



Control Number: 28691



Item Number: 202

Addendum StartPage: 0

Verizon Avenue



December 30, 2003

Two Conway Park
150 Field Drive, Suite 300
Lake Forest, IL 60045

Office of the Secretary
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711

RE: Workforce Diversity Annual Reporting

Dear Sir or Madam:

Following you will find an original and one copy of Verizon Avenue Corp d/b/a Verizon Avenue's Workforce Diversity Annual Report.

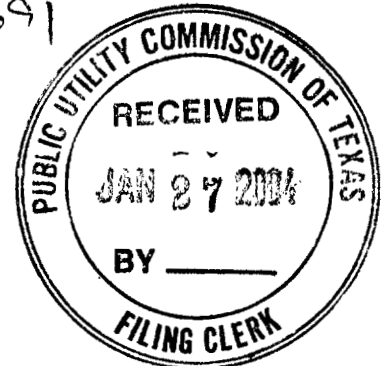
If there are any questions about this report, please feel free to contact me at the address above, on my direct telephone line of (847) 582-8733, via FAX on (847) 582-8801, or by email at kris.seper@verizon.com.

Sincerely,

Kris A. Seper

Kris A. Seper
Manager, Regulatory Affairs
Verizon Avenue Corp.

28691



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WORKFORCE AND SUPPLIER DIVERSITY FORM **WORKFORCE DIVERSITY**

PKT # 28691

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PUBLIC UTILITIES COMPANY
Occupational Categories

Occupational Categories	Combined Total	NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR											
		Company Totals *		Caucasian *		African American *		Hispanic *		Asian *		American Indian *	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Officials and Managers	3	2	1	1	1			1					
Professionals	0	0	0										
Technicians	2	2	0			2							
Sales Workers	5	3	2	2	2			1					
Office and Clerical	0	0	0										
Craft Workers (Skilled)	0	0	0										
Operatives (Semi-skilled)	0	0	0										
Laborers (Unskilled)	0	0	0										
Service Workers	0	0	0										
Previous Year Totals	26	10	16	7	13	2		1	1		2		
This Year Totals	10	7	3	3	3	2	0	2	0	0	0	0	0

* State of Texas Only

NOTE: Double-click on embedded Excel chart to open. Click on a cell or use arrow keys to select an occupational category and ethnic group to update workforce diversity numbers. Do not enter information in Combined Total and Company Totals columns or the This Year Totals row, as these will update automatically. Cells left blank will be counted as zero. Click anywhere outside of chart to exit.

WORKFORCE AND SUPPLIER DIVERSITY FORM
HUB & SMALL BUSINESS PROCUREMENT AS A PERCENTAGE OF TOTAL COMPANY PROCUREMENT

Actual % = [Total HUB(6) procurement + Total Small Business procurement]/Total Company procurement			Percentage Change	
	Actual % for Previous FY	Actual % for Current FY		
Construction Contracts (1)				
Commodities Contracts (2)	0.0000%			
Other Services (3)	1.0000%			
Professional Services Contracts (4)	5.0000%			
Major Equipment (5)	1.0000%			
Other (7)	0.0000%			
2003 Date not recorded	1.0000%			
(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 COMPANY INITIATIVES

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

Verizon Avenue promotes diversity workforce by establishing the following initiatives in 2003.

1. Diversity Recruiting Campaign

One of the primary goals at Verizon Avenue is to hire and promote more women, minorities, individuals with disabilities, and gays and lesbians in the workplace. The company has developed and implemented to strengthen mutually beneficial relationships with key minority and women's organizations across the country. Also we partnered with recruiting agencies to increase pool of diverse qualified candidates.

2. Diversity Council

The Diversity Council is designed for helping drive the diversity priorities of Verizon within VZA. The Council work on a variety of initiatives designed to improve the business and work environment.

The Diversity Council has three objectives:

- To build cross-functional collaborative relationships
- To deliver tangible results from collaborative efforts
- To provide professional development and visibility opportunities

3. Diversity Mentoring Program

Verizon Avenue establishes an environment where employees can actively participate in a mentoring process that:

- Increases their performance, contribution and impact
- Capitalizes on the diversity of their perspectives
- Reduces the learning curve
- Prepares them for increased and/or broader responsibilities
- Increases organizational competency to lead a diverse workforce
- Fosters an environment where employees are encouraged and further prepared to take charge of their own development
- Establishes and develops key internal relationships
- Facilitates continuing dialogue across the employee base
- Achieves mutual benefits and reciprocal learnings

4. Diversity @ Verizon Avenue Website

To integrate the diversity initiatives into the company-wide vehicles of communication, Verizon Avenue celebrates and promotes diversity by creating the official Diversity Website on the Corporate Intranet. We want to inform our employee why diversity makes good business sense and how to recruit and retain diverse employees.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

5. VASO: The Verizon Avenue Service

The Verizon Avenue Service Organization (VASO) was created in August of 2002 by the Verizon Avenue Diversity council to act as a vehicle for partnerships and strategic alliances in our local communities. VASO encompasses all departments and nearly every office within the VZA family. VASO members represent a cross section of the community and work to meet the needs of their immediate communities.

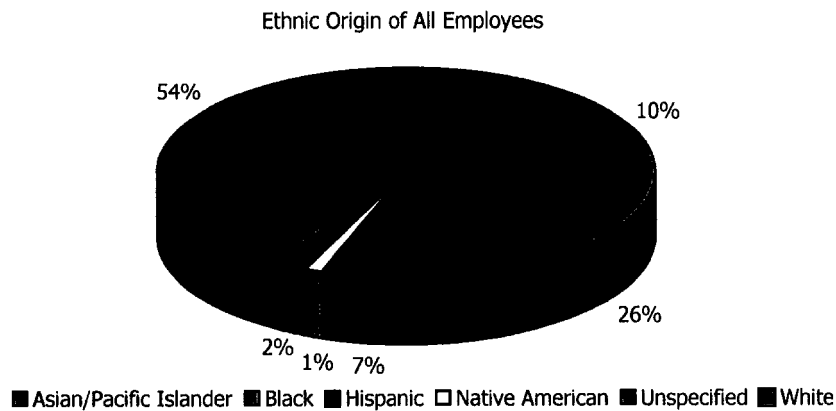
WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

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

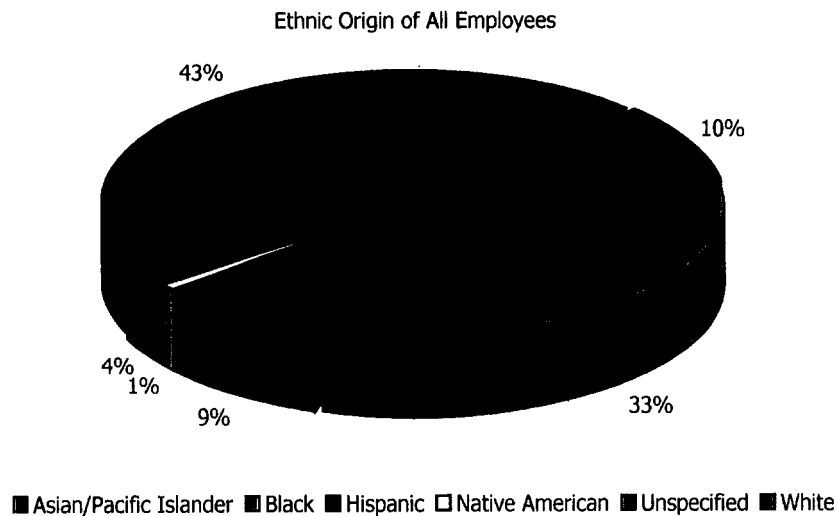
1. Diversity Recruiting Campaign

As a result of Diversity Recruiting Campaign in 2003, 60% of new hire employees are minorities' candidates. Currently, we have gained total of 11% minorities overall population from 2002. (Total minorities in company in 2003 is 57% compare to the 2002 minorities population at 46%.)

2002 VZA Diversified Population



2003 VZA Diversified Population



WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

2. Diversity Council

The Council Representation from various departments was established to address the needs of the company. The function of each team is intended to be collaborative as well as results oriented to achieve tangible deliverables each month or quarter.

3. Diversity Mentoring Program

Approximately 100% of directors and above mentored 2-3 mentees, at least one of which was ethnically diverse and /or female. This initiative produced positive, though in consistent results, i.e. either the pairs were engaged and the relationship was very successful or there was little to no contact between mentor and mentee.

4. Diversity @ Verizon Avenue Website

- The Diversity Council communicates frequently regarding VZA's diversity plans and objectives, how we are reaching these goals, as well as share success stories and examples of our efforts and results.
- All communications and leadership actions reinforce the business initiative behind our diversity efforts, and deepen employee understanding of leadership's seriousness and commitment around this effort.
- The company frequently promotes EXCEL and VASO activities via this website and the company-wide email messages.

5. VASO: The Verizon Avenue Service

The Verizon Avenue Service Organization (VASO) Volunteers initiated the following volunteer activities in 2003:

- Emergency Blood Drive for INOVA Hospital Systems
- Breast Cancer Awareness Campaign.
- Sending care packages and donations For Logistics Task Force 787 in Doha, Qatar during the Gulf War.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

- (3) **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:**

1. New Diversity Council:

In 2004 some key projects will be rolling out mentoring circles, extending the presence of VZA in the community and increasing awareness about how diversity drives business success.

2. Broadband Initiatives for diversified markets:

- **Rural Market:** Verizon Avenue plans to deploy wireless broadband service to cover the towns in rural area. A team within Verizon Avenue has carefully studied this diversified market, and we are convinced that this market will also represent a great application of our customized, high-quality broadband service.
- **Native American Reservations Market:** By partnering with the Affiliated Tribes of Northwest Indians (ATNI) and the Sauk-Suiattle tribe, Verizon Avenue plans for a small broadband deployment to the reservation in the state of Washington. The Verizon public relations team will closely cover this project, and it is our first efforts to bring broadband service to Native American reservations across the country.

3. EXCEL Program

In an effort to support the Verizon Retail Markets commitment to diversity, the Verizon Avenue (VZA) Students EXCEL program was developed to establish long lasting and mutually beneficial relationships with Colleges, Universities, Professional Organizations, as well as other groups that support the varied interests, issues, and the professional development of minority students and recent graduates. The EXCEL program consists of several initiatives outlined below, easily tailored in size and scope to each Host Organization.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

- **Day at Verizon Avenue**

In order to build solid partnerships, it is important to allow a day for representatives from the Host Organization, as well as prospective EXCEL students to visit either the Verizon Avenue Technology Center in Herndon, VA, or our Corporate Headquarters in Lake Forest, IL, as is convenient. This visit presents the opportunity to tour the facility, enjoy a luncheon, and learn about the origins and current operations of VZA as well as hear detailed information on the benefits and opportunities offered through the EXCEL program. The floor is open for any questions or concerns those students or organization representatives may have in reference to their participation in the program or the partnership with VZA respectively.

- **Campus Career Day Attendance**

It is important for VZA to become a recognized and consistent presence at career fairs and/or forums sponsored by Host Organizations. After initial meetings with college/university administrators to determine the exact role that the EXCEL program will play on their campus, VZA obtains a calendar of on-campus career oriented events. This permits us to keep abreast of functions in which to participate.

- **Verizon Avenue Sponsorship**

In a continuous effort to establish Verizon Avenue as a well-known name that students or organization members will respect and feel comfortable with, VZA takes advantage of opportunities to co-sponsor events and activities. The visibility of the VZA name on campuses sparks the interest of younger students that are not yet eligible to participate in the internship program (which is geared toward junior and higher class years). Early determination of an interest in VZA allows an opportunity for students to gain assistance from VZA representatives in making professional development decisions.

- **Verizon Avenue Internship Program**

The distinguishing aspect of the Verizon Avenue Summer Intern Program is the pairing of college juniors or seniors with director level mentors in several departments across the company. This unique relationship creates the opportunity for students to gain valuable hands-on experience from a high level mentor in each organization. The inclusion of EXCEL students in the internship program gives students valuable exposure to the tasks, responsibilities, and decision-making techniques of senior level executives, as well as serves to promote the students' talents and abilities, distinguishing them as highly competitive candidates for available full time positions after graduation.

- **Scholarships**

In an effort to motivate students to participate in EXCEL initiatives, program funding has been set aside for scholarship opportunities for students on selected campuses. Scholarships are granted based on submissions to an annual essay contest. Each year students have the opportunity to submit an essay in response to a question related to telecommunications or the general field of business. This program grants another opportunity for students to exhibit their talent and potential through their willingness to accept the challenge of presenting their

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

ideas for scrutiny outside of the academic setting to which they have become accustomed.

- **Full Time Employment Opportunities**

In order to provide further incentive and reward for eligible students participating in EXCEL initiatives, Verizon Avenue has committed to offering priority consideration to job applicants who are graduates of EXCEL affiliated schools. The above mentioned initiatives foster early exposure of the EXCEL student population to VZA, ensuring that there are several opportunities for students to become familiar with the company and identify themselves as potential candidates. The intimate familiarity with a significant pool of top shelf candidates supports Verizon Avenue's commitment to the recruitment and retention of a diverse workforce at all levels of the organization.

(4) State the specific progress made under the plan filed by the utility:

Our efforts toward diversifying our workforce and toward creating opportunities for small business and minority vendors are stated in the information given above.