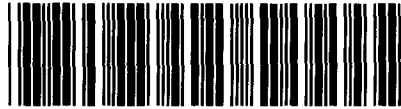




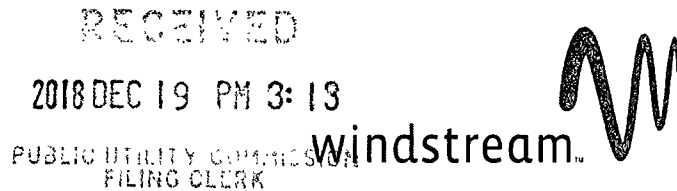
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Windstream Communications, Inc.
4001 Rodney Parham Road
1170 – B1F2-12A
Little Rock, AR 72212



December 18, 2018

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, LLC, Windstream Sugar Land, LLC, 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) 748-6546 or Danyell.Carroll@windstream.com should you have any questions on the enclosed filings.

Sincerely,



Danyell Carroll
Consultant – Regulatory Compliance

Cc w/attachment The Honorable Governor Greg Abbott
The Honorable Lieutenant Governor Dan Patrick
The Honorable Representative Joe Strauss
The Honorable Representative Helen Giddings
The Honorable Senator Sylvia R. Garcia
The Honorable Representative Rafael Anchia

3022

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	67	57	10	48	7	2	0	5	1	2	1	0	0
Professionals	105	81	24	59	16	4	5	7	1	11	3	0	0
Technicians	156	152	4	112	4	22	0	17	0	0	0	1	0
Sales Workers	64	44	20	36	15	4	2	4	3	0	0	0	0
Office and Clerical	8	1	7	1	5	0	0	0	0	0	2	0	0
Craft Workers (Skilled)	201	201	0	169	0	6	0	22	0	1	0	3	0
Operatives (Semi-skilled)	0	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	0
Service Workers	1	1	0	1	0	0	0	0	0	0	0	0	0
Previous Year Totals	615	549	66	433	52	45	4	54	5	12	5	5	0
This Year Totals	602	537	65	426	47	38	7	55	5	14	6	4	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)	0.02%	0.02%	0.00%
Commodities Contracts (4)	1.56%	1.43%	14.70%
Other Services (5)	0.05%	0.03%	40.00%
Professional Services Contracts (6)	1.54%	1.44%	6.49%
Major Equipment (7)	0.02%	0.02%	0.00%
Other (8)	1.70%	1.23%	27.60%

(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, disability, sexual orientation or gender identity.

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, 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.

Windstream sends notice of recruitment and job fair attendance to minority groups on college campuses.

In 2015, Windstream created a new talent acquisition position specifically designated solely on the recruiting and hiring of veterans of the U.S. Armed Forces. This has significantly increased the number of veterans in Windstream's workforce. In 2018, Windstream was a recipient of the 2018 HIRE Vets Medallion Program Demonstration Award from the U.S. Department of Labor. The award recognizes leadership in recruiting, employing, and retaining our nation's military veterans. Following the success of Windstream's veteran hiring initiative, this program was subsequently designated as also being responsible for diversity and inclusion initiatives.

Procurement:

Windstream is committed to enhancing business opportunities for small, minority, and women-owned business enterprises (SBE, M/WBE) subcontractors. Windstream uses commercially reasonable efforts to include and utilize SBE, M/WBE Supplier firms, provided they are competitive on price, quality, service, and offer the best overall value for goods and services.

In order 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
Southern Region Minority Supplier Development Council

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

Windstream participated in outreach opportunities at the following events in 2018;

2018 Diversity Outreach Events:

- WBENC Summit & Salute - March 2018 Dallas
- Women's Business Council Southwest Power to Potential April 2018 Dallas
- Entergy Diversity Supplier Conference April 2018 Little Rock
- WBENC National Expo June 2018 Detroit
- Southern Region Minority Supplier Development Council ("SRMSDC") Gateway Business Expo and Match Making Event, August 2018 New Orleans
- Women's Business Council Business Expo September 2018 Arlington
- NMSDC National Conference October 2018 Austin

The conference activities included various workshops designed to enhance our knowledge base of best in class diversity programs. In addition, Windstream attending match making events with diverse vendors aimed at increasing the diverse supplier base and identifying possible future business opportunities.

Windstream utilizes the Small Business Administration Dynamic Search Tool to identify potential Small Business partners. 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.

**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:

Overall, Windstream's recruiting, training, and affirmative action plans have aided in hiring greater percentages of women and minorities in its 2017-2018 affirmative action plan year than in the previous 2016-2017 plan year.

Procurement:

Windstream's continued participation in local, regional and national outreach programs has provided the opportunity to increase our diverse supplier base. The matchmaking events at the diversity events has allowed Windstream to interact with diverse suppliers that can potentially support future business requirements and participate in RFP activities. In this area the Diversity Program continues to improve.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

- (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 the 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 develop its diversity and inclusion program with the newly created position and responsibilities. Windstream will continue to emphasize the importance of diversity to management.

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

Procurement:

Windstream will continue to place emphasize on the Supplier Diversity Program. To support the initiative in 2019 Windstream will maintain our Corporate Membership status with the following organizations;

Women's Business Enterprise National Council
Women's Business Council Southwest
Southern Region Minority Supplier Development Council.

Participation in these events will allow Windstream to continue to build and develop the supplier diversity program in 2019.

**WORKFORCE AND SUPPLIER DIVERSITY FORM
COMPANY INITIATIVES**

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

Human Resources:

Windstream has hired greater percentages of women and minorities in its 2017-2018 affirmative action plan year than in the 2016-2017 plan year.

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

Procurement:

Windstream continues to support and participate in local, state and national Supplier Diversity outreach conferences and business fairs. The Windstream Corporate Memberships in the diversity councils also supports the council's efforts to promote the importance of a diverse supplier base. As a result of this participation, Windstream is able to increase the number of available diverse suppliers for potential business opportunities.