Congress of the United States Washington, DC 20515

June 15, 2022

The Honorable Joseph R. Biden, Jr. President of the United States 1600 Pennsylvania Ave. NW Washington, D.C. 20500

Dear President Biden,

We write to express our deep frustration, concern, and confusion over your recent announcement to undermine the integrity of an ongoing Department of Commerce (Commerce) investigation into Chinese efforts to circumvent the antidumping duty (AD) and countervailing duty (CVD) orders on solar cells and modules and to suspend tariffs on solar panels imported from South East Asia.¹ Instead of allowing an appropriate trade enforcement process to continue, you chose to provide Chinese companies a 24-month reprieve to continue potentially illegal trade activity to the detriment of domestic manufacturers, American workers, and American innovators.

The Commerce investigation was initiated by request from Auxin Solar Inc. in February 2022.² Beginning in April 2022, Commerce started to explore whether solar cells and modules fabricated in Cambodia, Malaysia, Thailand, or Vietnam utilized parts and components made in China and subsidized by the Chinese Communist Party (CCP) government. If the accusations raised by Auxin Solar are accurate, China is effectively avoiding existing tariffs on solar panels simply by moving the location of assembly or export.

Duties on Chinese solar panels were established based on the CCP heavily subsidizing the industry and considering China's long history of unfair and unethical labor practices, including documented use of forced labor.³ Tariffs established under President Trump and continued under your Administration have been an appropriate response to the abhorrent labor practices, lack of environmental protections, and market manipulation that led to Chinese control of approximately 80% of the solar panels utilized in the U.S.⁴ Removing these restrictions will further disadvantage U.S. manufacturers, dissuade investment in America, and continue Chinese domination of the renewable energy market.

¹ <u>https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/06/declaration-of-emergency-and-authorization-for-temporary-extensions-of-time-and-duty-free-importation-of-solar-cells-and-modules-from-southeast-asia/</u> <u>a https://www.faderalezeister.gov/decuments/2022/04/01/2022_06827/amytelling_cilican_photowaltain_aclls_whether_or_pat_exampled_inter-</u>

² https://www.federalregister.gov/documents/2022/04/01/2022-06827/crystalline-silicon-photovoltaic-cells-whether-or-not-assembled-intomodules-from-the-peoples

³ <u>https://www.nytimes.com/2021/01/08/business/economy/china-solar-companies-forced-labor-xinjiang.html</u>

⁴ Ibid

In addition, while you justify this decision based on "near-term electricity reliability" concerns and the "threat to our national security" caused by climate change, there is no evidence your actions will reduce global emissions or make the U.S. more energy secure.⁵ Further, this decision fails to consider the threat to our national security caused by the expansion of Chinese leverage over America's energy needs or the massive transfer of investment from America to China. In addition, with China investing heavily in coal-fired power plants, some estimates indicate a Chinese-produced solar panel could have as high as double the carbon emissions as one produced in the U.S.⁶ Relying on China for exports of energy materials and aspects of our energy supply chain puts U.S. national security and energy security at risk.

The Commerce investigation is vital to ensuring U.S. trade restrictions are properly enforced and U.S. manufacturers are not subjected to unfair competition. This investigation should be allowed to continue without interference and with the necessary mechanisms it needs for enforcement to deter bad behavior. In addition, we are concerned about how this policy decision was made, and how your actions could further impact the energy supply chain.

We respectfully request that your Administration withdraw the temporary suspension of duties for solar products from the countries in question, and address the following questions regarding the process leading to this decision:

- 1. What, if any, analysis was conducted on the impact on domestic manufacturers and investment of continuing to purchase solar components funded and produced by China?
- 2. What, if any, analysis on the impact on global emissions was conducted by your Administration?
- 3. What, if any, analysis was conducted on forced labor practices associated with the production of solar components funded and produced by China?
- 4. What, if any, analysis was conducted on potential stolen U.S. intellectual property associated with the production of solar components funded and produced by China?
- 5. What impact will your decision have on the U.S. energy supply chain, to include impacts on American jobs, electricity reliability, electricity affordability, manufacturing capacity, the availability of domestic mining and refining critical minerals, and future innovation in solar?

With American energy prices on the rise and global energy security at risk, your decision to intervene on behalf of the CCP is shocking and irresponsible. As supporters of an all-of-the-above energy strategy, we cannot sit idly by as you decimate the future prospects for U.S. solar manufacturing in favor of giving China a free pass to undercut American companies with slave labor. We request that you reverse course and allow Commerce to conduct a legitimate investigation, and we look forward to your timely response.

⁵ <u>https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/06/declaration-of-emergency-and-authorization-for-temporary-</u>

extensions-of-time-and-duty-free-importation-of-solar-cells-and-modules-from-southeast-asia/

⁶ <u>https://clcouncil.org/blog/why-we-should-leverage-u-s-solars-carbon-advantage/</u>

Sincerely,

Pete Stauber Member of Congress

Kein Mc Gurt

Kevin McCarthy Member of Congress

Flin M. Sufant

Elise Stefanik Member of Congress

Windel T. W. Carl

Michael T. McCaul Member of Congress

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