



Control Number: 28691



Item Number: 50

Addendum StartPage: 1

# EASTEX TELEPHONE CO-OP., INC.

"A PHONE FOR EVERY FARM"

December 18, 2003

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

RECEIVED  
PUBLIC UTILITY COMMISSION  
FILING CLERK  
DEC 29 PM 9:59

RE: Project No. 28691 - 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 28691 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) Chairperson - Texas Legislative Black Caucus; and (5) Chairperson - Mexican American Legislative 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*

Steven S. Alexander, CPA  
Controller

cc w/ attachment The Honorable Rick Perry  
The Honorable David Dewhurst  
The Honorable Tom Craddick  
The Texas Legislative Black Caucus  
The Mexican American Legislative Caucus

BRANCH OFFICE:  
P. O. BOX 1510  
1704 US 59 N. BYPASS  
LIVINGSTON, TEXAS 77351-1510  
936-327-5224 ☎ 1-800-732-7839

P. O. BOX 150  
3675 US HIGHWAY 79 S  
HENDERSON, TEXAS 75653-0150  
903-854-1000  
☎  
1-800-232-7839

BRANCH OFFICE:  
P. O. BOX 1691  
705 SPUR 156  
WASKOM, TEXAS 75692-1691  
903-687-3600

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# **WORKFORCE AND SUPPLIER DIVERSITY FORM** **WORKFORCE DIVERSITY**

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	7	7	0	7									
Professionals	4	4	0	4									
Technicians	14	14	0	12		2							
Sales Workers	0	0	0										
Office and Clerical	46	3	43	3	34		6		3				
Craft Workers (Skilled)	53	53	0	48		3		2					
Operatives (Semi-skilled)	17	17	0	11		6							
Laborers (Unskilled)	0	0	0										
Service Workers	2	1	1	1	1								
<b>Previous Year Totals</b>	143	99	44	86	35	11	6	2	3				
<b>This Year Totals</b>	143	99	44	86	35	11	6	2	3	0	0	0	0

**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**

<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)	\$0	\$0	%
Commodities Contracts (2)	\$61,251	\$60,335	<b>-1.50%</b>
Other Services (3)	\$21,481	\$76,737	<b>257.23%</b>
Professional Services Contracts (4)	\$1,331	\$180	<b>-86.48%</b>
Major Equipment (5)	\$0	\$0	%
Other (7)	\$99,382	\$36,766	<b>-63.01%</b>

(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**

## **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. 28691 – 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.

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.

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

From October 1, 2002 to September 30, 2003, Eastex hired four new full time employees of which 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 a consistent amount of procurement done with HUBs this year \$174,018, compared with last year \$183,445, in a year in which total procurement decreased by 23% compared with the prior year. The significant decrease in overall procurement was due to the construction and completion of an office building in FY 2002. This year's 5% overall decrease in procurement with HUBs, is largely due to furniture purchased from a HUB for the new office building in FY 2002, offset by an increase in Other Services due to a full year of contracted cable location services from a HUB in FY 2003 versus several months of contracted cable location services from that HUB in FY 2002.

## **WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES**

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 COMPANY INITIATIVES**

**(2) 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.

**(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:**

During the next year ETC will pursue the following initiatives, programs and activities in an effort to increase the diversity of its workforce and contracting opportunities for small and historically underutilized businesses:

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



**WORKFORCE AND SUPPLIER DIVERSITY FORM  
COMPANY INITIATIVES**

**(4) 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 several 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.

CO= H112345  
U= H112345

**EQUAL EMPLOYMENT OPPORTUNITY**  
2003 EMPLOYER INFORMATION REPORT

SINGLE ESTABLISHMENT REPORT - TYPE 1

**SECTION B - COMPANY IDENTIFICATION**

1. EASTEX TEL COOP INC  
P O BOX 150  
HENDERSON, TX 75653

2.a. EASTEX TEL COOP INC  
P O BOX 150  
HENDERSON, TX 75653

RUSK COUNTY

c. Y

**SECTION C - TEST FOR FILING REQUIREMENT**  
1-Y 2-N 3-N DUNS NO.:

**SECTION E - ESTABLISHMENT INFORMATION**  
NAICS: 513310 Wired Telecommunications Carriers

**SECTION D - EMPLOYMENT DATA**

**JOB CATEGORIES**

OFFICIALS AND MANAGERS

PROFESSIONALS

TECHNICIANS

SALES WORKERS

OFFICE AND CLERICAL

CRAFT WORKERS (SKILLED)

OPERATIVES (SEMI-SKILLED)

LABORERS

SERVICE WORKERS

TOTAL

PREVIOUS REPORT TOTAL

	***** MALE *****						***** FEMALE *****			
	WHITE (NOT OF HISPANIC ORIGIN)	BLACK (NOT OF HISPANIC ORIGIN)	HISPANIC	ASIAN OR PACIFIC ISLANDER	AMERICAN INDIAN OR ALASKAN NATIVE	WHITE (NOT OF HISPANIC ORIGIN)	BLACK (NOT OF HISPANIC ORIGIN)	HISPANIC	ASIAN OR PACIFIC ISLANDER	AMERICAN INDIAN OR ALASKAN NATIVE
OVERALL TOTALS	7	7	0	0	0	0	0	0	0	0
	4	4	0	0	0	0	0	0	0	0
	14	12	2	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	46	3	0	0	0	34	6	3	0	0
	53	48	3	2	0	0	0	0	0	0
	17	11	6	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	2	1	0	0	0	1	0	0	0	0
	143	86	11	2	0	35	6	3	0	0
	143	86	11	2	0	35	6	3	0	0

**SECTION F - REMARKS**

**SMALL UTILITIES HUB USE REPORT (Texas purchases)**  
**Utility: EASTEX TELEPHONE COOPERATIVE, INC.**

MBE Procurement	Construction		Commodities		Other Services		Professional		Major Equipment		Other		Total HUB	
	Expenditures		Expenditures		Expenditures		Expenditures		Expenditures		Expenditures		Expenditures	
African American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	11,623	0	0	0	0	0	0	0	0	0	11,623	0
Total	0	0	11,623	0	0	0	0	0	0	0	0	0	11,623	0
Asian American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hispanic American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Native American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MBE Total	0	0	11,623	0	0	0	0	0	0	0	0	0	11,623	0
WBE Total	0	0	48,712	0	76,737	0	180	0	0	0	29,501	0	154,950	0
Total MBE & WBE Procurement	0	0	60,335	0	76,737	0	180	0	0	0	36,766	0	174,018	0
Total Unknown Status Procurement (1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Fuel Procurement (2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Utility Purchases</b>													<b>12,210,626</b>	<b>0</b>
<b>Total Fuel and Purchased Power Procurement (electric only)</b>													<b>12,210,626</b>	<b>0</b>
<b>Total Non-Fuel, Fuel, and Purchased Power Procurement</b>													<b>12,210,626</b>	<b>0</b>

(1) Vendors for whom HUB status is not directly known. (2) Expenditures for goods and services from vendors not including wages, benefits, and other non-negotiable goods and services such as taxes and postage. Includes MBE/WBE and Unknown Procurement.

Reporting Period: Oct. 1, 2003 through Sep. 30, 2003  
 Address: P. O. Box 159  
 City: Henderson, TX 75653-0159

Reporting Date: 12/30/2003  
 Contact person: William R. Gray, CPA

State: TX Zip: 75653  
 Phone: 903-854-1000 Fax: 903-854-1307