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**REPORT OF COMACST PHONE OF TEXAS, LLC
REGARDING
WORKFORCE DIVERSITY AND SUPPLIER DIVERSITY**

**Submitted to the Texas Public Utility Commission
December 30, 2004**

INTRODUCTION

This plan document includes information responsive to the following: **(I)** Comcast's performance with regard to workforce diversity and contracting with small and historically underutilized businesses; **(II)** initiatives that Comcast will pursue in these areas over the period of the plan; **(III)** a listing of programs and activities Comcast will undertake to achieve each of these initiatives; and **(IV)** a listing of the business partnership initiatives that Comcast will undertake to facilitate small and historically underutilized business entry into the telecommunications market, taking into account opportunities for contracting and joint ventures.

TERMS AND TERMINOLOGY

For purposes of this plan, the terms "Comcast" and "Comcast as a whole," refer to the operations of the Comcast Cable Division in Texas generally. The Comcast Cable Division includes the company's cable video, Internet and telephony services in Texas. Individual personnel of the Comcast Cable Division may support one or more of the division's three product lines. Except where otherwise indicated, the information in this plan is provided with respect to the Comcast Cable Division in Texas.

I. COMCAST'S PERFORMANCE WITH REGARD TO WORKFORCE DIVERSITY AND CONTRACTING WITH SMALL AND HISTORICALLY UNDERUTILIZED BUSINESSES

A. Specific Comcast's Workforce Diversity Efforts

An overview of Comcast's EEO policy is attached hereto at Attachment A. Comcast's policy is part of our employee handbook and our employment application. It is also posted at each place of employment, in public areas.

Comcast has also been successful in implementing a comprehensive recruitment and development program to address diversity in hiring. This includes a variety of elements, including, but not limited to:

- Inclusion of a diversity module on company web page;
- Advertising on diversity specific websites;
- Attendance at a number of diversity-oriented national conferences and job fairs;
- Several hundred local relationships with diversity outreach recruitment sources;
- Internal career development programs and succession planning through Comcast University; and
- Support of a variety of external diversity career development programs.

Comcast has assigned compliance champions in each of our divisions, and our human resources personnel are responsible for managing our diversity and compliance initiatives. Comcast establishes employment goals through our OFCCP affirmative action plans ("AAPs"). Comcast's goals are established using the availability analysis portion of our AAPs. Comcast uses census data to evaluate our external factor in the analysis. We then measure our utilization with both the 80% and 2 standard deviation methods. Plan administrators within Human Resources are charged with communicating the goals of the AAPs to management, and working with management to create an action plan for the purposes of meeting these goals.

The performance appraisals of officers, managers and supervisors evaluate an individual's commitment to hiring, developing and advancing diverse employees. All employees are evaluated on their efforts to treat everyone fairly and not discriminate. One of the company's six Touchstones (a portion of our company Credo) is diversity.

Comcast University offers a number of development programs to our employees, all of which are constantly evaluated to ensure diverse representation. These include, but are not limited to:

- Executive Leadership Forum
- Fundamentals of Leadership
- Management Development Program
- Impact
- Coach-to-Coach
- Spirit of Comcast

As noted above, one of the Comcast Touchstones is “Diversity: We will respect and reflect the customers, communities and cultures we serve.” Over the past several years, Comcast has implemented a wide variety of programs to ensure that we are making strides in this area. Examples include Comcast University, the www.comcast.com/diversity site, and our local and national recruitment outreach efforts.

B. Comcast’s Supplier Diversity Efforts¹

Shortly after the merger between AT&T and Comcast in late November 2002, Comcast commenced efforts to improve the quality and efficiency of its newly acquired Texas telephony operations in order to ensure a solid foundation for growth of those operations in the future. Consistent with these efforts, Comcast Phone of Texas has focused during the approximately one year since the merger on improving its operations (e.g., improving provisioning systems, billing systems, as well as other internal processes, procedures and systems), while maintaining telephony subscribership at sustainable levels during the implementation of these improvements. These improvements are being implemented primarily in conjunction with a single external vendor of Comcast Phone of Texas, i.e., with AT&T Corp., and multiple internal vendors of Comcast Phone of Texas, i.e., with Comcast Phone of Texas’s affiliated companies. As a result of Comcast Phone of Texas’s focus in recent months on integration and improvement of the former AT&T Phone of Texas operations, the company has not engaged in significant expansion of external procurement activities. Despite that fact, Comcast as a whole has worked

¹ To the extent that the jurisdictional utility, Comcast Phone of Texas (f/k/a AT&T Broadband Phone of Texas), procures goods and services on its own, such procurement is typically limited to purchases from Comcast Phone of Texas’s internal affiliated companies (which are not Commission-regulated) and to purchases under a narrow range of interconnection agreements with nonaffiliated incumbent local exchange companies. Other services, such as wholesale goods and service arrangements, are typically entered into by Comcast Phone of Texas’s parents with sole source providers such as AT&T Corp.

since the merger towards increasing supplier diversity in its external procurement activities, as further discussed below.

Comcast's goal has been to increase supplier diversity in our procurement activities for the second half of 2003 and during 2004. Comcast has sought to meet that goal by (1) combining into one program the two previously separate ATTB and Comcast supplier diversity programs; (2) placing that single program under leadership focused in whole or in substantial part on supplier diversity (*see next paragraph below*); (3) incorporating more areas of diversity into our supplier diversity reporting (e.g., adding HubZone, veteran and service disabled veteran categories into our supplier diversity reporting); (4) acquiring a more thorough understanding of which ethnic groups are being utilized as part of our minority purchases; (5) updating our master vendor database to ensure that we have adequately identified and tagged all relevant diversity-owned suppliers; and (6) ensuring that our employees, both in our purchasing department and elsewhere in the company, understand our diversity initiatives and how to find qualified diversity-owned suppliers to compete on competitive bid opportunities. The unique circumstances in which Comcast finds itself -- namely, in having to integrate into one program what were two previously separate supplier diversity programs -- means that our expectations and numeric goals will be subject to change during the months ahead. That being said, Comcast is committed to increasing supplier diversity in our procurement efforts through the initiatives outlined above.

In April 2003, Comcast hired a full-time Director of Supplier Diversity. That individual is responsible for coordinating and managing Comcast's supplier diversity program and providing leadership, relationship management, and tactical direction to vendors looking to conduct business with Comcast. While the Director of Supplier Diversity manages the overall program, it is the responsibility of all procurement personnel to strive to include diversity-owned vendors in the competitive bid process. The Director of Supplier Diversity also works with a Purchasing Analyst to assist in performing analyses and other activities related to Supplier Diversity. Further, Comcast's Vice President of Purchasing, as well as each of the Directors of Purchasing in each of Comcast's six divisions reporting to that Vice President, actively participate in advancing the company's supplier diversity initiatives.

Comcast's efforts to increase supplier diversity have been extremely successful. In 2004, Comcast provided training to over 200 minority-owned businesses through Comcast's supplier diversity program, up from 70 in 2003. Additionally, Comcast's purchases from minority suppliers increased by 26% over the same period. Finally, Comcast was named one of America's Top 50 corporations for multicultural business opportunities in 2004 by DiversityBusiness.com, the largest organization of women and

minority-owned businesses throughout the United States with more than 27,000 members. See Attachment B for additional details.

II/III. INITIATIVES, PROGRAMS AND ACTIVITIES COMCAST WILL PURSUE IN THESE AREAS OVER THE PERIOD OF THE PLAN

A. Comcast's Initiatives, Programs and Activities To Promote *Workforce* Diversity

In addition to the *extensive workforce* diversity efforts already outlined in Section I.B. of this submittal, Comcast, during the period of the plan, will utilize a combination of efforts to enhance workforce diversity, including the following:

- Positions will be posted on the Comcast Web Page and on a variety of internet sites including, Diversity Job Market.
- "MyConnection," an online career tool, will enable employees to search for career opportunities and receive assistance in developing presentation skills. MyConnection provides guidance through the search process and in customizing the job search.
- Each employment site will endeavor to communicate employment openings to a series of community organizations which generally reflect the population characteristics of the employment area.

B. Comcast's Initiatives, Programs and Activities To Promote *Supplier* Diversity

In addition to the *extensive supplier* diversity efforts already outlined in Section I.C. of this submittal, Comcast, during the period of the plan, will utilize a combination of efforts to enhance supplier diversity, including the following:

- We will conduct ongoing training sessions on supplier diversity.
- We will work with each division to establish continuing supplier diversity goals.
- We will develop a "score card" to measure actual versus goal for supplier diversity goals by division.
- Comcast will partner with women's business organizations.
- Comcast will seek to be more active in local activities with our diversity business partners.
- Comcast will regularly update external communication documentation for supplier diversity.

- Comcast will aim to increase the percentage of supplier diversity spend over prior years (corporate-wide).

IV. BUSINESS PARTNERSHIP INITIATIVES TO FACILITATE SMALL AND HISTORICALLY UNDERUTILIZED BUSINESS ENTRY INTO THE TELECOMMUNICATIONS MARKET

Comcast has partnered with the Small Business Development Center, as well as the organizations below, to help us identify qualified DVBEs that can assist us in our procurement needs, which we hope, in turn, will help our company to better achieve the DVBE objectives.

1. **National Minority Supplier Diversity Council ("NMSDC"):** We are national members of this organization. Additionally, we partner with seven of the local councils in order to find qualified minority-owned businesses with which to partner.
2. **Women in Cable and Telecommunications ("WICT"):** This is a cable-specific organization that assists Comcast in identifying women-owned businesses specific to the cable industry, among other things.
3. **National Association for Minorities in Cable ("NAMIC"):** This is a cable-specific organization that assists Comcast in identifying minority-owned businesses specific to the cable industry, among other things.

Questions:

Inquiries concerning this plan may be directed to:

Lisa Moglia
Director
Comcast Cable Communications
1500 Market Street
Philadelphia, PA 19102
Phone: 215-665-1700

Don Laub
Director
Comcast Cable, Atlantic Division
11800 Tech Road
Silver Spring, MD 20904
Phone: 301-625-3504

ATTACHMENT A

Equal Employment Opportunity Policy

It is the policy of Comcast to provide equal employment opportunities to all qualified individuals without regard to race, color, religion, national origin, age, gender, marital status, sexual orientation or disability. This policy of equal opportunity covers all aspects of the employment relationship, including application and initial employment, working conditions, promotion and transfer, selection for training opportunities, compensation and the applications of service, retirement and employee benefit plan policies. Comcast recognizes that our continued growth and business success depends on the development and utilization of the full range of the Company's human resources and full utilization of all segments of the available workforce in which we operate our businesses.

Harassment Policy

Comcast prohibits the harassment of any employee on the basis of race, color, religion, national origin, age, gender, marital status or disability. Harassment may be defined as verbal or physical conduct of an illegal, discriminatory nature directed towards an employee of Comcast which affects an individual's employment status; is used as a basis for employment decisions; has the purpose of interfering with an individual's job performance; or creates an intimidating, hostile or offensive work environment. No employee who exercises his/her right to report such incidence involving illegal harassment will be subject to retaliation.

Sexual Harassment Policy

It is Comcast's policy that each employee should be able to enjoy a work environment free of all forms of discrimination including sexual harassment. Sexual harassment in any form by any employee or by a contractor is unacceptable and expressly prohibited. Sexual harassment may include any unwelcome action, which is sexual in content or implication where submission to the action is either an explicit or implicit term or condition of employment, or where submission to or rejection of the action is used as a basis for employment decisions affecting that employee. It also includes conduct, which has the purpose of, or effect of interfering with the employee's work performance or creating an intimidating, hostile or offensive work environment. Such conduct includes unwelcome sexual advances, requests or demands for sexual favors or other verbal, physical or visual conduct of a sexual nature. Sexual harassment does not refer to occasional compliments of a socially acceptable nature. It refers to behavior with a sexual connotation which is not welcome and which is personally intimidating, hostile or offensive, and debilitates morale and, therefore, interferes with work effectiveness. No employee who exercises his/her right to report such incidence involving sexual harassment will be subject to retaliation.

All complaints of sexual harassment will be investigated promptly, impartially and in as confidential a manner as possible, except to the extent that disclosure may be necessary

for the purpose of investigation or remedial action. Any employee who is found, after appropriate investigation, to have engaged in sexual harassment will be subject to disciplinary action, up to and including termination of employment.

ATTACHMENT B



For Immediate Release

Contact: Melissa Volin
215-320-8254
melissa_volin@comcast.com

**Comcast Named One of America's Top 50 Corporations
for Multicultural Business Opportunities**

**Women and Minority-Owned Businesses Recognize
Comcast's Diversity Initiatives**

PHILADELPHIA, PA, December 15, 2004 - Comcast Corporation (Nasdaq: CMCSA, CMCSK) was named one of America's Top 50 corporations for multicultural business opportunities in 2004 by DiversityBusiness.com, the largest organization of women and minority-owned businesses throughout the United States with more than 27,000 members.

Also known as the Div50, the honor recognizes the top 50 corporate buyers of diversity products and services throughout the country. Over 350,000 women and minority-owned businesses (Blacks, Hispanics, Asians, Native Indian and other minority groups) had the opportunity to vote in the 2004 online election based on such factors as the volume, consistency and quality of business opportunities granted to women and minority-owned companies. In Comcast's first year on the list, it is ranked number 37 out of the 50 corporations recognized.

"It is an honor to be recognized for our commitment to diversity by the people with whom we conduct business on an on-going basis," said Comcast Executive Vice President David L. Cohen. "We are proud to be recognized for both the quantity and the quality of business that we award to our diverse suppliers. We believe strongly in providing equal opportunity to qualified suppliers and work to facilitate non-discriminatory business opportunities with diverse businesses."

Comcast's supplier diversity program includes a nationwide training program, which educates diverse suppliers on how to establish a business relationship with Comcast. In addition, the company encourages larger suppliers to either partner with a vendor of diversity or to spend with vendors of diversity themselves. Comcast also facilitates partnerships between vendors when a relationship may be beneficial for all parties involved.

For more information about the Div50, or for a complete list of winners, visit www.div2000.com/div50.

About Comcast Corporation

Comcast Corporation (<http://www.comcast.com>) is principally involved in the development, management and operation of broadband cable networks and in the provision of programming content. The Company is the largest provider of cable and broadband services in the United States, serving more than 21 million cable television subscribers and more than 6.5 million high-speed Internet customers. The Company's content businesses include Comcast SportsNet, Comcast-Spectacor, E! Entertainment Television, Style Network, G4techTV, The Golf Channel, International Channel Networks and Outdoor Life Network. Comcast Class A common stock and Class A Special common stock trade on The NASDAQ Stock Market under the symbols CMCSA and CMCSK, respectively.

About DiversityBusiness.com

Launched in 1999, DiversityBusiness.com with over 27,000 members is the largest organization of diversity-owned businesses throughout the United States that provide goods and services to Fortune 1000 companies, government agencies and colleges and universities. The site has gained national recognition and has won numerous awards for its content and design. It is a membership-based exchange platform that facilitates contacts and communication, streamlines business processes and provides vital business news and information. DiversityBusiness.com is produced by Computer Consulting Associates International Inc. (CCAii.com) of Southport, CT. Founded in 1980, CCAii has garnered many awards by entities such as the Small Business Administration, Ernst & Young and Black Enterprise Magazine.