

# WisDems: Secret \$3 billion Foxconn contract approved without public vetting

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MADISON — In July, Gov. Scott Walker posed at the White House with President Donald Trump and Speaker Paul Ryan to trumpet their deal with Foxconn CEO Terry Gou. Today, behind closed doors, without so much as mentioning Foxconn on its agenda, Walker's WEDC board secretly agreed to a contract to spend \$3 billion in taxpayer money on a shady foreign company without any public vetting of the contract.

Nor has Walker discussed alternative job creation ideas that might use such resources to benefit all Wisconsin counties and reward Wisconsin businesses and entrepreneurs.

Last week, Walker left the country during negotiations on the contract despite a "nuclear bomb" that would have left Wisconsin taxpayers completely vulnerable to Foxconn. Since returning to Wisconsin to campaign, Walker failed to mention the Foxconn deal even once during his reelection announcement, adding to the questions surrounding the deal which Walker, just weeks ago, bragged about as his shining success.

WEDC approved the shady contract deal in a closed-door meeting this afternoon.

"Today Walker's WEDC board approved the largest handout to a foreign corporation in U.S. history with forty-eight hours to review a tiny summary of the contract. This is fiscal irresponsibility at its peak," said Martha Laning, Chair of the Democratic

Party of Wisconsin. “It’s astounding that Walker can completely neglect Wisconsin and this deal, then go on a campaign tour trying to hide his unpopular agenda of tax breaks to the wealthy. The truth is Walker is focused on one thing: his own election.

“It’s too late for Scott Walker to reinvent himself. He’s spent 24 years in government, always focused on higher office. He’s not focused on the people, he’s not focused on his job, and now that he sees Foxconn may be a bad idea, he’s not focused on it either.

“Walker knows that this is a bad deal, but he cares more about his political ambitions rather than the cost this will bring to Wisconsinites. Walker stayed silent while this bill was rushed through without public review. What a betrayal to his constituents who will have to pay the price tag of this deal for decades to come. It is a sad day for Wisconsin.”

In his time campaigning and abroad, Walker appears to have forgotten the costs and risks associated with Foxconn. We are happy to remind him.

Walker and his legislative Republican followers eliminated most taxes on Wisconsin’s wealthiest corporations in 2013, so it is likely that Foxconn will owe virtually no taxes. So taxpayers will write checks to Foxconn totaling \$2.85 billion over the next 10-12 years.

Given Foxconn’s history of replacing its workers with automated “Foxybots,” Wisconsin taxpayers could expect to pay up to \$587,000 per job per year if Foxconn automates most of its labor force. It’s also possible that the jobs may go to people from out of state.

Municipalities will have to spend huge sums of money to cover all the infrastructure improvements needed to support Foxconn. If Foxconn abandons ship, which they have done repeatedly in other states and countries, municipalities could suffer enormous losses.

Wisconsin is also rewriting its laws to benefit Foxconn. The costs are substantial:

#### Environmental Costs

Walker’s contract allows Foxconn to ignore Wisconsin wetlands regulations and destroy habitats essential to our ecosystem without input from affected

communities.

The deal lifts the requirement to write an environmental impact statement, a necessary review to ensure the health of our water, soil and air.

### Human Costs

Homeowners on or near the potential future site of the Foxconn factory will be forced to relocate, creating stress and insecurity. Residents have voiced concerns that they will not be fairly compensated.

Local residents will likely see their property taxes soar as local municipalities struggle to foot the \$764 million bill — which is in addition to the \$2.85 billion cash payment to Foxconn.

### Costs on Democracy

Walker's deal gives Foxconn a fast pass through the court system, making it more likely that lawsuits against Foxconn will be heard by Walker's hand-picked conservative Supreme Court.

The law enacts an automatic stay on trial court rulings until a higher court has the chance to weigh in, further manipulating the judicial system in Foxconn's favor. One legal scholar notes he's never seen a state change its entire legal system to benefit one corporation.

"This isn't just a cash giveaway. Foxconn will bring a tremendous cost to Wisconsinites, whether that be in dismantling our judicial process, destroying our environment or displacing community members," said Laning. "Imagine the deal we could have made for Wisconsin if we had brought a bipartisan group of business leaders to the table to invest in Wisconsin businesses and entrepreneurs. We want good jobs for our communities throughout the state, but the costs Walker is incurring on our behalf to benefit Foxconn are absurd when he's let our schools, roads and health care crumble from his neglect and wrong priorities."