Here Comes the Sun: The Case For Removing Solar Energy Tariffs

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Here Comes the Sun: The Case For Removing solar Energy Tariffs 3

OBSERVATION 1. We offer the following DEFINITIONS. 3

OBSERVATION 2. INHERENCY, or the structure of the Status Quo. We offer 2 key FACTS 3

FACT 1. Solar Energy Tariffs. The US imposes high tariffs on solar equipment from China. Even the lowest is over 21% 3

FACT 2. Solar development blocked.High tariffs on China & Taiwan solar equipment block development of solar energy in the US 4

OBSERVATION 3. The HARMS. 4

Harm 1. US consumers and businesses harmed. They have to pay higher prices for solar panels 4

Harm 2. Lost jobs. Tariffs on Chinese solar panels cost Americans jobs. 4

Harm 3. Collateral Damage. Taiwan had tariffs placed upon them unfairly for selling parts to China. 4

OBSERVATION 4. We offer the following PLAN 4

OBSERVATION 5. The ADVANTAGES. 5

ADVANTAGE 1. Job losses reversed. The tariffs don’t create jobs, but removing them will 5

ADVANTAGE 2. Business Growth. American solar installation companies grow faster with cheaper solar panels 5

ADVANTAGE 3. Bright Solar Future. More solar energy means lower costs, less pollution, and better health 5

2A Evidence: Remove Solar Energy Tariffs 6

DEFINITIONS & BACKGROUND 6

History of American tariffs on Chinese solar panels 6

OPENING QUOTES / AFFIRMATIVE PHILOSOPHY 6

The US is cutting off its nose to spite its face. 6

INHERENCY 6

US imposes extra tariffs on Chinese solar panels – not good, because solar is better for the environment 6

American renewable energy levels low 7

High solar tariffs impede progress on renewable energy 7

High tariffs block development of solar power 7

Taiwan did not intentionally influence US-market 7

Tariff rates not significantly decreased 7

US is expanding tariffs on more Chinese solar panels 8

Tariffs have expanded to Taiwan 8

New tariff rates (July 2015) are comparable to original rates or higher 8

HARMS / SIGNIFICANCE 8

Chinese imports are a significant share of the US solar market, tariffs are a key factor in higher prices 8

Tariffs increased consumer solar cost in US by 14% 9

Taxing solar trade undermines clean energy initiative and raise prices for consumers 9

Increased Chinese-American trade tensions 9

China could respond with WTO dispute 9

Hundreds of thousands of American homeowners and businesses at risk 9

American Consumers are harmed. Tariff acts as a “tax” on all American solar energy users. 10

Installation firms are losing installation projects 10

Tariffs defeat the entire point of international trade 10

SOLVENCY / ADVOCACY 10

Chinese solar panels may hurt manufacturing jobs, but they help developers and installers 10

Chinese solar subsidies promote green American energy and help the environment 10

China would subsidize American solar panels 11

Companies are leaving US due to tariffs on solar panel parts 11

The US should take advantage of Chinese solar, regardless of China’s intentions 11

Chinese technology is key: Chinese subsidies have cheapened solar panels, creating huge leaps in solar technology 11

WTO agrees: US tariffs on Chinese solar panels are unjustified 11

DISADVANTAGE RESPONSES 12

“Increased tariffs will cost American’s jobs” – Response: Only one out of five solar sector jobs are in manufacturing 12

Foreign competition not to blame for US solar panel job losses: It’s the manufacturer’s own fault 12

Tariff policy protects a German company at the cost of American consumers 12

Here Comes the Sun: The Case For Removing solar Energy Tariffs

Solar energy is a clean and infinitely renewable source of energy that could power America’s future. But the Coalition for Affordable Solar Energy warned in 2015 QUOTE:

“Despite booming solar employment, economically counterproductive tariffs have artificially made solar panels prices in the United States the most expensive in the world. This decision does nothing to correct this imbalance. Too much of the solar industry remains embroiled in SolarWorld’s unnecessary, wasteful trade conflict. Uncertainty is sure to continue with more trade litigation, and all solar companies are paying the price. We urge SolarWorld to negotiate a reasonable solution with international manufacturers which can be implemented by the governments of the United States and China.”[[1]](#footnote-1)

END QUOTE. Removing trade barriers with China and Taiwan is key to a bright solar future for America. That’s why my partner and I are happy to affirm that The United States federal government should substantially reform its trade policy with one or more of the following nations: China, Japan, South Korea, Taiwan.

OBSERVATION 1. We offer the following DEFINITIONS.

**Trade**: “: the activity or process of buying, selling, or exchanging goods or services” (*Merriam Webster Online Dictionary, copyright 2015* [*http://www.merriam-webster.com/dictionary/trade*](http://www.merriam-webster.com/dictionary/trade)*)*

**Policy**: “a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body” (*Merriam Webster Online Dictionary, copyright 2015* [*http://www.merriam-webster.com/dictionary/policy*](http://www.merriam-webster.com/dictionary/policy))

**Anti-Dumping Tariff:** “A protectionist tariff that a domestic government imposes on foreign imports that it believes are priced below fair market value.” (Investopedia, copyright 2015) <http://www.investopedia.com/terms/a/anti-dumping-duty.asp>

OBSERVATION 2. INHERENCY, or the structure of the Status Quo. We offer 2 key FACTS

FACT 1. Solar Energy Tariffs. The US imposes high tariffs on solar equipment from China. Even the lowest is over 21%

Ivan Shumkov 2015 (He is the mergers and acquisitions expert in SeeNews Renewables) “US sets anti-dumping duties of up to 238.95% on Chinese PV imports” July 9th, 2015. [http://renewables.seenews.com/news/us-sets-anti-dumping-duties-of-up-to-238-95-on-chinese-pv-imports-483619#](http://renewables.seenews.com/news/us-sets-anti-dumping-duties-of-up-to-238-95-on-chinese-pv-imports-483619)

The US Department of Commerce upheld anti-dumping tariffs as high as 238.95% on imports of solar photovoltaic (PV) products made and assembled in China. In a review of the tariffs set in December 2012 the Department of Commerce has also set anti-subsidy rates of 23.28%, according to a statement published today on China’s Ministry of Commerce. Final anti-dumping and anti-subsidy rates on Chinese solar firms may vary for certain companies that are specifically listed. Chinese sector major [Yingli Green Energy Holding Co Ltd](http://profiles.seenews.com/company/yingli-green-energy-holding-co-ltd-8110" \l "general-info" \t "_blank) (NYSE:YGE) is one of them. At 21.73%, the manufacturing affiliates of Yingli got the lowest combined tariff rate among its peers, lower than the company’s original combined anti-dumping and countervailing duty rate of 29.18% from 2012.

FACT 2. Solar development blocked. ****High tariffs on China & Taiwan solar equipment block development of solar energy in the US****

**Elliot J. Feldman 2015 (international trade attorney with law firm Baker Hostetler) 15 Jan 2015** [Non-parallel Tracks: The Divergence Of Trade Remedies From Climate Control](http://www.chinaustradelawblog.com/2015/01/articles/trade-negotiations-2/non-parallel-tracks-the-divergence-of-trade-remedies-from-climate-control-%e4%b8%8d%e5%b9%b3%e8%a1%8c%e7%9a%84%e8%bd%a8%e9%81%93%ef%bc%9a%e8%b4%b8%e6%98%93%e8%a1%a5%e5%81%bf%e5%92%8c%e6%8e%a7/) <http://www.chinaustradelawblog.com/>

The greatest hope for replacing fossil fuels, which means the greatest hope for arresting climate change through environmental sensitivity, is in solar goods. The U.S. has been imposing duties on solar cells exported from China and Taiwan since 2011. These duties have slowed the development of solar power. The lead petitioner in the US, SolarWorld, is a German-owned company whose parent has led a similar effort against high volume imports in the EU. In October 2014, [the U.S. Department of Commerce significantly expanded the scope of solar products subject to import duties](http://www.pv-tech.org/news/us_trade_case_could_expand_to_include_chinese_modules_with_any_origin_of_ce), retarding even more dramatically the development of solar alternatives to burning fossil fuels.

OBSERVATION 3. The HARMS.

Harm 1. US consumers and businesses harmed. They have to pay higher prices for solar panels

NEW YORK TIMES 2014 (journalist Diane Cardwell) 16 Dec 2014 “U.S. Imposes Steep Tariffs on Chinese Solar Panels” <http://www.nytimes.com/2014/12/17/business/energy-environment/-us-imposes-steep-tariffs-on-chinese-solar-panels.html?_r=0>

“Taxing solar trade undermines both the spirit and efficacy of pledges made by the U.S. and China to work together in the battle against global warming,” Jigar Shah, president of the Coalition for Affordable Solar Energy, said in a statement. “These unnecessary taxes inhibit competition and put upward pressure on solar panel prices needed by U.S. homeowners, installers and utilities.”

Harm 2. Lost jobs. Tariffs on Chinese solar panels cost Americans jobs.

[Parija Kavilanz](mailto:parija.bhatnagar@turner.com) 2012 (Senior Writer for CNNMoney since 2000) “China tariffs could slam U.S. solar panel firms” May 22nd, 2012. <http://money.cnn.com/2012/05/21/smallbusiness/solar-tariffs/>

Last week, the Department of Commerce announced it would impose [punitive tariffs as high as 250%](http://money.cnn.com/2012/05/17/markets/chinese-solar-tariffs/index.htm?iid=EL) on panels imported from China after finding that Chinese companies have been "dumping" them at prices below production costs. But many installation firms in the United States rely on lower-priced Chinese-made solar panels, and say the tariffs will hit their businesses hard -- potentially increasing their costs, hurting demand for their services, and stalling their hiring plans.

Harm 3. Collateral Damage. Taiwan had tariffs placed upon them unfairly for selling parts to China.

Ralph Jennings 2014 (Contributor for Forbes magazine, specializing in Taiwian and Asian relations) “Dark American Cloud Over Taiwan Solar Panels” February 26th, 2014. <http://www.forbes.com/sites/ralphjennings/2014/02/26/dark-american-cloud-over-taiwan-solar-panels/>

Taiwan’s solar technology industry, the world’s second largest, faces possible U.S. government trade sanctions after selling components to Chinese producers that shipped finished modules onward to the United States. Word in Taipei: They’re not guilty but might be hit anyway as Washington tries to protect local developers against red-hot imports.

OBSERVATION 4. We offer the following PLAN

1. Congress votes to remove all tariffs on Chinese and Taiwanese solar energy items. All anti-dumping and anti-subsidy tariffs place upon Chinese and Taiwanese solar companies are removed.   
2. Enforcement and funding through existing agencies and existing budgets  
3. Plan takes effect 2 days after an affirmative ballot.  
4. Affirmative speeches may clarify

OBSERVATION 5. The ADVANTAGES.

ADVANTAGE 1. Job losses reversed. The tariffs don’t create jobs, but removing them will

Christopher Flavelle 2014 (Writer and analyst on domestic policy for Bloomberg Government) “Hidden Costs of Solar Tariffs” December 17th, 2014. <http://www.bloombergview.com/articles/2014-12-17/china-solar-tariffs-wont-help-us-jobs>

Cheaper solar panels mean more demand; more demand means more retail sales, installation and maintenance. Compare that with the worst possible outcome of higher tariffs: Less U.S. job growth in the solar industry, higher prices for consumers, slower uptake for renewable energy -- and no corresponding increase in U.S. manufacturing jobs, as other low-cost manufacturers rush to take China and Taiwan's place.

ADVANTAGE 2. Business Growth. American solar installation companies grow faster with cheaper solar panels

Amanda H. Miller 2014. (Free-lance writer and former newspaper reporter) “US solar industry opposes import tariffs on Chinese panels.” November 29th, 2014. <http://www.cleanenergyauthority.com/solar-energy-news/us-solar-industry-opposes-import-tariffs-061114/>

“It’s going to do a huge amount of damage to the installers and developers,” Rhone Resch, CEO of the Solar Energy Industries Association told the SFGate. While some US solar manufacturers, such as [SunPower](http://www.cleanenergyauthority.com/solar-companies/solar-manufacturers/sunpower/), are responsible for the solar industry’s explosive growth over the last three years, the majority of the growth comes from [solar installers](http://www.cleanenergyauthority.com/solar-installers) and developers. Companies like SolarCity, which leases [rooftop solar arrays](http://cleanenergyauthority.com/) to home and business owners, has grown dramatically, expanding across the country and to install thousands of solar panels every day. Many installers depend on cheap solar panels, which have dropped more than 70 percent in price over the last three years, for their growing businesses.

ADVANTAGE 3. Bright Solar Future. More solar energy means lower costs, less pollution, and better health

The Solar Foundation 2014 (independent national nonprofit whose mission is to increase understanding of solar energy through strategic research that educates the public and transforms markets. TSF is considered by the Congressional Research Office and others as the premier research organization on the solar labor force, employer trends, and economic impacts of solar) Sept 2014 BRIGHTER FUTURE: A Study on Solar in U.S. Schools [http://www.seia.org/research-resources/brighter-future-study-solar-us-schools-report](https://www.google.com/url?q=http://www.seia.org/research-resources/brighter-future-study-solar-us-schools-report&sa=D&ust=1443092405290000&usg=AFQjCNH2Upj0NZ3U_b19xC9KcFVYSsRv2Q" \t "_blank)

Offsetting energy consumption with increasingly cost-competitive solar electricity, and space or water heating can deliver a significant cost savings to schools and their districts. Over time, solar can serve as a key hedge against projected increases in utility rates. As a clean energy technology, solar can provide deep reductions in greenhouse gas and criteria air pollutant emissions, helping to protect human health and the environment.

2A Evidence: Remove Solar Energy Tariffs

DEFINITIONS & BACKGROUND

History of American tariffs on Chinese solar panels

Sean Windle 2015. (Procurement Research Analyst for IBIS World, a leading global publisher in business intelligence) “New Tariffs on Chinese Solar Cells Could Raise Costs for US Buyers” July 21st, 2015. <http://www.energymanagertoday.com/new-tariffs-on-chinese-solar-cells-could-raise-costs-for-us-buyers%E2%80%A8-0113910/>  (brackets added)

The ruling caps a protracted and contentious trade dispute that began in 2012, when a prominent US solar company spurred the DOC [Dept of Commerce] to launch a formal investigation into the Chinese dumping of low-cost PV [photo-voltaic] cells, a major solar panel component, into the US market. US suppliers complained that Chinese producers benefited unfairly from lower production costs as well as cash grants, discounted loans, free land and utilities and other government assistance. The investigation led the DOC to enforce tariffs on PV cells imported from China beginning in 2012; however, a loophole allowed duty-free imports to continue flooding US ports so long as certain components were manufactured in Taiwan. The DOC subsequently closed this loophole in 2014 by including any solar products assembled in China regardless of their manufacturing origin in the tariffs. The DOC’s July decision makes that ruling final and raises the tariff rates originally set in 2012.

OPENING QUOTES / AFFIRMATIVE PHILOSOPHY

The US is cutting off its nose to spite its face.

Tim Worstall 2014 (Fellow at the Adam Smith Institute in London and author at Forbes magazine) “The US Should Be Dissatisfied With The Anti-China Solar Subsidy Tariffs.” June 4th, 2014. <http://www.forbes.com/sites/timworstall/2014/06/04/the-us-should-be-dissatisfied-with-the-anti-china-solar-subsidy-tariffs/>

This is one of those great moments in stupidity over trade policy. A better example of cutting off one’s nose to spite the face is difficult to imagine. The US governments, at both Federal and State level, are going all out to subsidise the installation of solar panels. Given the worries over climate change this might seem sensible enough. For the problem is that solar PV is still more expensive than juice taken straight from the grid in most places. So there’s not enough substitution from coal derived electricity to non-emitting solar. Given this massive expenditure it really is an action of the highest idiocy to then slap import tariffs on people who can provide those solar panels more cheaply.

INHERENCY

US imposes extra tariffs on Chinese solar panels – not good, because solar is better for the environment

The Boston Globe 2014 “Unleash Chinese solar panels to fight climate change” December 12, 2014. <https://www.bostonglobe.com/opinion/editorials/2014/12/21/unleash-chinese-solar-panels-fight-climate-change/Sw182AZqj5iVQvmjcpGqbP/story.html>

After years of false starts, the price of solar panels has plunged rapidly of late, to the point that [they’re now becoming price-competitive with coal and gas](http://www.nytimes.com/2014/11/24/business/energy-environment/solar-and-wind-energy-start-to-win-on-price-vs-conventional-fuels.html). That’s unmitigated good news for the environment, and it has come at least in part because of [increased manufacturing capacity in China](http://www.rsc.org/AboutUs/News/PressReleases/2013/Cheaper-Chinese-solar-panels-not-due-to-low-cost-labour.asp). But the Obama administration, egged on by domestic solar-panel manufacturers, views cheap Chinese imports as a problem and has treated solar panels like a traditional trade dispute. The administration slapped tariffs on the panels in 2012, on the grounds that Beijing’s subsidies allowed Chinese manufacturers to sell panels at below cost. Tuesday’s actions by the Commerce Department strengthened those tariffs.

American renewable energy levels low

Christopher Flavelle 2014 (Writer and analyst on domestic policy for Bloomberg Government) “Hidden Costs of Solar Tariffs” December 17th, 2014. <http://www.bloombergview.com/articles/2014-12-17/china-solar-tariffs-wont-help-us-jobs>

However, 6.5 gigawatts is still less than one percent of total U.S. generating capacity. The Environmental Protection Agency projects that by 2030, the U.S. will get [just 9 percent](http://www.bloombergview.com/articles/2014-12-07/dont-celebrate-a-renewables-victory-yet) of its electricity from renewable sources, not including hydroelectric power.

High solar tariffs impede progress on renewable energy

Christopher Flavelle 2014 (Writer and analyst on domestic policy for Bloomberg Government) “Hidden Costs of Solar Tariffs” December 17th, 2014. <http://www.bloombergview.com/articles/2014-12-17/china-solar-tariffs-wont-help-us-jobs>

The Environmental Protection Agency projects that by 2030, the U.S. will get [just 9 percent](http://www.bloombergview.com/articles/2014-12-07/dont-celebrate-a-renewables-victory-yet) of its electricity from renewable sources, not including hydroelectric power. Progress on renewables [isn't nearly quick enough](http://www.bloombergview.com/articles/2014-12-07/dont-celebrate-a-renewables-victory-yet) and increasing the price of solar panels will only impede it.

High tariffs block development of solar power

Coalition for Affordable Solar Energy 2015. (C.A.S.E. is a 501(c)(4) organization promoting solar energy and represents multiple U.S. solar companies) “CASE Responds to Department of Commerce Administrative Review Results” July 9th, 2015. <http://affordablesolarusa.org/wp-content/uploads/2015/07/CASE-Release-Administrative-Review-July-2015.pdf>

In response to this news, Jigar Shah, President of the Coalition for Affordable Solar Energy (CASE) released the following statement: “This determination is another disappointing move toward short-sighted protectionism for the American solar industry. The Department of Commerce chose against lowering the tax on solar imports. Keeping these stiff tariffs in place makes solar power less affordable, slows job growth and prevents more American homes, businesses and utilities from switching to clean solar energy.”

Taiwan did not intentionally influence US-market

Ralph Jennings 2014 (Contributor for Forbes magazine, specializing in Taiwian and Asian relations) “Dark American Cloud Over Taiwan Solar Panels” February 26th, 2014. <http://www.forbes.com/sites/ralphjennings/2014/02/26/dark-american-cloud-over-taiwan-solar-panels/>

Taiwan had no way of knowing the Chinese module makers would export to the United States, says Arthur Hsu, analyst with Taipei-based market research firm TrendForce. The U.S. government imposed anti-dumping duties on Chinese solar panels imported since October 2012. “Taiwan just got stuck in this,” Hsu says. “To sell outside is China’s own decision. Taiwan is a supplier to the Chinese side, and we can’t go and ask where the modules will sell.

Tariff rates not significantly decreased

Solar Server 2015 (Global Solar Industry Website) “U.S. Department of Commerce reviews, decreases solar trade tariffs against Chinese PV manufacturers” July 10th, 2015 . <http://www.solarserver.com/solar-magazine/solar-news/current/2015/kw28/us-department-of-commerce-reviews-decreases-solar-trade-tariffs-against-chinese-pv-manufacturers.html>

**While the Anti-dumping rate has decreased from approx. 24.5% to approx. 9.7% for most companies (though Yingli Solar had the lowest revised AD rate at 0.79%), the Anti-subsidy tariff has increased in most cases from approx. 15.2% to 21%.**

US is expanding tariffs on more Chinese solar panels

Bloomberg Business 2015 (Business magazine published by Bloomberg L.P.) “China Dodging Trade Barriers With Overseas Solar Plants” July 14th, 2015. [www.bloomberg.com/news/articles/2015-07-15/china-dodging-trade-barriers-with-overseas-solar-plants](http://www.bloomberg.com/news/articles/2015-07-15/china-dodging-trade-barriers-with-overseas-solar-plants)

But the strategy isn’t without risks. The European Commission is [investigating](http://www.bloomberg.com/news/articles/2015-05-29/solarworld-gains-eu-probes-of-possible-china-duty-evasion) whether Chinese makers shipped panels via Taiwan and Malaysia to evade trade restriction. A December ruling by the U.S. expanded protection by imposing duties to include products from Taiwan, where Chinese producers purchased some solar cells before. The U.S. has also finalized plans to [include](http://www.bloomberg.com/news/articles/2014-12-08/obama-proposes-expanding-china-solar-cell-levy-to-new-suppliers) in the tariffs any solar panels assembled in China regardless of the origin of cells used in the panels.

Tariffs have expanded to Taiwan

Bloomberg Business 2015 (Business magazine published by Bloomberg L.P.) “U.S. Revises Tariffs and Duties on Chinese Solar Imports” July 9th, 2015. <http://www.bloomberg.com/news/articles/2015-07-09/u-s-imposes-dumping-duties-on-imports-of-chinese-solar-goods>

The U.S. has expanded protections by imposing duties that include products from Taiwan. Chinese makers are shifting production overseas to skirt the duties. The Commerce Department in December finalized its plans to [include](http://www.bloomberg.com/news/articles/2014-12-08/obama-proposes-expanding-china-solar-cell-levy-to-new-suppliers) in the tariffs any solar panels assembled in China regardless of the origin of the cells.

New tariff rates (July 2015) are comparable to original rates or higher

Coalition for Affordable Solar Energy 2015. (C.A.S.E. is a 501(c)(4) organization promoting solar energy and represents multiple U.S. solar companies) “CASE Responds to Department of Commerce Administrative Review Results” July 9th, 2015. [http://www.altenergymag.com/news/2015/07/09/case-responds-to-department-of-commerce-administrative-review-results/20644/](https://www.google.com/url?q=http://www.altenergymag.com/news/2015/07/09/case-responds-to-department-of-commerce-administrative-review-results/20644/&sa=D&ust=1443092405288000&usg=AFQjCNH0XKXBIlazAKNoA4BidlPZXD2yXA" \t "_blank)

The U.S. Department of Commerce yesterday announced the results of its administrative review of the 2012 anti-dumping (AD) and countervailing (CVD) duties on imports of solar products from the People’s Republic of China. The final tariff rates set yesterday are comparable to the original rates and are higher than the rates proposed preliminarily in January 2015.

HARMS / SIGNIFICANCE

Chinese imports are a significant share of the US solar market, tariffs are a key factor in higher prices

Sean Windle 2015. (Procurement Research Analyst for IBIS World, a leading global publisher in business intelligence) “New Tariffs on Chinese Solar Cells Could Raise Costs for US Buyers” July 21st, 2015. <http://www.energymanagertoday.com/new-tariffs-on-chinese-solar-cells-could-raise-costs-for-us-buyers%E2%80%A8-0113910/>  (brackets added)

The DOC’s [Dept of Commerce] ruling will have an immediate impact on solar panel buyers. Chinese imports represent a significant share of the US solar panel market. IBISWorld estimates that imports as a whole make up more than three-quarters of domestic demand for solar panels, and China represents about 40 percent of that figure. China’s significant presence in the market has historically driven down the price of not only photovoltaic (PV) panels but also installation because panel prices are a major component of installation costs. According to EnergyTrend, a provider of renewable energy research, Chinese PV cell manufacturers exporting to the United States will see their costs instantly rise by an average of 10 percent due to the tariffs. As a result, US buyers will face higher prices for [solar panel installation services](http://www.ibisworld.com/procurement/solar-panel-installation.html) in the short term.

Tariffs increased consumer solar cost in US by 14%

John Upton 2014 (Former writer for grist.org) “U.S. tariffs on Chinese solar panels break trade rules, WTO says” July 14th, 2014. <http://grist.org/news/u-s-tariffs-on-chinese-solar-panels-break-trade-rules-wto-says/>

When it comes to global trade in solar panels and components, the U.S. trade representative wants to have his [suncake](http://en.wikipedia.org/wiki/Suncake_%28Taiwan%29" \t "_blank) and eat it too. Even as the trade rep has been hauling India before the World Trade Organization, complaining that the country’s requirements for domestically produced solar panels violate global trade rules, the U.S. has been imposing new duties on panels imported from China and Taiwan. [By some estimates](http://www.greentechmedia.com/articles/read/New-Tariffs-on-Chinese-Solar-Modules-Will-Raise-US-Price-by-14" \t "_blank), the U.S. duties could increase solar module costs in the country by 14 percent.

Taxing solar trade undermines clean energy initiative and raise prices for consumers

Diane Cardwell 2014 (Business Day reporter for The New York Times specializing in energy) “U.S. Imposes Steep Tariffs on Chinese Solar Panels” December 16th, 2014. <http://www.nytimes.com/2014/12/17/business/energy-environment/-us-imposes-steep-tariffs-on-chinese-solar-panels.html?_r=0>

“Taxing solar trade undermines both the spirit and efficacy of pledges made by the U.S. and China to work together in the battle against global warming,” Jigar Shah, president of the Coalition for Affordable Solar Energy, said in a statement. “These unnecessary taxes inhibit competition and put upward pressure on solar panel prices needed by U.S. homeowners, installers and utilities.”

Increased Chinese-American trade tensions

The Daily Caller 2012 (24 hour, non-profit, news network) “Critics attack US tariffs against Chinese solar manufacturers” October 11th, 2012. <http://dailycaller.com/2012/10/11/critics-attack-us-tariffs-against-chinese-solar-manufacturers/>

Critics have charged that the Commerce Department’s final ruling on the controversial tariffs on Chinese-made solar cells will raise tensions with China and contribute to a growing global trade fight. “Commerce’s announcement will likely raise already-high tensions between the US and China over subsidies and trade in green goods,” said Scott Lincicome, White & Case international trade attorney and author of a new Cato Institute paper on the global subsidies, in an emailed statement.

China could respond with WTO dispute

Scott Lincicome 2012 (international trade attorney; quoted by The Daily Caller, a 24 hour, non-profit, news network) “Critics attack US tariffs against Chinese solar manufacturers” October 11th, 2012. <http://dailycaller.com/2012/10/11/critics-attack-us-tariffs-against-chinese-solar-manufacturers/>

“It will inevitably lead to a rhetorical rebuke from Beijing and a reminder that China is challenging U.S. anti-subsidy policy at the World Trade Organization and in US courts,” Lincicome added. “But it also could lead to a more forceful response from China in the form of a new trade remedies investigation or a WTO dispute against US green subsidies.”

Hundreds of thousands of American homeowners and businesses at risk

Solar Server 2015 (Global Solar Industry Website) “U.S. Department of Commerce reviews, decreases solar trade tariffs against Chinese PV manufacturers” July 10th, 2015 . <http://www.solarserver.com/solar-magazine/solar-news/current/2015/kw28/us-department-of-commerce-reviews-decreases-solar-trade-tariffs-against-chinese-pv-manufacturers.html>

“It's unfortunate that while today's decision is encouraging for Yingli, the entire American solar industry is impacted. Hundreds of thousands of American homeowners, businesses and utilities benefit from highly competitive solar solutions, which are now at risk,” added Liansheng Miao, Chairman and Chief Executive Officer of Yingli Green Energy.

American Consumers are harmed. Tariff acts as a “tax” on all American solar energy users.

The Public Slate 2015 (Online news media outlet specializing in reports on American politics) “Solar PV Cell Tariff Study” April 25th, 2015. <http://thepublicslate.com/2015/04/solar-pv-cell-tariff-study/> (brackets added)

To circumvent AD/CVD [anti-dumping/countervailing duty] tariffs, Chinese manufactures are assembling third-county cells into modules in China, and then importing those modules into the U.S. free from tariffs. The Solar Energy Industries Association (SEIA) claims that because of this fact the solar PV tariff has basically acted as a tax against U.S. consumers, mainly benefitting third-county manufactures. Further making the case that the solar PV tariff should be lifted, the SEIA notes that China has imposed a near 50% tax on U.S. imports of polysilicon as a counter to the U.S. AD/CVD orders.

Installation firms are losing installation projects

[Parija Kavilanz](mailto:parija.bhatnagar@turner.com) 2012 (Senior Writer for CNNMoney since 2000) “China tariffs could slam U.S. solar panel firms” May 22nd, 2012. <http://money.cnn.com/2012/05/21/smallbusiness/solar-tariffs/>

The prospect of higher costs worries Jeff Wolfe, CEO of groSolar, a Vermont-based firm that installs commercial solar panel systems. If his Chinese suppliers increase their prices, that could eat into his profits. His hiring plans are now in flux. "We have a few job openings right now but I'm rethinking them," said Wolfe. Wolfe's also concerned that if he's forced to raise his prices, he could lose out on new projects, which bring in $5 million to $15 million each on average. "These tariffs mark a very sad day for the industry," said Wolfe, who's been in the field for 14 years.

Tariffs defeat the entire point of international trade

Tim Worstall 2014 (Fellow at the Adam Smith Institute in London and author at Forbes magazine) “The US Should Be Dissatisfied With The Anti-China Solar Subsidy Tariffs.” June 4th, 2014. <http://www.forbes.com/sites/timworstall/2014/06/04/the-us-should-be-dissatisfied-with-the-anti-china-solar-subsidy-tariffs/>

This is simply absurd. The entire point of trade is to gain from foreigners those things that they can do better, differently or cheaper than we can manage ourselves. We desire the imports: that is the very reason we have trade at all.

SOLVENCY / ADVOCACY

Chinese solar panels may hurt manufacturing jobs, but they help developers and installers

Diane Cardwell 2014 (Business Day reporter for The New York Times specializing in energy) “U.S. Imposes Steep Tariffs on Chinese Solar Panels” December 16th, 2014. <http://www.nytimes.com/2014/12/17/business/energy-environment/-us-imposes-steep-tariffs-on-chinese-solar-panels.html?_r=0>

The conflict has its roots in a flood of inexpensive Chinese solar products that pushed many American manufacturers out of business but proved a boon to developers and installers who could offer their services at greatly reduced prices

Chinese solar subsidies promote green American energy and help the environment

John Aziz 2014 (Economics and business correspondent at TheWeek.com) “The U.S. just made a huge mistake in its solar panel fight with China” June 4th, 2014. <http://theweek.com/articles/446360/just-made-huge-mistake-solar-panel-fight-china>

Has the Commerce Department considered the possibility that the Chinese government is not subsidizing solar energy to screw U.S. manufacturers, but out of a desire to switch to cleaner energy? Has it occurred to the U.S. government that these Chinese subsidies also subsidize the cost of the American consumers switching to renewable energy, which would be beneficial to the environment?

China would subsidize American solar panels

Tim Worstall 2014 (Fellow at the Adam Smith Institute in London and author at Forbes magazine) “The US Should Be Dissatisfied With The Anti-China Solar Subsidy Tariffs.” June 4th, 2014. <http://www.forbes.com/sites/timworstall/2014/06/04/the-us-should-be-dissatisfied-with-the-anti-china-solar-subsidy-tariffs/>

Then along comes the Chinese government. Let’s just assume that they really are subsidising Chinese producers. That the Chinese taxpayer is being charged so that panels will be cheaper for American consumers. The logical American reaction to this is to say thanks very much. Even, please subsidise some more and send us more panels. For Americans then get those desired solar panels installed at lower cost to Americans. Instead of US taxpayers having to cough up to subsidise the panels the Chinese taxpayers are having to do so for panels that will be installed in the US. This is what is known in technical terms as “a great deal”.

Companies are leaving US due to tariffs on solar panel parts

The Public Slate 2015 (Online news media outlet specializing in reports on American politics) “Solar PV Cell Tariff Study” April 25th, 2015. <http://thepublicslate.com/2015/04/solar-pv-cell-tariff-study/>

In an effort to protect against “less than fair” market prices for solar materials the Department of Commerce (DOC) imposed a 30-250% anti-dumping tariff in May of 2012. Since adopted, this has become the driver of solar manufacturing prices and locations. Linkosolar, for example, has since shifted manufacturing efforts from the U.S. to Canada to avoid this tariff. Similarly, Chinese companies have begun manufacturing PV cells in Taiwan and Korea to avoid the added costs of AD/CVD tariffs.

The US should take advantage of Chinese solar, regardless of China’s intentions

The Boston Globe 2014 “Unleash Chinese solar panels to fight climate change” December 12, 2014. <https://www.bostonglobe.com/opinion/editorials/2014/12/21/unleash-chinese-solar-panels-fight-climate-change/Sw182AZqj5iVQvmjcpGqbP/story.html>

Whether or not China’s motives for the solar subsidies were environmental — and that seems unlikely — the effect of that policy has been to make renewable power more competitive around the globe. China and the United States recently signed a joint accord on reducing greenhouse gas emissions, and profess to believe that climate change is an urgent challenge. With that common goal in mind, the Obama administration should applaud Chinese investments in renewables — and push Congress to invest in clean power technologies here, too.

Chinese technology is key: Chinese subsidies have cheapened solar panels, creating huge leaps in solar technology

Eduardo Porter 2015 (Economic Scene writer for the New York Times with a degree in physics and master of science in quantum fields). “Innovation Sputters in Battle Against Climate Change” July 21st, 2015.” <http://www.nytimes.com/2015/07/22/business/energy-environment/innovation-to-stanch-climate-change-sputters.html>

Consider the sun. The world has made huge leaps in solar technology. The price of solar panels has fallen sharply — in substantial part because of significant Chinese investment in panel manufacturing. Smart grid technologies have enabled owners of solar homes to buy power from the grid when the sun is down and sell it back when it is shining, and new business models have encouraged a boom in residential solar installations. In some parts of the country, [solar energy](http://topics.nytimes.com/top/news/business/energy-environment/solar-energy/index.html?inline=nyt-classifier) has become competitive with conventional power from fossil sources.

WTO agrees: US tariffs on Chinese solar panels are unjustified

Bloomberg News 2015 (News magazine published by Bloomberg L.P.) “WTO says U.S. duties on Chinese solar panels break rules” July 20th, 2015. <http://www.latimes.com/business/la-fi-wto-china-solar-20141218-story.html>

A World Trade Organization body said U.S. duties on solar panels made in China violated trade rules, reversing an earlier finding. A WTO appellate body found that the U.S. Department of Commerce acted "inconsistently" with rules that govern the trade group's 160 members, according to a report released by the Geneva-based organization Thursday.

DISADVANTAGE RESPONSES

“Increased tariffs will cost American’s jobs” – Response: Only one out of five solar sector jobs are in manufacturing

Christopher Flavelle 2014 (Writer and analyst on domestic policy for Bloomberg Government) “Hidden Costs of Solar Tariffs” December 17th, 2014. <http://www.bloombergview.com/articles/2014-12-17/china-solar-tariffs-wont-help-us-jobs>

But [just about one in five U.S. jobs](http://www.irena.org/publications/rejobs-annual-review-2014.pdf) in the solar-power sector are in manufacturing according to the Solar Foundation, a research group with ties to the industry. Almost half those employed in the sector install panels, while another 22 percent are in sales or project development.

Foreign competition not to blame for US solar panel job losses: It’s the manufacturer’s own fault

The Daily Caller 2012 (24 hour, non-profit, news network) “Critics attack US tariffs against Chinese solar manufacturers” October 11th, 2012. <http://dailycaller.com/2012/10/11/critics-attack-us-tariffs-against-chinese-solar-manufacturers/>

However, the tariffs have the solar industry [split](http://www.greentechmedia.com/articles/read/Breaking-News-Final-Commerce-Determination-on-Chinese-Solar-Cell-Tariffs) as manufacturers want the tariffs to shield them from foreign competition, while solar panel installers and polysilicon vendors oppose them. “SolarWorld, which is a German company, is using the U.S. legal system to compensate for its own business mistakes and inability to compete,” [said](http://www.oregonlive.com/business/index.ssf/2012/10/solarworld_tariffs.html) Kevin Lapidus, senior vice president for legal and government affairs at SunEdison, which is a member of CASE.

Tariff policy protects a German company at the cost of American consumers

Tim Worstall 2014 (Fellow at the Adam Smith Institute in London and author at Forbes magazine) “The US Should Be Dissatisfied With The Anti-China Solar Subsidy Tariffs.” June 4th, 2014. <http://www.forbes.com/sites/timworstall/2014/06/04/the-us-should-be-dissatisfied-with-the-anti-china-solar-subsidy-tariffs/>

And do note that final point. This isn’t to protect the profits of an American producer: not that that would be an argument in favour of these tariffs anyway, but that argument doesn’t even exist here. A German company is insisting that Americans must stop getting free money from China. It’s not that China should be dissatisfied with these events, it’s that Americans should be in a near murderous rage about these events.

1. Coalition for Affordable Solar Energy 2015. (C.A.S.E. is a 501(c)(4) organization promoting solar energy and represents multiple U.S. solar companies) “CASE Responds to Department of Commerce Administrative Review Results” July 9th, 2015. <http://affordablesolarusa.org/wp-content/uploads/2015/07/CASE-Release-Administrative-Review-July-2015.pdf> [↑](#footnote-ref-1)