

Is GOP anticipating a “Foxconn flop?”

Written by Wisconsin Senate, Tony Palese

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Walker plan includes bailout for local governments abandoned by Foxconn.

MADISON – Reality is setting in for Wisconsin communities that could have the rug pulled out from underneath them by Taiwanese manufacturer Foxconn. As Gov. Walker promises thousands of jobs, the \$3 billion corporate welfare plan put forward by his office commits the state to a bailout package if Foxconn walks away from the state and fails to invest in a new facility like they have done in the past.



“If Foxconn was as committed to our state as Gov. Walker wants us to believe, this bailout wouldn't be needed,” said Senate Democratic Leader **Jennifer Shilling** (D-La Crosse). “By sneaking in this bailout provision, I’m concerned that Gov. Walker is misleading Wisconsin families about the very real liabilities facing our state. Clearly, there is a higher risk to taxpayers and communities than Gov. Walker wants to admit.”

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The “Moral Obligation Pledge” included in Gov. Walker’s proposed legislation would commit the state to paying “up to 40 percent of the principal and interest of a local governmental unit's obligations” if the promised jobs fail to materialize. Given the significant infrastructure investments that communities would need to finance, this provision could cost state taxpayers millions if Foxconn doesn’t deliver on their end of the bargain.

Numerous media outlets have highlighted a pattern of Foxconn’s broken promises on economic development. The [Washington Post](#) detailed a series of “splashy jobs announcements” from Foxconn that promised thousands of jobs and billions in investments that never quite materialized in Pennsylvania, Indonesia, India, Vietnam and Brazil.