

# Foxconn dramatically alters plans for Wisconsin facility

Jacob Crosse  
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In a revealing interview with the *Milwaukee Journal Sentinel*, Louis Woo, special assistant to Foxconn CEO Terry Gao, confirmed that the new multibillion-dollar taxpayer-subsidized factory, planned for southeastern Wisconsin, will be a smaller, robotic-based Generation 6 factory. Woo stated this smaller factory will be the country's first thin-film transistor fabrication, or "TFT Fab," operation.

On May 23, the *Nikkei Asian Review* had reported that Foxconn would no longer be building the proposed, and agreed-upon, Generation 10.5 factory. Foxconn vehemently denied the story at the time, but now has confirmed the long-planned scaling back of its operations, while swindling the working class of Wisconsin for billions of dollars.

The now-proposed Generation 6 (Gen 6) factory will not be able to produce the larger screens a Generation 10.5 (Gen 10.5) factory would be capable of producing. According to Bob O'Brien, cofounder and president of Display Supply Chain Consultants, the scaling down of the factory means that investment required is much less.

O'Brien told the *Milwaukee Business Journal* in May that a \$10 billion investment would make sense for a Gen 10.5 plant, but that a Gen 6 plant would require a \$2 billion to \$3 billion investment.

This smaller plant will be focused on building smaller screens, artificial intelligence, 5G cell phone technology and 8K image resolution. Louis Woo further stated that Foxconn wasn't "really interested in television," despite this corporate handout being sold to the working class as boon for LCD television production in an economically depressed area. It now appears the "factory jobs" promised will not be forthcoming.

It's clear that Foxconn had been planning on building

a smaller factory from the beginning. The investment Foxconn has put forth will already be covered by the \$1 billion subsidy promised by the Walker administration and local municipalities, at the expense of the Wisconsin working class.

The workers required at the factory, if it materializes, will be more-specialized "knowledge workers" as opposed to "less-skilled" assembly line workers, Woo told the *Journal Times* of Racine, Wisconsin: "If, six months ago, you asked me: What would be the mix of labor? I would pull out the experience that we have in China and say, 'Well, 75 percent assembly line workers, 25 percent engineers and managers,' Woo, continued, "So, ask me the question today, now it looks like about 10 percent assembly line workers, 90 percent knowledge workers."

The impetus for this change, Woo explained, was due to "market conditions" and the "much higher labor costs" in the United States compared to China. Woo expects us to believe that Foxconn was unaware of differences in labor costs until six months ago? This was the strategy from the onset.

Foxconn has an history of promising thousands of jobs and billions in investments, yet few of these promises have come to fruition. In 2013, Foxconn had announced that the city of Harrisburg, Pennsylvania, would be the recipient of a new high-tech factory promising 500 new jobs. Five years later, gravel still sits at the proposed building site.

Mirroring the Harrisburg deal, Foxconn in 2014, promoted a "letter of intent" to invest \$1 billion dollars in Indonesia to build a new factory. An even larger carrot was dangled to Indian big business, when a "Memorandum of Understanding" or "MOU" was signed detailing a \$5 billion investment promising 50,000 new jobs. These assembly line jobs building cell

phone parts have failed to materialize in both countries.

The deal Governor Scott Walker originally touted to Wisconsin in July 2017 was for a \$3 billion state subsidy, with Foxconn promising to invest \$10 billion in a factory and guaranteeing 13,000 jobs by 2023. However, the draft agreed upon by the Wisconsin Economic Development Council (WEDC) and Foxconn, in November 2017, only requires a \$9 billion investment by the company by 2023.

The threshold to continue receiving tax credits requires Foxconn to have hired 5,200 workers by 2022, less than half of the original 13,000 promised. Meanwhile the increasing burden being foisted upon the working class has ballooned to approximately \$4.1 billion.

Of this \$4.1 billion, \$6.8 million will go to advertising the new “knowledge worker” jobs to out-of-state residents. An additional \$120 million has been earmarked for a new electrical substation and power line that will power the sprawling facility. The cost of this will be passed on to the approximately 5 million WE Energy customers in southeastern Wisconsin.

The job requirements included in the WEDC agreement state that the minimum salary for an employee will be a paltry \$30,000, while the average employee must earn \$53,900. With the new emphasis on robotics, artificial intelligence and engineering, the few lower-skilled assembly workers employed at the facility can expect to be paid poorly and work under inhumane conditions, similar to their class brothers and sisters in Taiwan, where Foxconn has installed “suicide nets” outside their factory windows.

In addition, Foxconn executives and investors are passing on their infrastructure costs to the Wisconsin population in the form of power and road subsidies. Environmental protections will also be waived for the new facility. A permit request was approved by the Wisconsin Department of Natural Resources for Foxconn to pump an estimated 7 million gallons of water daily from Lake Michigan into the plant, of which 4 million gallons will be rendered “unfit for human consumption.” This diversion of water from Lake Michigan, in violation of the Great Lakes Water Compact, opens the floodgates for other corporations to request similar destructive permits that border the Great Lakes, including Canada.

UW-Milwaukee chemistry and biology Professor

David H. Petering writes that the new facility will be a “‘major source’ polluter of greenhouse gases, emitting more than 10 times the amount that triggers this designation.”

Foxconn’s reckless and environmentally damaging practices exacerbate ozone depletion leading to rising global temperatures and can be seen in climate-change-induced disasters such as the California fires and the floods throughout Kerala, India.

Growing working class resentment toward the continued theft and deception displayed by the fourth largest information technology company in the world, with an estimated \$154.7 billion revenue in 2017, has prompted the company to announce two separate “gifts.”

On Monday, Foxconn announced a \$100 million investment grant to the University of Wisconsin-Madison. This “grant” will establish the Foxconn Institute for Research in Science and Technology, or FIRST, according to the *Business Journal*. FIRST will be located on the Foxconn campus in Mount Pleasant, Wisconsin, with an “off campus hub” in Madison. UW Chancellor Rebecca Blank touted the “gift” as an opportunity for collaboration, “while fostering the talent pipeline that will help build Wisconsin’s future.”

The second “gift” announced Tuesday, with Governor Scott Walker in attendance, was the establishment of the \$100 million “Wisconn Valley Venture Fund.” The fund’s four principal investors include Foxconn Technology Group, Advocate Aurora Health, Johnson Controls and Northwest Mutual. These funds will no doubt be used for more Wall Street machinations that will produce little benefit for working people while enhancing the stock portfolios of the bourgeoisie.



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