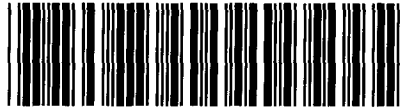


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PUBLIC UTILITY COMMISSION
FILING CLERK

December 1, 2016

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Public Utility Commission of Texas
P.O. Box 13326
Austin, TX 78711-3326

RE: Project No. 30240 for Workforce Diversity

To Whom It May Concern:

Please find our 1 original and 3 copies of Project No. 30240, our Annual Report on Workforce Diversity.

Thank you for your time. If you have any questions concerning this filing, do not hesitate to contact me.

Kathie Short
Human Resources
kshort@1stel.com
817-357-1014

2612

WORKFORCE AND SUPPLIER DIVERSITY FORM **WORKFORCE DIVERSITY**

NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR														
Occupational Categories	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	5	4	1	4	1									
Professionals	0	0	0	0	0			0						
Technicians	3	3	0	2				1						
Sales Workers	4	0	4		4			0						
Office and Clerical	4	0	4		4									
Craft Workers (Skilled)	0	0	0											
Operatives (Semi-skilled)	0	0	0											
Laborers (Unskilled)	0	0	0					0						
Service Workers	0	0	0											
Previous Year Totals	20	12	8	8	9	0	0	4	0	0	0	0	0	0
This Year Totals	16	7	9	6	9	0	0	1	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.

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)				0.0000%	0.0000%	%
Other Services (5)				0.0000%	0.0000%	%
Professional Services Contracts (6)				10.0000%	10.0000%	0.00%
Major Equipment (7)				50.0000%	50.0000%	0.00%
Other (8)						%

(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:**

This past year 2016, we have submitted job openings to the Texas Workforce Commission and have received résumé's that pertain to a specific area in which we are hiring. We are confident that we always exercise non discrimination and fairness with regards to our hiring.

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

1stel Inc., is a CLEC. We operate in small town in Texas. The availability of HUB'S, though it has increased in recent years, is very limited in our exchange area. Our policy has always been to be non-discriminative and fair. We consider any qualified HUB as long as the service or product meets our standard of excellence. We try to never compromise when it comes to service of our customers. Our company maintains the commitment to employ a diverse workforce. It maintains the highest levels of qualifications, emphasizing customer service including, but not limited to, having Spanish speaking service representatives and outside technicians and Sales Representatives. We try to recruit and train exceptional individuals from the areas in and around the local exchanges that we serve.

- (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:**

We make every effort to have diversity in our hiring, as jobs become available in our company. Giving anyone who meets those criteria an opportunity to apply and possibly be hired. As our company grows we plan to add employees to meet the needs of our customers and, as always, will not discriminate. As business diversity grows in our area we will welcome the addition of new vendors in the telecommunications industry and are 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.

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

We strive to do the best we can to always be fair in retaining the services of qualified professionals and suppliers of fairly priced, quality commodities. We do business with a range of vendors.