

UNDER THE DOME

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Foxconn to Invest \$10 Billion in Wisconsin

President Donald Trump and Governor Walker joined officials from the Taiwanese company Foxconn in the White House to announce the framework of a deal to bring an electronics manufacturing facility to southeast Wisconsin. The Walker administration and Foxconn have signed a memorandum of understanding with the promise of \$3 billion in government incentives if the company follows through on their promise to invest \$10 billion in the state and create up to 13,000 jobs, with an average salary expected to be around \$53,000. Foxconn is looking to manufacture state-of-the-art liquid crystal display (LCD) screens which will be used in everything from self-driving cars to aircraft systems and in the fields of education, entertainment, healthcare, safety and surveillance, advanced manufacturing systems, and office automation, among others. Although land for the facility has not yet been purchased, they reportedly are looking at parcels in Racine County, within the villages of Mount Pleasant and Sturtevant. Foxconn representatives had been meeting with local, state and federal officials in recent weeks, however, those conversations were largely kept under wraps by all parties involved prior to the announcement. Wisconsin will need to pass legislation clearing the way for the incentives and it is possible they will meet in special session as early as August 10th. Walker's office yesterday said the package would include up to \$1.5 billion in state income tax credits tied to job creation, up to \$1.35 billion in state income tax credits for capital investment and a sales and use tax exemption of up to \$150 million. The \$3 billion in incentives from the state would be dispersed over 15 years if Foxconn meets the benchmarks put forth in the memo of understanding.

Former Marine Announces Bid to Unseat Senator Baldwin

Republican Kevin Nicholson launched a campaign for U.S. Senate, making him the first serious contender to officially announce a bid to unseat incumbent Democrat Tammy Baldwin. Nicholson, age 39, lives in Delafield with his wife and three children and works at the management consulting firm ghSMART. In a campaign video, Nicholson played up his military past, including 100 combat missions and a Bronze Star, while calling Senator Baldwin a disaster on national security. Nicholson casts himself a conservative political outsider, with declared positions in support of 2nd amendment gun rights, term limits and school choice. Nicholson's conservative credentials are expected to be an issue raised by primary opponents, due to his past ties to the Democratic Party. Nicholson is past president of a national college Democratic group, spoke in favor of Al Gore at the 2000 national convention, and voting records show that he registered as a Democrat in 2005 and cast a ballot in the 2008 Democratic presidential primary and general election while living in North Carolina. Nicholson has said he migrated to the Republican party in 2007. Other Republicans considering a bid include state Sen. Leah Vukmir, 2012 Senate candidate and successful real estate developer Eric Hovde, state Rep. Dale Kooyenga and Senate Majority Leader Scott Fitzgerald. Although Nicholson does not have the personal wealth of Hovde to help bolster a Senate run, he has the backing of billionaire Richard Uihlein, who has already given \$2 million to a political action committee backing Nicholson.

Nehlen to Challenge Speaker Ryan in GOP Primary

Delavan native Paul Nehlen said he will mount a second campaign to try and unseat U.S. House Speaker Paul Ryan in a Republican primary for Wisconsin's 1st Congressional District. Nehlen, who lost to Ryan by 68 percentage points last election cycle, held a listening session on Thursday and plans to host a series of other community events in coming weeks. He has been critical of Speaker Ryan for the handling of health care reform, arguing Ryan refused to let other bills and better ideas be considered. He also took a shot at Ryan for allegedly mischaracterizing his role in helping to land Foxconn, saying it was disingenuous for the Speaker to claim any credit. Federal Election Commission records show Nehlen raised \$40,000 from January 1st through June 30th. He raised \$1.39 million in last year's losing effort and spent it all. Ryan has more than \$11 million in his campaign fund. A number of Democrats are also considering a run, with veteran and iron worker Randy Bryce being the only declared candidate to date.

Lawmaker Looks to Revive Dormant Gas Pipeline in Northeast Wisconsin

State Senator Roger Roth said he is facilitating discussions with the hope of creating a consortium that would fund the rebuilding of a dormant gas pipeline in northeastern Wisconsin. The 650-mile West Shore Pipeline for years transported fuel from northern Indiana to Green Bay, but was shut down after a 2012 leak in the village of Jackson in Washington County that contaminated dozens of private wells, along with portions of nearby waterways. Roth is concerned that relying on trucks and ships to transport fuel has led to increased fuel prices and leaves the region susceptible to fuel shortages if bad weather were to halt deliveries. It is estimated investors would need to spend between \$200 and \$300 million to rebuild the line. Roth said he is not seeking taxpayer support for the project, but hopes to play a crucial role in bringing stakeholders together to help secure the private investment.

Budget Update

There was little movement on the state budget as lawmakers were focused on the Foxconn announcement, however, Senate Majority Leader Scott Fitzgerald told reporters he is hopeful a deal can be reached in coming weeks. The Senate plans to caucus on the budget Tuesday, and it's possible the Joint Finance Committee could meet as early as this week. JFC Co-chairs Nygren and Darling said they believe the Foxconn announcement could reinvigorate budget negotiations. Outside of the transportation and taxes debate, the co-chairs said there are a number of less contentious items the committee could meet on, including the Department of Natural Resource and the Department of Trade, Agriculture and Consumer Protection. Darling and Senate JFC Vice-chair Luther Olsen told reporters they are optimistic the entire budget will be completed by September 1st. Governor Walker and Assembly Republicans remain in agreement on a deal proposed by Walker that would use \$200 million he had originally proposed for income tax cuts to instead lower the level of transportation borrowing, a priority for the Assembly. Senate Republicans have not accepted those terms, instead proposing the use of the \$200 million to eliminate the state personal property tax, while relying on roughly \$700 million in transportation borrowing. Assembly GOP leaders have said that level of borrowing is a non-starter for their caucus.

Electric Vehicle Tax Proposed

Republican state Rep. Paul Tittl circulated legislation that would force owners of electric vehicles to pay a new surcharge, in order to address what Tittl says is an inequity that exists. Under the proposal, the annual vehicle registration fee for electric cars would increase from \$75 to \$200. The proposal is not an entirely new concept, as Assembly Republicans earlier this year released a transportation funding plan that included a \$125 fee on electric cars, along with a \$30 fee on hybrid owners. That proposal was short-lived as Walker and Senate Republicans rejected it. In a memo to lawmakers, Tittl said his bill would provide fairness in road funding by ensuring all vehicle owners contribute to the financing, repair and maintenance of the state transportation infrastructure. The \$175 increase is roughly equal to the amount owners of gas vehicles pay in fuel taxes each year, assuming they drive 12,000 miles at 20 miles per gallon, according to Tittl. It is unclear how much revenue the proposal is expected to generate.

WI Congressional Democrats Urge State Officials to Reject Trump Voter Data Request

Three congressional Democrats wrote a letter to the Wisconsin Elections Commission and Secretary of State Doug LaFollette urging them not to comply with a request by the Presidential Advisory Commission on Election Integrity to share state voter record data. President Trump created the Commission in an attempt to identify instances of voter fraud, which he has claimed led to millions voting illegally for Democrat Hillary Clinton in the 2016 presidential election. A number of states, both Republican and Democratic, have said they won't comply due to concerns with sharing sensitive voter information. Wisconsin has not yet made a formal decision. The letter was sent by Representatives Gwen Moore, Mark Pocan, and Ron Kind.