



Control Number: 30240



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PUBLIC UTILITY COMMISSION
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December 21, 2004

Public Utility Commission of Texas
ATTN: Central Records
P. O. Box 13326
Austin, TX 78711-3326

CERTIFIED MAIL
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RE: Project No. 30240

In accordance with Texas Public Utility Commission Substantive Rule § 26.85, enclosed is the original and three copies of Time Warner Cable – Austin Division's Annual Progress Report on Workforce Diversity for the previous four quarters ending Sept. 30, 2004.

This report illustrates the progress made to enhance supplier and workforce diversity of Time Warner Cable in Central Texas.

Should you have any questions, please contact Patty Gonzales, Government Affairs Manager at (512) 485-6232.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Lidia Graciela Agraz'.

Lidia Graciela Agraz
Vice President, Government and Public Affairs

Enclosures

**WORKFORCE AND SUPPLIER DIVERSITY FORM
WORKFORCE DIVERSITY**

Occupational Categories	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		
Officials and Managers	145	107	38	89	25	3	15	9	0	1	0	0		
Professionals	87	55	32	47	23	2	5	5	1	2	0	0		
Technicians	170	151	19	100	15	8	39	3	2	1	2	0		
Sales Workers	81	57	24	41	17	7	6	5	3	0	0	0		
Office and Clerical	326	89	237	41	89	8	40	112	0	5	0	4		
Craft Workers (Skilled)	171	167	4	80	2	16	67	1	3	1	1	0		
Operatives (Semi-skilled)	137	134	3	71	3	17	46	0	0	0	0	0		
Laborers (Unskilled)	0	0	0	0	0	0	0	0	0	0	0	0		
Service Workers	1	1	0	0	0	0	1	0	0	0	0	0		
Previous Year Totals	996	652	344	414	175	50	176	122	10	9	2	4		
This Year Totals	1118	761	357	469	174	61	219	135	9	10	3	4		

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

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.

Construction Contracts (3)	25.0000%	40.0000%	60.00%
Commodities Contracts (4)	28.0000%	35.0000%	25.00%
Other Services (5)	20.0000%	19.0000%	-5.00%
Professional Services Contracts (6)	47.0000%	83.0000%	76.60%
Major Equipment (7)	10.0000%	10.0000%	0.00%
Other (8)	14.0000%	17.0000%	21.43%

(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.

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

- (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:

Workforce Diversity Initiatives

Time Warner Cable-Austin Division is committed to supporting EEO efforts that illustrate workforce diversity as follows:

- Job postings are sent to several outreach agencies throughout Central Texas to ensure the company attracts a diverse pool of candidates including women and minorities.
- The Austin Division participates in several career fairs that target women, minorities, and individuals with disabilities as follows:

-Huston-Tillotson College Career Fair (predominantly African-American student population)

-Greater Austin High School Career Fair (targets disadvantaged populations in Travis County)

-University of Texas, School of Communications Career Fair (targets diverse students)

-Southwest Texas University Career Fair (targets diverse students)

-St. Edwards University Career Fair (targets diverse students)

-Capital IDEA Job Fair (targets disadvantaged Central Texas population)

-Capital Area Training Foundation and Austin Chamber of Commerce Job Fair (targets diverse high school and college students)

-Goodwill Industries Career Fair (targets disadvantaged, disabled, and chronically unemployed Central Texas population)

-Asian American Journalist Association Conference (targets Asian population for jobs in the news)

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

industry)

-National Association of Hispanic Journalists Conference (targets Hispanic population for jobs in the news industry)

-National Association of Black Journalists Conference (targets Black population for jobs in the news industry)

-Gary Job Corp Career Fair (targets disadvantaged Central Texas population)

-Austin Area Urban League Sponsored Events (targets diverse Central Texas population)

-Texas Workforce Center Job Placement Events (targets diverse and chronically unemployed Central Texas population)

-Re-employment Center Fair (targets disadvantaged Central Texas population)

-Texas School for the Blind Recruitment Events (targets sight impaired Central Texas population)

-Texas School for the Deaf Recruitment Events (targets hearing impaired Central Texas population)

-Time Warner Cable Direct Sales Open Houses (advertisements for open houses focus on women and minorities)

-Rural Area Job Club (targets diverse and chronically unemployed Central Texas population)

- Time Warner Cable-Austin Division human resources staff regularly conducts skills workshops at outreach agencies, learning centers, and high schools on resume writing, interviewing skills, and the overall job searching process.
- Time Warner Cable-Austin Division sponsors a summer internship program called the STARs Program. The mission of this corporate-sponsored internship program is *to develop and mentor top-tier diverse students nationally*

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

in entertainment, news, media and telecommunications industries by preparing students for corporate and community leadership. The emphasis of this program is to focus on increasing diversity company-wide.

- Time Warner Cable-Austin Division completes an annual Affirmative Action report for the City of Austin. In this report, the company focuses on its progress in placing women and minorities in open positions. Based on the company's progress, development goals are established to correct any underutilized areas.
- Time Warner Cable-Austin Division conducts an analysis of EEO data which includes a review of the division's adverse impact report. EEO and related data is compiled by the company's HRIS system and distributed to each division on a semi-annual basis. The Austin Division uses this data to measure current progress, determine areas of underutilization, and develop recruitment goals to improve deficient areas.
- Several members of the Time Warner Cable-Austin Division's human resources staff are involved in organizations as follows:
 - Capital IDEA-An outreach organization that focuses on career development and job placement of women, minorities, disabled persons, and the educationally and economically disadvantaged.
 - Texas Recruiter's Association-A Central Texas association whose vision is three-fold in assisting disadvantaged populations.
 - 1) Increase the number of qualified minority referrals to public and private sector agencies and companies.
 - 2) Increase communications between various public and private sector organizations, colleges and universities, and community-based groups on a state-wide basis.
 - 3) Provide continued education regarding hiring practices and procedures and increase the number

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of minorities and women hired in the State of Texas.

-Austin Human Resources Management Association (AHRMA) is a *premier association driving the human resource profession to a position that is critical to organizational success. We develop professionals and provide opportunities to contribute to each other, our organizations and our communities.*

-Society of Human Resource Management (SHRM) serves the needs of the human resource management professional by providing the most essential and comprehensive set of resources available. In addition, the Society is committed to advancing the human resource profession and the capabilities of all human resource professionals to ensure that HR is an essential and effective partner in developing and executing organizational strategy.

Supplier Diversity Initiatives

Time Warner Cable's supplier diversity mission is to develop a growing portfolio of viable, competitive businesses owned by certified minorities, non-minority women that will enable Time Warner, Inc. to increasingly utilize a supplier base which truly reflects the diversity of its customer base. In support of the company's mission, the Austin Division works closely with its corporate counterparts to establish initiatives that leverage supplier diversity at the divisional level. The following initiatives have been developed to foster business relations with diverse suppliers.

- 1) Vendor lists are obtained from local government agencies such as cities and utility companies as well as private organizations such as chambers of commerce. Human Resources assists in obtaining these resources for use within the division. These lists will be made available to all individuals in a purchasing capacity to actively pursue these vendors.
- 2) Accounts payable sends out inquiry letters on a regular basis to all new vendors to capture any unsolicited or unknown minority and female vendors.
- 3) Purchasing managers actively solicit minority and female

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

entrepreneurs through community involvement, networking and referral.

4) Public relations, programming and human resources actively promote minority and female organizations through advertising, recruitment and career fairs, monetary and in-kind support, and promotion.

5) Division purchasing managers are held accountable for the support of division efforts to actively recruit and utilize minority and female entrepreneurs for business operations goods and services.

6) Vendor type and expenditures are tracked in the accounts payable system by established codes. Corporate purchasing prepares a quarterly reconciliation by division for review of total expenditures by quarter and on an annual basis.

7) Human Resources provides support to the division to ensure communication and compliance with regulatory issues.

8) Time Warner Inc. has a task force made up of a cross functional team of change agents who are major purchasers of the company and or assist the supplier diversity initiative through their managed resources. The goal of this team is to assist each division with attaining diversity supplier goals through communication of events such as chamber of commerce conferences as well as providing information on available vendors and suppliers via an up-to-date, online supplier listing.

9) Time Warner Inc. has established a minority and women-owned business development program that assists divisions in purchasing goods and services from quality-and-price competitive suppliers owned by minority group members and women. This program also assists minority-owned businesses in becoming competitive sources of supply through such strategies as mentoring, joint ventures, strategic alliances, vendor subcontracting and/or financial assistance.

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2. Make an assessment of the success of each of the specific initiatives, programs, and activities listed above:

Regarding the division's **workforce diversity initiatives**, it is unrealistic to assess the success of each specific initiative, as the focus of the division's recruitment action plan is to utilize several initiatives in concert to produce the division's established diversity goals.

The division has developed a recruitment action plan which provides a strategic approach to attaining diversity hiring goals. This plan is reviewed each year and new initiatives are developed and/or revised to ensure the division is provided with the most effective and efficient tools to attain annual hiring goals. An analysis is conducted each quarter to ensure the division is progressing as planned with regards to attracting qualified candidates to promote positive change in target areas.

In addition, several reports are conducted each year to monitor diversity goals and establish new initiatives to positively impact areas of underutilization. For example, as a federal contractor, the division is responsible for completing an affirmative action plan each year. Under this plan, the division conducts a detailed study of the number of minorities and females per EEO job category. If underutilizations are discovered in a job category, the division develops a realistic yet aggressive recruitment action plan to positively affect change in each underutilized area(s).

The success of the division's action plan is monitored on a semi-annual basis when the division conducts a thorough analysis of its workforce. In this analysis, workforce demographics, trend graphs, workforce diversity reports, adverse impact and terminations are studied and a detailed report is completed to ensure the division is actively pursuing opportunities to bring any area(s) of underutilization within parity given the Austin-area available workforce.

Further, the division completes an annual analysis for the City of Austin which reports on the division's progress in recruiting minorities and females to open positions throughout the year. This report allows the division to review its success from year to year in attaining parity of minorities and females within established EEO job categories (i.e., *officials and managers, sales, office and clerical*).

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Collectively, the aforementioned reports, provide the division with a detailed assessment of the success of its workforce diversity initiatives. The division will continue to utilize a similar approach going forward, as it has proved successful in previous years.

Regarding the division's **supplier diversity initiatives**, it is unrealistic to assess each initiative as mentioned above. The division's approach to attaining goals in this area focus on utilizing all initiatives collectively to achieve appreciable results. Given that, vendor type and expenditures are tracked in the accounts payable system by established codes which allows the division to run reports as necessary to assess minority/female vendor usage. In addition, corporate purchasing prepares a quarterly reconciliation by division for review of total expenditures as well as a report to show annual usage and expenditures by division.

Also, human resources receives a minority vendor report which provides detail on minority and female expenditures for the last four EEO reporting periods. With this data, human resources can quickly review positive change as well as determine target areas. Further, corporate provides a report that shows four year's of minority and female vendor usage history. This report is helpful in analyzing trend data and areas of positive change.

In addition, the division actively utilizes corporate's task force to establish new approaches to soliciting business from minority and female vendors. Together, these approaches have proven effective in developing new strategies to establish business relations with minority and female suppliers.

To date, the division has experienced success in using a combination of the aforementioned reports to ensure supplier diversity initiatives are met each year.

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:

Regarding **workforce diversity initiatives**, the division will continue to utilize its recruitment action plan to ensure hiring goals are met each year.

In addition, the division will continue to post all open positions with outreach agencies in Central Texas to ensure the company attracts a diverse pool of candidates including women and minorities. Also, the division will continue to participate in a host of career fairs, open houses and recruitment events with the organizations mentioned beforehand.

Partnerships with various agencies will be maintained and human resources personnel will continue to conduct skills workshops and resume writing classes at learning centers and job placement centers.

The STAR summer internship program will continue in 2005 and the emphasis, once again, will be *to develop and mentor top-tier diverse students in entertainment, news, media and telecommunications industries by preparing students for corporate and community leadership.*

The division will continue to monitor its workforce diversity by analyzing data on a quarterly, semi-annual and annual basis to ensure diversity initiatives are providing the division with the progress it anticipates given the recruitment goals it has set for the year. Furthermore, the human resources staff will continue their involvement in organizations such as the Texas Recruiter's Association, Capital IDEA, and AHRMA to enhance their strategies in attracting qualified, diverse candidates to applicant pools.

Finally, the division will continue to identify and build relationships with outreach agencies. In 2004, the division realized a 30% increase in the number of minority placement agencies working with the company.

Regarding **supplier diversity initiatives**, the division will continue to develop its portfolio with competitive businesses owned by minorities and women. In doing so, the division will continue to seek out new suppliers through community involvement, networking and referrals. In addition, public relations, programming and human resources will continue to actively promote minority and female organizations through advertising, recruitment and career fairs, monetary and in-kind support, and promotion.

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Furthermore, accounts payable will continue to send out inquiry letters on a regular basis to all new vendors to capture any unsolicited or unknown minority and female vendors. Also, vendor lists will continue to be obtained from cities, utilities and privately owned organizations. Moreover, purchasing managers will continue to be held accountable for supporting the division's efforts to actively pursue and utilize minority and female suppliers.

Finally, human resources will continue to provide support to ensure communication and regulatory compliance. And, the division will continue to utilize corporate's diversity task force as well as the business development program to attain its diversity supplier goals.

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

Regarding **workforce diversity initiatives**, the division is within 100% parity with regards to hiring minorities to both the upper four EEO categories as well as the total workforce. In more detail, the external population for total minorities in the upper four EEO categories is 26.09%; the division currently employs 28.24%. Moreover, regarding the total population of externally available minorities, which is 39.74%, the division employs 42.49%.

Regarding females, the division continues to maintain a passing score with an internal female population of 31.93% (Austin area available female workforce 43.45%). The passing score is defined as meeting 50% of external availability. The division also maintained a passing score with regards to the percentage of females employed in the upper four EEO categories (23.40%). The percentage of available female workers in the upper four EEO categories in the Austin area is 39.32%. The division has reviewed the underutilizations and has set realistic, yet aggressive goals to affect positive change in these areas.

Regarding **supplier diversity initiatives**, in 2004, minority, female and small business vendors accounted for approximately 5% of all business expenditures. The division continues to solicit business with minority, female and small businesses by utilizing the supplier diversity initiatives discussed previously to meet its operations needs and expects comparable results in 2005.