



Control Number: 30240



Item Number: 2366

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Windstream Communications, Inc.
4001 Rodney Parham Road
1170 - B1F2-12A
Little Rock, AR 72212

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PUBLIC UTILITY COMMISSION
FILING CLERK



December 18, 2014

Public Utility Commission of Texas
Attn: Filing Clerk
1701 N. Congress Ave.
Austin, TX 78711-3326

RE: Project No. 30240 – Annual Progress Report on Five-Year Plan to Enhance Supplier and Workforce Diversity – Windstream Communications Companies

Dear Filing Clerk:

Pursuant to Substantive Rule §26.85(e), enclosed for filing are four (4) copies of the Windstream Communications companies' Annual Progress Report on the Implementation of the Five-Year Plan to Enhance Supplier and Workforce Diversity. The Windstream companies are Texas Windstream, Inc., Windstream Sugar Land, Inc., Windstream Communications Kerrville, LLC, Windstream Communications Telecom, LLC, and Windstream Communications Southwest.

Consistent with the requirements of the rule, copies of this report are also being provided to the following: (1) Governor; (2) Lieutenant Governor; (3) Speaker of the House; (4) Chair – House Legislative Black Caucus; (5) Chair – Texas Senate Hispanic Caucus; and (6) Chairman – House Mexican-American Caucus.

Please contact me at either (501) 748-5150 or lezzlie.p.young@windstream.com should you have any questions on the enclosed filings.

Sincerely,

A handwritten signature in black ink, appearing to read "Lezzlie Young", with a stylized flourish at the end.

Lezzlie Young
Consultant – Regulatory Compliance

Cc w/attachment

The Honorable Governor Rick Perry
The Honorable Lieutenant Governor David Dewhurst
The Honorable Representative Joe Strauss
The Honorable Representative Sylvester Turner
The Honorable Senator Jose Rodriguez
The Honorable Representative Trey Martinez Fischer

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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	52	49	3		42	3	2		5					
Professionals	106	83	23		64	22	6	1	5	8				
Technicians	175	168	7		126	6	17	1	22	1	2			
Sales Workers	95	64	31		45	30	7	1	10	1	1			
Office and Clerical	17	5	12		5	7		1		3	1			
Craft Workers (Skilled)	159	159	0		139		7		13					
Operatives (Semi-skilled)	0	0	0											
Laborers (Unskilled)	0	0	0											
Service Workers	1	1	0		1									
Previous Year Totals	643	559	84		449	73	39	2	56	6	9	2	1	
This Year Totals	605	529	76		422	68	39	4	55	3	10	1	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)		0.3300%	0.5300%	60.61%
Commodities Contracts (4)		1.4800%	3.7900%	156.08%
Other Services (5)		19.0000%	0.0000%	-100.00%
Professional Services Contracts (6)		0.0000%	0.7100%	%
Major Equipment (7)		0.0000%	0.0600%	%
Other (8)		0.0000%	0.1600%	%

(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:**

Human Resources:

Employee training was conducted for new hires.

Windstream has policies in place to identify qualified candidates for positions without regard to race, color, religion, sex, age, national origin, military status, or disability.

Windstream provides training and development to employees and managers.

Windstream utilizes a service to ensure that job openings are sent to websites that target minorities and females, veterans, persons with disabilities, and state job services agencies.

Windstream uses affirmative action recruiting strategies, shares its recruiting program with field locations, and attempts to identify minority and female candidates for senior management positions.

Procurement:

In 2014 to continue Windstream's good faith effort to meet our supplier diversity goals we have maintained our Corporate Membership status with the following diversity councils:

Women's Business Enterprise National Council

Women's Business Council Southwest

National Minority Supplier Diversity Council

A link to the Small Business Administration Dynamic Search Tool was placed on the Windstream Procurement page. This search tool is available to all Windstream employees to assist in the identification of small and diverse businesses to participate in potential business opportunities. Windstream also maintains an internal database of diverse suppliers and has a membership roster for the Women's Business Council- Southwest on the Procurement web site.

**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:**

Human Resources:

Windstream's recruiting, training, and affirmative action plans have aided in hiring greater percentages of women and minorities in its 2013-14 affirmative action plan year than in the 2012-13 plan year.

Procurement:

Windstream was successful in establishing and maintaining our corporate sponsorships in each of the diversity councils. The Small Business Administration Dynamic Search Tool that was added to the Windstream Procurement site allowed for easier access for all employees to identify small business vendors for potential business opportunities with Windstream

- (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:**

Human Resources:

Windstream will continue to use its Diversity Hiring Report to identify strengths and weaknesses in its utilization of labor across population demographics.

Windstream will continue its affirmative action recruiting strategies, will share its recruiting program with field locations, and continue to identify minority and female candidates for senior management positions.

Windstream will continue to provide training to its managers and employees.

The importance of diversity will continue to be emphasized to management.

Procurement:

For 2015 Windstream's diversity goals include:

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

- Participation in outreach programs on a local, regional and national basis encompassing both sponsorship and attendance. These outreach programs will consist of a variety of activities including attending; small business, minority, veteran, and women owned procurement conferences and trade shows.
- Work with the Small Business Administration regional and Local Offices to identify opportunities for and support the development of small and diverse business enterprises.
- Enhance reporting capabilities to assist Windstream to identify opportunities and measure performance against goals
- Promote efforts to encourage and maintain certification of new and existing MBE and DBE suppliers.
- Conduct or arrange training sessions for the Windstream procurement professionals to increase their knowledge of offering qualified small business, women owned, veteran owned and minority owned businesses opportunities within Windstream
- Maintain Windstream's support and continued memberships in the Women's Business Enterprise National Council, Women's Business Council Southwest and National Minority Supplier Diversity Council

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

Windstream has hired greater percentages of women and minorities in its 2013-14 affirmative action plan year than in the 2012-13 plan year.

Procurement and Human Resources personnel are available to help locate women and minority groups to us as recruiting sources for activities to promote community/supplier diversity awareness.

Windstream was able to improve our spend with diverse suppliers in 2014. One focus area for 2015 will be increased participation in outreach programs on a local, state and national scale. These good faith outreach efforts will allow Windstream to continue to develop and expand our supplier base in 2014.