

# Foxconn says it's looking for 'flexibility' with Wisconsin

April 24 2019, by Scott Bauer

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Foxconn Technology Group insists it remains committed to a \$10 billion project in Wisconsin that employs up to 13,000 people, while saying it is also looking for "flexibility" in the deal struck with much fanfare in 2017 and heralded by President Donald Trump as the "eighth wonder of the world."

The statement from Foxconn came as Wisconsin's Democratic Gov. Tony Evers and Republican legislative leaders disagree over the extent to which the company wants to renegotiate its [contract](#) with the state for a project that could net Foxconn more than \$4 billion in tax credits.

Evers campaigned as a skeptic of the project against then-Gov. Scott Walker, who made the deal. Evers said last week that the current deal is "no longer in play" because Foxconn is building a smaller display screen factory than the one envisioned in the contract. Evers also said he doesn't think Foxconn will employ 13,000 people, which necessitates changes.

Evers said it was Foxconn, not his administration, that initiated talks to make "several changes" to the contract. Evers made the statement in a letter he sent Tuesday to Foxconn executive Louis Woo.

Foxconn, in a statement late Tuesday night, said the company "has never wavered from our commitment to our contract" and said the talks with Evers were more about creating flexibility within the current agreement.

Performance-based state tax credits are the core of the contract.

Foxconn earns jobs and capital investment tax credits for meeting benchmarks each year. It can earn \$1.5 billion in tax credits if it hires 13,000 people making an average salary of \$53,875. Foxconn would get an additional \$1.35 billion in tax credits if it spends \$9 billion on capital investments, primarily [building construction](#) and the purchasing of machinery and equipment.

Foxconn described its talks with the Evers administration as "routine engagement and good faith discussions" related to ensuring long-term success. Foxconn said it was working within the contract's terms and remained open to "further consultation, collaboration, and [new ideas](#)."

Neither Evers nor Foxconn has specified what areas are open to discussion or what might be changed.

Evers also said that Woo met with Republican legislative leaders and told them of Foxconn's intention to suggest changes to the agreement. Republicans have been highly critical of how Evers has dealt with Foxconn, saying he is "undermining" the deal reached before he took office.

Senate Majority Leader Scott Fitzgerald said there was "no discussion" during the meeting with Foxconn's Woo about opening the contract for renegotiation. And Assembly Speaker Robin Vos, whose district includes the project, said he's not interested in making "wholesale changes" to the contract.

"If they come to us and want some minor tweaks, as long as the job goals and taxpayer protections remain, I'm open to listening to their ideas," Vos said Wednesday.

Democratic state Sen. Jon Erpenbach said he thinks Evers is dealing more in reality on Foxconn than Republicans "because that was their

baby."

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