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U.S. MANUFACTURERS OF SOLAR CELLS FILE DUMPING AND SUBSIDY PETITIONS AGAINST CHINA

Illegal Practices by Chinese Government and State-Sponsored Producers Cause Bankruptcies, Plant Shutdowns, Job Losses in U.S. Solar Market

Washington, D.C., October 19, 2011 – SolarWorld Industries America Inc., the largest U.S. producer of crystalline silicon solar cells and panels and a founding member of the Coalition for American Solar Manufacturing (CASM), today filed petitions with the U.S. Department of Commerce and the International Trade Commission demonstrating that Chinese manufacturers of solar products are illegally dumping crystalline silicon solar cells into the U.S. market. The petitions assert dumping margins well in excess of 100 percent. The petitions also assert Chinese manufacturers are receiving massive illegal subsidies from the Chinese government, which is deploying contract awards, trade barriers, financing breaks and supply-chain subsidies, among an extensive and pervasive array of other supports and incentives, to advance the exports of Chinese manufacturers.

As a result of the dumping and illegal subsidies, the U.S. industry is suffering severe harm to employment, pricing, production and shipment. The seven company members of CASM, which employ Americans to produce crystalline silicon solar cells and panels in the United States, said Chinese imports of solar goods have escalated unceasingly over the past several years. Import data reveal that in the first eight months of 2011 alone, Chinese exports have totaled \$1.6 billion, more than all of 2010. The petitions represent one of the largest China-related dumping and countervailing duty cases filed to date and the largest case filed in the renewable-energy industry.

“Chinese producers have used – and continue to use – continuous increases in production capacity and output, fueled by unprecedented levels of subsidization, to push enormous quantities of dumped and illegally subsidized PV cells and panels into the U.S. market at artificially low prices,” said Gordon Brinser, president of Oregon-based SolarWorld Industries America Inc., the leader of CASM and the named petitioner in the case. “This drive is undercutting fair market value and threatening to decimate U.S. solar manufacturing employers.”

Brinser further stated, “We cannot allow China to throw its government resources around in violation of international law. Its actions are illegal and must be stopped.”

In its petitions, SolarWorld is asking the federal government to impose duties to provide relief to the domestic makers of crystalline silicon solar cells. The case excludes thin-film products manufactured from cadmium telluride, copper indium gallium selenide and amorphous silicon. The case also excludes non-photovoltaic technologies such as solar thermal and concentrated solar power.

Chinese solar manufacturers export nearly all of their production. As part of its evidence, the petition shows that Chinese exports of solar cells and solar panels to the United States rose more than 300 percent from 2008 to 2010. In fact, exports in the month of July 2011 exceeded those from *all* of 2010.

A recent policy brief issued by the office of U.S. Senator Ron Wyden of Oregon, chairman of the Senate Finance Committee's Subcommittee on International Trade, Customs and Global Competitiveness, noted that the increase in Chinese solar manufacturing "is consistent with goals found in China's recent Five Year Plans. These subsidies encourage the production and export of solar cells and modules – the primary components of solar panels – and support their sale at below-market prices, making it possible for Chinese companies to stay ahead of their foreign competitors."

The surge, in Chinese manufacturing and exporting, has been the primary cause for a 40 percent decline in world market prices over the past year. Further, as a result of Chinese dumping, seven U.S. solar plants in the past 18 months have either closed or downsized, resulting in the elimination of thousands of jobs in Arizona, California, Massachusetts, Maryland, New York and Pennsylvania.

"The Chinese industry is using dumped and subsidized pricing to drive U.S. companies out of the U.S. market," said Timothy Brightbill of Wiley Rein LLP, the firm that serves as counsel to Solar World and CASM. "The U.S. solar business is one of the few growth markets in this down economy, and the Chinese are using unfair and illegal tactics to exploit it at any and all costs."

Commerce has 20 days to determine whether to initiate investigations. After initiation, Commerce issues its preliminary determinations in four to six months. If Commerce finds dumping and illegal subsidies, it will begin collecting duty deposits equal to the antidumping and countervailing duty margins found. The investigations will take about 12 months to complete.

"We have joined together as an industry because the level of illegal subsidies and dumping that the Chinese government has mounted is simply intolerable," Brinser said. "American solar manufacturers can compete with any Chinese manufacturers, but not with the entire government of China."

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The Coalition for American Solar Manufacturing is made up of seven companies that manufacture solar cells and modules in the United States. These member companies have plants in nearly every region in the United States, including the Northwest and California, the Southwest, Midwest, Northeast and South and support several thousand U.S. manufacturing jobs. For more information, please visit www.americansolarmanufacturing.org. The coalition email address is contact@americansolarmanufacturing.org.