

INTRODUCTION

In the past, tw telecom holdings inc. submitted its Annual Report (“Report”) and Annual Plan (“Plan”) to the Public Utilities Commission of California (“CPUC”) pursuant to Sections 8281-8286 of the Public Utilities Code and Sections 9 and 10 of General Order 156 (“GO 156”). On October 31, 2014, tw telecom holdings inc. was acquired by Level 3 Communications and subsequently was converted to a limited liability company. As a result, tw telecom holdings, llc, formerly known as tw telecom holdings inc. (“**tw telecom**”) is submitting its Annual Report to the CPUC to close out its obligations under the 2014 Plan. Separately, Level 3 Communications LLC (“Level 3”) will be submitting its proposed 2015 Plan to the CPUC. Therefore, this Report will only provide the 2014 actual spend by tw telecom in support of CPUC – GO 156. Upon completion and acceptance of this 2014 Report, **tw telecom** will no longer be submitting Reports and Plans to the CPUC.

GO156, §9 2014 ANNUAL REPORT

9.1.1 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES ENGAGED IN DURING THE PREVIOUS CALENDAR YEAR. THIS DESCRIPTION SHALL INCLUDE BOTH INTERNAL AND EXTERNAL ACTIVITIES.

Internal Activities

Training and Education

As reported in prior year Plans, **tw telecom** implemented systemic tools to support procurement policy and to control the procure-to-pay processes. **tw telecom** provided formal training and education on a continuous basis to its employees on the Procurement policies and available systems inclusive of (i) PeopleSoft Financials v9.1, (i) electronic data exchange (“EDI”), and (iii) B2B supplier portal programs. The functionality included eRFQ, which provided systemic capabilities to select and include small and diverse businesses within the sourcing and selection process. Training and system access was delivered as a company-wide requirement to persons involved in the selection of suppliers and purchasing decisions. The training reinforced the company’s Supplier Diversity, Due Diligence and Procurement Policies and explained the PeopleSoft Financials automated controls. Field Sales, Engineering, and Operations leaders as well as corporate Procurement, Contracting, Purchasing, Engineering, Operations, IT, and Accounting personnel received this training via targeted webcasts, conference calls and a web based training tool. Many of these groups developed national standards, companywide specifications, and made purchasing decisions that affected all of the company’s local markets. By targeting these groups, the company helped drive a larger percentage of **tw telecom’s** spending toward diverse enterprises by raising the visibility of changes to the company’s supplier diversity goals, increasing their understanding of **tw telecom’s** commitment to meeting state and federal WMDVBE objectives, and training them on the opportunities to more easily identify WMDVBE suppliers, which meant they could more effectively implement the company’s goals. The training was a requirement for on-boarding purchasing decision makers within the field organizations, Sales, Offer Management and other corporate departments. Follow-on/reinforcement training was provided through emails, conference calls and knowledge sharing sessions.

Employee Communication

tw telecom maintained and updated its internal procurement and diverse supplier webpages on its intranet and www.twtelecom.com sites. These webpages provided all employees access to the company's diversity plans, procurement policies, internal supplier diversity program contacts, and supplier lists inclusive of existing and potential diverse suppliers. Employees were encouraged to use these supplier lists when identifying participants for bids. The company website (now MyConnect) helped increase small and diverse supplier opportunities by providing decision makers with access to new and expanded bidder lists - as well as lists of diverse vendors currently in use and available for new bids. Information was also posted to the site, and updated throughout the year, for those employees wishing to attend minority business enterprise opportunity workshops and trade fairs. Additionally, **tw telecom** sent targeted email correspondence to, and had market specific discussions with, field organizations to raise awareness of upcoming Supplier Diversity event opportunities and reinforce plan requirements for the year.

Data Quality and Reporting

tw telecom continued its efforts to improve the company's WMDVBE data quality by maintaining its existing vendor records and loading new vendor records with diversity information. **tw telecom** continued to use the enhancements that were instituted as part of the v9.1 PeopleSoft upgrade to the company's Accounts Payable and Reporting system. Additional improvements were implemented in the form of a mechanized vendor set-up submittal process. These enhancements helped the company set meaningful goals, track accomplishments, review credible vendor spend data, and fully validate the WMDVBE program's success.

In addition to implementing and utilizing improved reporting capabilities through the implementation of the B2B supplier portal and EDI functionality, **tw telecom** sought to improve the accuracy of its vendor data by contacting its purchase order vendors to request up-to-date information. A survey was conducted in the summer of 2014 to solicit information updates of **tw telecom's** current vendor base. The updates were applied to the existing vendor records to improve the accuracy of reporting information. Additionally, **tw telecom** compared its database against the CPUC's and Ariba's supplier diversity files for validation of vendor diversity status and classifications. **tw telecom** continued to maintain and improve vendor information as well as develop reports to consistently meet various federal, state, and local reporting requirements.

Procurement Processes

The Supplier Diversity Team continued to meet with representatives of key corporate departments including Accounting, Legal, Engineering, Program Management, Finance, and Accounting, as well as representatives of Field Organizations including Sales and Operations, to review processes and approaches to identify opportunities for improvement. The goal was to more seamlessly incorporate the identification, inclusion, and selection of diverse suppliers into the company's operations. The team also assessed methods to best identify varying needs of the soliciting entities so that the Supplier Diversity Team could more quickly evaluate and implement those requirements. **tw telecom's** objective was to consolidate the solicitation,

ordering and reporting efforts and processes to make them more efficient so that the company could focus more time on expanding the diverse supplier base. In that vein, as part of the B2B supplier portal implementation, **tw telecom** developed an automated mechanism to manage requests for quotation that was implemented in 2014. As part of the PeopleSoft Financials v9.1 implementation, **tw telecom** instituted an automated workflow that routes all requisitions in excess of \$100k for buyer review and validation of supplier diversity due diligence. Submission of justification supporting the award of business to a non-diverse supplier is required as part of this workflow and due diligence process. Reporting tools were reevaluated and updated to help streamline the quarterly analysis and annual reporting processes.

Other activities included maintaining and revising language in all of the company's RFP/Bid and Contract documents to ensure that the most up-to-date disclosure requirements and flow down provisions are included.

Tier 2 Program

tw telecom continued to improve upon its Tier 2 reporting criteria. The company recognizes the importance of tracking this spend and developing WMDVBE business through its prime contractors. **tw telecom** worked principally with its large, non-diverse, high-spend suppliers to enhance its Tier 2 reporting process and tools by educating them on the need for diversity in their supply chains and requesting reports quarterly to reflect their direct and indirect diverse spend. .

tw telecom continued to identify and implement new opportunities and expand business with WMDVBE subcontractors as a result of work with prime contractors. While supporting the Tier 2 program, **tw telecom** has identified opportunities to provide suppliers with guidance on becoming certified as a diverse supplier or expanding their company's diversity opportunities. Additionally, **tw telecom** continued to engage its prime contractors in discussions on partnering opportunities for their diverse authorized resellers to provide services to **tw telecom**.

Although we encourage our suppliers to have their sub-contractors certified through the CPUC Clearinghouse, vendors self-report their Tier 2 activity and it is not independently verified.

External Activities

Business Organization Involvement.

- **tw telecom** is a member of and involved with the Mountain Plains Minority Supplier Development Council ("MPMSDC").
- The company attended WMDVBE Business Opportunity Workshops, Minority Business Enterprise Seminars and Trade Fairs.
- The company attended Minority, Women-owned, and other diverse business/procurement conferences including the SDC Business Opportunity Fair and seminars related to WMDVBE opportunities and the Supplier Diversity Development Roundtable.
- **tw telecom** participated in seminars and tradeshow offered by the MPMSDC, Ethnic

Business Associations and/or Ethnic Chambers.

- **tw telecom's** public sector sales organization has a membership with, and participates in, events hosted by the ACT-IAC.

Technical Assistance/Capacity Building

tw telecom was not of the same size and scale as those companies that have proactive Technical Assistance and Capacity Building programs and therefore did not have separate expenditures in this regard. **tw telecom** continued its outreach through participation in supplier diversity networking events, seminars, conferences, and in its daily course of business by educating new diverse suppliers on how to navigate **tw telecom's** approved-vendor set up processes and existing suppliers on how to grow their opportunities with tw telecom.

9.1.2 A SUMMARY OF WMDVBE PURCHASES AND/OR CONTRACTS, WITH BREAKDOWNS BY ETHNICITY, PRODUCT AND SERVICE CATEGORIES COMPARED WITH TOTAL UTILITY CONTRACT DOLLARS AWARDED TO OUTSIDE VENDORS IN THOSE CATEGORIES.

Supplier Diversity Annual Results by Ethnicity – California Direct and Tier 2 (Sub)

		2014			
		Direct \$	Sub \$	Total Direct and Sub\$	%
MBE (Men only)	Asian-Pacific	\$ 341,501	\$ 27,225,481	\$ 27,566,982	0.62%
	Black	\$ -	\$ 88,278,175	\$ 88,278,175	0.00%
	Hispanic	\$ 1,515,045	\$ 44,190,165	\$ 45,705,210	2.76%
	Native-American	\$ -	\$ 1,253,649	\$ 1,253,649	0.00%
	Other (Minority Only)	\$ 121,282	\$ 29,289,615	\$ 29,410,897	0.00%
	Total Minority Men	\$ 1,977,828	\$ 190,237,085	\$ 192,214,912	3.60%
WBE	Asian-Pacific	\$ 243,341	\$ 6,026,712	\$ 6,270,053	0.44%
	Black	\$ -	\$ 3,518,346	\$ 3,518,346	0.00%
	Hispanic	\$ 243,341	\$ 8,485,712	\$ 8,729,053	0.44%
	Native-American	\$ -	\$ 13,599,450	\$ 13,599,450	0.00%
	Other	\$ 108,754	\$ 65,667,260	\$ 65,776,014	0.20%
	Total Women	\$ 595,436	\$ 97,297,480	\$ 97,892,916	1.08%
DVBE	Disabled Veteran Owned - MEN	\$ -	\$ 10,130,980	\$ 10,130,980	0.00%
	Disabled Veteran Owned - WOMEN	\$ -	\$ 246,743	\$ 246,743	0.00%
	Total DVBE	\$ -	\$ 10,377,723	\$ 10,377,723	0.00%
Minority Business Enterprise (MBE-MEN only)		\$ 1,977,828	\$ 190,237,085	\$ 192,214,912	3.60%
Women Business Enterprises (WBE)		\$ 595,436	\$ 97,297,480	\$ 97,892,916	1.08%
Subtotal Minority, Women Business Enterprise (MWB)		\$ 2,573,264	\$ 287,534,565	\$ 290,107,828	4.68%
Service Disabled Veteran Business Enterprise (DVBE)		\$ -	\$ 10,377,723	\$ 10,377,723	0.00%
TOTAL MWDVBE		\$ 2,573,264	\$ 297,912,288	\$ 300,485,551	4.68%
Gross Procurement		\$ 54,958,319			
Exclusions					
Net Procurement		\$ 54,958,319			
<p>Note: Gross and Net Procurement are based on tw telecom CA Direct spend only (less employee, carrier, utility and tax spend). Therefore, the percentage calculation is derived from Direct Spend/Net Procurement. Sub Gross Procurement and Net Procurement is excluded from this total, since we have no means of validating Tier 2 spending under CA specifically.</p>					

Supplier Diversity Procurement by Products and Services Category - California Direct

2014 Diversity Spend Report for CA, PUC General Order 156								
Based on CA Spend only - Excludes CC, EM, UT & TD			Products		Services		Total	
Men	Asian	Direct	\$ 327,405.42	3.3%	\$ 14,095.58	0.0%	\$ 341,501.00	0.6%
	African American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Hispanic	Direct	\$ 1,388,461.52	13.9%	\$ 126,583.00	0.3%	\$ 1,515,044.52	2.8%
	Native American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Disabled Veteran Owned	Direct	\$ -	0.0%	\$ -	0.1%	\$ -	0.0%
	Other Diverse Classifications	Direct	\$ 66,381.39	0.7%	\$ 54,900.61	0.1%	\$ 121,282.00	0.2%
	Total Diverse Men	Direct	\$ 1,782,248.33	17.8%	\$ 195,579.19	0.4%	\$ 1,977,827.52	3.6%
Women	Asian	Direct	\$ 243,090.94	2.4%	\$ 250.06	0.0%	\$ 243,341.00	0.4%
	African American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Hispanic	Direct	\$ 243,090.94	2.4%	\$ 250.06	0.0%	\$ 243,341.00	0.4%
	Native American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Disabled Veteran Owned	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Other Diverse Classifications	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Women-Owned (non-minority classifications)	Direct	\$ 70,441.92	0.7%	\$ 38,312.08	0.1%	\$ 108,754.00	0.2%
Total Diverse Women	Direct	\$ 556,623.80	5.6%	\$ 38,812.20	0.1%	\$ 595,436.00	1.1%	
Total Minority Business (MBE)			\$ 2,268,430.21		\$ 196,079.31		\$ 2,464,509.52	4.5%
Women Business (WBE)			\$ 70,441.92		\$ 38,312.08		\$ 108,754.00	0.2%
Subtotal Woman, Minority Business Enterprise (MWBE)			\$ 2,338,872.13		\$ 234,391.39		\$ 2,573,263.52	4.7%
Service Disabled Veteran (DVBE)			\$ -		\$ -		\$ -	0.0%
Total WMDVBE			\$ 2,338,872.13	23.3%	\$ 234,391.39	0.5%	\$ 2,573,263.52	4.7%
Total California Spend			\$ 10,017,260.53		\$ 44,941,058.48		\$ 54,958,319.01	
Total WMDVBE by Category								
Asian		\$ 584,842.00	1.06%					
African American		\$ -	0.00%					
Hispanic		\$ 1,758,385.52	3.20%					
Native American		\$ -	0.00%					
Disabled Veteran Owned		\$ -	0.00%					
Other Diverse Classifications		\$ 121,282.00	0.22%					
Women Owned		\$ 108,754.00	0.20%					
Total WMDVBE		\$ 2,573,263.52	4.68%					
CONFIDENTIAL:								
The information in this report is confidential and proprietary to tw telecom.								
Disclosure is strictly prohibited without prior written approval from tw telecom.								

Percentages for "Products" expenditures are WMDVBE expenditures compared to "Total Product Procurement" expenditures. Percentages for "Services" expenditures are WMDVBE expenditures compared to "Total Services Procurement" expenditures. Percentages for "Total" expenditures are WMDVBE expenditures compared to "Net Procurement" expenditures.

Note: *tw telecom* instituted a new reporting standard in 2013 that is driven by account coding that was carried over into 2014.

Supplier Diversity Procurement Contracts

Category	Total WMDVBE Vendors with Contracts	Total \$ Attributable to WMDVBEs with Contracts	Total WMDVBE Vendors Receiving Direct Spend	WMDVBE Vendors with Majority Workforce in CA
Asian	2	\$ 572,106.36	3	
African American	0	\$ -	0	
Hispanic	6	\$ 1,185,915.95	8	
Native American	0	\$ -	0	
Disabled Veteran Owned	0	\$ -	0	
Other Diverse Classifications	2	\$ 67,565.14	3	
Women Owned (non Diverse)	2	\$ 22,249.06	3	
Women Owned (Diverse)	1	\$ 243,340.94	1	

tw telecom's OFCCP AAP obligations included only applicants for employment and employees. AAP obligations do not require tracking of diversity in **tw telecom's** supplier base, therefore there is no mechanism in place to track and include WMDVBE Vendors with majority workforce in CA.

Supplier Diversity Procurement by Products and Services Category - California Subcontract

		Products		Services		Total
		Direct	Indirect	Direct	Indirect	
MBE (MEN ONLY)	Asian-Pacific	\$4,436.68	\$15,888,214.87	\$0.00	\$11,332,829.46	\$ 27,225,481.01
	Black	\$6,750.00	\$87,569,225.30	\$6,250.00	\$695,949.29	\$ 88,278,174.59
	Hispanic	\$0.00	\$38,478,600.99	\$7,645.00	\$5,703,919.03	\$ 44,190,165.02
	Native-American	\$0.00	\$53,040.43	\$0.00	\$1,200,608.40	\$ 1,253,648.83
	Other (Minority ONLY - Exclude Veteran-Owned and Small Business)	\$5,425.00	\$3,334,086.84	\$65,875.00	\$25,884,228.63	\$ 29,289,615.47
	Total Minority Men	\$ 16,611.68	\$ 145,323,168.43	\$ 79,770.00	\$ 44,817,534.81	\$ 190,237,084.92
WBE	Asian-Pacific	\$11,436.68	\$1,748,472.95	\$0.00	\$4,266,802.17	\$ 6,026,711.80
	Black	\$19,373.36	\$3,491,607.76	\$0.00	\$7,364.57	\$ 3,518,345.69
	Hispanic	\$38,746.72	\$6,706,067.04	\$0.00	\$1,740,898.51	\$ 8,485,712.27
	Native-American	\$107,988.44	\$13,410,907.96	\$33,650.00	\$46,903.50	\$ 13,599,449.90
	Other	\$262,733.98	\$57,365,444.56	\$0.00	\$8,039,081.57	\$ 65,667,260.11
	Total Minority Women	\$ 440,279.18	\$ 82,722,500.27	\$ 33,650.00	\$ 14,101,050.32	\$ 97,297,479.77
DVBE	Disabled Veteran Owned - MEN	\$0.00	\$998,854.90	\$7,242.00	\$9,124,883.53	\$ 10,130,980.43
	Disabled Veteran Owned - WOMEN	\$0.00	\$104,155.00	\$0.00	\$142,587.82	\$ 246,742.82
	Total DVBE	\$ -	\$ 1,103,009.90	\$ 7,242.00	\$ 9,267,471.35	\$ 10,377,723.25
Total Minority Business Enterprise (MBE Men Only)		\$ 16,611.68	\$ 145,323,168.43	\$ 79,770.00	\$ 44,817,534.81	\$ 190,237,084.92
Women Business Enterprises (WBE)		\$ 440,279.18	\$ 82,722,500.27	\$ 33,650.00	\$ 14,101,050.32	\$ 97,297,479.77
Subtotal Women, Minority Business Enterprise (MWBE)		\$ 456,890.86	\$ 228,045,668.70	\$ 113,420.00	\$ 58,918,585.13	\$ 287,534,564.69
Service Disabled Veteran Business Enterprise (DVBE)		\$ -	\$ 1,103,009.90	\$ 7,242.00	\$ 9,267,471.35	\$ 10,377,723.25
TOTAL WMDVBE		\$ 456,890.86	\$ 229,148,678.60	\$ 120,662.00	\$ 68,186,056.48	\$ 297,912,287.94
Gross Procurement				\$3,048,904,528.70		
Exclusions				\$614,269,705.84		
Net Procurement				\$ 2,434,634,822.86		
Total Net Product Procurement				\$1,599,473,974.32		
Total Net Service Procurement				\$1,047,458,389.28		
Net Procurement				\$ 2,646,932,363.60		

tw telecom WMDVBE Procurement SIC Code Legend:

SIC Cat.	SIC Category Description	SIC Cat.	SIC Category Description	SIC Cat.	SIC Category Description	SIC Cat.	SIC Category Description
14	Mining and Quarrying of Nonmetallic Minerals, Except Fuels	40	Railroad Transportation	64	Food Stores	96	Administration of Economic Programs
15	Building Construction General Contractors & Operative Builders	41	Local and Suburban Transit and Interurban Highway Passenger Transportation	65	Real Estate	97	National Security and International Affairs
16	Heavy Construction	42	Motor Freight Transportation and Warehousing	67	Holding and Other Investment Offices	99	Nonclassifiable Establishments
17	Construction Special Trade Contractors	43	United States Postal Service	70	Hotels, Rooming Houses, Camps, and Other Lodging Places		
20	Food and Kindred Products	44	Water Transportation	72	Personal Services		
21	Tobacco Products	45	Transportation by Air	73	Business Services		
22	Textile Mill Products	46	Pipelines, Except Natural Gas	75	Automotive Repair, Services, and Parking		
23	Apparel & Other Finished Products Made from Fabrics & Similar Materials	47	Transportation Services	76	Miscellaneous Repair Services		
24	Lumber and Wood Products, Except Furniture	48	Communications	78	Motion Pictures		
25	Furniture and Fixtures	49	Electric, Gas, and Sanitary Services	79	Amusement and Recreation Services		
26	Paper and Allied Products	50	Wholesale Trade-durable Goods	80	Health Services		
27	Printing, Publishing, and Allied Industries	51	Wholesale Trade-non-durable Goods	81	Legal Services		
28	Chemicals and Allied Products	52	Building Materials, Hardware, Garden supply, and Mobile Home Dealers	82	Educational Services		
29	Petroleum Refining and Related Industries	53	General Merchandise Stores	83	Social Services		
30	Rubber and Miscellaneous Plastics Products	54	Food Stores	84	Museums, Art Galleries, and Botanical and zoological Gardens		
31	Leather and Leather Products	55	Automotive Dealers and Gasoline Service Stations	86	Membership Organizations		
32	Stone, Clay, Glass, and Concrete Products	56	Apparel and Accessory Stores	87	Engineering, Accounting, Research Management, and Related Services		
33	Primary Metal Industries*	57	Home Furniture, Furnishings, and Equipment Stores	88	Private Households		
34	Fabricated Metal Products, Except machinery and Transportation Equipment	58	Eating and Drinking Places	89	Miscellaneous Services		
35	Industrial & Commercial Machinery & Computer Equipment	59	Miscellaneous Retail	91	Executive, Legislative, and General Government, Except Finance		
36	Electronic and Other Electrical Equipment and Components, Except Computer Equipment	60	Dispository Institutions	92	Justice, Public Order and Safety		
37	Transportation Equipment	61	Non-depository Credit Institutions	93	Public Finance, Taxation, and Monetary Policy		
38	Measuring, Analyzing, and Controlling Instruments; Photographic, Medical & Optical Goods; Watches & Clocks	62	Security and Commodity Brokers, Dealers, Exchanges, and Services	94	Administration of Human Resource Programs		
39	Miscellaneous Manufacturing Industries	63	Insurance Carriers	95	Administration of Environmental Quality and Housing Programs		

For the Detailed Results of Supplier Diversity Procurement by Standard Industry Codes

Please See Tables on Following Pages

Standard Industry Code 2014 WMDVBE California Spend Report

Supplier Diversity Procurement by Standard Industry Code - Detail																									
Calendar Year 2014																									
tw telecom holdings inc. CA Spend only(omit tax, carrier, utility & employee paygroups)																									
SIC Cat.	SIC Category Description	Asian		Black		Hispanic		Native-American		Disabled Veteran		Other		Total Minority Men	Total Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Subtotal Women, Minority Business Enterprise (WMBE)	Service Disable Veterans Business Enterprise (DVBE)	Total WMDVBE	Total Exp				
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women												
14	Mining and Quarrying of Nonmetallic Minerals, Except Fuels	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
15	Building Construction General Contractors & Operative Builders	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,077			
16	Heavy Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,270			
17	Construction Special Trade Contractors	\$ -	\$ -	\$ -	\$ -	\$ 1,125,246	27.89%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,214	\$ 3,086	\$ 1,130,460	28.02%	\$ 3,086	0.08%	\$ 1,130,460	28.02%	\$ 3,086	0.08%	\$ 1,133,546	28.10%	\$ 4,034,514
20	Food and Kindred Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,630			
21	Tobacco Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
22	Textile Mill Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
23	Apparel & Other Finished Products Made from Fabrics & Similar Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
24	Lumber and Wood Products, Except Furniture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
25	Furniture and Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
26	Paper and Allied Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
27	Printing, Publishing, and Allied Industries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,913		
28	Chemicals and Allied Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
29	Petroleum Refining and Related Industries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
30	Rubber and Miscellaneous Plastics Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 411		
31	Leather and Leather Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
32	Stone, Clay, Glass, and Concrete Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540		
33	Primary Metal Industries*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,506	75.13%	\$ -	48,506	75.13%	\$ 48,506	75.13%	\$ 48,506	75.13%	\$ 64,564		
34	Fabricated Metal Products, Except machinery and Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
35	Industrial & Commercial Machinery & Computer Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,619	12.27%	\$ -	34,619	12.27%	\$ 34,619	12.27%	\$ 34,619	12.27%	\$ 282,155		
36	Electronic and Other Electrical Equipment and Components, Except Computer Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,103		
37	Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 479		
38	Measuring, Analyzing, and Controlling Instruments; Photographic, Medical & Optical Goods, Watches & Clocks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,789		
39	Miscellaneous Manufacturing Industries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
40	Railroad Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
41	Local and Suburban Transit and Interurban Highway Passenger Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,964		
42	Motor Freight Transportation and Warehousing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13		
43	United States Postal Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
44	Water Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,601		
45	Transportation by Air	\$ -	\$ -	\$ -	\$ -	\$ 4,180	43.13%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,180	43.13%	\$ -	4,180	43.13%	\$ 4,180	43.13%	\$ 4,180	43.13%	\$ 9,691		
46	Pipelines, Except Natural Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
47	Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
48	Communications	\$ -	\$ -	\$ -	\$ -	\$ 101	0.02%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101	0.02%	\$ -	101	0.02%	\$ 101	0.02%	\$ 101	0.02%	\$ 548,700		
49	Electric, Gas, and Sanitary Services	\$ -	\$ -	\$ -	\$ -	\$ 45,999	86.72%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,999	86.72%	\$ -	45,999	86.72%	\$ 45,999	86.72%	\$ 45,999	86.72%	\$ 53,042		
50	Wholesale Trade-durable Goods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,890	7.83%	\$ -	21,890	7.83%	\$ 21,890	7.83%	\$ 21,890	7.83%	\$ 279,673		
51	Wholesale Trade-non-durable Goods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,510		
52	Building Materials, Hardware, Garden supply, and Mobile Home Dealers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359	4.43%	\$ -	359	4.43%	\$ 359	4.43%	\$ 359	4.43%	\$ 8,110		

9.1.3 AN ITEMIZATION OF WMDVBE PROGRAM EXPENSES PROVIDED IN THE FORMAT REQUIRED BY ATTACHMENT A TO D.95-12-045.

Expense Category	Description	2014 Actuals
Wages	Salary and payroll related costs of employees working on WMDVBE matters.	\$210,852
Other Employee Expense	Office space, travel, and other non-wage costs	\$11,752
Program Expenses & Training	Printing, postage, supplies, outreach, and other costs directly related to programs including costs related to training employees (internal) and suppliers (external)	\$11,500
Reporting Expenses	Computer, accounting, printing and other expenses in preparing reports to CPUC.	\$500
Consultants and Contractors	Costs of hiring consultants and contractors to assist with WMDVBE program.	\$0
Other	Miscellaneous costs that do not fit in other categories.	None Identified
Total		\$234,604

9.1.4 A DESCRIPTION OF PROGRESS IN MEETING OR EXCEEDING SET GOALS AND AN EXPLANATION OF ANY CIRCUMSTANCES THAT MAY HAVE CAUSED THE UTILITY TO FALL SHORT OF ITS GOALS.

This is *tw telecom's* fifth year submitting an annual report in the format prescribed by GO156. The following is a summary of the company's year over year trending:

Category	2012 Dollars	2012%	2013 Dollars	2013%	2014 Dollars	2014%
Minority Men	\$3,141,231	8.80%	\$2,927,984	7.13%	\$1,977,827.52	3.60%
Minority Women	\$503,872	1.40%	\$62,270	0.15%	\$ 595,436.00	1.08%
Minority Business Enterprises (MBE)	\$3,176,299	8.80%	\$2,990,254	7.28%	\$2,464,509.52	4.48%
Women Business Enterprises (WBE)	\$443,017	1.40%	\$0	0.00%	\$ 108,754.00	0.20%
Subtotal Women, Minority Business Enterprise (WMBE)	\$3,619,315	10.20%	\$2,990,254	7.28%	\$2,573,264	4.68%
Service Disabled Veteran Business Enterprise (DVBE)	\$25,788	0.10%	\$0	0%	\$ -	0%
Total WMDVBE	\$3,645,103	10.30%	\$2,990,254	7.28%	\$2,573,263.52	4.68%

9.1.5 A SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVBE SUBCONTRACTORS.

This is *tw telecom's* fourth year reporting Tier 2 spend. *tw telecom* is continuing to examine methods to best validate vendor data, reporting, and compliance. The numbers reported herein are self-reported by the vendor(s) and are not independently validated.

TIER 2 WMDVBE	2010 Spend	2011 Spend	2012 Spend	2013 Spend	2014 Spend
Asian	\$71,090	\$5,753,371	\$31,216,973	\$ 27,955,829	\$ 33,252,193
Black American	\$ -	\$753,577	\$62,768,570	\$ 90,992,325	\$ 91,796,520
Hispanic	\$20,005	\$2,787,970	\$36,340,912	\$ 69,612,111	\$ 52,675,877
Native American	\$4,917	\$131,772	\$291,963	\$ 6,034,559	\$ 14,853,099
Total MBE (from 9.1.2 above)	\$13,779,389	\$25,062,839	\$3,176,300	\$302,157,488	\$ 97,297,480
WBE	\$2,819,934	\$5,059,727	\$48,192,521	176,248,876	\$ 97,297,480
DVBE	\$5,400	\$75,963	\$1,890,019	21,893,597	\$ 10,377,723

9.1.6 A LIST OF WMDVBE COMPLAINTS RECEIVED DURING THE PAST YEAR, ACCOMPANIED BY A BRIEF DESCRIPTION OF THE NATURE OF EACH COMPLAINT AND ITS RESOLUTION OR CURRENT STATUS.

tw telecom did not receive any WMDVBE complaints in 2014.

9.1.7 A SUMMARY OF PURCHASES AND/OR CONTRACTS FOR PRODUCTS AND SERVICES IN EXCLUDED CATEGORIES.

tw telecom's understanding is that the GO 156 Ruling on November 14, 2003, ended the exclusion category. *tw telecom* did not exclude any product/service category from its purchase base other than those specifically stated in General Order 156, Section 8 such as payments to other utilities, government fees and taxes.

9.1.8 A DESCRIPTION OF ANY EFFORTS MADE TO RECRUIT WMDVBE SUPPLIERS OF PRODUCTS OR SERVICES IN PROCUREMENT CATEGORIES WHERE WMDVBE UTILIZATION HAS BEEN LOW, SUCH AS LEGAL AND FINANCIAL SERVICES, FUEL PROCUREMENT, AND AREAS THAT ARE CONSIDERED HIGHLY TECHNICAL IN NATURE.

A significant factor in *tw telecom's* low WMDVBE utilization was that a significant portion of the company's spend was in the area of network equipment and software. *tw telecom* reviewed this area regularly and continued to seek new WMDVBE entrants. Several suppliers explained, however, that the high level of ongoing capital investment required by most network equipment and software companies is a deterrent to new entrants and is the reason that almost all current vendors in this area are publicly held companies.

tw telecom has been committed to providing increased opportunities for diverse businesses in low utilization categories. In those cases where **tw telecom** was challenged by supply chain realities that may have impeded the ability to buy directly from WMDVBE suppliers, the company used the Tier 2 program to expand supplier diversity efforts. **tw telecom** expressed its desire to primary contractors that they continue to utilize, make new awards, and report spending with diverse suppliers in fulfillment of their contracts. An example of **tw telecom's** efforts to include its prime suppliers in the Tier 2 program is found in its external Supplier Diversity webpage located at <http://www.twtelecom.com/suppliers/supplier-diversity/>. **tw telecom's** reporting process, validation, and data consolidation was designed to augment existing efforts to increase meaningful business opportunities for diverse suppliers. Spend with Tier 2 suppliers that have strong diversity programs was substantial and reflected in this report. As the Tier 2 reporting program matured, **tw telecom** realized growth in diverse spending through its partners.

- 9.1.9 UTILITIES SHALL RETAIN ALL DOCUMENTS AND DATA THEY RELY ON IN PREPARING THEIR WMDVBE ANNUAL REPORT FOR THE LONGER OF EITHER THREE YEARS OR IN CONFORMANCE WITH THE UTILITIES' INDIVIDUAL DOCUMENT RETENTION POLICIES, AND SHALL PROVIDE THESE DOCUMENTS AND DATA TO THE COMMISSION UPON REQUEST.**

Understood.

- 9.1.10 EACH UTILITY WHICH ELECTS TO REPORT FUEL PROCUREMENT SEPARATELY MUST FILE WITH THE EXECUTIVE DIRECTOR BY MARCH 1 OF EACH YEAR, BEGINNING IN 1991, A SEPARATE DETAILED AND VERIFIABLE REPORT ON WMDVBE PARTICIPATION IN FUEL MARKETS. THESE REPORTS MUST INCLUDE, AT A MINIMUM, THE RESULTS OF PURCHASES IN EACH FUEL CATEGORY. UTILITIES SHALL REPORT RENEWABLE AND NONRENEWABLE ENERGY PROCUREMENT IN A MANNER SIMILAR TO THEIR REPORTING OF FUEL PROCUREMENT.**

tw telecom is not reporting fuel procurement separately.