



August 6, 2014

Mr. Mukesh Dulani
President
SolarWorld Americas LLC
25300 NW Evergreen Road
Hillsboro, OR 97124

Dear Mukesh:

Thank you for your letter of August 4, 2014. We fully support your goal of achieving an amicable solution to the ongoing U.S.-China solar trade conflict, as evidenced by our work to develop a settlement proposal and facilitate meetings between SolarWorld and Chinese manufacturers. I must take issue, however, with your misguided assertion that SEIA sanctions unfair trade practices.

From the first day SolarWorld initiated trade litigation in 2011, SEIA has been steadfast in its support for the rules-based global trading system, including trade remedy proceedings. We have also consistently stated that other foundational principles of this system, specifically, negotiations and dispute resolution, must be recognized. Reliance on litigation alone is failing the U.S. solar industry by raising costs, disrupting U.S. manufacturing supply chains, and providing no long-term solution to the growing U.S.-China solar trade conflict. Just because a party has the right to litigate, doesn't mean they should. Many times, such as here, there are much better alternatives to litigation.

With these principles in mind, SEIA developed the *Draft Recommendation to Governments for the Establishment of a U.S.-China Solar Trade Agreement*. This proposal was drafted with broad industry input and is designed to address U.S. cell and module manufacturers' competitiveness concerns, while ensuring the continued growth of the U.S. solar market.

SEIA's proposal also recognizes the interests of the 30,000 other U.S. solar manufacturing employees producing polysilicon, ingots, wafers, metallization pastes, encapsulants, backsheet, junction boxes, connectors, racking systems, inverters, finished goods, and solar manufacturing equipment, as well as the more than 100,000 individuals employed in the solar services sector, e.g., installation, maintenance, project development, finance, engineering, consulting, legal, testing and certification, and distribution. The SEIA proposal is truly an industry-wide solution.

Mr. Mukesh Dulani

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Regarding your suggestion that SEIA “reformulate and resubmit” this proposal,” it is unclear what, specifically, SolarWorld seeks from a negotiated solution, beyond the general demand that any settlement “eliminate China’s unfair trade practices” and “be enforceable.” SEIA has developed and publicly released an industry-wide solution. We welcome specific input from SolarWorld on this document and/or any alternative proposal.

As I stated most recently, it’s time roll-up our sleeves, work together, and reach an agreement that’s good for everyone. Continued litigation is bad for the industry and, we believe, bad for SolarWorld. SEIA’s settlement proposal remains the best path forward. But we will not preclude any settlement option that serves the greater interests of the U.S. solar industry.

I look forward to continuing to work with you in support of U.S. solar manufacturing.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rhone Resch". The signature is fluid and cursive, with the first name "Rhone" and last name "Resch" clearly distinguishable.

Rhone Resch

cc: Frank Asbeck, Chief Executive Officer, SolarWorld AG