Congress of the United States
Washington, DC 20515

July 16, 2026

The Honorable Rodney S. Scott
Commissioner
U.S. Customs and Border Protection
1300 Pennsylvania Avenue, NW
Washington, DC 20229

The Honorable Frank J. Bisignano
Chief Executive Officer
Internal Revenue Service
1111 Pennsylvania Avenue, NW
Washington, D.C. 20224

Dear Commissioner Scott and Mr. Bisignano:

We write to request immediate action to address unfairly traded solar products in the United States originating from the People's Republic of China (PRC) and to prevent fraudulent claims of tax credits intended to support American solar energy manufacturers.

Over the last several years, the United States has made significant progress in rebuilding the United States' solar manufacturing through legislation. Federal policies designed to strengthen the American industry have helped drive billions of dollars in private investment into new U.S. factories producing solar modules, cells, wafers, and other clean energy components. In point of fact, several companies have announced or opened new facilities across the United States, creating thousands of American manufacturing jobs and helping restore industrial capacity that had previously moved overseas.

Global competitors, especially those in the PRC, will stop at nothing to unfairly gain an edge over American manufacturers. Nearly finished solar cells made in countries currently subject to antidumping and countervailing duty (AD/CVD) orders are being purposefully misclassified as "wafers" to avoid these duties. Upon import of such nearly finished solar cells into the United States, these companies then perform only the final processing steps (e.g., printing and firing), claim Federal tax credits for "cells," and market the resulting product as "domestically produced" so their customers can capture more tax benefits intended solely for American manufacturing. This duty evasion and tax fraud is harming U.S. energy manufacturers and placing them at a clear competitive disadvantage.

A blue wafer is a silicon wafer that has already undergone diffusion to form a P/N junction, the critical semiconductor step that allows electricity to flow. According to calculations from several silicon cell manufacturers, this process represents approximately 80 percent of the capital equipment investment required to manufacture a solar cell.[1] After the diffusion is complete, only minor downstream steps—such as coating, metallization printing, and firing—remain.

The U.S. Department of Commerce has consistently held that the country where the P/N junction is formed determines the country of origin of a solar cell. Similarly, all solar AD/CVD orders define a "cell" as any product with a P/N junction, regardless of whether additional processing has occurred.[2] Solar cells originating from the PRC, Taiwan, Cambodia, Thailand, Vietnam, Malaysia, India, Laos, and Indonesia are all subject to current dumping or countervailing orders. Imported "wafers" that have already been diffused with a P/N junction are considered a cell under these AD/CVD orders, and U.S. Customs and Border Protection (CBP) should assess duties on them accordingly.

The Internal Revenue Service (IRS) should also closely review claims for Section 45X Advanced Manufacturing Production Credits involving blue wafers. Federal law defines a solar cell as the semiconductor component that directly converts light into electricity.[3] Blue wafers manufactured abroad already perform this function before they enter the United States. Companies should not be allowed to claim full manufacturing tax credits for simply completing minor finishing steps on such wafers domestically. Allowing such products to continue qualifying for these tax credits undermines the purpose of these incentives.

The stakes are significant. Reports authored on this industry indicate PRC-controlled entities dominate more than 90 percent of global wafer and cell production. The United States Government has worked to reverse this dependence on foreign cells by encouraging companies to build and expand manufacturing capacity here at home. Strong enforcement from the Executive Branch is required to counter the PRC's continued efforts to strategically undermine American industry just as it is trying to scale.

Accordingly, we respectfully urge you to direct the CBP and the IRS to take immediate steps to close this enforcement gap. The CBP should identify and assess duties on any blue-

---

[1] Solar Energy Manufacturers for America Coalition, *Blue Wafer Factsheet.* https://cdn.prod.website-files.com/676d171563b00595be3e706c/6a55024512faf73be171aedf_SEMA%20Trade%20 Blue%20Wafer%20Factsheet.pdf

[2] International Trade Administration, "Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From India, Indonesia, and the Lao People's Democratic Republic," 90 Fed. Reg. 38745 (Aug. 12, 2025).

[3] Section 13502 of Public Law 117-169 codified at 26 U.S.C. 45X(c)(3)(B)(i) defines "photovoltaic cell" as "the smallest semiconductor element of a solar module which performs the immediate conversion of light into electricity."

colored “wafer” imports as solar cells and the IRS should assess documentary proof of domestic cell manufacturing for claimed Section 45X credits. It is also critical that both agencies issue public-facing sub-regulatory guidance to ensure importers and developers understand that use of blue wafers to evade U.S. trade law or evade U.S. tax law is not permitted. Clear public signaling is necessary to deter evasion before it becomes further entrenched in supply chains, harming American workers and manufacturers.

Thank you for your prompt attention to this matter. We look forward to your response.

Sincerely,

Ro Khanna
Ranking Member
House Select Committee on the CCP

Mike Bost
Member of Congress

Pat Harrigan
Member of Congress

Marcy Kaptur
Member of Congress

CC: The Honorable William Kimmitt, Under Secretary of Commerce for International Trade, U.S. Department of Commerce
The Honorable Jamieson Greer, United States Trade Representative