



STATE OF WASHINGTON
Office of the Governor

September 14, 2015

The Honorable Gao Huncheng
Minister of Commerce
The People's Republic of China
Ministry of Commerce
No. 2 Dong Chang'an Avenue
Beijing, China 100731

Dear Minister Gao:

I write to you on the subject of the ongoing solar trade disagreement between the United States and the People's Republic of China, which has impacted businesses in both nations, including in Washington State. I encourage the Ministry of Commerce (MOFCOM) to work with the U.S. Trade Representative (USTR) to quickly resolve this issue, for the benefit of both our nations' economies and to be consistent with the bilateral clean energy collaboration that has been initiated by President Obama and President Xi.

As you know, since 2011 the U.S. and China have each imposed antidumping and countervailing duties on imports of solar panels made by Chinese companies, and polysilicon produced by American manufacturers. This has dramatically reduced market access for these businesses, with adverse consequences for the companies and the communities they support in both China and the U.S. This includes REC Silicon, a polysilicon manufacturer which operates a facility in Moses Lake, Washington. I have recently been informed and want to make you aware that this company could face an imminent shutdown, and the loss of hundreds of jobs, if this issue is not swiftly resolved.

I understand that MOFCOM and USTR have been engaged in extensive conversations aimed at resolving this disagreement. My staff and I have worked with the U.S. Government and relevant U.S. industry stakeholders to encourage and assist them in reaching a deal. In recent months important progress has been made. But now it is essential that a final resolution be reached quickly. It is my hope that as a part of this resolution MOFCOM will reopen its "process in trade" clause, which would again allow American polysilicon manufacturers to import their products into China, without duties, provided the product is incorporated into a new product and re-exported.

In November 2014 I joined with the global community in celebrating the historic agreement between President Xi and President Obama to work together on greenhouse gas emissions reductions and clean energy development. This agreement is already showing signs of producing great benefits for Washington and China. For example, our state is currently working with the Chinese Academy of Sciences to develop industrial plants that will produce methanol that, once shipped to China, will be made into plastic products while reducing greenhouse gas emissions by up to 70 percent. These



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projects are likely to represent the largest Chinese investment in the U.S. to date, and will help China meet its greenhouse gas reduction targets. We hope to explore and expand the collaborations between Washington State and China in clean energy, greenhouse gas emissions reductions and low-carbon economic development. However, the ongoing solar trade disagreement between our nations is currently hurting businesses and jobs in our state, and elsewhere in the U.S. and in China.

I request that MOFCOM work with USTR to quickly reach a final resolution to the solar trade issue. Such an agreement will benefit China, the U.S. and Washington State.

Thank you for your consideration of my request.

Very truly yours,



Jay Inslee
Governor

cc: The Honorable Michael Froman, United States Trade Representative
Rory MacFarquhar, Special Assistant to the President and Senior Director for International
Economics, U.S. National Security Council
Brian Bonlender, Director, Washington State Department of Commerce