

# UNITED STATES INTERNATIONAL TRADE COMMISSION

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In the Matter of: ) Investigation No.:  
CRYSTALLINE SILICON PHOTOVOLTAIC CELLS ) TA-201-75  
(Whether or not Partially or Fully Assembled into Other ) (Remedy)  
Products) )

Pages: 1 - 14  
Place: Washington, D.C.  
Date: Tuesday, October 31, 2017



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2 In the Matter of: ) Investigation No.:

3 CRYSTALLINE SILICON ) TA-201-75

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5 (Whether or not Partially or )

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8

9

10 Tuesday, October 31, 2017

11 Main Hearing Room (Room 101)

12 U.S. International

13 Trade Commission

14 500 E Street, S.W.

15 Washington, D.C.

16 The meeting, commenced, pursuant to notice, at

17 11:00 a.m., before the Commissioners of the United States

18 International Trade Commission, Chairman Rhonda K.

19 Schmidtlein, presiding.

20 APPEARANCES:

21 On behalf of the International Trade Commission:

22 Commissioners:

23 RHONDA K. SCHMIDTLEIN, CHAIRMAN (presiding)

24 DAVID S. JOHANSON, VICE CHAIRMAN

25 IRVING A. WILLIAMSON, COMMISSIONER

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1 APPEARANCES (Continued):

2 MEREDITH M. BROADBENT, COMMISSIONER

3

4 Staff:

5 MICHAEL ANDERSON, DIRECTOR OF THE OFFICE OF

6 INVESTIGATIONS

7 MARY MESSER, SUPERVISORY INVESTIGATOR

8 DEBRA MCNAY, INTERNATIONAL TRADE ANALYST

9 JOHN HENDERSON, ATTORNEY/ADVISOR

10 JOHN BENEDETTO, INTERNATIONAL ECONOMIST

11 DAVID RIKER, INTERNATIONAL ECONOMIST

12

13 SHARON BELLAMY, RECORDS MANAGEMENT

14 SPECIALIST

15 TYRELL BURCH, LEGAL DOCUMENT ASSISTANT

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1 P R O C E E D I N G S

2 (11:03 a.m.)

3 MS. BELLAMY: Will the room please come to  
4 order.

5 CHAIRMAN SCHMIDTLEIN: Good morning. This  
6 meeting of the U.S. International Trade Commission will now  
7 come to order.

8 I understand that there are no agendas for future  
9 meetings, minutes, ratification lists or outstanding action  
10 jackets to consider.

11 Next we turn to the vote in the Remedy phase of  
12 Investigation number TA-201-75, concerning Crystalline  
13 Silicon Photovoltaic Cells (Whether or Not Partially or  
14 Fully Assembled into Other Products.)

15 Welcome to Mr. Anderson and the staff who  
16 participated in this investigation. I again want to thank  
17 this team for the outstanding work that they have done  
18 during this investigation. I think we've been keeping the  
19 Economists particularly business over the past few weeks  
20 and I certainly appreciate their diligence and  
21 thoroughness, along with the rest of the staff in  
22 responding to the barrage of questions from my office and  
23 from the other Commissioner's offices.

24 So again, thank you for all our hard work on this  
25 case. Are there any questions for the Staff?

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1 (No response.)

2 CHAIRMAN SCHMIDTLEIN: Are there any additions  
3 or corrections to the staff report?

4 MR. ANDERSON: Thank you, Madam Chairman.  
5 Michael Anderson from the Office of Investigations.  
6 Corrections to the Staff report are contained in  
7 INV-PP-139.

8 CHAIRMAN SCHMIDTLEIN: Thank you. Is there any  
9 objection to approval of the staff report as revised?

10 (No response.)

11 CHAIRMAN SCHMIDTLEIN: Hearing none, it is  
12 approved. As you all are aware, on September 22nd, the  
13 Commission unanimously found imports of the subject product  
14 to be a substantial cause of serious injury to the domestic  
15 industry.

16 In the Remedy phase the Commission is required to  
17 recommend the action that would address the serious injury  
18 to the domestic industry and be most effective in  
19 facilitating the efforts of the domestic industry to make a  
20 positive adjustment to import competition.

21 Because the Commission reached a unanimous  
22 determination regarding serious injury, each of the  
23 Commissioners will be announcing a remedy recommendation  
24 today.

25 Madam Secretary, will you please call the roll?

1 MS. BELLAMY: Commissioner Broadbent?

2 COMMISSIONER BROADBENT: Thank you, Madam  
3 Chairman. Pursuant to Section 202 of the Trade Act of  
4 1974, I have determined that CSPV products subject to this  
5 investigation are being imported into the United States in  
6 such increased quantities as to be a substantial cause of  
7 serious injury to the domestic industry producing CSPV  
8 products. Therefore, I recommend that the President take  
9 the following actions to address the serious injury to the  
10 domestic industry and be most effective in facilitating the  
11 efforts of the domestic industry to make a positive  
12 adjustment to import competition.

13 Based on the information obtained in this  
14 investigation, I have found that the underlying cause of  
15 the increase in imports has been damaging global oversupply  
16 of CSPV products resulting from subsidization of  
17 manufacturers in China in the context of targeted  
18 industrial policy programs. I believe the President  
19 intends to address China's non-market economic policies  
20 that have contributed to global oversupply as part of  
21 broader bilateral negotiations with the Government of  
22 China, and I support these efforts.

23 Over the past five year period covered by this  
24 safeguard investigation, U.S. producers of CSPV products  
25 have suffered operating losses as a result of low market

1 prices that have prevented the expansion of production  
2 capacity necessary to compete successfully with imports.  
3 Many U.S. producers have shut down facilities. My  
4 recommendations are intended to address the serious injury  
5 while seeking to avoid inflicting additional damage on the  
6 broader solar energy industry in the United States. The  
7 U.S. solar energy industry has been a relative success  
8 story in making progress toward grid parity with a carbon  
9 neutral source of power. The United States is recognized  
10 as a global leader in this broader sector and U.S.  
11 taxpayers and policymakers have chosen to support this  
12 success over many years.

13           Therefore, I recommend that the President impose  
14 a quantitative restriction on imports of CSPV products into  
15 the United States, including cells and modules, for a four  
16 year period, administered on a global basis. I recommend  
17 that the quantitative restriction be set at 8.9 gigawatts  
18 in the first year, and increase by 1.4 gigawatts each  
19 subsequent year.

20           These recommended quantities are consistent with  
21 the market share held by imports in 2016, adjusted to  
22 reflect projected changes in demand for photovoltaic  
23 products over the next four years. Therefore, they are set  
24 at levels that will not disrupt expected growth in CSPV  
25 demand but will help address the serious injury to the

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1 domestic industry by preventing further surges in imports.

2 In accordance with Section 1102 of the Trade  
3 Agreement Act of 1979 and the President's authority in  
4 section 203(a)(3)(F) of the Trade Act of 1974, I also  
5 recommend that the President administer these quantitative  
6 restrictions by selling import licenses at public auction  
7 at a minimum price of one cent per watt.

8 While U.S. firms and workers have been highly  
9 successful in the broader solar energy industry, I note  
10 that imports have accounted for nearly all CSPV products in  
11 the U.S. market for many years. U.S. producers of CSPV  
12 products have supplied very small quantities of these  
13 products. Therefore, any tariff, tariff rate quota, or  
14 quantitative restriction that significantly limits global  
15 imports would lead to a substantial increase in prices,  
16 suppressing demand for CSPV products in the United States.  
17 Such a decline in demand would adversely affect the  
18 hundreds of thousands of U.S. workers employed in  
19 installing solar projects, manufacturing other equipment  
20 used in CSPV installations, and providing a range of  
21 services, including cutting-edge research and development,  
22 in support of this market.

23 I considered whether the two petitioners would  
24 likely be able to compete successfully with imports after a  
25 trade-restrictive action terminated. Neither petitioner

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1 provided an adjustment plan pursuant to Section 202(a)(4)  
2 of the Trade Act. Although several domestic producers  
3 provided commitments regarding actions they intend to take,  
4 I am firmly of the view that damaging the domestic  
5 consumers, installers, and manufacturers supporting CSPV  
6 deployment is not an effective way to save the domestic  
7 producers of CSPV products.

8           The sale of import licenses in volumes that I  
9 have recommended will likely generate U.S. government  
10 revenue of at least \$89 million in the first year, and this  
11 revenue would increase by at least \$14 million each year  
12 thereafter. I recommend that the President, to the extent  
13 permitted by law, authorize the use of funds equal to the  
14 amount generated by import license auctions to provide  
15 development assistance to domestic CSPV product  
16 manufacturers for the duration of the remedy period, such  
17 as through authorized programs at the Department of Energy  
18 (DOE). DOE should build on its extensive experience both  
19 good and bad, in supporting U.S. production.

20           Resources directed to the domestic industry  
21 should be devoted solely to investments in productive  
22 pursuits related to CSPV product manufacturing, such as the  
23 purchase and installation of production equipment, rehiring  
24 of production workers, and research and development in  
25 improved product technologies. These resources should be

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1 provided in such a combination as to most effectively  
2 facilitate efforts by the domestic industry to make a  
3 positive adjustment.

4 I also recommend that the President implement  
5 other appropriate adjustment measures, including the  
6 provision of trade adjustment assistance to workers and  
7 firms provided by the Department of Labor and the U.S.  
8 Department of Commerce.

9 Finally I make recommendations on whether and how  
10 the quantitative restrictions should apply to specific  
11 countries under the implementing statutes of certain free  
12 trade agreements and under statutory provisions related to  
13 certain preferential trade programs.

14 Due to time here, a more detailed explanation of  
15 these recommendations will be made available right after  
16 this meeting. So pursuant to the Trade Act, I'm  
17 recommending that the President's actions that I determine  
18 will have the best chance to address the serious injury and  
19 will be most effective in facilitating the efforts of the  
20 domestic industry to make a positive adjustment to import  
21 competition, while providing greater economic and social  
22 benefits than costs.

23 MS. BELLAMY: Commissioner Williamson?

24 COMMISSIONER WILLIAMSON: Thank you. Pursuant  
25 to Section 202(e) of the Trade Act of 1974, I recommend

1 that the President take the following actions, to address  
2 the serious injury that I have found to the domestic  
3 industry and to be most effective in facilitating the  
4 efforts of the domestic industry to make a positive  
5 adjustment to import competition.

6 I recommend that for a four-period the President  
7 impose: First, a tariff-rate quota on imports of  
8 Crystalline Silicon Photovoltaic (CSPV) products in cell  
9 form, and second, the President impose increased rates of  
10 duty on imports of CSPV products in module form.

11 For imports of CSPV products in cell form, I  
12 recommend an additional 30 percent ad valorem tariff on  
13 imports in excess of 1 gigawatt. In each subsequent year,  
14 I recommend that this tariff rate decrease by five  
15 percentage points and that the in-quota amount increase by  
16 0.2 gigawatts. The rate of duty on in-quota CSPV products  
17 in cell form will remain unchanged.

18 For imports of CSPV products in module form, I  
19 recommend an additional 30 percent ad valorem tariff, to be  
20 phased down by five percentage points per year in each of  
21 the subsequent years.

22 Having made a negative finding with respect to  
23 imports from Canada under section 311(a) of the North  
24 American Free Trade Agreement Implementation Act, I  
25 recommend that such imports be excluded from the above

1 tariff-rate quota and increased rates of duty.

2 Further, I recommend that the above tariff-rate  
3 quota and increased rates of duty not apply to imports from  
4 the following countries with which the United States has  
5 free trade agreements: Australia, Colombia, Costa Rica,  
6 the Dominican Republic, El Salvador, Guatemala, Honduras,  
7 Israel, Jordan, Nicaragua, Panama, Peru, and Singapore. I  
8 also recommend that the tariff-rate quota and increased  
9 rates of duty not apply to imports from the beneficiary  
10 countries under the Caribbean Basin Economic Recovery Act.

11 I recommend that the President direct the United  
12 States Department of Labor and the United States Department  
13 of Commerce to provide expedited consideration of any  
14 application for trade adjustment assistance for workers  
15 and/or firms that are affected by subject imports.

16 I recommend the President's consideration of the  
17 product exclusions requested by Respondents to which  
18 Petitioners have not objected and have indicated they would  
19 work to draft appropriate product-specific exclusions.

20 Finally, I recommend that the President also  
21 consider any appropriate funding mechanisms that may  
22 facilitate a positive adjustment to import competition.

23 Thank you.

24 MS. BELLAMY: Commissioner Schmidtlein?

25 COMMISSIONER SCHMIDTLEIN: I recommend to

1 the President the following actions: With regard to CSPV  
2 cells, I recommend a tariff-rate quota with an in-quota  
3 rate of 10 percent ad valorem, and an in-quota volume of .5  
4 gigawatts. For U.S. imports of cells that exceed .5  
5 gigawatt volume level, I recommend a tariff rate of 30  
6 percent ad valorem.

7 I recommend that this tariff-rate quota be  
8 implemented for four years and that the in-quota volume be  
9 incrementally raised and the tariff rate incrementally  
10 reduced during the Remedy period.

11 With respect to CSPV modules, I recommend an ad  
12 valorem tariff rate of 35 percent to be incrementally  
13 reduced during the four-year Remedy period. I also  
14 recommend and support that the President initiate  
15 international negotiations to address the underlying cause  
16 of the increase in imports of CSPV products and alleviate  
17 the serious injury thereof.

18 Having made findings that U.S. imports from  
19 Australia, the CAFTA DR countries, Columbia, Israel,  
20 Jordan, Panama, Peru, Singapore, and the beneficiary  
21 countries under the Caribbean Basin Economic Recovery Act  
22 were not a substantial cause of serious injury experienced  
23 by the domestic industry, I recommend to the President that  
24 U.S. imports from these countries be excluded from the  
25 remedy.

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1 Thank you.

2 MS. BELLAMY: Commissioner Johanson?

3 COMMISSIONER JOHANSON: I concur with the Remedy  
4 Recommendations of Commissioner Williamson.

5 MS. BELLAMY: Madam Chairman, Commissioners have  
6 made their Remedy recommendations.

7 CHAIRMAN SCHMIDTLEIN: Thank you, Madam  
8 Secretary.

9 Copies of the Commissioner's recommendations will  
10 be available from the Secretary at the end of this meeting.  
11 The Commission is currently scheduled to transmit its  
12 report containing its injury determination, proposed  
13 recommendations on Remedy, and views of the Commissioners  
14 to the President by November 13, 2017. It will then be up  
15 to the President to decide whether to impose a remedy and  
16 what that remedy will be.

17 I want to thank the Staff again for all of your  
18 outstanding work on this investigation. Seeing that  
19 there's no other business before the Commission, this  
20 meeting is adjourned.

21 (Whereupon the meeting was adjourned at 11:18  
22 a.m.)

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## CERTIFICATE OF REPORTER

TITLE: In The Matter Of: Crystalline Silicon Photovoltaic  
Cells (Whether or Not Partially  
or Fully Assembled into Other  
Products)

INVESTIGATION NO: TA-201-75

HEARING DATE: 10-31-17

LOCATION: Washington, DC

NATURE OF HEARING: Remedy

I hereby certify that the foregoing/attached transcript is a true, correct and complete record of the above-referenced proceeding(s) of the U.S. International Trade Commission.

DATE: 10-31-17

SIGNED: Mark A. Jagan

Signature of the Contractor or the  
Authorized Contractor's Representative

I hereby certify that I am not the Court Reporter and that I have proofread the above-referenced transcript of the proceedings of the U.S. International Trade Commission, against the aforementioned Court Reporter's notes and recordings, for accuracy in transcription in the spelling, hyphenation, punctuation and speaker identification and did not make any changes of a substantive nature. The foregoing/attached transcript is a true, correct and complete transcription of the proceedings.

SIGNED: Christopher C. Weiskircher

Signature of Proofreader

I hereby certify that I reported the above-referenced proceedings of the U.S. International Trade Commission and caused to be prepared from my tapes and notes of the proceedings a true, correct and complete verbatim recording of the proceedings.

SIGNED: Gaynell T. Catherine

Signature of Court Reporter

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