily to higher gross additions driven by demand, partly offset by deactivations. [P1] Customer counts and postpaid ARPA do not reveal HSI's incremental economics or local network effects. By technical inference, fixed home use of a cellular network shares radio infrastructure with mobile users; the company has not disclosed or measured the resulting local effect. A broader rollout might extend an alternative to landline service, while a more measured pace could help the company learn where the offer performs well.

Your task

Recommend a sequence for HSI expansion and set out the evidence gates you would use. Address customer opportunity, HSI uptake and retention, service quality, and mobile experience. State what additional information you would request, how you would compare locations or customer cohorts, and what findings would cause you to expand, hold, or revise eligibility. Do not assume that all eligible capacity is already used, that any market is congested, or that HSI growth has improved or harmed T-Mobile's economics.

Sources

- **P1.** T-Mobile US, Inc., FY2023 Form 10-K, filed Feb. 2, 2024, accession 0001283699-24-000008. Item 1 “Services and Products,” printed p. 5, HTML ¶¶237-244; Item 7, printed pp. 39-41, HTML ¶¶1521, 1578-1596 and 1622-1644. [SEC filing](#)
- **P2.** T-Mobile, “T-Mobile Delivers Industry-Leading Growth in Customers, Service Revenues, Profitability and Cash Flow in 2023, Setting Up Strong 2024 Outlook,” Jan. 25, 2024, release highlights, lines 4-7. [Issuer release](#)