
Capitol Connection

By Senator Joe Leibham

A Bad Day for Everyone

Monday, April 13 was not a good day. The official announcement that Gardner Denver, Inc. will close the Sheboygan-based Thomas Products division is devastating news for approximately 250 employees and their families who will lose their jobs – as well as the numerous other area businesses that will be negatively impacted by this decision.

Without a doubt, the loss of Thomas is also terrible news for the Sheboygan area and the entire state. We will all suffer due to the closure of this long-standing business, the good-paying family-supporting jobs they provided and the investment they made in our community. This decision should disappoint and frustrate everyone.

In an effort to help, I was pleased to lead an effort to put together a substantial local/state government taxpayer incentive package that offered 100 percent of the support Thomas requested – and more. The incentive package was unprecedented in the scope of what was offered and the collaborative and timely way in which it was presented. State and local taxpayers would have provided Thomas with funding to cover moving and relocation costs as well as the training of existing and new employees. In addition, the company would have received state tax liability credits for the retention of the current jobs and the creation of new jobs in Wisconsin. The total dollar amount of the Wisconsin offer was substantially less than what was offered to Thomas by the State of Louisiana simply due to the fact that they had a greater cost to cover. We made commitments to provide additional support if it would be helpful, but Thomas officials indicated that our package was competitive with what was offered by Louisiana and expressed sincere appreciation for the support offered by both the state and local taxpayers.



Unfortunately, even with this substantial taxpayer incentive package, we were unable to overcome the underlying cost challenges of doing business in Wisconsin. This should concern everyone. Little by little, Wisconsin is pricing itself out of being competitive in the national and global marketplace for jobs.

From my perspective, Wisconsin's current business tax and regulatory climate is making it more and more challenging to retain and create good-paying private sector jobs. Unfortunately, things got worse even as we were trying to save these 250 jobs. Specifically, in the very week in which we were trying to convince Gardner Denver to keep their jobs in Wisconsin, Governor Jim Doyle and a majority of state legislators approved \$1.2 billion in new "anti-job" taxes and introduced plans for an additional \$1.4

billion in tax increases later this year. I confidently voted “no” and will fight against these record tax increase proposals because it became clear to me, during my visits at Thomas and other area businesses, that Wisconsin is already uncompetitive in regard to our business climate and making things worse would not help.

I am also confused as to why the union and management at Thomas were unable to resolve a few key contractual differences. Especially concerning is that there seemed to be little interest in trying to honestly negotiate these issues. While I respect fighting for one’s principles, I do not understand how you fail to reach a compromise that would save about 250 good-paying jobs. In another effort to help, I personally attempted to bring the two sides together on three different occasions but, regrettably, never received a returned phone call from the local union leadership.

I am also extremely disappointed and frustrated with the lack of personal focus and leadership that Governor Doyle offered in an effort to save these jobs. Immediately after meeting with Thomas’ Sheboygan management team on February 2, I personally contacted the Governor’s Office and encouraged the Governor to become personally involved. My first request was that the Governor would quickly contact the key individuals at Thomas to express our appreciation for their 70+ year investment in Wisconsin and to offer his direct assistance. Regrettably, the Governor chose not to contact anyone at Thomas until February 20, eighteen days later.

My second request of the Governor was that he, or a high-ranking member of his administration, personally visit with Thomas’ Sheboygan management team to present our state/local incentive package. After failing to receive a commitment from the Governor’s Office, we scheduled our meeting with Thomas on February 25, just two days before their deadline. Unfortunately, Governor Doyle was unable to attend because he was in Spain reviewing their train system. The highest ranking administrative official at this important meeting with Thomas was a bureaucrat from the Department of Commerce.

My requests for Governor Doyle’s personal involvement were based in part because Thomas’ management repeatedly expressed their appreciation for Louisiana Governor Bobby Jindal’s personal involvement with their state’s effort to attract Thomas to grow there. I do not think it is wrong to criticize Governor Doyle, the leader of our state, for the fact that, during the ten-week negotiation process, he only made one phone call to Gardner Denver.

Unfortunately, these factors, and certainly others, led to the devastating decision by Gardner Denver to move approximately 250 jobs south instead of moving 40 jobs north. Monday was a bad day for the employees and families of Thomas, and a troubling time for our area and state. I will work with the employees of Thomas to provide information regarding the unemployment services that may be available to them and, more

importantly, redouble my efforts to have our state become more respectful and supportive of the businesses that call Wisconsin home and the jobs they create.

As always, it has been a pleasure communicating with you. Please remember to communicate with me and share your input by calling 888-295-8750, writing to me at P.O. Box 7882, Madison, WI 53707-7882, or by e-mailing me at Sen.L Leibham@legis.wi.gov. You can also log on to the 9th Senate District on-line office at www.leibhamsenate.com.

It is an honor representing the residents of the 9th District in the State Senate.