WASHINGTON, D.C. – With no end in sight to the ongoing solar trade dispute between the United States and China, the Solar Energy Industries Association (SEIA) is offering an industry compromise between the U.S. and Chinese solar industries, which could serve as the centerpiece for a fair, negotiated settlement of outstanding issues, benefit end users, and encourage the proliferation of solar energy in the United States and globally.

“This proposed settlement is a win all the way around,” said SEIA President and CEO Rhone Resch. “It would actually lower costs to Chinese manufacturers for the export of solar cells and modules to the United States, and it would improve U.S. manufacturers’ ability to compete fairly on an even playing field. It would also eliminate current and future litigation risks and costs for both Chinese and American companies. But just as importantly, SEIA’s proposed settlement would benefit American consumers, as well as all consumers of solar energy, by holding down costs.”

For months, SEIA has been working behind the scenes in Washington and Beijing to resolve the current conflict and head off an escalation of trade sanctions. SEIA has warned U.S. negotiators that any settlement similar to the recently-announced EU-China agreement would represent a blow to the U.S. solar industry because of an expected increase in solar prices. SEIA also believes that any resolution of the U.S.-China solar dispute must recognize the interests of all stakeholders, including American consumers, and not just one segment of the industry.

Highlights of SEIA’s proposed solution include:

• Chinese companies would agree to create a fund that would benefit U.S. solar manufacturers directly and help to grow the U.S. market. Money for the fund would come from a percentage of the price premium Chinese companies are currently paying to third-country cell producers to get around U.S. trade sanctions, reducing costs and supply chain distortion for Chinese companies.

• The Chinese government would also agree to end its antidumping and countervailing duty investigations on U.S. polysilicon exports to China, and remove the threat of artificial cost increases in a key raw material in the solar value chain, benefiting not just Chinese solar companies but all users of solar energy.

• In return, the U.S. antidumping and countervailing duties orders would be phased out.

• The proposal also calls for a safeguard mechanism designed to offset any
surge of Chinese solar modules into the U.S. market.

A key provision of the settlement calls for the establishment of the Solar Development Institute, which would be funded by Chinese manufacturers. The Institute, in turn, would focus its resources on expanding the U.S. solar market for all participants and growing the U.S. solar manufacturing base.

The Institute would also serve as the primary vehicle for fostering long-term collaboration between the U.S. and Chinese solar industries, including joint research and development projects as well as collaboration on environment, health, safety and codes and standards initiatives.

SEIA’s proposal is based on a precedent set during a 2002 trade dispute between the U.S. and Brazil over allegations of unfair American subsidies on cotton. The World Trade Organization (WTO) eventually ruled against the United States and – as part of the settlement – a fund was established to compensate Brazilian farmers. Today, the U.S. pays about $150 million a year to Brazil’s cotton industry to avoid being punished by the WTO.

“While we are encouraged that negotiations to resolve the solar trade dispute are continuing in earnest, the discussions appear to be focused right now on a minimum price and/or quotas,” said John Smirnow, SEIA Vice President of Trade and Competitiveness. “This is a misguided approach. Any settlement which includes these components would represent a significant step backwards for the U.S. solar industry and the solar industry globally.”

Finally, as an additional step, SEIA believes the U.S. government should take all steps necessary to ensure that federal procurement opportunities are provided to domestic solar manufacturers in recognition of the importance of U.S. solar manufacturing to the nation’s long-term energy security.

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About SEIA:
Established in 1974, the Solar Energy Industries Association® is the national trade association of the U.S. solar energy industry. Through advocacy and education, SEIA® is building a strong solar industry to power America. As the voice of the industry, SEIA works with its 1,000 member companies to make solar a mainstream and significant energy source by expanding markets, removing market barriers strengthening the industry and educating the public on the benefits of solar energy. Visit SEIA online at www.seia.org.

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