

New Foxconn deal prompts cautious optimism from critics

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Assembly Minority Leader Gordon Hintz, who has consistently knocked Foxconn, says he hopes the new deal Gov. Tony Evers' administration signed with the Taiwanese manufacturer brings "better transparency and clarity."

Evers' office didn't announce details of the new agreement, which will be reviewed by the Wisconsin Economic Development Corp. Board today. The gov's office says that will be the last step in the process. Hintz, a member of the WEDC board, said he looks forward to getting more answers on the contract details during the meeting.

"I share Governor Evers' goal of having a realistic and accountable contract that can lead to new jobs and protect taxpayers going forward," said the Oshkosh Dem.

The original deal under GOP Gov. Scott Walker called for up to \$3 billion in refundable tax credits if Foxconn created 13,000 jobs. Even if the company had hit all of its goals, the Legislative Fiscal Bureau estimated it would be 25 years before the state would recoup its investment in the project through increased tax revenues. That 2017 analysis noted the state would pay Foxconn about \$1 billion more than what it received in tax revenues during the first 15 years of the project.

Since then, WEDC has contended the company's decision to scrap plans to build a 10.5 generation LCD fabrication facility outlined in the original 2017 agreement meant it was not eligible for tax credits under the contract it first signed.

WEDC asked to work with Foxconn on a new agreement that aligns with the company's plans for development in Wisconsin.

"In response to unforeseeable economic conditions, Foxconn began formal negotiations with a desire to lower taxpayer liability in exchange for the flexibility to pursue business opportunities that meet market demand," said Foxconn Vice Chairman Jay Lee.

Foxconn has pursued several business ventures, according to media reports. Scrapped plans included ventilator production, high-tech coffee kiosks and two types of manufacturing facilities. Foxconn recently announced plans to build electric cars, which may or may not happen in Wisconsin. The company has also made COVID-19 masks and recently completed a giant dome for high-tech data servers.

During an appearance on WISN-TV's "UpFront," taped before the announcement, Assembly Speaker Robin Vos accused the Evers administration of playing politics with the contract and insisted the company was "meeting all the goals we set."

The speaker, also a member of the WEDC board, added in a statement yesterday: "Like all businesses, Foxconn has had to respond to conditions created by the pandemic. I look forward to seeing the details of the new agreement and hope it allows the company flexibility to adapt to a quickly changing marketplace."