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December 22, 2004

Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, Texas 78711

**Re: Project No. 30240 – 2004 (10-01-03 to 09-30-04) Annual Progress Reports
on Five-Year Plan to Enhance Supplier and Workforce Diversity - Telephone**

Pursuant to Substantive Rule 26.85, I have enclosed an original and four (4) copies of Sprint's Workforce Diversity Report for 2004.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

Jeff Meador
Docket Manager – Regulatory Affairs

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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	708	425	283	346	218	29	37	35	22	13	5	2	1	
Professionals	1125	633	492	438	287	72	117	43	32	76	51	4	5	
Technicians	433	364	69	224	35	44	12	74	20	14	2	8	0	
Sales Workers	1509	786	723	366	301	105	151	271	250	39	15	5	6	
Office and Clerical	2466	730	1736	294	639	259	847	140	224	31	16	6	10	
Craft Workers (Skilled)	309	298	11	262	8	15	2	17	0	1	0	3	1	
Operatives (Semi-skilled)	15	13	2	6	2	6	0	1	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	
Previous Year Totals	6543	3234	3309	1921	1479	530	1164	585	552	170	91	28	23	
This Year Totals	6565	3249	3316	1936	1490	530	1166	581	548	174	89	28	23	

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

Construction Contracts (1)		4.65%	3.69%	-20.73%
Commodities Contracts (2)		35.19%	12.08%	-65.67%
Other Services (3)		34.53%	35.13%	1.73%
Professional Services Contracts (4)		12.17%	6.30%	-48.23%
Major Equipment (5)		7.58%	4.94%	-34.80%
Other (7)		3.98%	0.14%	-96.49%

(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 (2004):**

Supplier Diversity

Sprint focused efforts on increasing the utilization for existing HUB suppliers during 2004 and increased spending with 25 existing suppliers by 25% or more each.

Recruitment

- Sprint's Office of Diversity (OoD) participates and sponsors a variety of events for the purpose of minority recruitment. These events include:
 - League of United Latin American Citizens (LULAC) Convention
 - National Association for the Advancement of Colored People (NAACP) Conference
 - National Urban League Convention
 - United States Hispanic Chamber of Commerce Convention
- This year, Sprint's OoD provided financial assistance the Celebrate Diversity Career Fair held in Philadelphia the Philadelphia SCS Recruiting team in participating during the Celebrate Diversity Career Fair on October 21. It's my understanding that nine people were hired from this event.
- Sprint recruits intern talent from INROADS, a leadership development and training organization for ethnically diverse college students. We provide internships and scholarships thru strategic partnerships with the Hispanic College Fund and the United Negro College Fund. In addition, we offer scholarships to under-represented groups at majority schools to increase the number of diverse college hires.

Advertisement

Sprint takes an active role in diversity advertising, by advertising in a wide range of publications. The following represents some of the publications selected for diversity advertisements in 2004:

- Women of Color in Technology Magazine
- National Congress of Black Women's Annual Conference Magazine
- Hispanic MBA Magazine
- National Black MBA Association (NBMBA)
- National Association of Black Accountants (NABA)
- Black Enterprise Magazine
- Fortune Magazine
- Diversity Careers in Engineering
- National Business & Disability Council
- CareerFocus Magazine

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

Awards/Recognition

- National Eagle Leadership Institute Award (NELI) – For exceptional commitment to diversity
- National Business and Disability Council (NBDC) – Sprint employee awarded 2004 Employee of the Year
- Women of Color Technology Award (WOCT) – Four Sprint employees honored. Eleven employees recognized in the Women of Color Conference Magazine.
- YMCA – Four Sprint employees awarded the YMCA Black Achievers award and four employees awarded the Central Florida YMCA Developing Hispanic Leaders Award.
- Pyramid of Diversity Award – awarded to Sprint's Law and External Affairs Department
- National Association of the Deaf (NAD) President's Award – as the leading provider of innovative Relay services
- Frank C. Carr Community Service Award – one associate honored for their involvement with INROADS
- Freedom Award – awarded by the National Committee for Employer Support of the Guard and Reserve (ESGR)
- DiversityInc. – ranked 11th on the Top 50 Companies for Diversity list
- Black Collegian – ranked 53rd on the Top 100 Employers for College Hires List
- Minority Supplier Council (MSC) – awarded Corporation of the Year, Newcomer of the Year (Individual Award) and Buyer of the Year (Individual Award)
- Southern Christian Leadership Conference – Two Sprint employees honored
- Career Communications Group – named among the Top Supporters of the Historically Black Colleges and Universities
- Pacific Business News – one employee named Business Woman of the Year

Affinity Groups

Affinity groups are a critical component in Sprint's approach to inclusion. These groups help the company to compete in the marketplace as well as create revenue opportunities. They promote inclusion, open dialogue, learning, and constructive contribution. Sprint currently supports three affinity groups, the Diamond Network, an African-American focused group, Enlace, a Hispanic focused group, and The Alliance Council, a multicultural group. Approximately 1700 Sprint associates are members of an affinity group.

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

Sprint increased spending for services with 25 HUB suppliers by focusing on using existing HUB suppliers to a greater degree. At the same time Sprint purchased large pieces of equipment from several non HUB OEMs which diluted the overall gains with existing HUB suppliers. In addition Sprint consolidated technical contract labor with two large suppliers eliminating some opportunities for HUB suppliers.

The activities listed above were very successful as Sprint continues to reorganize and downsize its workforce. In 2004, Sprint's minority hire rate in Texas was 59.5% and minority promotion rate in Texas was 53.2%. Sprint continues to offer opportunities for its employees as well as potential employees.

Sprint experienced significant progress with its diversity and inclusion efforts during 2004. Led by our Chairman and CEO Gary Forsee, Sprint is making a major effort to increase diversity at all levels of the company and to make inclusion an ingrained part of our culture. This year's focus was the implementation of the Sprint Managing to Win training program which was rolled out to 7,000 executives and managers and provided the tools to enable them to create the kind of inclusive environment in which all Sprint employees, regardless of race, gender, age, disability, sexual orientation, language or culture, can perform their best work. This was the largest training initiative in the company's 105-year history and is a strong statement about Sprint's commitment to diversity and inclusion.

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:**

Sprint is embarking on a large construction project and is focusing on HUB contractors for all aspects of the project. In addition Sprint has required one of the major technical labor contractors who benefited from the current year's consolidation to engage a Texas HUB supplier as their primary subcontractor on Sprint business.

In 2005, Sprint plans to continue its successful recruitment and sponsorship strategy to ensure a continuing focus on increasing overall minority representation within the corporation. As part of the 2005 recruitment strategy, Sprint will be creating cross-functional recruiting teams as an effort to improve diversity recruitment. The affinity group program will be expanded to include training and mentoring opportunities. Inclusion training for individual contributors will be launched later in 2005.

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

Sprint increased the percent of professional spend by 2% over the previous year and over \$1.6M dollars. Sprint also doubled the dollars spent on major equipment purchased from HUB suppliers. Sprint spent 7 times as much with HUB suppliers for commodities as the previous year.

While Sprint has experienced reorganization and downsizing in its workforce, it continues to offer successful programs for minority employees, as well as minority candidates. Relationship building has continued to be a priority and successful for Sprint.