

# U.S. Trade Protest Over India Solar Energy Program

Matthew Pennington, Associated Press

WASHINGTON (AP) -- The U.S. brought a trade complaint against India Monday over a solar energy program it says discriminates against American manufacturers, adding another wrinkle to a bilateral relationship strained by the recent arrest and strip-search of an Indian diplomat.

It is the second time in a year that Washington has requested dispute settlement consultations with India over the program that it contends violates World Trade Organization rules by requiring suppliers use Indian-manufactured solar cells and modules.

U.S. officials say the trade case was in the works long before the December arrest of India's deputy consul general in New York, Devyani Khobragade, who was accused of visa fraud and under-paying her maid. In a compromise, Khobragade was indicted then deported in January, and both governments say they want to repair the relationship.

In announcing the trade complaint, U.S. Trade Representative Michael Froman said the Obama administration was "standing up" for the rights of American workers and businesses — a common theme in a year of congressional elections, and as the administration tries to persuade fellow Democrats to support its agenda to expand trade in Asia.

U.S. officials say India is the second largest foreign market for the U.S. solar energy industry after Japan, with exports totaling \$119 million before the local content requirements were introduced in 2011 and having fallen since then. The South Asian nation is looking to increase its use of solar power twenty-fold by 2020 under its so-called National Solar Mission.

Last February, the U.S. held dispute consultations with India over the first phase of that program but the U.S. says its concerns weren't addressed. It is now seeking fresh consultations over the program's second phase, approved by India's Cabinet in October, that's been expanded to include thin film technology which comprises the majority of U.S. solar product exports to India.

"These types of 'localization' measures not only are an unfair barrier to U.S. exports, but also raise the cost of solar energy, hindering deployment of solar energy around the world, including in India," Froman told a news conference.

India's Embassy in Washington did not immediately respond to a request for comment.

## **U.S. Trade Protest Over India Solar Energy Program**

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

A request for consultations is the first step in the WTO dispute settlement process. If the matter is not resolved through consultations within 60 days of the request, the U.S. may ask the WTO to establish a dispute settlement panel and seek redress.

U.S. trade officials said the consultation request is a serious step to take, but dismissed suggestions of a trade war between the two nations, saying it is part of a "mature" trading relationship.

Two-way trade between the United States and India in goods and services has risen sharply in the past decade to around \$100 billion annually, and diplomatic and security ties have also deepened. But U.S. businesses complain over continuing market barriers.

India has its own gripes, including over visa policies for high-skilled Indian workers.

**Source URL (retrieved on 07/24/2014 - 4:44am):**

<http://www.impomag.com/news/2014/02/us-trade-protest-over-india-solar-energy-program>