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## How Dell made North Carolina beg for business

By [Ashlee Vance in Chicago](#) (ashlee.vance at theregister.co.uk)

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Any reporter who has covered Dell for a couple of years has heard the stories about the company's iron-fisted negotiating tactics. Dell's size lets it put enormous pressure on partners, suppliers and rivals. Now it seems Dell has extended these Wal-Mart like ways to hammering entire states.

Documents unsealed by the North Carolina Department of Commerce show that Dell beat on the state during negotiations around the construction of a new plant in the Triad region, according to a report from the *News and Observer*. Dell boldly asked government officials to absolve it of paying any taxes at all and demanded that it be considered for government computer purchases. Dell also tried to put patriotic pressure on North Carolina to do anything to keep jobs in the US - an almost comical ploy given that Dell isn't terribly patriotic itself. It employs more foreign workers than it does here in the US.

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"Think we're on the brink of a crisis ... other countries get it," Secretary of Commerce Jim Fain wrote in his notes after meeting with a Dell executive.

Fain then recounted that the Dell executive said he was "afraid we're going to get whipped in econ. - not in a war. We truly want to continue in this country. If we can't get states to get creative - or the fed gov't. . . And if we can't make it, who can - we're all about productivity. We need to get to where something happens at the fed level."

The same Dell executive later voiced his displeasure over how long North Carolina was taking to give into the company's demands. Dell also said it wanted "access" to government business in exchange for the plant, the paper reported. In the end, Dell received a stunning \$240m package [full of](http://www.theregister.co.uk/2004/11/09/dell_nc_plant/) (http://www.theregister.co.uk/2004/11/09/dell\_nc\_plant/) tax breaks to bring just 1,500 jobs to North Carolina. Taxpayers will pay the computer giant \$15 per PC next year, and over \$6 per box for the subsequent decade. Dell can lay off up to 40 per cent of these workers and still receive the government handouts. Not a bad deal for a hard done by cash machine.

North Carolina's Governor Mike Easley also received a gift that is sure to come in handy during future deals. He was given an autographed book from none other than Michael Dell. It's assumed the book was a copy of *Direct from Dell: How to make a state beg*. Maybe Easley be a better negotiator next time a company comes knocking.®

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