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FORM 1001

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WORKFORCE AND SUPPLIER DIVERSITY FORM
WORKFORCE DIVERSITY
Project No. 30240

Occupational Categories
 FILING ORDER

Occupational Categories	Combined Total	NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR															
		Company Totals		Caucasian				African American				Hispanic		Asian		American Indian	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Officials and Managers	5	4	1	3	1	1											
Professionals																	
Technicians	3	3		3													
Sales Workers																	
Office and Clerical	12	2	10	2	9												1
Craft Workers (Skilled)	11	11		9		2											
Operatives (Semi-skilled)																	
Laborers (Unskilled)	4	4		3		1											
Service Workers																	
Previous Year Totals	35	24	11	20	10	4	0	0	0	0	0	0	0	0	0	1	0
This Year Totals	35	24	11	20	10	4	0	0	0	0	0	0	0	0	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.

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**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)	0.0000%	0.0000%	%
Commodities Contracts (4)	0.0000%	0.0000%	%
Other Services (5)	10.0000%	9.1150%	-8.85%
Professional Services Contracts (6)	0.0000%	0.0000%	%
Major Equipment (7)	0.1000%	0.1274%	27.40%
Other (8)	9.6000%	8.2235%	-14.34%

- (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.

Five Year Plan to Enhance Workforce Diversity

SOUTHWEST ARKANSAS TELEPHONE COOPERATIVE

Introduction

As a Cooperative, Southwest Arkansas Telephone Cooperative was organized and chartered to provide telecommunications services to one rural Texas exchange. The remainder and majority of our service area is in Arkansas. As citizens living and as a business operating within the community we serve, the management and employees of the Cooperative continue to seek opportunities to improve in the areas of diversifying the workforce and utilizing the products and services of small and historically underutilized businesses. However, our greatest commitment is to employ and purchase within the community we serve when and where possible.

Since we serve only 9% of our total access lines in Texas, we purchase the majority of goods and services outside of Texas. However, we do contract with some Texas businesses as shown on the attached HUB report. We also employ 15 employees who live in the state of Texas and whose work benefits both our Texas exchange as well as our Arkansas exchanges. Southwest Arkansas Telephone Cooperative is a small business with a total of 35 employees and very low employee turnover. All of our 35 employees report to work at our Arkansas headquarters.

Thus, our Five-Year Plan to Enhance Workforce Diversity includes our present position with regard to the diversity of our workforce and our utilization of small and historically underutilized businesses. Southwest Arkansas Telephone Cooperative's Five-Year Plan also incorporates guidelines we are implementing within our company's corporate policy to maintain and improve our efforts in these two areas.

*Five Year Plan to Enhance Workforce Diversity
Southwest Arkansas Telephone Cooperative, Inc*

I. Plan

Performance with regard to workforce diversity and contracting with small and historically underutilized businesses.

Exhibit 1 illustrates the current status of Southwest Arkansas Telephone Cooperative's workforce diversity. Exhibit 2 outlines the procurement amounts expended with businesses meeting the definition of or certified by the state as historically underutilized businesses (HUB's) and businesses that are non-HUB businesses but meet the definition of small business as defined in the Texas Government Code. Exhibit 2 includes figures as reported to the Public Utility Commission of Texas as of September 2007. A copy of the official HUB report is attached for your reference.

II. Initiatives that will be pursued over the next five years

The Cooperative has identified the following goals or initiatives to reflect its objectives in the areas of employment, procurement and business activities.

- A. Southwest Arkansas Telephone Cooperative maintains a commitment to employ a diverse workforce with great emphasis placed on recruiting, training, and employing individuals with the education and skills needed from within the local community. Currently, there are 8 employees who live in Southwest Arkansas Telephone Cooperative's service area.
- B. Southwest Arkansas Telephone Cooperative strives to utilize historically underutilized businesses (HUB's) for the procurement of goods and services, especially when the HUB is affiliated or located within its local or surrounding communities. As previously stated, we serve only 9% of our total access lines in the state of Texas and make the majority of purchases outside of Texas. The Cooperative strives to be aware of the availability of certain products, services and businesses that qualify under the HUB products and services.
- C. Southwest Arkansas Telephone Cooperative also aims to utilize small businesses other than those defined as HUB's in the procurement of goods and services. With the company's emphasis on utilizing and promoting local and surrounding area business economic growth, the Cooperative plans to continue its involvement in local, county, and state organizations that promote the use of small businesses.

*Five Year Plan to Enhance Workforce Diversity
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III. List of programs and activities to achieve the initiatives

- A. Employ a diverse workforce emphasizing local community employment.
1. Contact local educational institutions and make them aware of any employment opportunities available for minority and female students.
 2. Make available work related training to employees.
 3. Utilize Texas small businesses other than HUB businesses in the procurement of goods and services.

IV. List of business partnerships initiatives undertaken to facilitate small business and historically underutilized business entry into the telecommunications market.

At this time, Southwest Arkansas Telephone Cooperative is not engaged in any business partnerships or joint ventures that facilitate small business and HUB entry into the telecommunications market. Initiatives in this area will be taken under consideration by the management and Board.