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**WORKFORCE AND SUPPLIER DIVERSITY FORM
COMPANY INITIATIVES**

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LEVEL 3 COMMUNICATIONS, LLC

including its subsidiaries,
Broadwing Communications, LLC
WilTel Communications, LLC
and
TelCove Operations, Inc.

HUB- Historically Underutilized Business Report

Texas Public Utility Commission
Docket Nos. 30240 and 30238
December 27, 2012

1478

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

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

As stated in the Plan, Level 3 is committed to ensuring its continued success through the full and effective utilization of qualified employees and candidates for employment, regardless of race, sexual orientation, marital status, color, national origin, pregnancy, religion, sex, age, mental or physical disability, veteran status, or any other basis upon which the law prohibits discrimination. To that end, the Company has established equal employment practices related to recruiting, hiring, training, compensation, benefits, promotions and transfers.

During the preceding year the Company has continued to take active steps to improve its policies, procedures, and training for HR staff to ensure full awareness and adoption of said practices. The Company has active representation on the national Recruitment Regulatory Compliance Committee, the National Labor Exchange Operations Committee (partnership with NASWA) and has ongoing initiatives to continually improve its diversity, inclusion, and equal employment practices.

Selected Activities and initiatives during the preceding year:

Company-wide acknowledgement of Code of Ethics – the Company publishes and requires every individual employee-owner to read and acknowledge the Code of Ethics and pledge to uphold this code of conduct by which the Company maintains its diverse, inclusive and safe environment. We did this also for the acquisition of employees from the former Global Crossing Telecommunications entity which Level 3 acquired on 10/5/2011. During first quarter 2012 all employees were asked to re-acknowledge the policy.

Also due to the Company acquisition, the Human Resources site accessed by employees was revamped to include access by region to Company policies, procedures, etc. The Company continues to follow the established equal employment practices stated in the Plan relative to recruiting, hiring, training, compensation, benefits, promotions and transfer. The Company actively promotes the open door policy as stated in the Plan. The Company also modified our Internal Jobs Posting policy.

The Talent Acquisition team implemented a new applicant tracking system building in place a standard candidate workflow model adhering to all EEOC/AAP Compliance practices in the United States for hiring and interviewing applicants.

Added training for people manager and hiring managers -- Level 3 continues to train its supervisors, managers, and executives on workforce diversity, inclusion, equal employment opportunities, anti-harassment, and screening policies, procedures, and expectations. All training is available via multiple resources, including the *Manager's Toolkit* system, which has been upgraded during the preceding year with additional training resources and making EO and Diversity policies and practices visible on the home screen of the tool. The *Manager's Toolkit* also includes educational materials on

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appropriate hiring practices. In addition to revising the hiring manager system the Level 3 HR and Legal teams provided in-person and individual compliance and diversity training to multiple facilities throughout the preceding year. As stated in the Plan, individual coaching would be offered upon request and is ongoing in addition to the group led trainings. The company also launched and promoted a campaign educating managers on how to best manage and harness the power of their diverse workforce by being sensitive to the needs of people in remote locations and different regions, scheduling meetings at times that encompassed working hours around the globe and utilizing video conferencing as often as possible to enable better communication and understanding through visual as well as audio communications. In addition the company developed a process whereby employees can apply to start an Employee Resource Group (ERG) and have committed to provide corporate funding in support of each ERG's activities. The ERGs we currently have active are the Level 3 Veteran's ERG, the New Professional's ERG and the Thanks Goodness It's Fun ERG. This last one aims to promote cross-functional and multi-cultural communication and awareness through a series of monthly activities, many of which are culturally themed in accordance with cultural traditions and customs. The company continuously promotes the ERGs and encourages employees to begin new ones through news articles on the company intranet site highlighting some of the events the ERGs sponsor.

We continued to broaden Workforce Diversity Recruiting Efforts – the Company's recruitment focus continues to be on developing relationships with key minority organizations to attract high performing candidates for employment. During the preceding year the Company was an active member of DirectEmployer's Association with representation on the Recruitment Regulatory Compliance Committee. Through partnership with DirectEmployer's Association, the Company was able to increase visibility and distribution of its employment opportunities via specialized diversity and veteran outreach programs. The Company now distributes its employment opportunities to over 22 diverse and veteran sites. In addition to selected representation on the Recruitment Compliance Committee the company took additional outreach efforts to strengthen relationships with the National Labor Exchange and National Association of State Workforce Agencies. The Company actively supported and participated in numerous career fairs as well as in career days, youth motivation programs and other community programs. The Company also maintains its ongoing partnership with prevalent internet job sites as well as their diversity sub sites, these include diversity mirror posting for our vacancies through Monster.com and CareerBuilder.com affiliates.

The Company also participated in multiple virtual and on-site career fairs in the sector of Military recruiting as well we participated in the 10,000 Jobs Challenge focusing on Veteran hiring.

Some examples throughout the Plan year were the Company has maintained relationships and committee representations above as well as expanded its veteran recruitment efforts. The Company has developed close working relationships with the Employer Partnership of the Armed Forces (EPAF), the Military Spouse Corporate Career Network (MSCCN),

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Milicruit Virtual Events, and signed its petition of support with the Employer Support of the Guard and Reserve to diversify and grow its veteran employee-owner population.

Equal Employment Initiatives – in the preceding year Level 3 continued its efforts on the Job Description Database project which defines the role, job summary, and essential duties of all titles/jobs within the Company and also depicting the work environment outlining any accommodation needs. This project continued during the acquisition year to job slot positions from the former Global Crossing structure into Level 3's. This further promoted equal employment practices in recruitment, hiring, performance management, and compensation. The project is a joint effort between HR, compensation, and People-Managers within the organization to increase transparency in hiring decisions, promotion, and compensation changes – to support Level 3's ongoing efforts as an equal employment opportunity employer.

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

In summary, all of the above listed programs have furthered the Company's initiatives as stated in the Plan of continuing to fairly and consistently enforce its Policies regarding equal employment and anti-harassment. Increasing ease of access to the myHR systems provided resources for employee-owners to feel comfortable and have multiple avenue's in which they may express a concern or complaint.

The additional training provided during the preceding year encompassed additional facilities and a broader scope of employees and people managers. The quick links and improvements to the internal systems were effective in training new supervisors, managers, and Directors on EO, diversity, harassment and discrimination policies and practices. Supporting training documents were also placed on the *Manager's Toolkit*. Managers are now able to readily access information and training on management best practices. Feedback has been positive and insightful from the manager population.

In working with DirectEmployer's association and as a member of the Recruitment Regulatory Compliance Committee Level 3 has increased the number of relationships with organizations able to provide a connection with local, diverse, and veteran workforce members. The increased distribution and outreach efforts have led to increased traffic and number of applicants from diverse sources. The Compliance Committee membership has provided the Company with insight to industry best practices in diversity, outreach, inclusion, and veteran hiring practices which are all currently being considered for the upcoming year's initiatives.

The veteran outreach and recruitment partnerships established in the preceding year have directly increased the number of veteran applicants available to the Company and candidates included in the recruitment processes.

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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:

As stated in the Plan, it is Level 3's ongoing position to review the status of its workforce and business diversity programs in order to identify additional available resources which it may use to drive ongoing equal opportunity, diversity, and inclusion efforts.

Level 3 plans to continue its relationship with DirectEmployer's Association as well as focus on strengthening its relationships with State Workforce Agencies, diversity recruitment, and veteran recruitment organizations. In addition to additional outreach programs, Level 3 has started a targeted recruitment campaign to include diverse and veteran applicants via company branding, social media, virtual military recruiting events, and targeted recruitment. Level 3's social media presence is a continued focus in the next year which will include increasing its presence on Twitter, LinkedIn, and expanding its presence on Facebook to increase accessibility of its openings to a more diverse candidate pool. Through the DirectEmployer's Association partnership, the Company's open positions are now distributed through the Social Jobs portal on Facebook, a joint effort between DirectEmployer's Association, the National Association of State Workforce Agencies and the Department of Labor. The Company will also maintain active representation on the Recruitment Regulatory Compliance Committee and will participate on the National Labor Exchange Operations Committee as an industry partner with the National Association of State Workforce Agencies to address national workforce planning topics.

The Company will also continue the individual and group training sessions on at least the following: diversity; harassment prevention; discrimination, ethics; and equal employment compliance. These programs will be presented and made available to people managers, recruiters and non-management employees. The Company will continue to update the *Manager's Toolkit* resource for correct and up-to-date training as an added resource for employee-owners.

The Level 3 Supplier Diversity Initiative provides equal opportunity to large and small Minority Business Enterprises ("MBE"), Women-Owned Business Enterprises ("WBE"), Service Veteran Disabled ("SVD") and Hub Zones business enterprises (all collectively recognized as "Diversity Suppliers") to bid on and to participate in the performance of contracts to provide goods and services to Level 3.

All MBE, WBE, SVD and Hub Zone business enterprises are required to be at least 51% owned, controlled and operated by either minorities, women, service veteran disabled or hub zone individuals. Companies that do business with Global Crossing in the United States are asked to participate in this Supplier Diversity initiative by virtue of their own status as a Diversity Supplier (Tier I) or, through their relationships with prime suppliers (Tier II).

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

During the preceding year the Company set forth initiatives to further its stance in each of the 4 areas outlined in the Plan as filed with the PUC. The Company has continued the plan to maintain an environment that is free from all forms of discrimination and conduct which the Company considers unlawfully harassing or coercive. The open door policy and access to myHR resources was made easier for employee-owners who may have a Complaint. Ongoing individual, online, and group training sessions were held by Level 3 HR and Legal to ensure managers, supervisors, and leaders are aware of, understand, and agree to comply with Level 3's policies concerning diversity, screening, equal employment opportunities and anti-harassment. The Company also added additional partnerships and resources to its workforce diversity recruitment efforts by partnering with DirectEmployer's Association, targeted recruitment campaigns, and ensuring positions were distributed to diverse recruitment job syndication partners such as Diversity.com, Monster Diversity, DiversityWorking.com, and a number of veteran recruitment sites.

Level 3 continues to make progress in the creation of business opportunities for all types of suppliers. Level 3 is proud of its progress in light of the acquisition of Global Crossing in this area and looks forward to making additional improvements during 2013.

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Occupational Categories	NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR													
	Combined Total 2012	Company Totals		Caucasian		African American		Hispanic		Asian		American Indian		
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Officials and Managers	47	37	10	34	8	1	0	1	1	1	0	0	0	
Professionals	122	82	40	69	33	3	1	5	3	5	3	0	0	
Technicians	74	63	11	43	7	7	1	13	2	0	1	0	0	
Sales Workers	47	29	18	25	12	2	0	1	3	1	2	0	1	
Office and Clerical	10	2	8	1	7	0	0	1	1	0	0	0	0	
Craft Workers (Skilled)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Operatives (Semi-skilled)	1	1	0	1	0	0	0	0	0	0	0	0	0	
Laborers (Unskilled)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	
Blank	1	1	0		0	0	0	1	0	0	0	0	0	
Previous Year Totals*	334	236	98	186	72	14	5	26	13	6	7	0	0	
Year Totals (As of 12/11/2012)	301	214	87	173	67	13	2	21	10	7	7	0	1	

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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	N/A	N/A
Commodities Contracts (2)				N/A	N/A	N/A
Other Services (3)				N/A	N/A	N/A
Professional Services Contracts (4)				N/A	N/A	N/A
Major Equipment (5)				N/A	N/A	N/A
**Other				13%	7%	48%

**Please note: Level 3 does not separate procurement by type, therefore everything has been combined as other.

(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.