

Dear President Obama:

In your most recent State of the Union Address, it was gratifying to hear you single out the U.S. solar industry as a global success. We support your passion for the spread of clean energy and the benefits it can bring to the West's economy, energy security and environment.

I have profound faith in U.S. solar technology manufacturing. The company I founded and lead, SolarWorld, has invested more than \$600 million of its own money in building factories on U.S. soil. Many other U.S. companies share this vision for solar manufacturing in the United States.

Today, however, that vision stands in grave danger. I must tell you respectfully, President Obama, that illegal trade practices threaten to destroy any ongoing U.S. role in global solar-industry competition. China is improperly seizing control of an industry that the United States invented, pioneered and grew.

Beginning a few years ago, the Chinese government saw an opportunity not to join but to exploit and dominate this growing industry, as it has done with many other industries. Through state planning, billions of dollars of government subsidies and below-cost pricing, China built massive solar production capacity – enough to supply the world twice over – and drove down pricing to unsustainable levels. It harvested U.S. taxpayer-funded incentives, while keeping foreign competitors out of its own market.

This drive has hurt and bankrupted dozens of well-run U.S. solar manufacturers and cost the jobs of thousands of U.S. employees. In late January, Sharp Solar became the latest to announce it would exit the U.S. solar manufacturing industry.

China's illegal practices have hurt solar investment, research and development and, throughout the solar industry's supply chain, curtailed the innovation and bright futures of many businesses, their workers and numerous communities. SolarWorld alone has purchased nearly \$1 billion in goods and services from other U.S. producers, contractors and service providers over the past three years. Our plant in Hillsboro, Ore., has employed as many as 1,100 American workers.

U.S. solar manufacturing should be thriving. American entrepreneurs and inventors pioneered solar technology and mass manufacturing, and U.S. producers remain technologically advanced. The National Renewable Energy Laboratory has found that China possesses no inherent cost advantage. Yet, China is destroying foreign manufacturing competition.

International law prohibits China's predatory trade actions. For this reason, SolarWorld, with support from industry coalitions in the United States and Europe, filed and won legal cases on both continents. The law is on our side, and the U.S. coalition backing our cause, the Coalition for American Solar Manufacturing, includes 250 employers of American workers (www.americansolarmanufacturing.org).

In the EU market, we reached a settlement with Chinese producers that may help reinstate fair competition, and we see favorable results there for all producers. However, a loophole in the trade



remedy in our U.S. cases enabled China to circumvent import duties. To right this wrong, SolarWorld has filed new cases, and I hope U.S. agencies will fairly adjudicate them.

We once again face determined opposition: the government of China, its state-subsidized producers, and Wall-Street-financed corporations that have predicated their growth on illegally subsidized and dumped solar products.

Everyone in the industry wants to see solar deployed on U.S. rooftops and warehouses nationwide as quickly as possible. But some in the United States want only the cheapest solar panels they can find, without regard for issues of fairness – or product quality. It will surprise no one that the group supporting this cause, the Coalition for Affordable Solar Energy, is a public-relations construct largely funded by the Chinese producers. The policy they pursue may make money for a few Wall Street investors over the short term, but it will never prove to be a path to a strong, sustainable solar future.

Meanwhile, SolarWorld remains open to any prospective resolution that promises to hold China accountable to trade agreements and laws that enable fair trade.

We ask for your support and commitment in the name of the entire U.S. solar industry, including both installers – the broad foundation of which supports our cause – but also of the U.S. factory workers, engineers and companies that delivered solar to this exciting point of mainstream world adoption. Without both, the security, sustainability and independence that should accompany manufacturing and installing solar technology within the sunny markets where it is sold will remain unrealized.

Please help us ensure that the structures and forces of competition, fairness and law can do their work to re-open a brighter U.S. solar-industry future.

Sincerely yours,

Dr.-Ing. E.h. Frank Asbeck

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Founder, Chairman and Chief Executive Officer

SolarWorld AG