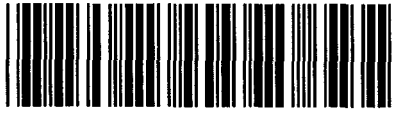


Control Number: 25037



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Addendum StartPage: 0

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PUBLIC UTILITY COMMISSION
FILING CLERK

Manuel Camacho

SBC Advanced Solutions, Inc.
Act. Manager-Regulatory
300 Convent St. Room 1993B
San Antonio, Texas 78205
(210) 246-8161 Work
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June 24, 2002

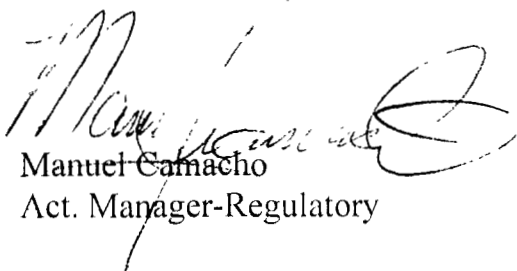
Attn: Garvis Cunningham
c/o Central Records
Public Utility Commission of Texas
POB 13326
Austin, Texas 78711-3326

Re: Workforce Diversity Form; Docket No. 25037

This letter is in reference to the Texas Workforce Diversity Form. Per the discussion I had with Patrick Tylor of the Texas Public Utility Commission and per his recommendations, I am enclosing a copy of the Texas Workforce Diversity Form to include all attachments.

If you have any questions pertaining to this letter please feel free and contact me.

Sincerely,



Manuel Camacho
Act. Manager-Regulatory

WORKFORCE AND SUPPLIER DIVERSITY FORM

| NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR | | | | | | | | | | | | | | |
|--|----------------|--------|-----------|--------|------------------|--------|----------|--------|-------|--------|-----------------|--------|------|--------|
| Combined Total | Company Totals | | Caucasian | | African American | | Hispanic | | Asian | | American Indian | | | |
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| 396 | 241 | 155 | 166 | 85 | 25 | 14 | 44 | 53 | 1 | 1 | 5 | 2 | | |
| 75 | 46 | 29 | 29 | 16 | 1 | 6 | 14 | 6 | 0 | 1 | 2 | 0 | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 67 | 5 | 62 | 1 | 16 | 0 | 17 | 3 | 29 | 0 | 0 | 1 | 0 | | |
| 480 | 417 | 63 | 232 | 33 | 84 | 8 | 82 | 21 | 4 | 0 | 15 | 1 | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 1,127 | 826 | 301 | 489 | 149 | 127 | 37 | 179 | 111 | 4 | 1 | 27 | 3 | | |
| 1,018 | 709 | 309 | 428 | 150 | 110 | 45 | 143 | 109 | 5 | 2 | 23 | 3 | | |

WORKFORCE AND SUPPLIER DIVERSITY FORM

| Actual = [Total HUB ⁽⁶⁾ procurement + Total Small Business procurement]/Total Company procurement | | Actual for Previous FY | Actual for Current FY | Percentage change |
|--|--|------------------------|-----------------------|-------------------|
| Construction Contracts (1) | | 32.69% | 27.18% | -3.86% |
| Commodities Contracts (2) | | 28.00% | 26.47% | 2.80% |
| Other Services (3) | | 13.74% | 13.58% | -11.19% |
| Professional Services Contracts (4) | | 25.71% | 33.31% | -11.10% |
| Major Equipment (5) | | 45.41% | 45.61% | -30.12% |
| Other | | 20.16% | 27.01% | -50.57% |

(1) **Construction** -- Construction done by general contractors and special trade contractors which includes new work, additions, alterations, reconstruction, installations, repairs, remodeling, renovating, and repair of office buildings. Heavy construction other than buildings such as pipelines, communication and power lines, sewer and water mains, asphalt and concrete construction of roads, trenching, cable laying, conduit construction, land clearing and leveling.

(2) **Commodities** -- All materials, goods or tangibles purchased to conduct business, not including fuel or purchased power contracts and major equipment purchases and rentals.

(3) **Others Services** -- All specialty work, special circumstances that required contract labor, special consultants or other non-defined services. Examples include audio/visual, staffing services, landscaping, forestry, tree trimming, art and decorative services, janitorial, travel/lodging, automotive repair, and photography.

(4) **Professional Services** -- Contracted professional services which include legal, consulting, health, engineering, accounting, advertising/marketing, architectural, real estate, computer services, research and analysis, education/training, insurance, surveying services, weather services, environmental, financial, etc.

(5) **Major Equipment** -- Includes all major equipment purchases and rentals including but not limited to transmission and distribution equipment, power plant equipment, substation equipment, heavy construction equipment, fleet requirements, etc.

(6) **HUB** -- Business enterprises that are 51% owned and controlled by U.S. citizens who are socially disadvantaged because of their identification as members of certain groups, including African-American, Hispanic, Native American, or Asian Pacific and Women as defined in the Texas Government Code § 481.101(1).

(7) **Other** -- Any commodity or service not covered by the above categories.

WORKFORCE AND SUPPLIER DIVERSITY FORM

See attachment

WORKFORCE AND SUPPLIER DIVERSITY FORM

Describe the specific initiatives, programs, and activities undertaken under the plan during the preceding year:

See attachment

WORKFORCE AND SUPPLIER DIVERSITY FORM

Make an assessment of the success of each of the specific initiatives, programs, and activities listed above:

See attachment

Describe the initiatives, programs, and activities the utility will pursue during the next year to increase the diversity of its workforce and contracting opportunities for small and historically underutilized businesses:

See attachment

WORKFORCE AND SUPPLIER DIVERSITY FORM

State the specific progress made under the plan filed by the utility:

See attachment

People



SBC Advanced Solutions, Inc. Diversity Vision – Strategy

SBC Advanced Solutions, Inc. will be . . .

- recognized by employees
- rewarded by customers
- sought by high-caliber prospective employees
- admired world-wide by business leaders

for being a company that values and fully utilizes the talents of every employee to exceed customer expectations and create shareowner value.

Workforce Diversity Performance

SBC Advanced Solutions, Inc. has become a driving force in today's advancements in telecommunications across the state in part because we embrace and aggressively promote diversity in the workplace, and in the communities we serve.

1. As of December 2001, SBC Advanced Solutions, Inc. has 1,018 employees in the state of Texas.
 - 309 Females or 30 percent of total
 - 440 Minorities or 43 percent of total
2. Breakdown of Management and Non-Management in Texas
 - Management: 471
 - 184 are Females or 39 percent of total managers.
 - 175 are Minorities or 37 percent of total managers.
 - Non-Management: 547
 - 125 are Females or 23 percent of total non-management employees.
 - 265 are Minorities or 48 percent of total non-management employees.

NOTE: For a detailed report on ASI's workforce in Texas, see Appendix.

Diversity

Commitment to Employees¹

In less than five years, SBC has gone from a regional U.S. telephone company to a global company. This successful, high-speed evolution would have been impossible without motivated, dedicated and committed employees. That we have been able to maintain a world-class work force while continuing to attract new talent in a hyper-competitive employment market - all while operating in one of the world's quickest-moving industries - is a testament to SBC's distinctive corporate culture.

We provide our workforce with a comprehensive compensation and benefits package that includes, among other things, a stock option plan for all managers, a company-match savings plan, adoption reimbursement, and scholarships for children and stepchildren of employees and retirees to help offset the costs of college. More important than any individual program are three overarching philosophies that define SBC's work environment.

- ◆ ***A commitment to promoting an environment of inclusion, where diversity is valued, everyone's voice is heard, and respect is a core value.***

Recognized for a commitment to diversity, SBC's workforce is comprised of 50 percent women and 38 percent minorities. It is an environment in which there is a genuine respect for differences -- race, gender, religion, as well as perspectives, experiences and outlooks.

To maintain this culture of mutual respect, SBC has a workforce diversity team that meets regularly with managers and employees across the organization to address concerns; conducts ongoing diversity training; and sponsors several diversity-related employee groups.

- ◆ ***A commitment to maintaining an environment of life-long learning and career advancement where upward mobility is the norm, career boredom the exception.***

An employee who oversees the company's MIS department today may head-up SBC's workforce diversity program tomorrow. There are no corporate-imposed career boundaries. SBC has proven that talented people will excel at any position if given the tools and opportunities to succeed. A few of these tools include:

- **SBC Center for Learning** -- Employees have access to hundreds of courses, providing continuous opportunities for professional and personal growth.
- **Leadership Development** -- Employees with leadership aspirations are given team building, benchmarking and leadership coaching.
- **Career Path** -- Through an Intranet-based, interactive, career-management tool, employees can manage their own careers. Career Path allows employees to nominate themselves for job openings throughout the

People

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company, and offers tips for writing effective resumes. At the same time, the system gives managers a way to search for qualified job candidates.

♦ *A commitment to providing open and constant communications that leads to empowered employees.*

SBC employees are encouraged to think and act like owners. And as owners they need to be “in the know.” From town hall meetings to management conferences, SBC and its senior leadership ensures employees have a clear understanding of the company’s vision and their role in making that vision reality.

Commitment to Diversity in the Communities

Our communities are our touchstone at SBC. From our workforce composition to our innovative supplier diversity programs, we strive to reflect the people we serve in everything that we do. As we have grown as a company, so too has our commitment to promoting diversity.

SBC’s workforce reflects the customers and communities we serve, in keeping with our core beliefs. Our employee base is 38 percent people of color and 50 percent female. This compares with 32 percent and 51 percent in the population, respectively. The women and people of color in SBC’s workforce far exceed the average at most Fortune 500 companies.

The varied initiatives that make up our workforce diversity program have one common element. They enable our employees, our community partners, our suppliers, and our industry peers in their quest for excellence – their quest to make a difference. They are the foundation for our continued success as a company, strengthening our ability to attract and retain a diverse and well-trained group of employees in the future.

SBC’s commitment to promoting diversity, both inside and outside of the company, is the product of a corporate culture rooted in fundamental values we developed long ago, when we were a local telephone company primarily serving small towns in the Midwest and Southwest. Today, although we have evolved into one of the largest telecommunications companies in the world, those very same qualities – like accountability, corporate citizenship, and service above self – continue to guide our business philosophy. Our commitment to these ideals has grown stronger as we have expanded our business.

SBC’s workforce diversity team works with human resources groups and business leaders throughout the company to ensure that all policies, practices and processes are inclusive and non-discriminatory. To help build a diversified staff at all levels, SBC has implemented several key initiatives:

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- ◆ **Management Continuity Plan:** SBC actively identifies and develops minority candidates through its Management Continuity Plan, a program designed to maintain a pool of high-potential minority managers from which to select candidates to fill senior management and officer positions.
- ◆ **Leadership Development Program:** This three-year developmental program for recent college graduates with demonstrated leadership abilities focuses on identifying and developing high-potential employees into effective managers.
- ◆ **Support of Employee-Initiated Affinity Groups for Women and Minorities:** To encourage and celebrate diversity, SBC supports the following diversity-related employee groups:
 - ACCA - Asians for Corporate and Community Action,
 - Community NETwork – African-American Telecommunications Professionals of SBC,
 - FACES - Filipino-American Communications Employees
 - HACEMOS - Hispanic Association of Communications Employees of SBC,
 - PWSBC - Professional Women of SBC, and
 - OASIS – Organization of Asian Indians at SBC
 - SPECTRUM – The Association of Lesbian, Gay, Bisexual and Transgender Employees of SBC
- ◆ **Diversity Accountability:** Managers are evaluated on their commitment to diversity in the workforce through a formal evaluation process with direct impact on compensation and promotability. Managers are required to establish diversity goals as part of their Achievement & Development annual performance review.

SBC Honors and Awards for Corporate Commitment to Diversity

- Corporate Conscience Award for Employee Empowerment: Workforce Diversity, Center for Responsibility in Business, 2001
- Best Companies for Minorities, *Fortune* magazine, 1998-2001
- Employer of the Year, National Business & Disability Council, 2001
- Premio Avance Award, *Hispanics in Philanthropy*, 2001
- Top Company for Supplier Diversity, *Working Woman* magazine, 2001
- National Patriot Award, Association for Service Disabled Veterans, 2001
- Breaking the Glass Ceiling Corporate Award, American Association of University Women, 2001
- Best Companies for Latinas, *Latina Style*, 1998-2001
- Top 50 Companies for Minority MBAs, *Minority MBA* magazine, 2001
- One of America's Top Corporations for Women's Business Enterprises, Women's Business Enterprise National Council, 1999 and 2000
- HISPANIC Magazine's list of the top 100 corporations for Hispanics, 1989-2000
- Top 25 Companies for Executive Women, *Working Woman* magazine, 2000

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- Corporation of the Year, American Society on Aging, 2000
- "Women Mean Business" corporate award from Business and Professional Women/USA (BPS/USA) for leadership in supporting women in the workplace, 2000
- "Best in Class" for Diversity on Corporate Internets, The Diversity Best Practices of the Public Affairs Group, Inc., 2000
- NACW Corporate Award Issued by The National Association of Commissions for Women (NACW), 2000
- Corporation of the Year, National Minority Supplier Development Council, Oct 28, 1999

SBC Corporate Awards

- America's Most Admired telecommunications company, *Fortune* magazine, five of the past six years
- World's Most Admired telecommunications company, *Fortune* magazine, 1997- 2000
- America's Best Local Exchange Carrier, *America's Network* magazine, 2000
- One of America's Most Generous Companies, *Worth* magazine survey, 1999 and 2000
- Internet Services #1 in Reliability, *Business Week*
- One of America's Top 10 Corporate Performers, *Business Week*
- Top performing Companies, Council on Economic Priorities, 2000; SBC ranked seventh overall out of more than 300 Fortune 500 corporations surveyed

Community Involvement

For SBC Communications Inc. and our employees, volunteerism is a major component of what we do and who we are. Through the SBC Foundation and our corporate giving, along with the volunteer efforts of our numerous employee groups and the Pioneers organization of almost 200,000 employee and retiree volunteers, we stay connected to and involved in the communities where we live and work.

SBC volunteers throughout our family of companies (SBC Advanced Solutions Inc., SBC Southwestern Bell, SBC Ameritech, SBC Pacific Bell, SBC Nevada Bell, and SBC SNET) serve communities throughout our 13 operating territories. While SBC's volunteer efforts are widespread and numerous, we focus on efforts that use our greatest strengths -- technology and communications -- to meet a variety of education needs. We do so because today's students need the skills and knowledge to work in a world where advanced technologies are the norm and because education helps sustain economic growth.

While education is the primary focus of SBC volunteers, longstanding programs address a gamut of community needs. They range from providing handmade Hug-A-Bears to police and fire departments, to building access ramps and trails for the handicapped, building houses for Habitat for Humanity, repairing talking books for the Library of

People

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Congress, running sports jamborees for the handicapped, and cleaning up beaches and highways.

The SBC Pioneers have furthered their commitment to education through several initiatives, including:

- ♦ With their personalized “A Book About Me!” books, the SBC Pioneers are helping foster positive self-concept and instill a love of reading among kindergartners. When coupled with a 12-week lesson plan, the books positively impact a child’s self-concept.
- ♦ Through the Safe Connections Program, the Pioneers teach thousands of children each year the proper way to use 911 for emergencies.
- ♦ Pioneers have painted thousands of giant U.S. maps on elementary school playgrounds in an effort to make the study of geography fun, benefiting more than a quarter of a million students.

One major national initiative of the SBC Pioneers is its successful effort to support the World War II Memorial in Washington, D.C. An employee grassroots campaign led by the Pioneers raised more than \$300,000 to support the Memorial, which recognizes the sacrifices of World War II veterans, including 70,000 SBC employees.

The SBC Foundation was a founding sponsor of the Memorial, donating \$3 million to the cause. In conjunction with its fundraising campaign, the Pioneers gave talks at schools, civic groups and senior organizations to explain the urgency of erecting a national monument to honor a generation that is now fading away. The Pioneers also set up a special Web site at www.sbcpioneers.org/wwii to provide the public with answers to frequently asked questions about the Memorial as well as personal profiles of SBC employees who served during World War II.

Almost 200,000 of SBC’s Pioneer employees and retirees volunteered approximately 7 million hours of their time and talents to a variety of community outreach activities. Employee-initiated groups together raised additional dollars and volunteered hundreds of hours in support of diversity-related community activities and scholarships.

SBC’s Commitment to Environment

At SBC, we believe that preserving the environment makes good sense. We enforce strict guidelines for governing waste disposal, follow contamination prevention methods and abide by clean air initiatives. Company-wide, we conserve annually an average of more than 20,000 tons of paper, copper, lead cable, metals and other recyclable materials.

Our environmental stewardship is enacted on the local level. For example, SBC—through our employees, retirees and their families—has accounted for the planting of hundreds of thousands of trees in recent years in Houston, Texas. Through an executive loan program,

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SBC provided the city of Houston the leadership needed to develop and implement the “2 x 2 Program,” planting 2 million trees by the year 2000.