

Beltway “HOT Lanes” Expansion Project, A Business Model for the Future

Public/private and business/labor partnership sets the standard

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The Capital Beltway “HOT Lanes” expansion project will not only widen the I-495 interstate in Northern Virginia, alleviating some of that highway’s notorious traffic problems at a fair price to taxpayers, but it also guarantees good jobs for the workers making the project a reality. Providing a much-needed boost to the local economy and the construction industry in Virginia, this public-private partnership for the \$2.7 billion Capital Beltway expansion project stands out as an example of what can happen when business, labor, government, and citizens come together in good faith for the common good.

The success story takes place in a setting of joblessness and economic duress. At 25 percent unemployment, construction workers in the region have been the hardest hit of any sector. At the same time, stimulus dollars are beginning to fund large government and municipal capital projects so it would seem that things should start looking up for those in the construction industry. Unfortunately, the challenge with these projects has been to maintain a policy of local hiring, when the instinct for the contractor is to import cheaper labor in an effort to try to maintain a healthy profit margin. However, the structure and success of the HOT Lanes project shows that that the practice of hiring cheaper, non-local labor is not the best way to go. Through a savvy contract structure and an honest and open negotiating process, the result has been nothing less than remarkable: The contractor has been able to execute the work at a competitive price, while the union has been able to deliver highly skilled, competitively priced local labor, and ultimately a stronger economic benefit to local communities and families. In other words, a win-win solution for everyone.

The Laborers’ International Union of North America (LiUNA!) Mid-Atlantic Regional VP Denny Martire has been a driving force behind this process, and he believes this project can and should be a model for future agreements between contractors and laborers: The final HOT Lanes contract ultimately delivered a \$4.00/hour

wage increase to almost all of its union workers while providing the joint venture Fluor-Lane contractor with a skilled workforce that has delivered quality work on time and on budget. Stated Mr. Martire, “When unions make an effort to see the competitive situation the contractor is dealing with, and the contractor understands the community’s need for stable jobs and living wages for its workers, the pieces come together and a win-win contract agreement can be reached.”

The model project has included the use of state-of-the-art technology in the form of E-verify to assure that all workers under the collective bargaining agreement are eligible to work on the project and have a valid social security number. E-Verify, an electronically-accessible database from The Department of Homeland Security, enables employers to compare details on employment eligibility for new hires across several federal databases, which protects the interests of employers, employees, and communities. Said Mr. Martire recently about E-Verify, “Absent comprehensive immigration reform, we have found the system to be very accurate and it does not cost the project or the owner any additional money.”

NOTE: Control-Click to live links below, and bios, photos, social networking links available at:

<http://www.liuna.org/ma/tabid/3432/Default.aspx>

<http://virginiahotlanes.com/>