



Control Number: 26715



Item Number: 23

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EASTEX TELEPHONE CO-OP., INC.

"A PHONE FOR EVERY FARM"

December 17, 2002

Ms. Anne Bowen
Public Utility Commission of Texas
1700 N. Congress Avenue
Austin, TX 78701

PUBLIC UTILITY COMMISSION
FILING CLERK

RECEIVED
DEC 19 2 09:31

RE: Project No. 26715 - Annual Progress Report on Five-Year Plan to Enhance Supplier and Workforce Diversity for Eastex Telephone Cooperative, Inc.

Dear Filing Clerk:

Pursuant to Section 26.85(e), enclosed for filing are four (4) copies of the Annual Progress Report on the implementation of the Five-Year Plan to Enhance Supplier and Workforce Diversity. This filing is being made in Project 26715 as the project designated for this report.

Consistent with the requirements of the approved rule, copies of this report are also being provided to the:
(1) Governor; (2) Lieutenant Governor; (3) Speaker of the House; (4) Chair-Texas Senate Hispanic Caucus;
(5)&(6) Co-Chairs-Texas Senate Black Caucus; (7) Chair-House Mexican-American Caucus; and
(8) Chair-House Black Caucus.

We have included an extra copy of the transmittal letter and request that you please file-date stamp this copy and return to us for our files. If you have any questions concerning this report, please contact Steve Alexander at 903-854-1000.

Sincerely,

EASTEX TELEPHONE COOPERATIVE, INC.



Steven S. Alexander, CPA
Controller

cc w/ attachment The Honorable Rick Perry
The Honorable Bill Ratliff
The Honorable Pete Laney
The Texas Legislative Black Caucus
The Texas Senate Legislative Black Caucus
The Mexican American Legislative Caucus
The Texas Senate Hispanic Caucus

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WORKFORCE AND SUPPLIER DIVERSITY FORM

Occupational Categories	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
Officials and Managers	8	8		8									
Professionals	3	3		3									
Technicians	14	14		12		2							
Sales Workers													
Office and Clerical	46	3	43	3	34		6		3				
Craft Workers (Skilled)	53	53		48		3		2					
Operatives (Semi-skilled)	17	17		11		6							
Laborers (Unskilled)													
Service Workers	2	1	1	1	1								
Previous Year Totals	139	97	42	84	34	10	5	3	3				
Year Totals	143	99	44	86	35	11	6	2	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)				0	0	None
Commodities Contracts (2)				68,114	61,251	(10%)
Other Services (3)				8,386	21,481	156%
Professional Services Contracts (4)				280	1,331	375%
Major Equipment (5)				0	0	None
Other				165,183	99,382	(40%)

(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

Introduction

The following progress report is filed to comply with the requirements of the Public Utility Regulatory Act Substantive Rule 26.85 and the Public Utility Commission Project No. 26715 – Annual Progress Report on Five-Year Plan to Enhance Supplier and Workforce Diversity for Eastex Telephone Cooperative (ETC). ETC recognizes the benefits to our members, our community and our cooperative of having diversity in the workforce and of increasing the amount of business ETC does with small and historically underutilized businesses operating in our community

As a cooperative, we were organized and chartered to provide telecommunications services to a rural Texas service area. In fact, to further enhance the true mission of the Cooperative, our by-laws state, “It shall be the aim of ETC to provide dependable area-wide telephone service on the cooperative plan and at the lowest cost consistent with sound economy and good management.”

As citizens living and as a business operating within the communities we serve, the management and employees of ETC continue to seek opportunities to make progress in the areas of diversifying the workforce and utilizing the products and services of small and historically underutilized businesses. However, our commitment to employing and purchasing within the communities we serve when and where possible far outweighs attempting to achieve an improved statistical number in these areas just for reporting purposes.

As a small, rural telephone cooperative, we have and must recognize a fiduciary duty and responsibility to our members to make good, sound economic policy decisions as well as our community responsibility to purchase goods and services within our own communities when possible. By the very nature of the service area we serve, we are sometimes limited in the local availability of certain telecommunications equipment and products and must go outside our communities for these mandatory purchases. Therefore, when possible, ETC contracts with local businesses to provide the goods and services that are available in our communities.

WORKFORCE AND SUPPLIER DIVERSITY FORM

This report describes the progress that has been made the past year with regards to ETC's Five-Year Plan to Enhance Diversity of its Workforce and Increase Opportunities for Small and Historically Underutilized Businesses.

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

From September 2001 to September 2002, Eastex hired four new full time employees of which one was a minority male, one was a minority female and one was a non-minority female. Although new employment opportunities were few, Eastex was and is committed to employing a diverse workforce with emphasis on recruiting, training and employing individuals with the education and skill-sets needed from within the local community.

The procurement report reflects increases in two categories, decreases in two categories and no change in two categories. The increases were due to the following:

Other Services – 156% increase

Largely due to a new contract with a HUB for cable location services.

Professional Services Contracts – 375% increase

Largely due to an increase in legal work performed by a HUB.

The significant decrease was in the category of major equipment. This decrease was due to ETC purchasing less furniture from a HUB vendor in the current year than in the prior year.

WORKFORCE AND SUPPLIER DIVERSITY FORM

Overall, the procurement report indicates that the amount of HUB procurement in the current year is consistent with the HUB procurement in prior years. These results do not adequately reflect the effort made by ETC to identify HUBs and the effort made to communicate business needs to HUBs supplying the products and services that meet our business needs. The quantities are reflective of the relative few HUB suppliers that serve our area with the products and services needed to meet our business needs.

ETC attempted to utilize HUBs for the procurement of goods and services, especially those HUBs located within the local and surrounding communities. ETC continued to stay abreast of the products, services and businesses that qualified under the HUB definition through community resource participation, involvement with the community, and through the use of the state's HUB directory.

The Cooperative continued to communicate to the HUB-community the opportunities for doing business with ETC.

The Cooperative was involved with local, county and state organizations that promote the use of small businesses.

WORKFORCE AND SUPPLIER DIVERSITY FORM

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

The success of ETC's specific initiatives, programs and activities should not be measured by the reported results alone. ETC was successful at continuing to be a good corporate citizen that employs a diverse workforce from the local community, and that strives to identify, communicate opportunities and utilize HUBs when possible in the course of providing quality services to the Cooperative's membership. The following is a list of ETC's initiatives, programs and activities that were assessed as successful in achieving workforce and supplier diversity this past year:

1. Identified local organizations with minority membership emphasis and communicated through these organizations employment opportunities with ETC.
2. Identified local organizations with female membership emphasis and communicated through these organizations employment opportunities with ETC.
3. Identified local educational institutions and communicated through the educational employment outreach programs employment opportunities available for minority and female students. Attempted to work with educational institutions to establish work-for-credit intern programs
4. Provided workforce diversity related employee training.
5. Offered available work-related training to employees.
6. Offered available advancement opportunities to employees.

WORKFORCE AND SUPPLIER DIVERSITY FORM

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

Progress has been made under the plan filed by ETC. Minority hiring statistics over the past two years have been very high. Procurement with HUBs in several categories has increased. The effort to communicate business opportunities to the HUB community has been continuous. Attempts continue to be made to identify local organizations with minority and/or female membership. When identified, communications are made with these organizations regarding employment and procurement opportunities with ETC. Work-study programs with several local high schools are occurring and minority students are represented in these programs.

ETC is always in the progress of deploying advanced telecommunication services to our rural service area. To facilitate this deployment ETC is looking for opportunities to expedite the delivery of advanced services to our members. This is the greatest opportunity for new employment and doing new business with the Cooperative. ETC will hire the workforce, and partner with the businesses, that can assist in this effort. ETC will be pleased if this hiring/partnering enhances the diversity of our workforce and more fully utilizes HUBs.

SMALL UTILITIES HUB USE REPORT (Texas purchases)
Utility: Eastex Telephone Cooperative, Inc.

MBE Procurement	Construction Expenditures	Commodities Expenditures	Other Services Expenditures	Professional Expenditures	Major Equipment Expenditures	Other Expenditures	Total HUB Expenditures
African American Male		10,617					10,617
Female							10,617
Total							
Asian American Male							
Female							
Total							
Hispanic American Male				1,331			1,331
Female							
Total							
Native American Male							
Female							
Total							
MBE Total		10,617		1,331		3,402	15,350
WBE Total		50,634	21,481			95,980	168,095
Total MBE & WBE Procurement		61,251	21,481	1,331		99,382	183,445
Total Unknown Status Procurement (1)							
Total Non-Fuel Procurement (2)							15,861,459
Total Fuel and Purchased Power Procurement (electric only)							
Total Non-Fuel, Fuel, and Purchased Power Procurement							
Total Utility Purchases							

(1) Vendors for whom HUB status is not directly known.

Reporting Period: 10 Box 150 On 1 01 through 30 12, 02
Address: Henderson, TX 75653-0150
City: Henderson, TX 75653-0150

Reporting Date: 12/30/2002 CPA: TX Zip: 75653
Contact person: Heldon R Gray Phone: (903) 854-1207 Fax: (903) 854-1207
854-1000

To be filed by a utility which has more than 1,000 customers in a state other than Texas, or which purchases more than 10% of its goods and services from vendors not located in Texas

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