

Nygren, Darling defend Foxconn deal amid conflicting reports over company's future

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After conflicting reports about the future of Foxconn resurfaced, Joint Finance Committee Co-Chairs Sen. Alberta Darling and Rep. John Nygren backed the Taiwanese electronics manufacturer as “a very good investment” for the state.

But Assembly Majority Leader Gordon Hintz today told WisPolitics.com that “it’s hard to believe anyone would actually make that comment.”

“Have either of these two remotely looked into what their track record has been in other states and other countries?” the Oshkosh Dem asked. “I’m not sure there’s a company with a worse track record for overpromising and underperforming and pulling out when their interests were no longer there.”

Renewed speculation over the Foxconn project kicked off when Gov. Tony Evers said the Taiwanese company was first to suggest changes to its contract with the state. In a Tuesday letter to Foxconn exec Louis Woo, Evers wrote he understood the company will submit documentation supporting the proposed changes to the Wisconsin Economic Development Corp. in the coming weeks.

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Evers’ letter followed earlier comments suggesting it was “unrealistic” the company would create 13,000 jobs at the plant. He had also noted changes may be needed to the up-to-\$3 billion incentive package Foxconn signed with his predecessor.

Both Senate Majority Leader Scott Fitzgerald and Assembly Speaker Robin Vos

panned those comments, and in an emoji-laden tweet, Foxconn Director U.S. Strategic Initiatives Alan Yeung said Evers' suggestion was "probably fake news."

"Nobody has a crystal ball here, but I think we are very pleased with the commitment we've made with the state of Wisconsin," Yeung said after being asked about his tweet by reporters on Thursday.

But Nygren, R-Marinette, seized upon Yeung's tweet at a WisPolitics.com luncheon in Madison yesterday, going after the Evers administration and Lt. Gov. Mandela Barnes.

"The maturity level of some of these people who are making these decisions just amazes me that we're even in this world right now where we're attacking somebody who actually wants to invest in Wisconsin," said Nygren.

Foxconn spent nearly \$100 million on capital purchases last year, but WEDC won't yet say how much of that total will qualify for related tax credits. In order to get the full \$192.9 million in capital investment tax credits for 2019, Foxconn would have to spend about \$1.29 billion and create at least 520 jobs by early April 2020.

Dem criticisms of the contract have centered on the uncertainty surrounding clawbacks and environmental protections.

Nygren and Darling, R-River Hills, took turns defending the Foxconn deal at the luncheon. Nygren urged the audience to remember that "the credits are based on the number of jobs."

"So if it's 13,000 jobs, if it's 11,000 jobs, if it's zero jobs, it's already defined," he said.

Darling echoed that sentiment, labeling the contract as "a pay-as-you-grow" agreement, noting that "they don't get paid unless they grow jobs."

But Hintz said that focusing solely on tax credits ignores the opportunity costs.

"I would ask Mount Pleasant how pay-as-you-grow is working out, or counties around the state where state highway projects aren't going to receive the money that was diverted to pay for Foxconn's infrastructure," he said.

JFC leaders also highlighted what they said was Evers' failure to prioritize workforce

development initiatives in his budget. Darling said she believed the state jobs agency, WEDC, was doing “very well to represent Wisconsin and the opportunities here.” Nygren lamented the lack of funding for workforce development, which he labeled as “a missed opportunity.” The Marinette Republican pledged to provide support for technical schools.

“You’re continuing to see us invest in things that actually produce high skilled labor, produce workers that the corporations that are investing in Wisconsin need to continue to be successful here,” Nygren said.

Dems jumped on those comments yesterday, pointing to previous GOP cuts to education. Hintz wrote on Twitter that “another missed opportunity was the \$1.08 billion cut from the (UW System) by Republicans over the past 8 years, during the second longest national economic expansion in US history.”

Senate Minority Leader Jennifer Shilling, meanwhile, tweeted: “I’m just going to leave this right here,” along with a link to a CBS News story from 2011 that reported then-Gov. Scott Walker’s budget slashed \$1.85 billion from public schools and the UW System.

See Evers’ letter:

<https://www.wispolitics.com/wp-content/uploads/2019/04/190423-Evers-Foxconn-Letter.pdf>