

Kimberly-Clark Bailout Plan Questioned

Posted on Jul 26, Posted by [Bob Kiefert, Green Bay Progressive](#) Category [Wisconsin](#)



After management wrestles \$20,000 pay cuts from workers, Green Bay's Senator Dave Hansen doubts company's sincerity in fulfilling their part of the \$115 million bailout deal.

GREEN BAY, WI - Back in January, Kimberly-Clark Corporation (KC) of Neenah [announced](#) it was considering closing two manufacturing facilities in the Fox Valley. These included the Neenah Nonwovens Facility, within the next 18 months, and the Cold Spring Facility in Fox Crossing after consultation and negotiation with the plant's labor stakeholders.

According to Kimberly-Clark, the whole thing would result in at least 600 people being cut around here. Given the \$4.5 billion state incentive package then being heaped upon Foxconn, local politicians quickly asked for something to be done in Madison to save these jobs.

The Assembly passed a tax break package for KC 56-37 in February and sent it to the state Senate where it stalled. Many in the Senate balked at the cost. The tax credit on jobs alone would cost the state between \$100 million and \$115 million over the 15 years, or over \$191,000 per job saved, and the company itself was noncommittal on whether the tax breaks would even entice them to reverse their decision.

After it ratified a new labor agreement Monday night with its labor stakeholders (United Steelworkers), KC now says it would consider the tax incentives to keep Fox Crossing plant open. Unfortunately, union [sources say](#) the new pact would cut workers pay by more than \$20,000 per person.



“While I am pleased to hear that there is an opportunity to avoid the closure of Kimberly-Clark’s Cold Spring and Neenah Nonwovens facilities I still have serious concerns,” says Green Bay Sen. **Dave Hansen** in a statement released Wednesday. “At a time when there is a worker shortage and the Legislature is offering over \$100 million to Kimberly-Clark to keep the mills open it is deeply disappointing that K-C’s precondition for accepting such a generous offer from the taxpayers is to force their workers to accept deep cuts to their pay and benefits.”

Hansen, at least, is one senator who still doubts KC's sincerity in fulfilling their part of the bailout deal.

“Under the bill introduced earlier by Senator Roth,” (Sen. Roger Roth, R-Appleton) “there is no guarantee in place for how long the mills will stay open and Kimberly-Clark could lay off as much as 7% of their workers and still receive the taxpayer funded subsidies,” said Hansen. “Nor are there any protections for workers at K-C’s mill in Marinette.”

The Green Bay Senator also feels the Roth bill falls short in that it fails to address challenges faced by the state’s paper industry as a whole.

“When the deal with Foxconn was voted on I joined a number of my Democratic colleagues warning that Republicans and the Governor were opening the door for other businesses to ask

for similar treatment," Hansen concludes. "If this Foxconn-style bailout is approved for Kimberly-Clark how many more businesses will be stepping forward looking for a handout from the taxpayers?"

Tags: Untagged