



November 13, 2019

Brand Cheng, CEO, Foxconn Industrial Internet  
Foo-Ming Fu, CEO, Foxconn Industrial Internet-Wisconsin  
Alan Yeung, Director, FEWI  
611 E. Wisconsin Avenue  
Milwaukee, WI 53202

Dear Messrs. Cheng, Fu, and Yeung,

Thank you again for taking the time to join Secretary Brennan and me at the offices of the Wisconsin Economic Development Corporation (WEDC). It was a pleasure meeting each of you. While I regretted Dr. Jay Lee and Richard Vincent were unable to join us, I look forward to meeting them soon.

Your presentation gave me the opportunity to fully appreciate Fii's financial size, industry reach, and innovative culture. I now have better insight into Fii's strategy of investing in the research and development of next generation 5G communication technology, emphasis on automation, 8K image data, and high-performance computing, which puts shape to your company's initial investments in Wisconsin. Thank you for sharing information about Fii's construction plans at the Wisconsin Valley Science and Technology Park in Mt. Pleasant. I look forward to staying in close communication with you as Fii's plans for operation in Wisconsin progress.

As I stated when we met, WEDC and our Administration are committed to support Foxconn and Fii's success in Wisconsin, demonstrated by existing and on-going state and local investments in real estate, roads, water, sanitation, fiber, and job training. We also had a frank discussion about the challenges related to Foxconn's incentive contract with WEDC and the State. Specifically, we noted that the Foxconn's project work and plans do not align with the project agreed to by the parties to the WEDC incentive contract, the construction of a Generation 10.5 TFT-LCD Fabrication Facility. We also noted that Fii, is not a party to the WEDC incentive contract, and outlined the application and certification process Fii would need to follow should it wish to become eligible for state incentives for its future investments and hiring in the EITM zone. These points are consistent with those expressed to Foxconn representatives by my predecessor, Secretary Hogan.

I appreciate, as you shared, how Fii's vision for its campus in Mt. Pleasant is tied to the expectations of Foxconn's and Fii's shareholders. As I explained, clarity and transparency relating to any changes to Foxconn's project in Wisconsin are critical to our state's taxpayers. Since WEDC's programs do not permit a party to receive public incentives for investments or hiring that occur prior to the party applying for them and being certified for eligibility, it would be in Fii's best interest to apply soon if it wishes to pursue eligibility for tax credits. Because of these challenges, WEDC and Fii should sit down to discuss specific tools to support Fii's growth and success in Wisconsin. Following our meeting on Friday, I directed WEDC Deputy Secretary/COO Sam Ridders to lead this conversation.

**THINK·MAKE·HAPPEN.**

Foxconn, Fii, and Wisconsin taxpayers have all made, and continue to make, substantial investments to support the success of the EITM Zone in Mt. Pleasant. I look forward to visiting Wisconsin Valley at the end of this week and working closely with you in the months and years to come.

Best regards,

A handwritten signature in blue ink, consisting of a stylized 'M' followed by a long horizontal line that tapers to the right.

Melissa Hughes

Cc: Joel Brennan, Secretary, Department of Administration