



## **Wisconsin State AFL-CIO**

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## **Foxconn Deal Must Work for Wisconsin's Workers**

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Last week, Governor Walker announced that he negotiated a potential \$3 billion, 15-year deal with the Foxconn Technology Group. This multi-billion dollar deal, which will create Manufacturing Zones, with the promise of thousands of jobs, could be of great benefit for this state if our rights, skills, and safety are prioritized in crafting this deal. However, this deal should be inked with assurances that include ironclad protections for taxpayers, local governments, and most importantly Wisconsin workers.

It should be a priority of all leaders in Wisconsin to promote, secure, and protect family-supporting, union jobs in this state. For too long, we have seen manufacturing jobs shipped overseas to the lowest bidder. Wisconsin's workers expect and are in need of real economic opportunity. To that end, the Wisconsin State AFL-CIO has consistently advocated for economic development that spurs job creation and includes rights and protections for workers, "Buy Wisconsin" principles, increased technical college and training program grants, investments in infrastructure, and general aid to schools and municipalities.

The Foxconn Technology Group, which is headquartered in Taiwan, is the world's largest contract electronics corporation. It makes electronics for companies all over the world, supplying various electronics to American companies such as Apple, Amazon, Cisco, Google, Intel, Microsoft, and Vizio. It is the third largest employer worldwide, but does not have a plant in America. Its largest factory is in Shenzhen, China where it employs over 250,000 employees. The average wage for Chinese assembly workers at this plant is well below Wisconsin's minimum wage. In addition, Foxconn has taken to laying off tens of thousands of workers due to automation. Foxconn has been cited with numerous human rights abuses of workers. Therefore, given the Company's past employment practices, it is imperative that any deal that uses taxpayer money to facilitate Foxconn's ability to build a manufacturing and information technology factory or campus in Wisconsin include absolute protections for Wisconsin's taxpayers.

On Friday evening, Gov. Walker released the draft bill that will be introduced in a special session commencing Tuesday, August 1. This bill will, if passed, authorize the State to create an electronics and information technology manufacturing zone and commit nearly \$3 billion in tax credits. Currently, this draft bill does not cover or even refer to workers' rights, skills, training, or safety standards. Therefore, to ensure that this deal benefits Wisconsin's working families, the Wisconsin State AFL-CIO calls upon the Governor and Legislature to incorporate the following protections into the bill.

### **Freedom to Organize and Join a Union**

- In America, we value our freedom. Working people deserve the same freedom that CEOs have: the freedom to negotiate a fair return on our work so we can provide for our families. All workers within the Electronics and Information Technology Manufacturing Zone (“Manufacturing Zone”) shall have the full American right to assemble and organize. Workplaces are made safer, more secure, and the end-product reliable when workers can come together without fear of retaliation.
- All employers within the Manufacturing Zone must respect their employees’ right to collectively bargain. Employees forming their own union has been and still is a proven key to improving safety and wages within workplaces, as well as improving working families, our communities, and our state’s economy.

### **Wisconsin Jobs for Wisconsinites**

- Wisconsin taxpayers should be assured that people from Wisconsin will fully construct, service, and maintain the buildings within the Manufacturing Zone, and will continue to work in them for the long-term. These Wisconsin jobs should not be undermined by out-of-state workers or the improper use of immigration visas, such as the H1B and H2B visas that are often used to skip the hiring of local workers in favor of lower-wage, out-of-country workers both in the skilled and unskilled levels. This means that vigorous and purposeful Wisconsin training and apprenticeship programs should be embraced and/or enhanced to ensure Wisconsin workers are afforded the pipeline to these jobs.

### **Good Family-Supporting Jobs**

- From the outset of this deal, every job within and associated with the Manufacturing Zone must be paid a family-supporting wage.
- Within the deal, Foxconn must agree to the precise number of jobs it intends to create, and a minimum number of years for those jobs to exist. Advertising that ten thousand jobs will be created is meaningless if after a few months the labor is replaced by automated machines. Foxconn must be held accountable for its promised number of jobs, and for how long they will exist.
- Every job that is created by or associated with the Manufacturing Zone must carry affordable health insurance and retirement security for the worker.

### **Workplace Safety**

- During the construction of facilities within the Manufacturing Zone, employers must come together with employees to agree to mutually create and uphold rules in terms of safety, quality of craftsmanship, and responsible scheduling of the work.
- Any corporation that has a facility within the Manufacturing Zone and benefits from the tax dollars as a part of this deal must strictly adhere to the highest levels of safety standards and compliance set in law and set by the generally understood methods of workplace safety provisions and protections.
- Companies must hold timely and meaningful safety meetings with their employees.

### **Healthcare Benefits**

- Every job that is created by or associated with the Manufacturing Zone must carry affordable health insurance for the employee and his/her own family.

### **Investment in Skills & Training**

- The deal must earmark funds to Wisconsin's Technical Colleges and UW System. This deal should spur Wisconsinites to sharpen our skills and re-train if necessary to prepare for high-skilled jobs in the electronics and information technology fields.
- The deal must also earmark funds to Wisconsin's public K-12 schools to ready the next generation for high-skilled careers in the electronics and information technology fields so that our State can lead the country for years to come.

### **Facility Construction**

- Wisconsin's highly-skilled employees and firms should be prioritized in the design/build phase of the Manufacturing Zone. Wisconsin's tax dollars that are paving the way for this deal should not be used to hire out-of-state workers.
- Construction firms should be encouraged to enter into an agreement regarding performance, safety training, community hires, apprenticeships, wages, and benefits.
- Any employee that is hired to build within the Manufacturing Zone must be paid a living wage, commensurate with the worker's trade and skills and the local area standards.

### **Responsible Transportation Plan for Roads and Public Transit**

- Wisconsin's current highways and local roads cannot be expected to handle the influx of thousands of employees commuting to the Manufacturing Zone. Due to irresponsible budgeting that relied on increased borrowing and delaying projects, our roads are stressed and crumbling. Earlier this year, Wisconsin's roads were rated 2nd worst in the nation by US News & World Report. To fix our deteriorating transportation infrastructure, and prepare for high tech manufacturers and their employees for years to come, our transportation fund requires a reliable source of revenue. This deal, in conjunction with our long overdue State Budget, must provide for a reliable source of revenue such as indexing the gas tax to inflation or increasing registration fees.
- In addition, a responsible deal of this magnitude must include a comprehensive, multi-modal public transportation plan that constructs a safe and secure public transit system to get Wisconsin workers to and from the jobs within and proximate to the Manufacturing Zone.
- During the construction and operation of this transit system, any job involved must be a good job with family-supporting wages, healthcare, retirement savings, and a voice at work through a union.

### **Path to Apprenticeships**

- This deal must ensure a pathway for local residents to achieve careers in the skilled trades, so that this deal catalyzes new careers for workers in the area surrounding the Manufacturing Zone, including the under- and unemployed.

### **Taxpayer Dollars Must be Tied to Real Jobs: protecting investment means tough claw back provisions**

- Over the next 15 years, this deal may cost Wisconsin taxpayers nearly \$3 billion. It is essential that taxpayer investment is protected. Under the proposed deal, the WEDC will manage the disbursement of \$2.85 billion of tax credits. However, the WEDC should not award one dollar until jobs are created.
- In addition, if Foxconn or any company that receives tax dollars from this deal fails to invest the requisite capital or hire the thousands of workers promised, then the WEDC should demand and take action to ensure that all taxpayer dollars are restored to the State.
- The deal should protect against outsourcing or displacing Wisconsin workers with out-of-state or out-of-country workers. Any deal must specify that all of the jobs created through this deal stay in Wisconsin and that these jobs are not to be displaced by out-of-state or out-of-country workers.
- In addition, it should be repeated that the WEDC has a miserable record in holding accountable the corporations taking taxpayer dollars. One need only remember that it was the WEDC that lost track of \$8 million in loans and the number of jobs that were supposed to be created. Therefore, the State should create a 3-person council (1 management, 1 labor, and the highest ranking local politician in the municipality or city) and the WEDC absolutely should create a non-political appointee-position to all keep tabs on the money flowing out and the jobs created.

### **Real Public Input and Full & Fair Legislative Debate**

- The Wisconsin State Legislature should hold a full, public debate with open public hearings where people can raise their voices about this deal.
- The Legislature should not take any vote before giving the public adequate time to analyze the proposed deal and contact their legislators to address any issues about the deal. Wisconsin residents, local officials, and taxpayers need time to consider this sizeable investment.