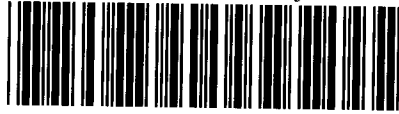


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PUBLIC UTILITY COMMISSION
FILING CLERK

December 30, 2016

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Irving, Texas 75039

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Public Utility Commission of Texas
Central Records
1701 N Congress, Suite 8-100
Austin, Texas 78701

Re: Docket No. 30240 – Annual Progress Report on Five-Year Plan to Enhance Supplier and Workforce Diversity

On behalf of Frontier Southwest Incorporated d/b/a Frontier Communications of Texas (“Frontier”), enclosed are four copies of the Annual Progress Report on Five-Year Plan to Enhance Supplier and Workforce Diversity.

Consistent with the requirements of the rules, copies of this report are being provided to the Governor, Lieutenant Governor, Speaker of the House, the Chair-House Legislative Black Caucus, Chair – Texas Senate Hispanic Caucus and Chair-House Mexican-American Caucus.

Please call me at (972) 908-4415 if you have any questions.

Sincerely,

Kim Douglass
Manager
Compliance – Regulatory Affairs

Enclosures

cc: The Honorable Gregg Abbott
The Honorable Dan Patrick
The Honorable Joe Straus
The Honorable Sylvester Turner
The Honorable Carlos Uresti
Representative Trey Martinez-Fischer

1 2772

NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR																			
Occupational Categories	Combined Total	Company Totals		American Indian/ Alaskan Native		Asian-Not Hispanic/Latino		Black/African American Not H/L		Caucasian/Other White Not H/L		Choose to Not Identify		Hispanic/Latino		Nat Haw or Pac Isl Not H/L		Two or More Races Not H/L	
		Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Executive - Senior Officials	24	3	21					1	2	2	17				2				
First/Mid Officials and Managers	376	127	249	3	2	6	22	25	33	80	160				10	29	1		2
Professionals	590	128	462		5	24	76	22	69	72	262			2	9	39		1	8
Technicians	865	128	737	1	7	4	20	59	123	55	464	1	4		4	109			4
Sales Workers	268	136	132	2	2	7	5	74	52	38	50	2	6		10	12			3
Administrative Support	1275	465	810	1	5	16	34	153	190	173	443	1			110	130	1		10
Grand Total	3398	987	2411	7	19	57	157	334	469	420	1396	4	12		143	321	2	1	20
																			36

**FRONTIER COMMUNICATIONS OF TEXAS
WORKFORCE AND SUPPLIER DIVERSITY**

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

On February 5, 2015, Frontier Communications Corporation entered into an agreement with Verizon Communications Inc. to acquire Verizon's wireline operations in Texas. The transaction closed on April 1, 2016 and Frontier commenced operations under the legal entity name Frontier Southwest Incorporated d/b/a Frontier Communications of Texas. At Frontier, supplier diversity and inclusiveness are keys to its success. We continue to look for suppliers with industry expertise and a desire to deliver high-quality products and services at competitive rates. Frontier is always seeking new opportunities to work with minorities, women, LGBT, disabled veteran-owned business enterprises and small businesses.

Frontier is committed to a diverse supplier base and has recently launched an online portal (<http://supplier.frontier.com>), supplier tracking database, established the Frontier Supplier Diversity Council and implemented training sessions for our strategic sourcing teams to promote diversity across our supply chain and throughout our organization.

Frontier's sourcing and procurement policies are based on a competitive bid process and there are no "set-aside" programs for HUBs. Frontier believes minority and women business owners are fundamentally competitive and can deliver valuable cost-effective products and services. It is Frontier's policy to offer HUBs maximum opportunities to compete on an equal basis with all other suppliers in our strategic sourcing process. In doing so, Frontier seeks sustainable business and mutually beneficial relationships with HUBs, while obtaining competitively priced products and services at the highest quality.

Frontier's strategic sourcing team manages the company's sourcing process, including requests for proposals (RFPs) contract negotiations, supplier management, diverse supplier inclusion and overall supplier performance. Frontier supports supplier diversity through a variety of workshops and networking events designed to help suppliers improve their capacity, business operation and procurement processes.

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

As indicated in Section 1 above, Frontier acquired Verizon's wireline operations on April 1, 2016 and assumed operations. Between April 1st through September 30th, 2016, Frontier's historically underutilized businesses ("HUB") spend in Texas was 7.40%. Frontier continues to identify qualified, certified diverse suppliers and drive the growth of diverse spending while building a sustainable, value-added partnerships.

FRONTIER COMMUNICATIONS OF TEXAS WORKFORCE AND SUPPLIER DIVERSITY

- (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:**

Frontier will take a more active approach to community outreach, increase our involvement in events that facilitate connections with diverse businesses and identify other opportunities to increase our work with qualified suppliers.

It is the goal of Frontier and Frontier's Corporate Supply Chain Organization to continue to develop and implement programs that maximize opportunities for vendor applicants regardless of race, creed, color, religion, gender or economic status. Frontier plans to advance its supplier diversity outreach and expand its portfolio of diverse vendors by participating in diversity councils including but not limited to the following:

Women's Business Council – Southwest
Women's Business Enterprise National Council
D/FW Minority Supplier Development Council
US Pan Asian Chamber of Commerce – Southwest
United States Hispanic Chamber of Commerce

Frontier also intends to expand its outreach strategy by the following activities:

- Frontier's Corporate Supply Chain team will conduct educational sessions with cross-functional end-user organizations and executives to encourage the inclusion of HUBs.
- Supplier diversity results will be communicated during sourcing and procurement staff meetings to drive performance and awareness.
- Supplier diversity results will continue to be reviewed on a quarterly or more frequently basis, if necessary with executives and supply chain organization to ensure success.

FRONTIER COMMUNICATIONS OF TEXAS WORKFORCE AND SUPPLIER DIVERSITY

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

Frontier, in alignment with the advancement of its strategic sourcing program, has enacted significant steps to improve its diverse sourcing program, including both infrastructure and availability, and has invested company and program resources to improve our diverse sourcing and spend. In summary:

- We made significant investments in technology to create an online portal and supplier tracking database to register new partners, actively track their diversity status and allow us to electronically invite businesses to participate in our sourcing events.
- Frontier established an internal Supplier Diversity Council consisting of team members from Procurement, Regulatory, and Operations and the team is tasked with making improvements to our overall diversity program.