



PUBLIC DOCUMENT

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International Union of Operating Engineers

AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

May 9, 2022

The Honorable Gina M. Raimondo
U.S. Secretary of Commerce
U.S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, D.C. 20030

Delivered via email

RE: A-570-979 Circumvention Inquiries With Respect to Cambodia, Malaysia, Thailand, and Vietnam – Potential Certification Requirements

Dear Secretary Raimondo:

The International Union of Operating Engineers is very concerned about a recent decision by the Department of Commerce to initiate a circumvention inquiry at the request of Auxin Solar. The initiation of this investigation into solar panel imports is wreaking havoc within the industry by derailing current projects and putting thousands of jobs at risk. We strongly urge the Department of Commerce to make an expedited preliminary determination.

The International Union of Operating Engineers (IUOE) is one of North America's leading construction unions, representing over 400,000 hardworking men and women in the United States and Canada. Most members of the IUOE work in the construction sector, operating and maintaining heavy equipment; thousands of us are employed building the nation's roads, bridges, highways, and other transportation infrastructure. The IUOE also represents Stationary Engineers – skilled maintenance workers who operate and maintain industrial, energy, commercial, and public facilities across North America. Operating Engineers build and maintain energy assets across the nation including many solar and wind farms.

As a signatory to the National Wind Turbine Agreement and the National Pipeline Agreement, the IUOE represents a skilled workforce at the forefront of addressing the nation's energy needs. Our members possess specialized training and experience building critical energy projects to assemble, erect, and maintain wind turbines and pipelines that power our country. Operating Engineers also build community, commercial, and industrial solar generation, and our jobs have been jeopardized in this part of the renewable energy industry due to action by the Administration.

On April 1, 2022, the Department of Commerce initiated an investigation into whether Chinese companies are circumventing decade-old tariffs by assembling solar cells and modules in Southeast Asia. The circumvention inquiry called for in the Auxin

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Solar petition would subject crystalline silicon photovoltaic (CSPV) solar panels and cells imported from Malaysia, Vietnam, Thailand, and Cambodia to tariffs ranging from 50 to 250 percent. It is worth noting that the Auxin petition has virtually no support within the industry and no evidence has been found to date of trade violations. In fact, the solar industry has called the allegations false and has been critical of the Commerce Department's decision to launch the investigation.

The U.S. currently imports more than 80 percent of CSPV panels from these four countries and they account for over half of the total U.S. panel supply. Expanding tariffs on products from these countries will risk the loss of 100,000 American solar jobs, including approximately 18,000 manufacturing jobs. In addition to job losses, these tariffs would also impact ratepayers who depend on clean, affordable energy. If utilities decide to switch to another energy source because their solar project cannot be built, or if they complete a project with significant price increases due to the tariffs, those costs will undoubtedly be passed on to the ratepayers. We strongly support developing an American solar manufacturing supply chain, but current demand for solar products far exceeds existing domestic production capacity.

Though officials have not yet found any evidence of trade violations, the threat of retroactive tariffs has effectively stopped imports of CSPV panels and components from Southeast Asia. In a matter of weeks, since the circumvention inquiry was initiated, the real-world consequences have been swift. According to the Solar Industries Association, 318 solar projects in the U.S. have been cancelled or delayed, including plans to install 60 square kilometers of solar panels in Vermont, a solar farm in Maine which would power hundreds of homes, and a project in Texas that would have powered more than 10,000 homes. Furthermore, the American Clean Power Association has said the mere threat of tariffs is threatening about 65 percent of utility-scale solar projects.

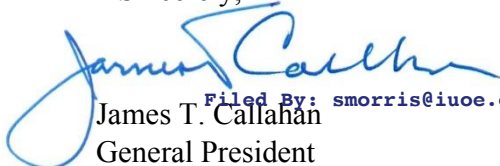
The investigation is expected to cut solar installations by 46 percent for 2022 and 2023. If this situation persists and tariffs are imposed, solar deployment will fall approximately 16 GW annually, which is more than half the magnitude of total solar capacity the U.S. installed in 2021. One of the largest U.S. renewable energy companies, NextEra Energy, expects that between two and three gigawatts worth of solar and storage construction – enough to power more than a million homes – would not be completed this year as planned. Furthermore, it is estimated that the lost or delayed solar deployment resulting from the investigation will lead to an additional 365 million metric tons of carbon emissions by 2035, the equivalent of keeping 78 million gasoline-powered vehicles on the road.

We can already see how the initiation of the circumvention investigation is negatively impacting workers and the entire U.S. solar industry. The Solar Energy Industries Association has said that this investigation has created “the most serious crisis we have faced in our collective history.” The longer this situation persists, the more acute the damage will be. The American solar industry needs collaboration from the federal government, not tariffs.

We strongly urge you to make an expedited preliminary determination in this matter and carefully consider the significant policy ramifications on American workers, businesses, and ratepayers.

Thank you in advance for your consideration.

Sincerely,



James T. Callahan
General President