

Ambassador Michael Froman  
United States Trade Representative  
600 17th Street NW  
Washington, DC 20508

April 23, 2014

Dear Ambassador Froman:

We are writing to express our grave concerns that the United States plans to increase uncertainty in the Indian solar market by asking the World Trade Organization (WTO) to establish a panel to evaluate whether India's national solar program violates international trade rules.<sup>1</sup> We believe this misguided claim could delay growth of the solar market in India and harm the future of solar deployment at a time when growth of renewable energy has never been more critical. We urge the Office of the U.S. Trade Representative (USTR), once again, to not move forward with this claim.<sup>2</sup>

News that the United States plans to launch a WTO panel to investigate India's national solar program comes just days after the Intergovernmental Panel on Climate Change (IPCC) released its most recent report showing that global greenhouse gas emissions need to fall by 40-70% compared to 2010 levels in order to avoid catastrophic climate impacts.<sup>3</sup> To avert climate disaster, countries must significantly scale up renewable energy development and deployment, just as India is currently doing.

From the end of 2012 to the end of 2013 Indian solar installations grew nearly 100%.<sup>4</sup> That growth has been driven by India's national solar mission and accompanying policies to stimulate solar investment and deployment. We understand that given the rapid growth of this market the office of the USTR is seeking to ensure a fair playing field for U.S. companies. However, trade claims will only serve to undermine this growth market by shaking investor confidence.

Using the WTO to address U.S. concerns about the expansion of India's domestic content rules to thin film solar technologies, which currently comprise the majority of U.S. solar exports to India, will be counterproductive. While it is critical to support and build a U.S. solar industry, the development of our solar industry should not come at the expense of India's ability to develop its solar industry. In addition, our own solar industry is harmed, not served, by new trade conflicts that undermine investor confidence and stifle growth in the solar market.

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<sup>1</sup> WTO Dispute Settlement Body Agenda:

[http://www.wto.org/english/news\\_e/news14\\_e/dsb\\_agenda\\_25apr14\\_e.pdf](http://www.wto.org/english/news_e/news14_e/dsb_agenda_25apr14_e.pdf)

<sup>2</sup> For more information, see: [http://action.sierraclub.org/site/DocServer/India-Solar\\_Letter\\_to\\_USTR.pdf?docID=12581](http://action.sierraclub.org/site/DocServer/India-Solar_Letter_to_USTR.pdf?docID=12581)

<sup>3</sup> Intergovernmental Panel on Climate Change Press release, April 2014.

[http://www.ipcc.ch/pdf/ar5/pr\\_wg3/20140413\\_pr\\_pc\\_wg3\\_en.pdf](http://www.ipcc.ch/pdf/ar5/pr_wg3/20140413_pr_pc_wg3_en.pdf)

<sup>4</sup> PV Tech, Lucy Woods. *India installed over 1GW of grid solar in 2013*. January 2014.

[http://www.pv-tech.org/news/more\\_than\\_1gw\\_new\\_solar\\_installed\\_by\\_india\\_in\\_2013](http://www.pv-tech.org/news/more_than_1gw_new_solar_installed_by_india_in_2013)

India's ability to grow a domestic solar industry is critical for several vital reasons. First, the development of a viable domestic renewable energy industry is a way to increase the share of the energy market available to renewable energy. Currently, the energy market in India and the financing available to it is dedicated to fossil fuels—especially the struggling coal sector. Domestic content rules—which have been a standard policy tool used to foster, nurture, and grow new industries—can help diversify India's economy away from coal while generating other local benefits, including new investment opportunities in a growth industry, opportunities for technological innovation, job creation, and new sources of tax revenue.

Second, we need to increase investor confidence in solar, not shake it. India's solar market is growing fast but still at a nascent stage. This case would actually serve to increase uncertainty in the solar market which is damaging not only to India's solar development, but to global solar development. The U.S. should not compromise the long-term growth of the solar market just so that it can achieve limited near-term gain.

And finally, the ability of India to grow a domestic solar industry is critical to global efforts to tackle climate change. Our global climate will remain in danger if only some countries develop renewable energy industries while others continue to rely on fossil fuels. In order to avoid catastrophic climate impacts, all countries must urgently be investing in renewable energy technologies.

We see troubling signs that climate policy may increasingly be determined by the WTO and similar arenas based trade law rather than on climate science and the real-world necessities of building a green economy. We urge the United States to not bring forward this case, and to agree to a solution that allows India to support and build its domestic solar industry, just as we must do at home.

Sincerely,

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Center for Biological Diversity

Center for International Environmental Law

Earth Day Network

Earth in Brackets

Earthjustice

EcoEquity, USA

Friends of the Earth U.S.

Greenpeace USA

Institute for Policy Studies, Global Economy Project & Climate Policy Program

International Forum on Globalization

Montana Environmental Information Center

Oil Change International

Sierra Club

SustainUS