TESTIMONY OF JUERGEN STEIN

Good morning. My name is Juergen Stein. I am the CEO of SolarWorld Americas. We are the largest solar manufacturer in North America, and we have more than 40 years of experience in the industry. We are a value based company that makes great solar products, creates American jobs, and advances American innovation. We believe in our products, our employees, our customers, intellectual property rights, and fair trade. SolarWorld is proud to be a pioneer in this industry, producing products that protect our environment under conditions which are safe for our employees and our planet.

Until this month, I was also a member of the Management Board of our corporate parent, SolarWorld AG, one of the world's oldest producers of solar products. I appreciate the opportunity to appear before you today to discuss the dangerous situation in our industry. Quite simply, we need the Commission's help to save solar manufacturing in the United States.

This isn't the first time SolarWorld has come before the Commission. Since 2012, SolarWorld has twice sought relief from dumped and subsidized imports from China and Taiwan. Both times the Commission made an affirmative determination, and we greatly appreciate the hard work of the Commission and

its Staff on these cases. Both times, we expected the relief to give us the breathing space we needed to respond to unfair import competition. In fact, they did have a positive impact, and they helped us to survive till today.

But here we are again. Rather than the long-lasting and meaningful relief we expected, global exports continued to increase. So what happened? The answer is, in brief, the continued buildup of global overcapacity, combined with Chinese producers' efforts to evade the previous antidumping and countervailing duty orders. This has resulted in an overwhelming surge of global imports into the United States, and with it a collapse in prices. As a result, the domestic solar manufacturing industry has been driven to the brink. Relief under Section 201 is our last hope.

These should be boom times for the domestic industry. The United States is installing solar energy at an impressive and even breathtaking rate. Between 2012 and 2016, solar installations in the United States increased by nearly 350 percent from 3.4 GW to 14.8 GW. In fact, installations nearly doubled just from 2015 to 2016. Last year, solar facilities were the single largest source of additions to U.S. electrical generating capacity.

We are in the midst of a solar, green technology revolution. This is the situation that those of us in the solar industry dreamed about for years.

SolarWorld Americas had prepared very carefully for this explosion in demand, spending in total more than 1 billion dollars to establish and regularly expand and upgrade our production facilities, and we were poised to take advantage of the growth in the U.S. market. Two of the Commissioners, and several of the Staff, have had the opportunity to tour our facilities in Hillsboro, Oregon, and have seen these investments in action. Among other steps, we added a new 72-cell module production line, set up an extensive installer program, and invested in cutting-edge monocrystalline capability. To assure consumers that solar power is an intelligent, sustainable and safe investment, we were the first company in the industry to offer a 25-year, and then a 30-year, warranty on our products. We have done everything possible to establish ourselves as the industry leader in the United States. As a member of the SolarWorld Americas Board, I helped drive these positive developments for years. When I was offered the opportunity to become the CEO and President of SolarWorld Americas, I didn't hesitate to accept the position and move my family from Germany to Oregon earlier this year.

Of course, imports have been present in the U.S. market for years. SolarWorld and the rest of the American industry were fully prepared to compete with fairly traded imports, as well as other domestic sources. But, we could have never prepared ourselves for the surge of cheap imports that have resulted from

global overcapacity. Since 2012, global manufacturing capacity for cells and modules has almost doubled. This expansion was far beyond the increase in global demand. While some of this new capacity is the result of market forces, much of it represents investments both in China and in other countries by Chinese producers, which are heavily subsidized by the Chinese government. The purpose of these investments was not to respond to new local demand, but to add production in other countries to avoid paying the duties on Chinese imports in the United States, as well as minimum prices in Europe. While many investments were made to expand cell and module capacity in Vietnam, Thailand, Malaysia, Korea, and Singapore by some of the world's largest solar producers, none were made in the United States.

As you've seen in many other industries, whenever there is global overcapacity, the United States becomes the market of first and last resort. The same is true with solar products. Between 2012 and 2016, while U.S. installations increased by 350 percent, imports by quantity grew by 500 percent. Countries that had shipped almost no products to the United States in the past, became major suppliers virtually overnight. As a result, the domestic industry, despite modest increases in production, did not benefit from growing U.S. demand and saw its market share fall sharply.

Global overcapacity and the surge in U.S. imports led to a total collapse in U.S. solar prices, particularly starting in the middle of last year. Because of the extreme overcapacity, global prices became totally decoupled from raw material costs, as producers tried desperately to keep all their new capacity in production. Solar cell and module prices fell in 2016 even as the price of polysilicon, the most valuable raw material within a cell, was rising. This is an unsustainable situation and what I would call the circle of death – prices fall and then companies must fill their capacity and even expand to lower their cost of production. This additional production must then be sold at increasingly lower prices to compete, resulting in staggering losses.

The impact on the American solar industry has been severe. I don't have time to read the list of nearly 30 American solar producers who have gone out of business. At a time when demand for our product is booming, there is exactly one currently active producer of both solar cells and modules left in the United States – SolarWorld. We are one supplier with a capacity of 2-3 % of US demand! And even we are operating well below capacity.

We have had to lay off hundreds of employees since mid last year, including 360 workers just last month. This has been by far the hardest thing that I have had to do as SolarWorld's CEO. We had to let go many workers who had been

with the company for many years. These job losses should not be happening in an industry where demand is so strong and good profit margins are a given in the overall supply chain.

Of course, SolarWorld's current financial situation is distressing. I should note that the damage isn't limited to the United States. Our corporate parent, SolarWorld AG, filed for bankruptcy in May 2017. Unfortunately, even one of the oldest and most respected solar producers in the world can't compete with the Chinese government and a global race to the bottom.

The United States is the second largest market for solar products in the world. We are already seeing the enormous benefits solar power can bring in terms of environmental protection and energy independence. The American solar industry is technologically advanced, with the most productive workers in the world. Yet, because of the overexpansion of global capacity, and with that the surge of imports, our industry has been pushed to the brink. Unless you act promptly and decisively, the United States may find itself with no solar manufacturing sector left at all. I am sure that our industry's survival is key to U.S. competitiveness in high-technology industries.

The sun is the cheapest source of energy – it is free - and it is expected to shine for the next 100 million years. The United States led the solar revolution. By

allowing our manufacturing sector to disappear, we are giving away our knowledge on how to use this source and our technology to other countries. The next generations of renewable energy products should not just be installed here in the United States, they should be invented and made here as well.

Thank you.