



Control Number: 28691



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PUBLIC UTILITY COMMISSION  
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December 30, 2003

Texas Public Utility Commission  
Central Records  
Post Office Box 13326  
Austin, TX 78711-3326

Re: Docket No. 28691 - 2003 Annual Progress Report on Five-Year Plan to Enhance  
Supplier and Workforce Diversity

Dear Sir or Madam:

Enclosed herein for filing within the above referenced proceeding please find four (4) copies of the Workforce Diversity report prepared and submitted on behalf of nii communications, Ltd. (hereinafter referred to as the "Company.")

The Company is a telecommunications service provider in the state of Texas and operates under the authority granted to it by the PUC under SPOCA 60240. The Company has filed separately its Workforce Diversity Plan as required under PURA 552.256, and files this report pursuant to Texas Substantive Rule 526.85.

Should you have any questions or concerns, please feel free to contact me at (210) 403-9100, extension 298.

Sincerely,

Dana Hoyle  
Manager of Regulatory Affairs

Telecommunications That make Sense...

**HUB & SMALL BUSINESS PROCUREMENT AS A PERCENTAGE OF TOTAL COMPANY PROCUREMENT**

**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	22	18	4	15	4	1	1	2					
Professionals	1	0	1			1							
Technicians	0	0	0										
Sales Workers	16	10	6	4	1	2	2	3	3			1	
Office and Clerical	77	26	51	14	16	3	8	34			1		1
Craft Workers (Skilled)	0	0	0										
Operatives (Semi-skilled)	0	0	0										
Laborers (Unskilled)	0	0	0										
Service Workers	0	0	0										
<b>Previous Year Totals</b>	82	31	51	18	19	1	11	29			2		1
<b>This Year Totals</b>	116	54	62	33	21	6	13	37	0	1			2

**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.

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)	n/a	None	
Commodities Contracts (2)	n/a	0 (See note A)	
Other Services (3)	n/a	50% (See note B)	
Professional Services Contracts (4)	n/a	75% (See note B)	
Major Equipment (5)	n/a	None	
Other (7)			

(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.

**Note a:** The Company is engaged in the provision of unbundled network services, which are available only from incumbent local telephone companies.  
**Note b:** The Company provided these same estimates with its 2002 report. Management is not aware of any change in these estimates. The HUB status of the vendors used by the Company is not known with certainty.

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

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

During the preceding year, nii communications, inc. (“nii” or the “Company”) has continued to maintain its commitment to employ a diverse workforce. nii has placed emphasis on recruiting, training, and employing individuals, including women and minorities with the education and skill-sets needed from within the local community.

nii has continued to utilize small and historically underutilized businesses for the procurement of goods and services. The Company strives to stay abreast of the availability of products and services provided by businesses that qualify as a historically underutilized business through the use of the state’s HUB directory.

**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 Company grew from 82 employees to 113 employees within the state of Texas as of December 2003. During that time, the Company complied with the objectives set forth in its Workforce Diversity Plan by ensuring that it did not permit gender or ethnic status of potential employees to enter into its hiring decisions. The Company's management ensured that all employee recruitment strategies observed a non-discriminatory policy. As a result, 53% female and 53% non-Caucasian personnel represent the Company's employee base.

The Company complied with its initiative to promote diversity within the ranks of its vendors during this period. The Company has minimal contract requirements, and in each of the few instances contractors were engaged the Company observed a non-discriminatory policy which supports the strategy. The Company has identified the HUB directory as a resource for locating vendors.

**(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:**

Although much growth has occurred for the Company in 2003, it remains in start-up mode. As the Company grows, it commits to continue to adhere to the initiatives set forth in its plan in the coming year. It continues to be committed to placing emphasis to its management personnel the objectives established in PURA 952.256 and to ensure that its personnel and contractual policies reflect the ambitions set forth therein.

The Company will pursue the following initiatives during the next year:

- Continue its commitment to employ a diverse workforce with emphasis placed on recruitment.
- Continue to develop internal candidates for promotion.
- Continue to build a reputation for being diversity friendly.
- Evaluate the diversity plan annually.

**WORKFORCE AND SUPPLIER DIVERSITY FORM  
COMPANY INITIATIVES**

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

The Company's management ensured that all employee recruitment strategies observed a non-discriminatory policy. As a result, 53% female and 53% non-Caucasian personnel represent the Company's employee base as of December 2003. The Company sought no material new competitive bids in Texas in 2003. Management reports that it substantially maintained the same level of diversity among its subcontractors as had been reported previously.