



Control Number: 30240



Item Number: 107

Addendum StartPage: 0

# **EASTEX TELEPHONE CO-OP., INC.**

"A PHONE FOR EVERY FARM"

December 21, 2004

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

RECEIVED  
04 DEC 27 AM 9:30  
PUBLIC UTILITY COMMISSION  
FILING CLERK

RE: Project No. 30240 - 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 30240 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	35	5	3						
Craft Workers (Skilled)	53	53	0	48	3		2						
Operatives (Semi-skilled)	15	15	0	9	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>	141	97	44	84	36	11	5	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(1) procurement + Total Small Business(2) procurement]/Total Company procurement</b>	<b>Actual \$ for Previous FY</b>	<b>Actual \$ for Current FY</b>	<b>Percentage Change</b>
Construction Contracts (3)	0	0	%
Commodities Contracts (4)	60,335	44,355	<b>-26.49%</b>
Other Services (5)	76,737	35,251	<b>-54.06%</b>
Professional Services Contracts (6)	180	0	<b>-100.00%</b>
Major Equipment (7)	0	0	%
Other (8)	36,766	29,464	<b>-19.86%</b>

(1) **HUB** -- Pursuant to Texas Government Code § 481.191(4), HUB means: (A) a corporation formed for the purpose of making a profit in which at least 51 percent of all classes of the shares of stock or other equitable securities is owned by one or more persons who are members of certain groups, including black Americans, Hispanic Americans, women, Asian Pacific Americans, and American Indians; (B) a sole proprietorship formed for the purpose of making a profit that is 100 percent owned, operated, and controlled by a person described by Paragraph (A) of this subdivision; (C) a partnership formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by Paragraph (A) of this subdivision. Those persons must have proportionate interest and demonstrate active participation in the control, operation, and management of the partnership's affairs; or (D) a joint venture in which each entity in the joint venture is a historically underutilized business under this subdivision.

(2) **Small Business** -- Pursuant to Texas Government Code § 481.191(6), Small Business means a corporation, partnership, sole proprietorship, or other legal entity that: (A) is domiciled in this state; (B) is formed to make a profit; (C) is independently owned and operated; and (D) employs fewer than 100 full-time employees.

(3) **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.

(4) **Commodities** -- All materials, goods or tangibles purchased to conduct business, not including fuel or purchased power contracts and major equipment purchases and rentals.

(5) **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.

(6) **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.

(7) **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.

(8) **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. 30240 – 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, 2003 to September 30, 2004, Eastex hired three new full time employees of which all were non-minority females. 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 decrease in the amount of procurement done with HUBs this year \$109,070, compared with last year \$174,018, in a year in which total procurement decreased by 21% compared with the prior year. Procurement with HUBS as a % of total procurement has consistently been approximately 1% for the past several years.

Overall, the procurement report indicates that the amount of HUB procurement in the current year is consistent with 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

**WORKFORCE AND SUPPLIER DIVERSITY FORM  
COMPANY INITIATIVES**

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:

- a. Identify local organizations with minority membership emphasis and communicate through these organizations employment opportunities with ETC.
- b. Identify local organizations with female membership emphasis and communicate through these organizations employment opportunities with ETC.
- c. 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
- d. Provide workforce diversity related employee training.
- e. Offer available work-related training to employees.
- f. 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. The number of HUBs that ETC is doing business with has remained constant as the overall amount of procurement has decreased over the past several years. 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.



**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	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures
African American Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
African American Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total African American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asian American Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asian American Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Asian American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hispanic American Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hispanic American Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Hispanic American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Native American Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Native American Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Native American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total MBE Total (Male/Female Minority)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WBE Total (Non-Minority Female)	0	44,355	35,251	0	0	0	0	0	0	0	24,759	0	104,365	0
Total MBE & WBE Procurement	0	44,355	35,251	0	0	0	0	0	0	0	29,464	0	109,070	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 Fuel and Purchased Power Procurement (electric only)</b>														<b>0</b>
<b>Total Non-Fuel, Fuel, and Purchased Power Procurement</b>														<b>9,660,715</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

Reporting Period: Oct. 1, 2003 through Sep. 30, 2004  
 Address: PO Box 150  
 City: Henderson  
 Reporting Date: 12/20/2004  
 Contact person: Weldon R. Gray, CPA  
 State: TX Zip: 75653-0150  
 Phone: 903-854-1000 Fax: 903-854-1207

CO= H112345  
U= H112345

**EQUAL EMPLOYMENT OPPORTUNITY**  
2004 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

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

RUSK COUNTY

c. Y

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

**SECTION D - EMPLOYMENT DATA**

JOB CATEGORIES	***** MALE *****				***** FEMALE *****			
	WHITE (NOT OF HISPANIC ORIGIN)	BLACK (NOT OF HISPANIC ORIGIN)	HISPANIC	AMERICAN INDIAN OR ALASKAN NATIVE	WHITE (NOT OF HISPANIC ORIGIN)	BLACK (NOT OF HISPANIC ORIGIN)	HISPANIC	AMERICAN INDIAN OR ALASKAN NATIVE
OVERALL TOTALS	7	0	0	0	0	0	0	0
OFFICIALS AND MANAGERS	4	0	0	0	0	0	0	0
PROFESSIONALS	14	2	0	0	0	0	0	0
TECHNICIANS	0	0	0	0	0	0	0	0
SALES WORKERS	46	3	0	0	0	0	0	0
OFFICE AND CLERICAL	53	48	3	0	35	5	3	0
CRAFT WORKERS (SKILLED)	15	9	6	0	0	0	0	0
OPERATIVES (SEMI-SKILLED)	0	0	0	0	0	0	0	0
LABORERS	2	1	0	0	0	0	0	0
SERVICE WORKERS	141	84	11	0	1	0	0	0
TOTAL	143	86	11	2	36	5	3	0
PREVIOUS REPORT TOTAL				2	35	6	3	0

**SECTION F - REMARKS**