

# Congress of the United States

Washington, DC 20510

July 23, 2018

Dear Mr. President:

As Members of Congress representing Washington State and Montana, we urgently encourage your assistance to engage meaningfully with China to resolve the trade disputes and retaliatory duties imposed by China that are negatively impacting the U.S. polysilicon manufacturing sector. Developing a path to resolution away from the current standstill will save hundreds of jobs this industry supports in our home states.

Polysilicon is a high-tech, advanced raw material, and is the critical ingredient to the production of semiconductors and solar panels. Polysilicon is expected to be the foundation of new strategic products that are likely to dominate future growth in certain technologies, like silicon based batteries and electric vehicles. Unfortunately, the economic impact of Chinese anti-dumping and countervailing duties that were imposed on the U.S. polysilicon industry in retaliation for U.S. duties on Chinese solar products in 2014 has devastated this once strong U.S. industry across the country.

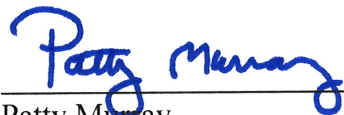
This unfair Chinese trade enforcement action has had particularly dire consequences for REC Silicon (REC), a U.S. manufacturer of polysilicon with major operations in Moses Lake, Washington and Butte, Montana. On July 2<sup>nd</sup>, REC announced the layoff of nearly 40 percent of its workforce in Moses Lake, amounting to approximately 95 employees across the company. At REC's manufacturing facility in Butte, many workers have also lost their jobs. This is the most recent round of several layoffs at REC and is a direct consequence of China's unfair trade retaliation – and the most severe to date - and we fear further job losses may follow in the near term. Job loss to this degree hits particularly hard in rural communities like Moses Lake, where the unemployment rate stands at 6.2 percent, almost double the national average. This is especially devastating when you consider that at its peak in 2011, REC generated \$1 billion in annual revenues from its manufacturing operations across the United States and accounted for approximately 900 high paying jobs.

In addition to further layoffs, China's devastating trade retaliation is forcing REC to consider a complete shutdown of its operations in Washington State within the coming months. This will result in the loss of the remaining 200 highly skilled jobs in Moses Lake, and will jeopardize U.S. control of the most energy-efficient technology used globally to create polysilicon. We also understand that this dispute is putting undue pressure on and further threatening jobs at the two other remaining U.S. polysilicon producers affected by this dispute. Without a permanent resolution, the harmful economic effects will continue to cascade in our states and the United States will suffer severe and possibly irreversible setbacks in its ability to manufacture semiconductors, solar panels, and other new technology products without reliance on China.

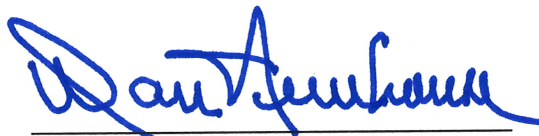
We request your immediate attention to this issue by elevating this dispute in the ongoing conversations between your Administration and Chinese officials. It is imperative the United States obtains a positive and permanent resolution for U.S. polysilicon companies, including

REC. Doing so would preserve hundreds of U.S. jobs and American technological leadership in polysilicon manufacturing.

Sincerely,



Patty Murray  
United States Senator



Dan Newhouse  
Member of Congress



Maria Cantwell  
United States Senator



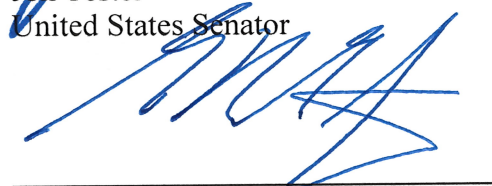
Rick Larsen  
Member of Congress



Jon Tester  
United States Senator



Steve Daines  
United States Senator



Greg Gianforte  
Member of Congress



Dave Reichert  
Member of Congress



Suzan DelBene  
Member of Congress



Denny Heck  
Member of Congress

cc: The Honorable Robert Lighthizer, United States Trade Representative  
The Honorable Wilbur Ross, Secretary of Commerce  
The Honorable Steven Mnuchin, Secretary of the Treasury  
The Honorable Terry Branstad, Ambassador of the United States to China  
The Honorable Larry Kudlow, Assistant to the President for Economic Policy  
The Honorable Peter Navarro, Assistant to the President for Trade and Manufacturing Policy  
The Honorable Everett Eissenstat, Deputy Assistant to the President for International Economic Affairs