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Center for International Environmental Law * Earth Day Network * EcoEquity *
Friends of the Earth US * Global Exchange * Greenpeace USA *
Institute for Policy Studies, Global Economy Project * Sierra Club**

Ambassador Demetrios Marantis
United States Trade Representative
600 17th Street NW
Washington, DC 20508

March 20, 2013

Dear Ambassador Marantis:

We are writing to express our deep concern regarding the case brought by the United States at the World Trade Organization challenging domestic content rules and subsidies in India's national solar program, the Jawaharlal Nehru National Solar Mission (JNNSM). Challenging this program undercuts India's efforts to pursue appropriate economic development and reduce poverty and to take urgently needed steps to tackle the pressing and shared challenge of climate change.

We understand that the Office of the U.S. Trade Representative is concerned 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. 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.

Domestic content rules have been a vital policy tool used to foster, nurture, and grow new industries throughout history and can be used today to build and support renewable energy industries. Particularly in the context of the substantial challenges posed by climate change—most recently highlighted by President Obama in his inaugural and State of the Union addresses—it is critical that countries have every tool at their disposal to transition to clean renewable sources of energy, such as wind and solar power.

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. The use of domestic content rules can play an important role in developing a domestic solar industry and in diversifying the country's energy portfolio.

Second, domestic content rules can increase political support for clean energy programs by generating local benefits such as new investment opportunities and green jobs. Ensuring that a significant proportion of these benefits remain in India is critical not only to addressing climate change, but to reducing poverty in India.

Finally, and most important, 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 are troubled that climate policy may increasingly be determined by the WTO and similar arenas based on unfair or inappropriate trade law, rather than on climate science and the real-world necessities of building a green economy. We urge the United States to agree to a solution that allows India to support and build its domestic solar industry, just as we do at home.

Sincerely,

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