

Chris Larson: Foxconn: Economic renewal or ruin?

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Each of us has a stake in having strong and prosperous communities. Therefore, investing in the economic stability of our state is a top priority for our friends, families, and neighbors of all political persuasions. Our Wisconsin economy must be built on rewarding hard work and innovation and creating more opportunities for our small businesses to grow and reach their full potential.

Unfortunately, the scales of our economy are too often tipped toward benefiting major corporations rather than investing in our homegrown businesses. As we look to grow prosperity and opportunity in our state, we can't allow our neighbors who work hard every day on Main Street to be left behind by Wall Street speculators.

As conversations regarding the Trump and Walker Foxconn proposal continue, we must make sure that we stick to our core Wisconsin values and ensure we are getting the best deal for our state. Over the past two weeks, I have heard from our neighbors who have questions about the process for passing this proposal and its hefty price tag. We will get into some of these details below, but first, what exactly is 'Foxconn?'

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What is Foxconn?

Foxconn, which is headquartered in Taiwan and formally known as Foxconn Technology Group, is the world's largest electronics corporation. It supplies electronics for well-known companies all over the world, such as Apple, Amazon, and Google. If you've heard about this corporate giant in the news, it may have

been regarding the reported [horrible working conditions and human rights abuses](#).

While Foxconn is one of the largest employers in the world, it does not have an American plant. Trump and Walker recently proposed a corporate giveaway for Foxconn to make LCD panels.

We must Protect Wisconsin Taxpayers and our Shared Lands and Lakes

As it stands now, Walker, with Trump's backing, is proposing that we hand over \$3 billion to Foxconn, with no guarantee that Wisconsinites will get their money back if they fail to create jobs for our neighbors. According to the nonpartisan [Legislative Fiscal Bureau](#), Foxconn will cost the state more than the tax money that will be brought in until the 2032-33 fiscal year. Even worse, under the best case scenario, they projected it will take until 2043 for taxpayers to break-even on the multi-billion dollar project, under the best-case scenario. Other costs to our state and local governments include a troubling \$50 million in lost sales tax revenue.

All this, and there are some whopping what-ifs and hefty handouts to go along with the deal:

1. Wisconsin would only recoup our billions in 25 years *if* the company actually makes good on its 13,000 jobs promise *and* all of those employed are actually Wisconsinites. With a proposed plant location near the Illinois border, this seems unlikely. Plus, Illinois, who won't have to commit any of their tax money, would reap the benefits of taking these jobs and income taxes for their state. Legislators need to know the exact location of the plant before striking a deal, [as noted in this article by the GazetteXtra](#), which breaks down the U.S. Census commuter data in counties south of Kenosha.
2. Despite a budget impasse with transportation borrowing at the center of the issue, the Trump and Walker Foxconn bill proposes to expand the I-94 area near the region being considered for a plant location, [costing \\$408 million](#). Of this, Walker proposes to borrow \$252 million. With the transportation deficit at nearly \$1 billion already, most Wisconsinites agree this is a lot for one foreign company with no history in our state.
3. Some of Walker's special handouts designed specifically for Foxconn would be overseen by the scandal-plagued Wisconsin Economic Development Corporation (WEDC). I was impressed with this [27 News](#) article that questioned whether Walker's failed jobs agency could be trusted with the

money, noting the problems WEDC has had in the past with tracking job creation and failing to recoup money from companies who outsource jobs.

Additionally, an editorial in the [Racine Journal Times](#) recently outlined some of the dangerous carve-outs blindly given to Foxconn under this proposal, including a free pass to ignore many of our state's environmental safeguards. The Foxconn proposal being pushed by Walker and Trump would be designated as a special "electronics and information and technology zone." Essentially, this means that no state Environmental Impact Statement would be required for Foxconn and they would not need a state permit to fill wetlands areas or destroy the natural path of our rivers and streams.

By stripping away Foxconn's obligation to have an Environment Impact Statement, we will remain in the dark on any potential environmental dangers of this project. Further, by failing to safeguard our wetlands, we risk destroying a natural flood protection for our neighbors. With the heavy rains and flooding already seen across the state this summer, it defies logic to wipe away protections for our flood-reducing wetlands.

A Pattern of Broken Promises

Recently, [Public Policy Polling](#) found that a majority of our neighbors don't trust Walker's claims on the Foxconn giveaway. The poll further showed that voters are skeptical of this deal because it includes corporate carve-outs and is being fast-tracked through the Legislature.

Wisconsinites are right to be leery of the deal, given Trump and Walker's long history of breaking big promises. One of the most concerning aspects of the Foxconn scheme is the trail of broken promises the corporation has left, both globally and here in the U.S. This leaves many of our neighbors questioning whether or not they will hold up their end of the bargain. A quote from this [Washington Post](#) article summarizes why Wisconsinite's ought to be skeptical, *"The company caught a reputation in the past for abandoning plans. Four years ago, Foxconn unveiled a plan to build a new \$30 million plant in Pennsylvania, and the state's governor praised the move. But after the political attention faded, Foxconn never built that factory."*

Here are just a few more instances examples of Foxconn's shady past:

- **2007** — Foxconn pledged to invest \$5 billion in Vietnam, but the project went

bankrupt.

- **2011** — Foxconn pledged to invest \$12 billion in Brazil and create 100,000 local jobs within six years. They are now set to discontinue all manufacturing in the country.
- **2013** — Foxconn announced they would invest \$30 million in Harrisburg, Pennsylvania and hire 500 workers. A claim that never materialized.
- **2014** — Foxconn promised a \$1 billion investment in Indonesia, which has still not happened.
- **2014** — Foxconn said it would invest \$5 billion over five years in India and create 50,000 jobs. Reports show that only a fraction of this has happened so far.
- **2016** — Foxconn fired 60,000 employees to be replaced by robots. In a statement to the BBC, Foxconn confirmed that it was automating “many of the manufacturing tasks associated with our operations” but denied that it meant long-term job losses.

Our neighbors have already been victim to the governor’s grandiose bait-and-switch job schemes before. The headlines have been grabbed, but now it’s time to see what’s really going on.

Slow Down, Proceed with Caution

If you’ve been following the news over the past two weeks, you’ll find no shortage of editorials cautioning diligence and patience with the Foxconn deal. In [this one, by the Wisconsin State Journal](#), our neighbors are reminded of the hefty price tag associated with Foxconn coming to Wisconsin. Not only would the corporate giant enjoy \$3 billion in tax credits, but they also won’t need to pay their fair share in state income taxes. A recent editorial by the [Cap Times](#) reminds us that there are a lot of investments that could be made with \$3 billion, such as investing in our schools that have seen historic cuts.

This is a great reminder as our local schools looking at fall being just around the corner and they still do not know how much their schools will receive from the state. Walker and legislative Republicans must turn their attention back to the critical issues facing our state budget and allow for more time for our neighbors to take a deep dive into the Trump and Walker Foxconn deal. Just like we want to make sure our state budget will invest in our kid’s education, we must also ensure we are not dooming their future with a hastily passed corporate handout that will take at least a quarter-century to recoup.

— *Larson, D-Milwaukee, represents the 7th Senate District.*