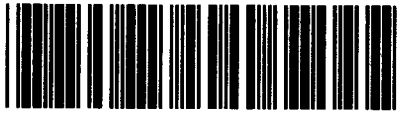




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**ANNUAL PROGRESS REPORT ON FIVE-YEAR PLAN TO ENHANCE
SUPPLIER AND WORKFORCE DIVERSITY
FOR THE PERIOD ENDING SEPTEMBER 30, 2006
PUC PROJECT # 30240**

**CAP ROCK TELEPHONE COOPERATIVE, INC.
SPUR, TEXAS**

Under the PUC's Substantive Rule 26.85 – Report of Workforce Diversity and Other Business Practices Cap Rock Telephone Cooperative, Inc. offers the following progress report on the Five-Year Plan to Enhance Supplier and Workforce Diversity.

The Initiatives identified in the five-year plan included:

- A. Maintaining a commitment to employ a diverse workforce with extreme emphasis placed on recruiting, training, and employing individuals with the needed abilities/aptitude from within the local community.
- B. Striving to utilize historically underutilized businesses (HUBS) for the procurement of goods and services, especially when the HUB is located within our local or surrounding communities.
- C. Utilizing small businesses other than those defined as HUBs in the procurement of goods and services.

Cap Rock continues to maintain a diverse work force. In 2000 we reported that 35% of our workforce was made up of female and minority workers. That figure increased to 40% in 2001, 43 % for 2002, 2003, 2004 and 2005, and increased to 47% for 2006. (Attached is a copy of our FCC 395 Annual Report filed in April 2006). We are very pleased with the diverse and capable work force we employ. Our area, as well as many rural areas in Texas, has a difficult time attracting and recruiting workers from other job markets. The majority of our work force is filled from local areas with Cap Rock providing work-related training to our employees.

The Cooperative emphasizes utilizing and promoting local or surrounding area businesses and economic growth, and Cap Rock continues to patronize small local businesses whenever possible. In the rural area in which we operate it is difficult to find providers of goods and services, however many of the small local businesses qualify as HUBS. The identification and tracking of HUBS is labor intensive and costly to our company. However it provides data that we can analyze to determine if we are meeting our objectives. (Attached is a copy of Cap Rock's HUB Use Report)

Cap Rock is proud of its efforts to enhance workforce and supplier diversity. Over the past several years, we have seen what we consider to be improved statistics in our workforce numbers and progress in the amount of business we do with small and historically underutilized businesses. However, the management of Cap Rock will continue to seek opportunities to make progress in the areas of diversifying the workforce and utilizing the products and services of small and historically underutilized businesses.

COMMON CARRIER ANNUAL EMPLOYMENT REPORT

[Please read instructions before completing and for Notice regarding public burden.]

SECTION I - General Information

1. Name and Mailing Address of Respondent

Cap Rock Telephone Cooperative Inc
P.O. Box 300
Spur, Texas 79370

Check here if
this is a change
of address.

2. Year Report Filed
2006

3. Reporting Period (Ending Date of Pay
Period Covered by Report)
3/31/06

4. Number of Full-Time Employees during Selected
Reporting Period (check one):

- a. Fewer than 16 (complete Sections I, V, and VI only)
- b. 16 or more (complete all sections)

SECTION II - Full-Time Employees. Consider as full-time employees all those working 30 hours or more per week.

JOB CATEGORY	ALL EMPLOYEES			MALE					FEMALE				
	TOTAL	MALE	FEMALE	MINORITY-GROUP EMPLOYEES				White, not of Hispanic Origin	MINORITY-GROUP EMPLOYEES				White, not of Hispanic Origin
				Black, not of Hispanic Origin	Asian or Pacific Islander	Native American	Hispanic		Black, not of Hispanic Origin	Asian or Pacific Islander	Native American	Hispanic	
Officials and Managers	4	2	2					2					2
Professionals	2	2					1	1					
Technicians	8	8						8					
Sales	3	2	1				1	1					1
Office and Clerical	16	2	14					2				1	13
Craft Workers (skilled)	9	9						9					
Operatives (semiskilled)	5	5					2	3					
Laborers (unskilled)													
Service Workers	1	1					1						
TOTAL	48	31	17				5	26				1	16
Previous Year's Total (if any)	49	33	16				5	28				1	15

SECTION III - Part-Time Employees

JOB CATEGORY	ALL EMPLOYEES			MALE					FEMALE				
	TOTAL	MALE	FEMALE	MINORITY-GROUP EMPLOYEES				White, not of Hispanic Origin	MINORITY-GROUP EMPLOYEES				White, not of Hispanic Origin
				Black, not of Hispanic Origin	Asian or Pacific Islander	Native American	Hispanic		Black, not of Hispanic Origin	Asian or Pacific Islander	Native American	Hispanic	
Officials and Managers													
Professionals													
Technicians													
Sales													
Office and Clerical													
Craft Workers (skilled)													
Operatives (semiskilled)													
Laborers (unskilled)													
Service Workers													
TOTAL													
Previous Year's Total (if any)													

SECTION IV - On-the-Job Trainees. Report only employees enrolled in formal on-the-job training programs. The data below shall be also included in the figures for the appropriate occupational categories in Sections II and III.

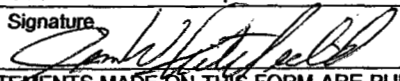
JOB CATEGORY	ALL EMPLOYEES			MALE					FEMALE				
	TOTAL	MALE	FEMALE	MINORITY-GROUP EMPLOYEES				White, not of Hispanic Origin	MINORITY-GROUP EMPLOYEES				White, not of Hispanic Origin
				Black, not of Hispanic Origin	Asian or Pacific Islander	Native American	Hispanic		Black, not of Hispanic Origin	Asian or Pacific Islander	Native American	Hispanic	
White Collar													
Production													

SECTION V - Report of Discrimination Complaints Pursuant to 47 CFR 22.321, 23.55, 101.4 and 101.311

- This is to advise the Commission that no complaints regarding violations of the equal employment provisions of Federal, state, territorial, or local statutes have been filed against this company before any body having competent jurisdiction in such matters during the calendar year covered by this report.
- This is to advise the Commission that the following complaints alleging violations of the provisions of any equal employment opportunity statute have been filed against this company. (Attach a list indicating parties involved, date filed, courts or agencies before which the matter has been heard, file number or other designation, and current status or disposition.)

SECTION VI - Certification

I certify that to the best of my knowledge, information and belief, all statements contained in this report are true and correct.

Date 5/5/06	Typed or Printed Name of Person Signing Jim Whitefield	Signature 	Telephone No. 806-271-3336
Title of Person Signing Executive VP & General Manager		WILLFULLY FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (18 U.S.C. 1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (47 U.S.C. 312 (A)(1)) AND/OR FORFEITURE (47 U.S.C. 503).	

SMALL UTILITIES HUB USE REPORT (purchases outside Texas)

Utility: Cap Rock Telephone Cooperative Inc

MBE Procurement	Construction		Commodities		Other Services		Professional		Major Equipment		Other		Total HUB	
	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures
African American Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
African American Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total African American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asian American Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asian American Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Asian American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hispanic American Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hispanic American Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Hispanic American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Native American Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Native American Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Native American	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total MBE Procurement	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WBE Total (Male/Female Minority)	0	0	564	0	0	0	0	0	0	0	0	0	0	564
WBE Total (Non-Minority Female)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total MBE & WBE Procurement	0	0	564	0	0	0	0	0	0	0	0	0	0	564
Total Unknown Status Procurement (1)	0	0	264,385	0	0	0	24,979	0	0	0	24,958	0	0	314,322
Total Non-Fuel Procurement(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Utility Purchases														
0														
Total Fuel and Purchased Power Procurement (electric only)														
408,904														

(1) Vendors for whom HUB status is not directly known. (2) Expenditures for goods and services from vendors not including wages, benefits, and other non-negotiable goods and services such as taxes and postage. Includes MBE/WBE and

Reporting Period: Oct. 1, 2005 through Sep. 30, 2006
 Address: P O Box 300
 City: Spur, Texas 79370
 Reporting Date: December 23, 2006
 Contact person: Tonya Kelsey
 State: TX Zip: 79370
 Phone: 806-271-3336 Fax: 806-271-3601

To be filed by a utility which has more than 1,000 customers in a state other than Texas, or which purchases more than 10% of its goods and services from vendors not located in Texas.
<http://www.puc.state.tx.us/telecomm/forms/hub/SinUnNonTxHubRpt.xls> Small Utilities (OT)

SMALL UTILITIES HUB USE REPORT (Texas purchases)
 Utility: Cap Rock Telephone Cooperative Inc

MBE Procurement	Construction		Commodities		Other Services		Professional		Major Equipment		Other		Total HUB	
	Expenditures		Expenditures		Expenditures		Expenditures		Expenditures		Expenditures		Expenditures	
African American	0		0		0		0		0		0		0	
Male	0		0		0		0		0		0		0	
Female	0		0		0		0		0		0		0	
Total	0		0		0		0		0		0		0	
Asian American	0		0		0		0		0		0		0	
Male	0		0		0		0		0		0		0	
Female	0		0		0		0		0		0		0	
Total	0		0		0		0		0		0		0	
Hispanic American	0		0		0		11,250		0		0		11,250	
Male	0		0		0		11,250		0		0		11,250	
Female	0		0		0		0		0		0		0	
Total	0		0		0		11,250		0		0		11,250	
Native American	0		0		0		0		0		0		0	
Male	0		0		0		0		0		0		0	
Female	0		0		0		0		0		0		0	
Total	0		0		0		0		0		0		0	
MBE Total (Male/Female Minority)	0		0		0		11,250		0		0		11,250	
WBE Total (Non-Minority Female)	20,473		0		0		19,496		0		0		39,969	
Total MBE & WBE Procurement	20,473		0		0		30,745		0		0		51,219	
Total Unknown Status Procurement (1)	0		0		0		0		0		113,243		113,243	
Total Non-Fuel Procurement(2)	0		0		0		0		0		0		591,934	
Total Utility Purchases													0	
Total Non-Fuel, Fuel, and Purchased Power Procurement													591,934	

(1) Vendors for whom HUB status is not directly known. (2) Expenditures for goods and services from vendors not including wages, benefits, and other non-negotiable goods and services such as taxes and postage. Includes MBE/WBE and

Reporting Period: Oct. 1, 2005 through Sep. 30, 2006
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