



Control Number: 28691



Item Number: 13

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PUBLIC UTILITY COMMISSION  
FILING CLERK

December 15, 2003

Filing Clerk  
Public Utility Commission of Texas  
1700 N. Congress Avenue  
Austin, Texas 78711

RE: Project No. 28691- 2003 Annual Telephone Progress Reports on Five-Year Plan to Enhance Supplier and Workforce Diversity

Dear Filing Clerk:

On behalf of Valley Telephone Cooperative, Inc. ("Valley") and pursuant to PUC SUBST. R. 26.85, enclosed for filing in the above-referenced project are four (4) copies of the Annual Progress Report on the implementation of the Five-Year Plan to Enhance Supplier and Workforce Diversity. Consistent with the requirements of the approved rule, copies of this report are also being provided to the Governor, the Lieutenant Governor, the Speaker of the House, and the African-American and Hispanic Caucus offices of the Texas Legislature as indicated on the Certificate of Service provided herein.

Please file-stamp any additional copies and return them to me by way of our assistant. Your cooperation in this matter is greatly appreciated. You may direct any correspondence or questions to me at the above-listed telephone number.

Sincerely,

Dee Dee Longenecker  
Authorized Representative  
for Valley Telephone Cooperative, Inc.

Enclosures

cc: Mr. Charles Gowder  
Valley Telephone Cooperative, Inc.

HEADQUARTERS:

6315 Seabrook Road, Seabrook, Maryland 20706  
phone: 301-459-7590, fax: 301-577-5575  
internet: www.jsitel.com, e-mail: jsi@jsitel.com

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1380 Corporate Center Curve, Eagan, Minnesota 55121  
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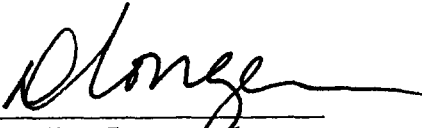
547 South Oakview Lane  
Bountiful, Utah 84010  
phone: 801-294-4576, fax: 801-294-5124



Advisors Since 1962

**Certificate of Service**

I hereby certify that a true and correct copy of this Annual Progress Report on the implementation of the Five-Year Plan to Enhance Supplier and Workforce Diversity has been served by facsimile distribution, hand delivery, or first class U.S. mail on this the 15th day of December, 2003, to the below-listed entities.

  
Dee Dee Longenecker

The Honorable Rick Perry  
Office of the Governor  
P. O. Box 12428  
Austin, Texas 78711

The Honorable Tom Craddick  
Speaker of the House of Representatives  
P. O. Box 2910  
Austin, Texas 78768

Lt. Governor David Dewhurst  
Capitol Station  
P. O. Box 12068  
Austin, Texas 78711

The Honorable Joe Deshotel, Chairman  
Legislative Black Caucus (TLBC)  
807 Brazos Street, Suite 605  
Austin, Texas 78701

The Honorable Pete Gallego, Chairman  
Mexican American Legislative Caucus  
1005 Congress Avenue, Suite 420  
Austin, Texas 78701

The Honorable Leticia Van De Putte, Charman  
The Texas Senate Hispanic Caucus  
P. O. Box 967  
Austin, Texas 78767

# 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	18	16	2	11										
Professionals								13	1					
Technicians	20	19	1	6				1	1					
Sales Workers	2	1	1					6	14					
Office and Clerical	27	9	18	3	4			12	2					
Craft Workers (Skilled)	16	14	2	2				10						
Operatives (Semi-skilled)	11	11		1										
Laborers (Unskilled)	9	9						6	2					
Service Workers	10	8	2	2				61	25					
Previous Year Totals	112	82	30	21	5			62	22					
Year Totals	113	87	26	25	4									

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# **WORKFORCE AND SUPPLIER DIVERSITY FORM**

<b>Actual = [Total HUB(6) procurement + Total Small Business procurement]/Total Company procurement</b>		<b>Actual for Previous FY</b>	<b>Actual for Current FY</b>	<b>Percentage change</b>
Construction Contracts (1)		1,269,976	2,389,410	47%
Commodities Contracts (2)		0	64,850	100%
Other Services (3)		1,020,755	1,305,842	22%
Professional Services Contracts (4)		1,875,140	1,149,520	-63%
Major Equipment (5)		299,798	209,192	-43%
Other		656,073	747,827	-12%

(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 plan is filed to comply with the requirement of the Public Utility Regulatory Act Substantive Rule 26.85 and the Public Utility Commission *Project No. 21170 and 28691 – Compliance Proceeding for Telecommunications Utilities' Five-Year Plan to Enhance Diversity of its Workforce and Increase Opportunities for Small and Historically Underutilized Businesses*. Valley Telephone Cooperative, Inc. (The Cooperative) recognizes the benefits to our customers, our community and our Cooperative of having diversity in the workforce and of increasing the amount of business the Cooperative does with small and historically underutilized businesses (HUB) operating in our community. The Cooperative is proud of its record of enhancing the diversity of our workforce. Over the past several years we have seen what we consider, given the extent possible in our community, to be improved statistics in our workforce numbers and progress in the amount of business the Cooperative does with small and historically underutilized business in our community.

As a Cooperative, we were organized and chartered to provide telecommunications services to a rural Texas service area. Our service area has predominantly Hispanic population. As such, we utilize many historically underutilized businesses (HUB) because they reside in our service area. However, our commitment to employing and purchasing from within the community 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 customers, employees and members to make good, sound economic policy decisions as well as our community responsibility to purchase goods and services within our own community 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, the Cooperative contracts with local businesses to provide the goods and services that are available in our communities.

This report describes the progress that has been made during the past year with regard to the Cooperative's Five-Year Plan to Enhance Workforce Diversity and Increase the Opportunities for Small and Historically Underutilized Businesses. Valley Telephone Cooperative, Inc.'s Five-Year Plan also incorporates guidelines that we are implementing within our Cooperative's corporate policy to maintain our efforts in these two areas. As previously mentioned, due to the nature of our predominantly Hispanic service area, we utilize many HUBs and our Workforce Diversity mixture is well above average. Therefore, we feel that rather than implementing any new procedure relative to these areas, we simply need to maintain the diverse mixture already existing at the Cooperative.

## **WORKFORCE AND SUPPLIER DIVERSITY FORM**

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

Although new employment opportunities with the Cooperative were few, the Cooperative 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 effort to identify small and historically underutilized businesses and the effort to communicate our business needs is at an all time high for the Cooperative. The Cooperative has continued to stay abreast of the products, services and businesses that qualified under the HUB definition through community resource participation and through use of the state's HUB directory.

In accordance with the Five-Year Plan submitted to the commission last year, the Cooperative has undertaken the following initiatives, directives and activities during the last year:

1. The Cooperative has maintained a commitment to employ a diverse workforce with extreme emphasis placed on recruiting, training and employing individuals with the education and skill-sets needed from within the local community.
2. The Cooperative has continued to utilize historically underutilized businesses (HUBs) for the procurement of goods and services, especially when the HUB is affiliated or located within its local or surrounding communities. The Cooperative strive to stay abreast of the availability of certain products, services and businesses that qualify under the HUB definition through community resource participation and involvement and through use of the state's HUB directory. The Cooperative also strives to communicate to the HUB community the opportunities for doing business with Valley Telephone Cooperative, Inc. This initiative will continue to be promoted by local participation and communication with organizations that HUBs are independently investigating products or contract opportunities.
3. The Cooperative continues to utilize small businesses other than those defined as HUBS in the procurement of goods and services. With the Cooperative's emphasis on utilizing and promoting local or surrounding area business economic growth, we plan to continue its involvement in local, county and state organizations that promote the use of small businesses.
4. Existing employment practices at the Cooperative have already yielded a diverse workforce. As part of our employment process, we prefer to have bilingual employees, which lends itself to a diverse workforce.

## WORKFORCE AND SUPPLIER DIVERSITY FORM

**Continued:**

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

5. The Cooperative has attempted to identify local educational institutions and communicate through the educational employment outreach programs employment opportunities available for minority and female students. The Cooperative has also attempted to work with educational institution established through local high school and/or community or surrounding area colleges.
6. The Cooperative has addressed posting available business and/or job opportunities on its website and/or through local community media.
7. The Cooperative has addressed posting available business and/or job opportunities on industry organization website.



## WORKFORCE AND SUPPLIER DIVERSITY FORM

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

As a small rural telephone Cooperative, we have and must recognize a fiduciary duty and responsibility to our customers, employees and members to make good, sound economic policy decisions as well as our community when possible. As mentioned previously, our service area has a predominantly Hispanic population. As such, we utilize many historically underutilized businesses (HUBs) because they reside in our service area. 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, the Cooperative contracts with local businesses to provide the goods and services that are available in our communities. As such, it is difficult to determine the success of any of the initiatives detailed above. Due to the size of the Cooperative's procurement amount, a significant fluctuation could be a product of non-recurring purchases such as heavy equipment or machinery that falls within the HUB definition. As such, it is difficult to assess the success of a specific program without considering these nonrecurring items. Overall, the Cooperative feels that all of its efforts to maintain the diversity of its workforce and HUB usage have been successful. Refer to the HUB information and Workforce Diversity information included in this filing for a comparison of each from the prior year period.

## WORKFORCE AND SUPPLIER DIVERSITY FORM

**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:**

The initiatives, programs, and activities the Cooperative will pursue during the next year to increase the diversity of its workforce and to increase procurement opportunities for small and historically underutilized businesses will be consistent with those initiatives, programs and activities identified in the initial predominantly Hispanic service area, our Workforce Diversity mixture and our usage of HUBs is well above average. Therefore, we feel that rather than implementing any new procedures relative to these areas, we simply need to maintain the diverse mixture already existing at the Cooperative. However, in an effort to continue this mixture, the Cooperative will maintain a diverse workforce and HUB usage by continuing the following efforts:

- A. Employ a diverse workforce emphasizing local community employment. Initiatives related to this objective are listed below.
  - 1. Continue to identify local organizations with minority membership emphasis and communicate through these organizations any proposed employment opportunities with the Cooperative.
  - 2. Continue to identify local organizations with female membership emphasis and communicate through these organizations any proposed employment opportunities with the Cooperative.
  - 3. Continue to identify local educational institutions and communicate through educational employment outreach programs the employment opportunities available for minority and female students. Attempt to work with educational institutions to establish a work-for-credit intern program. These type programs may be established through local high school and/or community or surrounding area colleges.
  - 4. Post available job opportunities on Cooperative website and/or local community media.
  - 5. Post available job opportunities on industry organization website.

Continued –

## WORKFORCE AND SUPPLIER DIVERSITY FORM

**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:**

- B. Utilize historically underutilized businesses (HUBs) in the procurement of goods and services, emphasizing local community service providers. Initiatives related to this objective are listed below:

1. Continue to identify local organizations with minority business membership emphasis and participate or communicate through these local organizations business opportunities with the Cooperative.
2. Continue to identify local organizations with female-owned business membership emphasis and participate or communicate through these local organizations business opportunities with the Cooperative.
3. Post contracting opportunities with local community media.
4. Post contracting opportunities on the Cooperative's website.

- C. Utilize small businesses other than HUB small businesses in the procurement of goods and services. Initiatives related to this objective are listed below:

1. Continue to identify local organizations with small business membership emphasis and participate or communicate business opportunities available with the Cooperative.
2. Post contracting opportunities with local community media.
3. Post contracting opportunities on the Cooperative's website.

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

As a Cooperative, we were organized and chartered to provide telecommunications services to a rural Texas service area. As citizens living and as a business operating within the community we serve, the management and employees of the Cooperative 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 (HUBs). Again, our service area has a predominantly Hispanic population. As such, we utilize many historically underutilized businesses (HUBs) because they reside in our service area.

## WORKFORCE AND SUPPLIER DIVERSITY FORM

However, our commitment to employing and purchasing from within the community we serve when and where possible for 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 customers, employees and members to make good, sound economic policy decisions, as well as our community responsibility to purchase goods and services within our own community 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, the Cooperative contracts with local businesses to provide the goods and services that are available in our communities.

As such, it is difficult to determine the success of any of the initiatives detailed in the Five-Year Plan To Increase Workforce Diversity filed previously with the commission. Refer to the HUB information and Workforce Diversity information included in this filing for a comparison of each from the prior year.

The Cooperative has followed the plan as set forth in the initial filing when attempting to increase its workforce diversity and its utilization of HUBs. As mentioned previously, the effort to identify small and historically underutilized busses and the effort to communicate our business needs is at an all-time high for the Cooperative. The Cooperative will continue to examine its policies and procedures regarding both.