



Control Number: 30240



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Telecommunications That make Sense...



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December 29, 2005

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Texas Public Utility Commission
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1701 N. Congress Ave.,
Austin, TX 78701-1494

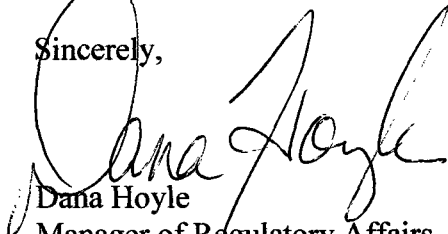
Re: Docket No. 30240 - 2005 Annual Progress Report on Five-Year Plan to Enhance
Supplier and Workforce Diversity

Dear Sir or Madam:

Enclosed herein for filing within the above referenced proceeding please find four (4) copies of the Workforce Diversity report prepared and submitted on behalf of nii communications, Ltd. (hereinafter referred to as the "Company.") The Company is a telecommunications service provider in the state of Texas and operates under the authority granted to it by the PUC under SPOCA 60240.

Should you have any questions or concerns, please feel free to contact me at (214) 267-1648.

Sincerely,


Dana Hoyle
Manager of Regulatory Affairs

Attachment

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	0	6	3	5	2	0	0	1	1	0	0	0	0	
Professionals	2	0	2	0	0	0	0	1	0	1	0	1	0	
Technicians	3	3	0	1	0	1	0	0	0	1	0	0	0	
Sales Workers	6	4	2	3	1	0	0	1	1	0	0	0	0	
Office and Clerical	10	1	9	1	2	0	1	0	6	0	0	0	0	
Craft Workers (Skilled)	0	0	0	0	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0	0	
Previous Year Totals	153	74	79	38	24	12	9	23	42	1	2	0	2	
This Year Totals	30	14	16	10	5	1	1	2	9	1	1	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.

WORKFORCE AND SUPPLIER DIVERSITY FORM **HUB/SMALL BUSINESS PROCUREMENT AS A PERCENTAGE OF TOTAL COMPANY PROCUREMENT**

Construction Contracts (3)	n/a	None
Commodities Contracts (4)	n/a	0% (see note A)
Other Services (5)	n/a	50% (see note B)
Professional Services Contracts (6)	n/a	75% (see note B)
Major Equipment (7)	n/a	None
Other (8)	n/a	n/a

(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.

Note A: The Company is engaged in the provision of unbundled network services, which are available only from incumbent local telephone companies.

Note B: The Company provided these same estimates with its 2003 and 2004 reports. Management is not aware of any change in these estimates. The HUB Status of vendors used by the Company is not known with certainty.

**WORKFORCE AND SUPPLIER DIVERSITY FORM
COMPANY INITIATIVES**

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

During the year 2005, nii communications, Ltd. ("NII") maintained its commitment to employ a diverse workforce. Unfortunately, the Triennial Review Remand Order ("TRRO") in March of 2004 issued by the Federal Communications Commission had a negative effect on providers of competitive telecommunications services. As a result, NII was unable to add additional staff to its workforce. In fact, NII's workforce was reduced by approximately 80%.

**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:**

In the year 2004, NII grew from 116 employees to 153 employees within the state of Texas. During the year of 2005, NII was required to reduce its workforce from 153 employees to 30 employees within the State of Texas. This reduction in workforce was as a direct result of the TRRO. This Order negatively impacted NII's ability to continue provisioning its customers under its existing wholesale arrangements. Therefore, NII was unable to meet specific initiatives with respect to objectives as set forth in its Workforce Diversity Plan.

**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:**

Recently, NII was acquired by Cleartel Communications, Inc. ("Cleartel") A transfer of control was approved for NII in Docket 31353 before this Commission. As a result of this transfer of control, NII's operation in Texas will not grow in the manner that it has in the past. Cleartel has consolidated many functions previously provided by staff employed in Texas with their operations located in Florida. Therefore, NII expects to be exempt from the filing requirements of Section 26.85 of the Texas Substantive Rules for the year of 2006.

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

Not applicable.