

Mining Coal Country for Tech Workers

"This company could take our talents and our knowledge and do something with it," said Chastity Brown, 26, a computer enthusiast from Lebanon who waited in line for nearly an hour to meet a CGI-AMS recruiter at a job fair in November. "This is the way our generation can actually find jobs here."

Executives at government contracting companies say that the boost these jobs can give rural communities is significant but that the driving factor for them is money, not altruism. Most companies expect to save 30 to 40 percent on projects done through a process dubbed "onshore outsourcing," or "farmshoring." The average salary for the 300 people CGI-AMS expects to hire in Lebanon, for instance, will be \$50,000 -- far above the town's \$27,606 average annual wage but about half the salary an advanced software developer in Northern Virginia might earn.



Russell County Administrator Jim Gillespie helped lure government contractor CGI-AMS, which plans to hire 300 software engineers for its new tech center. (By Susan Biddle -- The Washington Post)

TOOLBOX

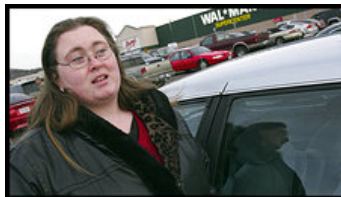

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"We have the opportunity to tap into a talented workforce, a high quality of life . . . and set up a center that will deliver as well as any we have in the U.S., and at a lower cost," Morea said.

It's also a way for Democrat Warner to fulfill the promise he made as a gubernatorial candidate four years ago -- that rural Virginia wouldn't be left behind as the state's Washington suburbs thrive. "I'm a huge believer that if all the good technology jobs are in Northern Virginia, the state's not going to prosper anywhere," said Warner, who is considering a run for president in 2008.

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As the state sought bidders for a \$2 billion technology contract, officials made clear that only companies willing to do business in rural Virginia would be considered. In its winning bid, Northrop promised to set up a \$22 million technology center in Lebanon and hire 430 employees.



"This is the way our generation can actually find jobs here," said Chastity Brown of Lebanon, Va., who recently met a CGI-AMS recruiter at a job fair.

Lebanon was well-positioned to compete for the jobs. The region's congressional delegate had helped Russell County, where Lebanon is located, obtain \$1.65 million in federal grants that, along with funds from the state's tobacco commission, was used to install fiber-optic cable necessary for tech companies to operate. A dozen officials from the region, including U.S. Rep. Rick Boucher (D) and Nelson A. "Tony" Dodi, who serves as the high school principal and the town mayor, worked to develop economic incentive packages for tech companies willing to come to Lebanon.

CGI-AMS, the offshoot of a Canadian company's 2004 acquisition of Fairfax-based American Management Systems Inc., began its search for a rural expansion site about a year

ago. The company, which does work for federal agencies and state and local governments, considered locations in 10 states, including Alabama and Utah.

Like Northrop Grumman, CGI-AMS first considered Southwest Virginia because it was vying for the \$2 billion state technology contract. The firm was cut from that competition but kept Lebanon on its list of potential sites because the area had the criteria it was looking for: an available workforce, adequate technical infrastructure and a low cost of doing business.

Lebanon is the biggest town in Russell County, a farming and coal-mining community tucked into the Appalachian Mountains. Modest homes dot the swirling country roads here, and teenagers drive 20 miles on Saturday nights to get to the closest movie theater. Kentucky and Tennessee are neighbors, and the technology hub of Northern Virginia is a world away.

The unemployment rate in the county topped 20 percent in the 1980s, when miners and tobacco farmers came on hard times. In the past decade, the jobless rate dipped into the single digits as some manufacturers and call centers moved into town. The median income remains far below the national average.

In July 2004, local officials, including Mayor Dodi and Jim Gillespie, the county's administrator, and members of Warner's administration began a lengthy wooing process to convince CGI-AMS that Lebanon was the right place for their new software center.

The county's economic development team viewed it as a way to bring back what some call their "exiled children" -- young adults who grew up in Lebanon, went away to college and never came home because there were too few good jobs.

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