



STATE REPRESENTATIVE
GARY HEBL
46TH ASSEMBLY DISTRICT

FOR IMMEDIATE RELEASE
August 28, 2017

FOR MORE INFORMATION CONTACT
Rep. Gary Hebl (608) 266-7678

My Vote on the Foxconn Deal
By Rep. Gary Hebl

On Thursday, August 17, the Wisconsin State Assembly voted on Governor Walker's proposed deal with Taiwanese electronics manufacturing company Foxconn. While the prospect of thousands of jobs was exciting, especially since Wisconsin's job growth has languished under the Walker administration when compared to the nation as a whole, I voted against the deal because I do not believe a broader range of factors were taken into account. These factors include taxpayer burden, ensuring employment for Wisconsin residents, and environmental concerns.

Foxconn has pledged an initial employment of 3,000 with potential up to 13,000 employees. While that is a substantial number, Foxconn will also receive \$3,000,000,000 in tax incentives over 15 years if they hit the 13,000 job benchmark. That's around \$231,000 paid to Foxconn for each worker. We are told the jobs will have a starting pay of about \$41,600 per year, which essentially means Wisconsin taxpayers would be paying the salary of workers of a private company for more than five and a half years. That's a concerning corporate hand-out at the expense of Wisconsin taxpayers.

I tend to be wary of such large tax incentives. In a time when our public school funding has been cut by over a billion dollars, giving a single corporation \$3 billion is confounding. \$3 billion in refundable tax credits means the state of Wisconsin will be cutting a taxpayer-funded check to Foxconn for fifteen years. If we were to take that money and invest in education, there's no telling what kind of innovation and entrepreneurship we could see from Wisconsin's schoolchildren over the next fifteen years. I will always have more faith in our teachers' ability to teach and children's ability to learn than I do any one individual corporation.

I have seen no guarantee that the promised jobs will not be lost to automation. Last year, at one factory in China, Foxconn laid off 60,000 workers and replaced them with robots. The 13,000 job number is encouraging, but if Wisconsin workers are simply going to be replaced with robots in a few years, I'm not sure such a huge hand-out is in the long-term interest of Wisconsin workers and taxpayers.

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This is especially concerning after the Wisconsin Legislative Fiscal Bureau estimated that Wisconsin will not break even on this deal for *twenty-five years*. This is also assuming that after the fifteen year deal is over Foxconn will not demand more money to stay in Wisconsin.

It appears that the plan is to build the Foxconn plant in southeastern Wisconsin, close to the Wisconsin-Illinois border. If Foxconn is to build a plant in Wisconsin, I would like to see assurances that it will be employing Wisconsin citizens. I am concerned that this proximity to the border could lead to workers commuting from Illinois. Wisconsin taxpayers should not be subsidizing corporations so that Illinois residents get jobs.

Perhaps most concerning to me is the potential environmental impact. According [to the Washington Post](#), the proposal brought forth by the Governor allows Foxconn “without permits, to discharge dredged materials, fill wetlands, change the course of streams, build artificial bodies of water that connect with natural waterways and build on a riverbed or lakebed.”

We have seen this kind of rollback to environmental standards before. Several years ago the Republican majority passed legislation that weakened environmental protections to cater to one mining company, Gogebic Taconite. Gogebic backed out of the deal, and now Wisconsin is left with weaker environmental standards and no economic growth to show for it.

I am concerned because Foxconn has a history of backing out of deals. [Over the last ten years](#), Foxconn has given grandiose promises to build in Pennsylvania, Indonesia, Brazil, and Vietnam. Those deals either fell far short of Foxconn’s original promises, or were abandoned outright.

I am wary of repeating the Gogebic deal. I don’t think Wisconsin should be in the business of completely catering to a single business by throwing heaps of taxpayer money at them while allowing them to do whatever they want to the environment and pay nothing in taxes, with no guarantee any jobs will go to Wisconsin citizens.

I had deep concerns about this deal going forward. I needed to see more progress addressing these concerns before voting for this bill. Every single amendment brought forth by Democrats, both in committee and on the Assembly floor, were shot down on party lines. Because Republicans in the Assembly were unwilling to work with Democrats on making a better package, the deal was too big of a gamble, and for that reason I voted no.

Rep. Gary Hebl represents the 46th Assembly District, which includes the Cities of Sun Prairie and Stoughton, the Village of Cottage Grove, and the Townships of Cottage Grove, Dunkirk, Pleasant Springs, and Sun Prairie.

Contact Rep. Hebl with any questions or concerns you may have at (608) 266-7678 or via email at Rep.Hebl@legis.wi.gov.

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