

U.S. to Place Tariffs on Solar Panels From China

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The Commerce Department has decided to impose tariffs on solar panels imported from China after concluding that the Chinese government provided illegal export subsidies to manufacturers there. The tariffs were smaller than many industry executives had expected — 2.9 to 4.73 percent — which could blunt their effect on sales. But the decision was nonetheless likely to be seen as a milestone because of its implications for international trade, renewable energy and American manufacturing. The tariff decision was the result of a quasi-judicial review process by civil servants in the Commerce Department. But with China and trade policy both hot-button issues in American presidential campaign politics, the imposition of tariffs by a department of the Obama administration seemed certain to enter the partisan fray. The president's backers might point to it as evidence that he continues to get tough with Beijing. But opponents, including the Republican presidential candidate Mitt Romney, who are already criticizing Mr. Obama for what they say is the low level of attention to China trade issues, might call the small penalties insufficient. The Commerce Department sent notification of the decision on Tuesday to a coalition of seven solar panel manufacturers that had sought the tariffs, according to SolarWorld, the company that led the coalition. Whatever the political spin proponents or critics might want to put on it, there is no question that solar panels from China now dominate the American market, with a market share of about 50 percent; panel makers based in the United States represent 29 percent of the market. American imports of Chinese solar panels have soared from \$21.3 million in 2005 to \$1.15 billion in 2010 and \$2.65 billion last year. While American manufacturers oppose the imports, users of solar energy have benefited from low-cost solar panels from China. Globally, the Chinese panels have driven down the cost of solar energy by two-thirds in the last four years, narrowing but not eliminating the wide price gap that used to separate solar power from electricity generated by burning fossil fuels.

Plunging prices and widespread government subsidies for buyers of solar panels have produced a global boom in solar energy. But that boom has held few benefits for the American industry: the plunging prices led to the bankruptcy of three American solar panel manufacturers last August. One of the failures was Solyndra, which cost the federal government roughly \$500 million in loan guarantees. Solyndra's collapse has been the subject of a continuing investigation by Congressional Republicans, who contend that the Obama administration should not have lent so much money for an unproved clean energy program.