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Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, Texas 78711

**Re: Project No. 30240 – 2004 (10-01-03 to 09-30-04) Annual Progress Reports
on Five-Year Plan to Enhance Supplier and Workforce Diversity - Telephone**

Pursuant to Substantive Rule 26.85, I have enclosed four (4) copies of Sprint's Workforce Diversity Report for 2005. This report covers Central Telephone Company of Texas d/b/a Sprint, United Telephone Company of Texas, Inc., d/b/a Sprint, and Sprint Communications Co. L.P.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

Jeff Meador
Docket Manager – Regulatory Affairs

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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	928	564	364	401	226	58	78	84	48	18	9	3	3	
Professionals	1185	646	539	443	342	82	122	57	40	56	28	8	7	
Technicians	213	138	75	59	20	33	16	20	15	26	23	0	1	
Sales Workers	2356	1225	1131	547	411	231	368	387	322	52	21	8	9	
Office and Clerical	2410	693	1717	287	658	235	715	140	305	25	29	6	10	
Craft Workers (Skilled)	717	634	83	454	36	51	15	105	26	17	5	7	1	
Operatives (Semi-skilled)	2	2	0	2	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	0	0	0	0	0	0	0	0	0	0	0	0	0	
Previous Year Totals	6565	3249	3316	1936	1490	530	1166	581	548	174	89	17	23	
This Year Totals	7811	3902	3909	2193	1693	690	1314	793	756	194	115	32	31	

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)		3.69%	1.74%	-52.87%
Commodities Contracts (4)		12.08%	2.10%	-82.63%
Other Services (5)		35.13%	4.53%	-87.09%
Professional Services Contracts (6)		6.30%	8.21%	30.37%
Major Equipment (7)		4.94%	4.00%	-18.94%
Other (8)		0.14%	45.83%	32635.06%

(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:

Sprint focused effort on increasing the utilization of existing HUB suppliers during 2005. Sprint targeted HUB firms for the award of construction work during 2005 and also for opportunities in IT subcontracting.

Recruitment

- Sprint Nextel's Office of Diversity (OoD) participates and sponsors a variety of events for the purpose of minority recruitment. These events include:
 - League of United Latin American Citizens (LULAC) Convention
 - National Association for the Advancement of Colored People (NAACP) Conference
 - National Urban League Convention
 - United States Hispanic Chamber of Commerce Convention
- Sprint Nextel's Recruiting Services group along with support from the functional staffing teams, executives, and hiring managers; participates in a variety of events for the purpose of minority recruitment. These events include:
 - National Black MBA Association (NB MBA) conference
 - National Society of Hispanic MBA Association (NSH MBA) conference
 - National Women's MBA Association (NWMBA) Conference
 - Disability Mentoring Day Career Fair
- Functional staffing teams, in conjunction with Sprint Nextel's Recruiting Services group, communicated an enterprise-wide diversity recruiting strategy. This strategy was communicated along with the AAP goals specific to each business unit. The purpose was to identify the need for increased diversity recruiting efforts, provide a variety of minority recruiting opportunities, and to encourage increased participation of each of Sprint Nextel's business units.
- Sprint Nextel recruits intern talent from INROADS, a leadership development and training organization for ethnically diverse college students. We provide internships and scholarships through strategic partnerships with the Hispanic College Fund and the United Negro College Fund. In addition, we offer scholarships to under-represented groups at majority schools to increase the number of diverse college hires.
- Partnered with Career Placement Services at University of Texas - Pan American located in Edinburg, TX, and posted open engineering positions.
- Provided a Sprint Nextel campus tour and presentation for ethnically diverse summer interns from Donnelly College.
- Affinity group, Diamond Network, participated with the Urban League at career fair to meet with individuals interested in learning more about Sprint Nextel and job opportunities within the Company.
- Sprint Nextel actively recruits bilingual candidates for positions in the Credit & Collections Call Center in Temple, TX and Denver, CO.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

Advertisement

- Sprint Nextel takes an active role in diversity advertising, by advertising in a wide range of publications. The following represents some of the publications selected for diversity advertisements in 2004:
 - Women of Color in Technology Magazine
 - National Congress of Black Women's Annual Conference Magazine
 - Hispanic MBA Magazine
 - National Black MBA Association (NBMBA)
 - National Association of Black Accountants (NABA)
 - Black Enterprise Magazine
 - Diversity Careers in Engineering
 - National Business & Disability Council
 - CareerFocus Magazine
 - Que Pasa-Killen
 - Austin Statesmen
 - Texas Workforce Commission

Awards/Recognition

National Eagle Leadership Institute Award (NELI)	For exceptional commitment to diversity. Sprint Nextel employee was a recipient of the 2005 CareerFOCUS Eagle Award in recognition of his demonstrated leadership in career endeavors and community service.
The Advocate	Sprint Nextel named as one of the top 10 companies for GLBT employees.
Women of Color Technology Award (WOCT)	The WOCT awards celebrate the many achievements of minority women in the fields of technology, engineering, science and math. Sprint Nextel is proud to have four woman honored as Technology All-Stars for 2005.
Human Rights Campaign	Sprint Nextel achieved a perfect score on the 2005 HRC Corporate Equality Index.
2005 YMCA Black Achievers Award and Developing Hispanic Leaders Awards	Three employees were awarded the 2005 Central Florida YMCA Black Achievers Award. Three employees also received the 2005 Central Florida YMCA Developing Hispanic Leaders Award. These awards recognize individuals that demonstrate exemplary service in engaging youth and teens in activities that nurture responsibility, encourage achievement and develop potential.
Black Collegian Magazine	Sprint Nextel ranked 29 th on the Black Collegian as a Top 100 Employer for College Hires. The Black Collegian Magazine surveys major employers to determine where the jobs are, what areas they are in, and what college majors employers seek.
DiversityInc	Sprint Nextel ranked 37th on the Top 50 Companies for Diversity.

Affinity Groups

Affinity groups are a critical component in Sprint Nextel's approach to inclusion. These groups help the company to compete in the marketplace as well as create revenue opportunities. They promote inclusion, open dialogue, learning, and constructive contribution. Sprint Nextel currently supports three affinity groups, the Diamond Network, an African-American focused group, Enlace, a Hispanic focused group, and The Alliance Council, a multicultural group. Approximately 2800 Sprint Nextel employees are members of an affinity group. This is a 39% increase over last year of involvement in the Affinity groups.

**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:

Sprint increased total dollars spent with HUB suppliers by 24% during the past year. This was led by a \$1M award to a roofing company and other HUB support construction groups. Spending with HUB IT staffing providers was increased by \$1M.

The activities listed above were very successful as Sprint Nextel continues to reorganize and downsize its workforce. Sprint Nextel continues to offer opportunities for its employees as well as potential employees.

Sprint Nextel experienced significant progress with its diversity and inclusion efforts during 2005. Led by our Chairman and CEO Gary Forsee, Sprint Nextel is making a major effort to increase diversity at all levels of the company and to make inclusion an ingrained part of our culture. This year's focus was the implementation of the Sprint Nextel Inclusion training program provided information for working in an inclusive environment in which all Sprint Nextel employees, regardless of race, gender, age, disability, sexual orientation, language or culture, can perform their best work. This training initiative is strong statement about Sprint Nextel's commitment to diversity and inclusion.

(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:

Sprint is embarking on a large construction project and is focusing on HUB contractors for all aspects of the project. In addition Sprint has required one of the major technical labor contractors who benefited from the current year's consolidation to engage a Texas HUB supplier as their primary subcontractor on Sprint business.

Sprint Nextel plans to continue its successful recruitment and sponsorship strategy to ensure a continuing focus on increasing overall minority representation within the corporation. As part of the 2006 recruitment strategy, Sprint Nextel will be using cross-functional recruiting teams as an effort to improve diversity recruitment. In 2006, the affinity group program will be expected to grow in size and scope of programs being offered. Inclusion training will be rolled out to all employees throughout 2006.

As this was Sprint Nextel's first year with the University of Texas – Pan America and Donnelly College, Sprint Nextel will continue develop this relationship by providing awareness of corporate culture and job opportunities. It is our focus to use these relationships to increase our overall minority representation within the corporation.

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

Sprint increased spending with HUB suppliers by a total of \$1.1M during the year.

While Sprint Nextel has experienced merger and reorganization activities in its workforce, it continues to offer successful programs for minority employees, as well as minority candidates. Relationship building has continued to be a priority and successful for Sprint.