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INDUSTRY

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Industry Telephone Company

P.O. BOX 40 • INDUSTRY, TEXAS 78944 • AREA CODE (979) 357-4411

December 30, 2003

Filing Clerk
Public Utility Commission of Texas
1700 N. Congress Avenue
Austin, Texas 78701

2003 DEC 30 PM 2:41
PUBLIC UTILITY COMMISSION
FILING CLERK

RECEIVED

RE: Project 28691 – Industry Telephone Company’s Annual Progress Report on Five-Year Plan to Enhance Supplier and Workforce Diversity

Dear Filing Clerk:

Pursuant to PUC Subst. R. 26.85(e), 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: (1) the Governor; (2) Lieutenant Governor; (3) Speaker of the House; (4) Chair-Texas Senate Hispanic Caucus; (5) Chair-Texas Legislative Black Caucus; and, (6) Chair-Mexican-American Legislative Caucus.

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

Sincerely,

for 

Michelle Ackley
Accountant
Industry Telephone Company

Enclosures

Cc w/attachment Governor
Lieutenant Governor
Speaker of the House
Chair-Texas Senate Hispanic Caucus
Chair-Legislative Black Caucus
Chair- Mexican-American Legislative Caucus

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	5	2	3	2	3									
Professionals	3	1	2	1	2									
Technicians	3	3		2		1								
Sales Workers														
Office and Clerical	5	1	4	1	4									
Craft Workers (Skilled)	4	4	0	4	0									
Operatives (Semi-skilled)	0													
Laborers (Unskilled)	0													
Service Workers	2	0	2	0	2									
Previous Year Totals	23	11	12	11	12									
Year Totals	22	11	11	10	11			1						

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
Commodities Contracts (2)	48,698	53,846	11%
Other Services (3)	19,680	17,500	-11%
Professional Services Contracts (4)	1,631	75	-95%
Major Equipment (5)	24,645	2,284	-91%
Other	3,919	4,904	25%

(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

INDUSTRY TELEPHONE COMPANY

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- Compliance Proceeding for Telecommunications Utilities' Five-Year Plan to Enhance Diversity of its Workforce and Increase Opportunities for Small and Historically Underutilized Businesses. Industry Telephone Company (Industry) recognizes the benefits of having diversity in the workforce and of increasing the amount of business the Company does with small and historically underutilized businesses operating in our community. Industry is proud of our record to enhance the diversity of our workforce. Over the past several years, and given the extent possible in our community, Industry has made every effort to improve workforce diversity and increase business transactions with small and historically underutilized businesses in our community.

Industry Telephone Company was organized and chartered to provide telecommunications services to a rural Texas service area. It is a goal of Industry to provide the best possible telephone service 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 Industry continue to seek opportunity to make progress in the areas of diversifying the workforce and utilizing the products and services of small and historically underutilized businesses.

As a small, rural telephone company, we have and must recognize a fiduciary duty and responsibility for the benefit of the company 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 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. However, when possible, Industry contracts with local businesses to provide the goods and services that are available in our communities.

This report describes the progress that we have made during the past year in implementing the goals we set out in our Five-Year Plan to Enhance Diversity in our Workforce and Increase Opportunities for Small and Historically Underutilized Businesses.

WORKFORCE AND SUPPLIER DIVERSITY FORM

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

Industry Telephone Company has maintained a strong commitment to employ a diverse workforce by recruiting, training and employing, from the local community, individuals who possess the education and skill-sets necessary to perform the duties for which they are hired. Although new employment opportunities were limited, Industry did increase our Hispanic headcount by one male employee.

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

Because Industry has required very few new positions since we filed our initial plan to enhance diversity in the workforce, it is difficult to assess the success of specific initiatives, programs or activities. However, since one Female and one Hispanic Male have been added, Industry has successfully enhanced the diversity of our workforce. At such time as Industry needs to expand our workforce, we are committed to implementing programs to recruit minority and female employees through efforts at local organizations with minority and female membership emphasis, through local educational institutions, and through websites. Furthermore, Industry offers workforce diversity training materials in the work environment, provides work-related training and offers advancement opportunities to all employees.

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:

Industry will continue to pursue and implement the initiatives, programs and activities we set out in our initial Five-Year Plan to Enhance Workforce Diversity and Contracting Opportunities for Small and Historically-Underutilized Businesses in Project No. 21170. Such initiatives include:

- Identifying local organizations with minority membership emphasis and communicate through these organizations employment opportunities with Industry.
- Identifying local organizations with female membership emphasis and communicate through these organizations employment opportunities with Industry.
- Identifying 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.
- Provide workforce diversity training materials for employees.
- Offer work-related training and advancement opportunities employees.

WORKFORCE AND SUPPLIER DIVERSITY FORM

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

Industry has made progress in both areas of enhancing diversity in the workforce and also in utilizing HUBs and Small Businesses. While it is sometimes difficult to assess the success of such initiatives in rural areas, where employment and contracting opportunities are few, Industry has clearly implemented business practices to communicate to minority and female persons, as well as HUBs and Small Businesses, the employment and contract opportunities that exist. Further, Industry has enhanced the diversity in our workforce by hiring one Hispanic male and one additional female position, and increasing HUB and Small Business procurements.