



Control Number: 30240



Item Number: 162

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PUBLIC UTILITY COMMISSION
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December 28, 2004

Central Records Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue Rm. G-113
P.O. Box 13326
Austin, TX 78711-3326

Re: Project # 30240

Pursuant to the Public Utility Commission Substantive Rule §26.85 we enclose one original and three (3) copies of our Annual Workforce Diversity Report due December 30, 2004.

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 of Representatives; (4) House Legislative Black Caucus; (5) Texas Senate Hispanic Caucus; (6) House Mexican American Legislative Caucus.

Please acknowledge receipt of this report by signing and dating the enclosed copy of this letter and returning it in the envelope provided. If any further information is required, please let me know.

Sincerely,
Pathway Com-Tel, Inc.

Mary Jo Donnelly
Mary Jo Donnelly
Accountant

Mj/s

Enclosures

Cc w/attachment

The Honorable Rick Perry
The Honorable David Dewhurst
The Honorable Tom Craddick
The Honorable Garnet Coleman
The Honorable Juan "Chuy" Hinojosa
The Honorable Pete Gallego

Your pathway to the future.

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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	0	0	0	0	0	0	0	0	0	0	0	0	
Professionals	0	0	0	0	0	0	0	0	0	0	0	0	
Technicians	0	0	0	0	0	0	0	0	0	0	0	0	
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	
Office and Clerical	0	0	0	0	0	0	0	0	0	0	0	0	
Craft Workers (Skilled)	0	0	0	0	0	0	0	0	0	0	0	0	
Operatives (Semi-skilled)	0	0	0	0	0	0	0	0	0	0	0	0	
Laborers (Unskilled)	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	
Previous Year Totals	0	0	0	0	0	0	0	0	0	0	0	0	
This Year Totals	0	0	0	0	0	0	0	0	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**

Actual % = [Total HUB(1) procurement + Total Small Business(2) procurement]/Total Company procurement	Actual % for Previous FY	Actual % for Current FY	Percentage Change
Construction Contracts (3)	0.0000%	0.0000%	%
Commodities Contracts (4)	2.7000%	3.2500%	20.37%
Other Services (5)	0.0000%	0.0000%	%
Professional Services Contracts (6)	1.3000%	1.6600%	27.69%
Major Equipment (7)	10.8000%	14.5000%	34.26%
Other (8)	0.5500%	0.3000%	-45.45%

(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**

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

Pathway continues to follow the procedures as in previous years in the consideration and utilization of HUB's. We have in prior years and will continue to take bids for construction services and are open to new companies as long as the workmanship and service are of the highest quality and the price is competitive. We feel quite confident that we always exercise fairness and non discrimination with regard to the use of vendors. The workforce diversity report requires that we do a mail out once every other year. Because of the enormous lack of response from our vendors we do a mail out every year in an effort to improve the quality of this report. This year we again mailed requests; of the 99 vendors we do business with we have had response from 36. That is barely over 1/3 of our vendors. We actually had one vendor that responded that they felt the questionnaire was an "encroachment of violation of our privacy and 1st amendment rights." As in the past, I must reiterate, based on the percentage of vendors reporting: the data in this report would be a totally unreliable source as a basis of opinion on HUB's utilized.

**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:

Pathway is a very small company. We are a CLEC that operates in a small rural town in Texas. The availability of HUB's is very limited in our exchange area. Our policy continues to be fair and non-discriminative. We consider qualified HUB's as long as excellence is maintained with respect to service to our customers. Our parent company maintains the commitment to employ a diverse workforce while maintaining the highest levels of qualifications, with emphasis on customer service including, but not limited to, having Spanish speaking service representatives and outside technicians. We try to recruit and train exceptional individuals from the areas in and around the local exchanges that we serve. Again we feel that the response level of the vendors does not represent the types of companies that we do business with. General knowledge tells us that most of our vendors are small independent businesses, but because they refuse to answer our questionnaires, we cannot report that data.

(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:

Pathway's parent company will continue to strive to hire talented and experienced individuals to serve the diverse population of the exchanges we serve. Due to the minute turnover in our workforce, we are limited on hiring new people. As our company grows we plan to add employees to meet the needs of our customers and, as always, we will be non discriminate. As business diversity grows in our area we will welcome the addition of new vendors in the telecommunications industry and will be willing to allow them to bid on projects or perform service or repairs on our equipment as long as the standards of the company are not compromised. We will again do a mailing in early fall to try and get better data for this report.

**WORKFORCE AND SUPPLIER DIVERSITY FORM
COMPANY INITIATIVES**

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

Specific progress that has been made under the plan can be described as: we are doing the best we can do to always be fair in retaining the services of qualified professionals and suppliers of quality, fairly priced commodities. We do business with a very diversified range of vendors and if they were willing to give us the data needed to make this report accurate our company would probably know and be able to report being very successful at utilizing HUB's.