

Congress of the United States
House of Representatives
Washington, DC 20515-2201

October 27, 2020

The Honorable Robert Lighthizer
United States Trade Representative
600 17th St. NW
Washington, D.C. 20006

Ambassador Lighthizer:

We write to you with concerns that China is failing to take any of the actions necessary to live up to its purchase commitments for solar-grade polysilicon, making compliance impossible and leading to a major loss of American jobs and the elimination of a critical domestic industry.

The “Economic and Trade Agreement Between the Government of the United States of America and the Government of the People’s Republic of China” (Phase I China Deal) states that China has committed to purchase solar-grade polysilicon. This was welcome news to Hemlock Semiconductor (HSC) in Michigan, which manufactures solar-grade polysilicon. Unfortunately, all indications show that China will not meet its commitments.

Because these materials are critical to the future of manufacturing, China has targeted this industry for expansion under its Made in China 2025 plan. To further its Made in China 2025 goals, China continues to block U.S. polysilicon exports from its market with high tariffs, while heavily subsidizing its own producers and aggressively supporting domestic advancements in polysilicon manufacturing. In fact, within days after the Phase I China Deal was signed, the Chinese government renewed tariffs on solar-grade polysilicon.

These efforts by the Chinese have devastated the U.S. polysilicon industry, and the stakes of reopening the Chinese market have never been greater. American polysilicon companies have already been forced to lay off 1,300 workers, mothball a \$1.8 billion manufacturing facility, operate at a significantly reduced utilization and delay other investment and production. On June 18, HSC announced that due to the failure of China to meet its commitments, they needed to reduce their workforce by 50 jobs. The U.S. polysilicon industry faces additional plant closures and job losses unless the Chinese market is reopened soon.

We appreciate that you and Ambassador Gerrish have raised this issue with your Chinese counterparts. At the same time, your office continues to state that China has one year to fulfill its commitments and that they believe China will meet its commitments. Everything we see in the market shows that we cannot trust the Chinese to keep their word and that this critical industry might not survive until February 2021 when the Chinese will surely fail to meet its commitments.

Thus, we implore you to take additional enforcement action immediately to support solar grade polysilicon industry, including a formal request under Article 7.3 of the Agreement for specific information on the immediate steps that China will take to remove barriers to Chinese purchases of solar grade polysilicon. We greatly appreciate your dedication to trade enforcement. This is no different and we urge you to act now.

Thank you for your consideration.

Sincerely,



Daniel T. Kildee
MEMBER OF CONGRESS



Debbie Stabenow
U.S. Senator



Gary C. Peters
U.S. Senator