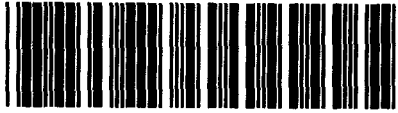




Control Number: 30240



Item Number: 655

Addendum StartPage: 0



Project 30240
Qwest Communications Corporation
Workforce Diversity Report
December 31, 2006

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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	3	2	1	2	1	0	0	0	0	0	0	0	0	
Professionals	2	2	0	2	0	0	0	0	0	0	0	0	0	
Technicians	54	51	3	37	2	3	0	9	1	1	0	1	0	
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	
Office and Clerical	0	0	0	0	0	0	0	0	0	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	51	47	4	36	3	2	0	1	0	0	0	0	0	
This Year Totals	59	55	4	41	3	3	0	9	1	1	0	1	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 **COMPANY INITIATIVES**

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)	11.18%	12.20%	9.12%
Commodities Contracts (4)	11.18%	12.20%	9.12%
Other Services (5)	11.18%	12.20%	9.12%
Professional Services Contracts (6)	11.18%	12.20%	9.12%
Major Equipment (7)	11.18%	12.20%	9.12%
Other (8)	11.18%	12.20%	9.12%

Note – Qwest does not track at the detailed commodity level. Percentage represents total MWDVBE spend as compared to total Qwest Procurement spend

(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**



Project 30240
Qwest Communications Corporation
Workforce and Supplier Diversity Plan and Reports on Five-Year Plan to Enhance Supplier and
Workforce Diversity Docket No. 23411
December 31, 2006

Qwest's Commitment to Equal Opportunity

Qwest Communications International Inc., ("Company") follows a very clear and comprehensive equal employment opportunity policy, but its commitment goes well beyond this important statement. Qwest Communications and its predecessor companies have a long history of supporting, developing and advancing diverse populations in the workplace.

As a Federal Contractor, Qwest annually reviews its workforce which includes a job group analysis, establishment of goals to work towards mirroring the interested and skilled labor force in the locations in which Qwest operates. Qwest annually creates Affirmative Action Plans pursuant to the provision of the Executive Order 11246, as amended Section 503 of the Rehabilitation Act of 1973 as amended and the Vietnam Era Readjustment Assistance Act of 1974.

Audits

As a contractor, Qwest is randomly selected for audits, Compliance Reviews, of the Affirmative Action Plans and all personnel activities by the Department of Labor, Office of Federal Contract Compliance Programs, (OFCCP).. During the course of these reviews, Qwest conducts analysis of applicants versus hires, promotions and terminations to insure that race and gender of those impacted is not a factor.

In addition, the compensation provided to employees is reviewed. Employee's salaries are determined based on market research and salary surveys which provided ranges based on the nature of the work being performed and market conditions. Individual managers are provided salaries within those ranges based on their experience, education level, market conditions and skills.

During 2006, the OFCCP conducted five Compliance Reviews with Qwest and all five reviews were closed with a Letter of Compliance. Since 2000 Qwest has been audited by the Department of Labor, OFCCP, as follows (each number represents separate employment locations with as many as 2000+ employees at the site):

237 EEO Surveys
56 Compliance Reviews
1 Corporate Management Review
13 Compliance Checks

These audits have reviewed thousands of employment transactions, e.g., applicants, hires, terminations, promotions, compensation analysis. Audits often included on site visits by Compliance Officers who reviewed personnel files, interviewed employees and managers involved in the hiring and recruiting functions. In all audits Qwest has received 100% notifications of Compliance.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

Recruiting – Qwest attends and host many recruiting fairs annually throughout our region, outreaching to the community for individuals who may have an interest in working at Qwest. Qwest web site

Careerbuilder.com

Qwest utilizes Careerbuilder.com for all open, external job advertisements. Careerbuilder automatically downloads all job advertisements to 39 (expanded to over 70 Diversity Partners in 2005) Diversity Partners organizations, (e.g., Black Living/International Black Women's Network, MSN Latino, and Minorities in Business Magazine), women's organizations (e.g., NAFE (National Association for Female Executives), Women's Wall Street, Advancing Women, and Women Net.com), newspapers (e.g., USA Today), and educational institutions (e.g., Just Colleges and College Club). An applicant may initially find the job advertisement through a diverse site, such as Women in the Trades, etc and then following Qwest's procedures, the applicant completes a profile through the Qwest.com site. Also, when a job was posted at Qwest.com, it is automatically linked to Careerbuilder to which in turn is automatically linked to America's Job Bank. Openings are also made available to existing employees on the Company's intranet.

Websites linked to Qwest jobs:

Ability Links -- www.abilitylinks.com

Ability Links is an advocacy program that uses technology to connect people with disabilities and employers. In addition, AbilityLinks provides ongoing educational programs and support resources to help people with disabilities and employers learn to work together. .

DisabilityJobs.com -- <http://www.disabilityjobs.org/>

DisabilityJobs.com is part of the US Diversity site network. US Diversity is the first service to completely automate the entire process of searching and locating diversity candidates in the United States.

JobAccess -- www.jobaccess.org

JobAccess works with companies, government, and non-profits to employ people who have disabilities.

US Diversity -- www.usdiversity.com

US Diversity is the first service to completely automate the entire process of searching and locating diversity candidates in the United States. Through its extensive database of diversity candidates our sites attract top-level talent; reviewing and applying to positions of companies that are proactively seeking a diverse workforce and practice affirmative action initiatives.

<http://www.africanamericanjobs.org/>

<http://www.americanindianjobs.org/>

<http://www.asianjobs.org/>

******<http://www.disabilityjobs.org/>

<http://www.gayjobs.org>

<http://www.hispanicjobs.org/>

<http://www.seniorsjobs.org/>

******<http://www.veteranjobs.org/>

<http://www.womensjobs.org/>

Diversity Life sites -- www.diversitylife.com

Diversity Life Magazine, Hispanic Life Magazine, Minority Life Magazine, Veterans Life Magazine and Women in Business & Healthcare are publications targeted towards individuals with the drive to succeed, as well as the desire to better their lives and the communities in which they live by pursuing higher education and career training.

VeteranJobs.com -- <http://www.veteranjobs.org/>

VeteranJobs.com is part of the US Diversity site network. US Diversity is the first service to completely automate the entire process of searching and locating diversity candidates in the United States.

Veterans Enterprise -- www.veteransenterprise.com

Veterans Enterprise promotes diversity in employment and education. Our mission is to connect veterans with companies that take diversity seriously and understand that a diverse workforce, built by providing equal opportunity, is the best way to succeed. Our targeted circulation provides the opportunity to communicate with this highly talented, technically savvy group, in a publication specifically designed with the veteran and active duty military in mind. Veterans Enterprise is part of the Equality Magazines family of publications.

Washington State Hospital Association -- www.healthcarepersonnel.org

The Washington State Hospital Association is the primary representative of 95 communities, 6 private specialized, 2 state owned psychiatric, 4 military, and 4 veterans hospitals in the Seattle, Spokane and Tacoma areas.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

The Retired Enlisted Association -- www.trea.org
Retired, Active Duty, Reserves and National Guard

Military.com -- www.military.com

In 2006 Qwest added additional distribution points for our open job advertisements by joining Direct Employers Association Network:

DirectEmployers Association Network Sites JobCentral.com - National Labor Exchange

State Networks

AK.JobCentral.com	AK	NE.JobCentral.com	NE
AL.JobCentral.com	AL	NV.JobCentral.com	NV
AR.JobCentral.com	AR	NH.JobCentral.com	NH
AZ.JobCentral.com	AZ	NJ.JobCentral.com	NJ
CA.JobCentral.com	CA	NM.JobCentral.com	NM
CO.JobCentral.com	CO	NY.JobCentral.com	NY
CT.JobCentral.com	CT	NC.JobCentral.com	NC
DE.JobCentral.com	DE	ND.JobCentral.com	ND
FL.JobCentral.com	FL	OH.JobCentral.com	OH
GA.JobCentral.com	GA	OK.JobCentral.com	OK
HI.JobCentral.com	HI	OR.JobCentral.com	OR
IA.JobCentral.com	IA	PA.JobCentral.com	PA
ID.JobCentral.com	ID	RI.JobCentral.com	RI
IL.JobCentral.com	IL	SC.JobCentral.com	SC
IN.JobCentral.com	IN	SD.JobCentral.com	SD
KS.JobCentral.com	KS	TN.JobCentral.com	TN
KY.JobCentral.com	KY	TX.JobCentral.com	TX
LA.JobCentral.com	LA	UT.JobCentral.com	UT
MA.JobCentral.com	MA	VT.JobCentral.com	VT
MD.JobCentral.com	MD	VA.JobCentral.com	VA
ME.JobCentral.com	ME	WA.JobCentral.com	WA
MI.JobCentral.com	MI	DC.JobCentral.com	Washington,DC.
MN.JobCentral.com	MN	WV.JobCentral.com	WV
MO.JobCentral.com	MO	WI.JobCentral.com	WI
MS.JobCentral.com	MS	WY.JobCentral.com	WY
MT.JobCentral.com	MT		

Diversity

DiversityWorking.com
America's Job Bank - (opt in)
Dept. of Veterans Affairs - (opt in)
Department of Defense - (opt in)
IMDiversity

Other

Google	PageBites.com
Google Desktop	Just-posted.com
LinkedIn.com	MySpace
Oodle.com	Juju.com
Lycos Classifieds	SearchJobs.com

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

OCCMundial		
Black Collegian		
MultiCultural Womens' Council		

Executive

TheLadders
SalesLadder
MkgLadder
FinanceLadder
UpLadder
HRLadder
TechnologyLadder
OpsLadder
LawLadder

TalentPlanet.com	Recruit.net
Jobster	Jobalot
Indeed	Recruiting.com
Indeed Canada	Local.com
SimplyHired.com	SimplyHired 50+
Ryze.com	
Clusty.com	
A9	
Info.com	
About.com	
NetworkWorld.com	
New York Times	
Boston.com	
Jumpstation.com.au	
Gawker.com	
Snap.com	

- Notices are posted at the Unit's employment office, informing all job seekers of the Company's policy of equal employment opportunity. Similar notices are placed at each place of employment. The notices are posted in English and in Spanish.
- The Employment Application and the internet-based application system include a complete statement informing the candidate of the Company's policy of equal employment opportunity.
- All recruitment advertisements include the tag line "Qwest is an Equal Employment Opportunity Employer."

Qwest and INROADS - Qwest continues a long standing partnership with the INROADS program (www.inroads.org). The INROADS program provides talented minority youth with internship opportunities in corporations across the country. Since 1984 Qwest has sponsored over 300 interns, providing them with learning opportunities to prepare them for the future. In addition, this program compliments our belief that diversity is a key element to our success. As a company we play an integral role in fostering and developing the future leaders of corporate America. Qwest placed 43 interns in 2006 from the INROADS partnership. Qwest has commitment to place even more interns in 2007.

One Company, One Plan - At Qwest, each non-union employee, from the CEO throughout the organization, has a one-page plan, which details several performance objectives for the year. Each employee's objectives feed into the objectives of his or her supervisor, right up to the CEO. This "Golden Thread" ties together all individual objectives and aligns every employee's efforts toward the same end. It is a powerful yet simple method of ensuring that each employee is contributing fully to corporate goals.

While one-page plan objectives vary among job functions, one objective—that which addresses diversity—is common to every one-page plan in the company:

"Support Qwest's ongoing diversity efforts by continuing to improve the department's profile and expanding interactions with employees and communities."

The diversity objective is intentionally broad to enable departments and their employees flexibility in how they honor and support diversity, both within and outside the company

Employee Resource Groups – Qwest supports a number of diversity groups that comprise current employees with a common interest in promoting the company's diversity philosophy. They include:

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

ABTP – Alliance for Black Telecommunications Professionals
EAGLE – Employee Association for Gays and Lesbians
PAAN – Resource group for Asian and Pacific Islander employees
Qwest FRIENDS – Resource group supporting persons with disabilities
Qwest Women – Resource group supporting women
Qwest Veterans – Resource group supporting veterans
SOMOS (Success-Oriented Members Offering Support) – Resource group supporting Hispanic employees
Voice of Many Feathers – American Indian resource group

Qwest provides each resource group an operating budget, meeting space and an Intranet site for member communications.. Activities of the resource groups are open to all Qwest employees and are publicized through the company's employee communications channels.

Reporting Discrimination

Qwest maintains several ways in which employees can raise complaints about EEO issues and employment practices. Employees may make complaints (including anonymous complaints) through the EEO hotline, Compliance hotline, to the human resources department, to their supervisors, and the leadership of the Company. The Company maintains an open door policy and any employee may raise issues with management at any level in the Company (including the CEO). The Company maintains a staff of EEO investigators whose sole function is to investigate EEO issues. The EEO investigators will promptly investigate charges of alleged discrimination and then work with HR and others to recommend any necessary changes to process and discipline for violations. If issues are identified, the EEO organization provides feedback and counsel to management with respect to any appropriate corrective action, for

Section I. Policy Workforce Diversity

Qwest Communications Corporation affirms its commitment and pledges its full support to employment opportunity for all persons and has implemented the following policy:

Policy:

Qwest supports equal employment opportunity. Qwest prohibits discrimination and harassment against any employee or applicant for employment because of his/her race, color, gender, age, sexual orientation, religion, national origin, disability, covered veteran status or any other classification for which discrimination is prohibited by law in regard to hiring, termination, promotion, compensation, job training, or any other term, condition, or privilege of employment. Employees must promote a workplace free of unlawful discrimination and harassment.

Examples of conduct that may constitute prohibited discrimination or harassment include, but are not limited to:

- Treating an individual differently because of their membership in one of the classifications described above or because they exhibit characteristics of members of such classifications.
- Treating an individual differently because of marriage to or association with membership in one or more of the classifications described above.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

- Using derogatory references regarding any of the foregoing classifications in any workplace communication.
- Engaging in threatening, intimidating, or hostile acts, in the workplace, based on the foregoing classifications.
- Preparing, displaying, viewing, and/or distributing material in the workplace that contains language or images that are derogatory or demeaning, based upon any of the foregoing classifications.

Qwest is also committed to a policy of compliance with applicable affirmative action requirements relating to the employment of minorities, women, qualified individuals with disabilities, and "covered veterans."

A violation of this policy can occur even when conduct does not rise to the level of unlawful discrimination or harassment. This policy is not designed or intended to limit Qwest's authority to discipline or take remedial action for conduct in the workplace that is, in Qwest's sole discretion, determined to be unacceptable. Qwest will not tolerate behavior in violation of this policy whether displayed by or towards employees, customers, vendors/suppliers, visitors, or other non-employees. This policy also applies in situations where employees are acting in a business capacity away from the workplace.

All employees must comply with this policy. Furthermore, all employees are expected to report alleged violations of this policy to the Corporate Compliance Advice Line (800-333-8938) (option 2), Human Resources, or their supervisors. Managers and supervisors have special responsibilities with respect to the Non-Discrimination Policy. Not only must managers and supervisors know the policy and conduct themselves in a manner consistent with it, they are also responsible for establishing and promoting a work environment free of discrimination/harassment based on any of the foregoing classifications. They must *identify* and *immediately report* to the Corporate Compliance Advice Line, Human Resources or their supervisors suspected incidents of discrimination/ harassment, regardless of whether the conduct occurred within their workgroup or area of responsibility. Managers must also support investigations of alleged discrimination/harassment and related disciplinary processes.

It is unlawful and a violation of this policy to retaliate against an employee for filing a complaint of discrimination/harassment based on any of the foregoing classifications, or for participating in an investigation of discrimination/harassment.

Compliance with this policy is mandatory and subject to audit. Failure to comply may result in disciplinary action, up to and including immediate termination of employment.

If you believe you have been subjected to discrimination/harassment based on any of the foregoing classifications or have questions about this policy, or questions about affirmative action at Qwest, contact the Corporate Compliance Advice Line (800-333-8938) (option 2), Human Resources, or your supervisor. Internal complaints may also be mailed to EEO Dispute Resolution, Room 900, 1801 California, Denver, Colorado 80202 or faxed to EEO Dispute Resolution at (303-295-6977).

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

Workforce Diversity Plan

Qwest Communications Corporation will continue to seek and investigate new sources for qualified minority and female candidates. Those responsible for recruitment and selection will continue to be advised of the Company's diversity goals. The following methods may be used to improve recruitment and increase minority and female job candidates:

1. Professional and community organizations will be contacted to increase female and/or minority applicants.
2. Potential recruiting sources will be contacted and supported in various ways including briefing sessions, facility tours, and presentations by minority and female employees.
3. The Company will actively campaign among its minority and female employees to have them encourage their friends and associates who possess the requisite skills to apply for positions at the Company. The Company has an active and formal employee referral program which is called Talent Qwest.
4. The inclusion of minorities and women on the recruiting staff.
5. Minority and female participation in career days, youth motivation programs and other similar programs in the community.
6. Minority and female participation in "job fairs."
7. Advertising of open positions will be extended to include the minority news media and women's interest media. This may include newspapers and professional publications. Advertising includes the indication that the Company is an equal employment opportunity/affirmative action employer. Job positions are also located on the company's Internet site with instructions on applying for specific open positions.
8. When contacting referral agencies, those agencies may be requested to seek out and refer both minorities and females.

Qwest Communications Corporation, , will continue to make training and job opportunities available to Qwest minority and female employees.

Training:

Qwest provides a variety of training opportunities to all employees through the company Intranet:

The Learning Curve

Description:

The Learning Curve is a corporate Learning Management System (LMS). The user interface provides employees with access to eLearning. Employees can enroll in and launch classes they want to attend. Materials can be printed that are relevant to virtually any aspect of the employees job and delivered in a variety of formats. This system will provide transcripts for the employees learning history and notify

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

them of their status in courses they have enrolled in as well as remind them of the courses they have coming up soon.

TEDS Learning Management System (LMS) is sponsored by the Network organization for the delivery of training specific to the Network Business Unit. Employees will find a variety of technical, management, and office skills courses.

HR also provides SkillSoft eLearning, the world's most comprehensive eLearning resource and collection of web-based courses in the industry. SkillSoft courses and learning resources are free to Qwest employees and accessible from both work and home.

Courses include:

- **Business, desktop computing and IT eLearning courses:** The SkillSoft eLearning website includes thousands of courses that can help enhance interpersonal, business or technical skills. Courses range from communications, database systems, project management, Microsoft Office applications, network administration, marketing, finance, environmental safety and health (ES&H) and more.
- **Books24x7:** Books24x7 includes the full contents of books, reports, vendor documents and white papers from the best industry publishers. New titles are added every week, ensuring the largest and most current online reference available.
- **Online Mentoring:** Through online chats and e-mail, employees can obtain advice from the experts as they prepare for project management or technical certification exams.
- **Vendor-aligned practice tests:** SkillSoft TestPreps are mapped to the major vendors' certification exams and can help an employee prepare for passing the real thing.
- **Learning support tools:** Over 1,500 job-aides and reference briefs to help you apply what the employee has learned on the job.

The **Qwest Educational Assistance** Plan provides employees with a tuition reimbursement plan allowing continued education.

Internal Posting of Positions:

Position openings are listed in a central location in the Company's corporate office and are available to all employees. Employees are advised of the locations of these listings. Job listings are included on the Company's Internet site. Employees are encouraged to apply for promotion or transfer opportunities.

Employee Assistance Program:

The Employee Assistance Program, EAP, is designed to assist employees and their families work through problems that may be affecting their life in a negative way. The EAP's role is to help define the

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problem, organize the appropriate resources to help solve the problem, and ultimately follow through with these plans once they are in place. The program, a free service, is accessible seven days a week, 24 hours a day. Counseling services are provided by telephone, web site, and in person.

Section II

Supplier Diversity Plan

Introduction

At Qwest, we understand our markets and the role supplier's play in helping us achieve competitive advantage. Minority, Women, and Disabled Veteran-owned Business Enterprises (MWDVBEs) are a valued part of our team and integral to our bottom line success.

Today, Qwest is fast becoming a data-centered communications company, offering a wide array of products and services ranging from wireless, Internet, data and video, to long distance and voice connections. As we continue to develop innovative and integrated services, we will continue to rely on our diverse supplier network to help us connect more than 25 million residential and business customers to the services and products they need. This is more than a commitment or strategy. It's smart business.

Vision

The Supplier Diversity group, as an integral part of the Procurement and Supply Chain organization at Qwest, ensures the inclusion of diverse suppliers in the procurement process.

Mission

The Supplier Diversity group adds value to Qwest through the utilization of Minority, Women, and Disabled Veteran-owned Business Enterprise (MWDVBE) suppliers. Through the Procurement process, we will provide opportunity of inclusion, sustain direct and indirect MWDVBE spend growth, grow Qwest market share, increase customer loyalty and enhance awareness and exposure for Qwest among diverse communities.

Procurement Policy

Qwest should receive the greatest possible benefit when purchasing products and services to meet its business needs. Procurement strives to meet customer needs while balancing cost, timeliness, quality, technical suitability, legal requirements, and other business considerations when

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

performing its procurement duties. All applicable laws, rules and regulations must be adhered to in the procurement of products and services.

The supplier selection process shall give due consideration to the inclusion of qualified, certified, Minority/Women/Disabled Veteran Business Enterprises. It is not the policy of Qwest to provide “set aside” or give away” programs for any suppliers.

All Qwest entities are to implement this policy in accordance with recognized standards of business conduct, and the Qwest Corporate Compliance Program. Employees involved in the procurement process must consult with Procurement for detailed information related to the interpretation and administration of this policy.

Procurement, in conjunction with the applicable business unit, Legal Affairs, and any applicable technical support groups (e.g., Risk Management for environmental/health/safety risks), will coordinate the procurement of products and services for Qwest, including the sourcing of contracts, where appropriate. Managing the sourcing includes working in concert with the business unit in the evaluation and selection of the supplier and the negotiation of the terms of the associated contract. Employees may not direct the source of procurement without consideration of other possible suppliers. The Vice President of Procurement must approve any direct source procurement over \$200,000. Disagreements regarding supplier selection or contract terms may be escalated to the VP of Procurement who will work to resolve the issues with an office of the applicable business unit and Legal affairs, as necessary.

Compliance with this policy is mandatory and subject to audit. Failure to comply may result in disciplinary action, up to and including termination of employment (see policy 202 – Discipline).

Supplier Diversity Plan

It is imperative that the QWEST business units fully embrace the Supplier Diversity initiative in order to increase MWDVBE participation as demonstrated by officer reported and business unit support in the RFX processes.

This high level strategic plan addresses the integration of Supplier Diversity into the business units through education, communication, involvement and recognition. Supplier Diversity managers will be the key points of contact to support and implement the plan.

Target

- Business units will clearly articulate the QWEST Supplier Diversity business initiative to their employees and to their suppliers.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

- Business units will embrace the Supplier Diversity process, seeking out and using certified MWDVBES.
- Business units will consider MWDVBES before sole sourcing purchase from non-MWDVBE suppliers.
- Business units will prioritize towards MWDVBES in RFX distribution lists.
- Business units will track MWDVBE spending as indicated in the quarterly office reports.
- Business units will participate in community events.
- Business units will communicate successes when using MWDVBES that have provided exception price, quality and service.

Proposal

- The target will be achieved through education.
- The target will be achieved through involvement.
- The target will be achieved through communication.

MWDVBE Supplier Business Opportunities

The Supplier Diversity Department maintains an external Qwest website for potential and current suppliers, which contains extensive information concerning becoming an MWDVBE supplier. Qwest's external Supplier Diversity's website can be found at <http://www.qwest.com/about/company/business/mwbe/>

To apply for potential business opportunities at Qwest, suppliers can:

1. Go to www.Qwest.com
2. Select the "About Qwest" tab
3. Select the "Doing Business with Qwest" link
4. Select "Become a Qwest Supplier" link
5. Submit form to supplier@qwest.com

Qwest also has contracted with a company to evaluate the MWDVBE status of all Qwest suppliers with an annual spend of \$1,000. This allows for instant validation of certification of 10,000 current Qwest suppliers, and provides Qwest with access to over 400,000 certified and diverse businesses.

MWDVBE Action Objectives

We want MWDVBE suppliers who are interested in doing business with Qwest to:

- Contact Supplier Diversity if they have a product or service that can help Qwest improve service and process delivery and reduce costs.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

- Understand Qwest is committed to Supplier Diversity and has an outstanding track record.
- Communicate return of investment about Supplier Diversity business objectives.

We want local chambers and minority and women and disabled veteran' community to:

- Recognize Qwest as leader for Supplier Diversity.
- Recognize Qwest and Qwest employees for contributions to the economic development of minority, women-and disabled veteran-owned firms.
- Positively position Qwest on issues that impact community perception.

We want the media to:

- Publish and air stories featuring Supplier Diversity and current suppliers.
- Contact Qwest Supplier Diversity for information about the initiative.
- Understand Qwest is committed to Supplier Diversity and has an outstanding track record.
- Provide balanced, fair reporting.

We want employees to:

- Understand Qwest is committed to Supplier Diversity.
- Understand that this is a business strategy, not a give-away program.
- Be able to speak to the value the initiative brings to the business and our communities.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

Qwest Supplier Diversity and Subcontract Report

All non-MWDVBE Suppliers, with whom Qwest has a yearly contract of \$500,000 or more are required to submit a Subcontracting Plan. The Subcontracting Plan shall contain, at a minimum, the following components:

1. Total dollars to be subcontracted to MWDVBE businesses or the percent of MWDVBE dollars to total awarded dollars.
2. Description of method used to identify MWDVBE sources.
3. Name, address, phone number, and duties of administrator of Prime supplier.
4. Monthly/Quarterly/Yearly, or as required, written report submitted by the Prime supplier to the Supplier Manager by the January 30th of each year, which includes:
 - The Subcontracting Report Form that details the actual results of the subcontracting plan;
 - The Subcontract Direct and Indirect Report;
5. Documentation that all MWDVBE subcontractors are bona fide through the Prime supplier's documented certification process.
6. Description of Prime supplier's certification process and criteria to authenticate the MWDVBE status of its subcontractors. Qwest prefers certification from:
 - National Minority Supplier Development Council (NMSDC) and its affiliates
 - Women's Business Enterprise National Council (WBENC)

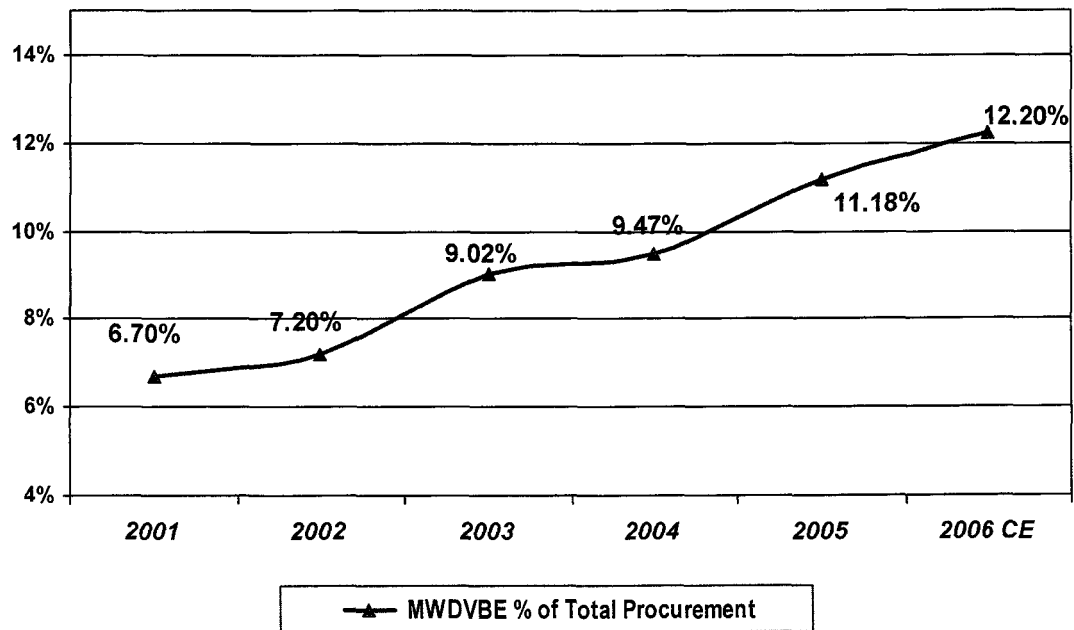
Although Qwest prefers certification from the above listed agencies, we will grandfather in certifications from the Small Business Administration's 8(a) program (SBA) or other approved governmental agencies. **Qwest does not accept any form of self-certification.**
7. Assurance that the Prime supplier's certification process and its application to supplier's MWDVBE subcontractors will be open to Qwest audits.
8. Provide record retention:
 - Source lists for MWDVBE firms
 - Organizations contacted
 - Record to support award data

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

Results and progress under Supplier Diversity initiative:

Qwest is proud of its' Supplier Diversity results. Over a five-year period, Qwest has improved MWDVBE reporting from 6.7% to over 12%.

5 - Year MWDVBE Spend Tracking Chart



WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

Qwest Recognition in External MWDVBE Community

Over the years, Qwest has been the recipient of awards from various minority groups and organizations recognizing the efforts that Qwest makes in providing supplier diversity opportunities. In 2005, Qwest received two awards for outstanding and continued support of the following organizations:

Minority Business Advocate of the Year – Minority Enterprise and Education Development Council
Corporate Hispanic Business Advocate of the Year – U. S. Hispanic Chamber of Commerce – Region II
“Corporation of the Year” Award, Denver Hispanic Chamber of Commerce, 2006
“Corporation of the Year” Award, Arizona Hispanic Chamber of Commerce, 2006
”Corporation of the Year” Award, Asian Chamber of Commerce, 2007
“Corporation of the Year” Award, Martin Luther King, Jr. Business Social Responsibility