

Gordon Hintz: The ever changing Foxconn deal

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When Foxconn announced Wisconsin as the location for its state of the art LCD screen manufacturing facility, questions surrounded the project.

How much would the project cost? What were the risks involved? What kind of investment were we asking Wisconsin taxpayers to make?

As details came out about the enormous cost of the project, we learned that under the best case scenario, Wisconsin would not break even on their investment until 2043. With \$4.5 billion in public costs, including the largest tax subsidy by a state to a foreign corporation in our country's history, this price tag seemed too steep.

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And risky.

Was it a good idea for Wisconsin to gamble billions in state tax dollars on LCD screen production? Would there be demand for this technology in 5, 10, or 25 years?

Time and time again, we were told that Foxconn would be spending \$10 billion on the construction of a Generation 10.5 large panel manufacturing facility and that they would be hiring 13,000 workers when this facility was completed. The economic analysis that was provided by WEDC used numbers based on the construction and operation of this specific facility. That was the proposal agreed to by the Governor in July 2017. That is what the legislature voted on in September 2017. And that is what the contract was based on when it was approved in

November 2017.

But that is not the project that is happening anymore.

After initially denying reports in May about changes to the scope of the project, Foxconn officials have now confirmed that they will instead be constructing a smaller screen Generation 6 plant, not a Generation 10.5 plant as originally planned.

Yet Foxconn officials and Governor Walker continue to say they plan to create 13,000 jobs and invest \$10 billion in Wisconsin.

The problem is the facility Foxconn is now building only requires a \$2 billion to \$3 billion investment and does not require a local supply chain according to industry experts. Smaller screens don't just mean a different project scope, they mean fewer jobs than the number promised when the state incentive package was passed.

A deal of this magnitude, one involving handing billions of dollars in state taxpayer money to a privately owned company, requires transparency and accountability. Yet neither Foxconn nor the Walker Administration have been straightforward about this ever changing project.

The project that was awarded to Wisconsin, approved by the legislature, and signed into contract by WEDC has fundamentally changed in ways that impact the project cost, investment, employment, and tax subsidy. Yet very little has been shared with the public about the impacts of these changes.

And despite the repeated pledges by Foxconn to create 13,000 jobs in Wisconsin, last month the Chairman of Foxconn, Terry Gou, said the company plans to replace 80% of workers with robots in the next 5-10 years. What will this mean for the workforce demands at Foxconn moving forward?

With so many unanswered questions, it is important for us to continue holding our leaders accountable by seeking answers about the future of the Foxconn project.

— *Hintz, D-Oshkosh, is the Assembly minority leader. He represents the 54th Assembly District.*