46TH ASSEMBLY DISTRICT



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Two Years in, Foxconn's Progress is Uncertain

It has been more than two years since the announcement that Foxconn would be building a Liquid Crystal Display (LCD) factory in Wisconsin. Since that initial agreement, a cavalcade of announcements, walk-backs, changing goals, and investigative reports have cast doubts on the true scope of the project such that we still aren't entirely sure what Foxconn is even doing in Wisconsin.

The original agreement called for a Gen 10.5 facility, or one that makes screens for flat screen televisions. That plan quickly went out the window and they settled on a Gen 6 facility, to make smaller LCD screen such as for mobile phones. Foxconn also promised up to 13,000 jobs with salaries averaging \$53,000 per year. Nothing close to that has materialized, with just 1,500 jobs gained and Foxconn offering \$14 per hour without benefits. We were promised a "Wisconsin First" approach to hiring Wisconsin-based suppliers, and yet they currently represent just 27% of Foxconn's supply chain.

Investigative reports have also shown that, despite Foxconn's claims to the contrary, its <u>innovation</u> <u>centers are sitting empty</u>. As of the publishing of a Verge article in mid-May, every single one of Foxconn innovation centers sat empty, with not one Wisconsin resident benefitting from a job there.

Despite grossly underperforming what they promised, Foxconn will not be responsible for any taxes in Wisconsin thanks to former Governor Walker's big business giveaway, the Manufacturing and Agricultural Tax Credit, which allows wealthy individuals and corporations to avoid tax payments at the expense of middle class families. Not only that, Foxconn is still eligible for tax credits in the form of cash payments from the state of Wisconsin.

Foxconn also promised to donate \$100 million to the University of Wisconsin Madison. As of September 11, 2019, <u>it had not even donated 1%</u> of that promised sum.

This isn't some partian fight, either. People have lost their homes over the Foxconn giveaway. Cities have already spent millions on the assumption that Foxconn would live up to its promises. Homeowners report <u>feeling misled</u> by some municipalities who said they needed to buy the homeowners land for public improvements, and then changed plans after the property was purchased.

Unfortunately the original deal was struck by a governor desperately looking for something to help him in his re-election campaign. Luckily, Governor Evers has promised increased accountability and oversight of Foxconn to protect Wisconsin workers, communities, and taxpayers from the bad deal that Walker negotiated.

While the deal has already been struck and the contracts signed, we must now focus our priority on what will move Wisconsin forward. Investing in education and small Wisconsin businesses is what will lead to sustainable economic development, not cash payments and letting huge companies skirt their taxes. If we can refocus on what has traditionally made Wisconsin tick, I am confident that the states economic future is bright.

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