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Asking Why Employees of Solar Firm Lost Jobs

By AARON GLANTZ

The Department of Labor has become the latest federal agency to open an inquiry into the bankruptcy of [Solyndra](#), the solar panel manufacturer in Fremont that President Obama once hailed as “a testament to American ingenuity and dynamism.”

But unlike the inspectors general of the Energy and Treasury Departments and the Federal Bureau of Investigation, who are looking into possible wrongdoing in connection with the company’s \$527 million federal loan, the Labor Department is examining a more prosaic economic question: Did Solyndra’s workers lose their jobs because of competition from China?

At stake is up to \$14 million in unemployment, job training and relocation benefits for the 1,100 workers who lost their jobs after the company abruptly shut down on Aug. 31.

The inquiry was set in motion in response to a petition filed by Alameda County under the little-known Trade Adjustment Assistance Program, which provides for additional benefits to American workers when their jobs are lost to foreign trade. In the petition, Patti Castro, the interim director of Alameda County’s Workforce Investment Board, said that “Solyndra and other U.S. solar industry manufacturers have been affected by a worldwide plunge in solar cell prices, based in part on huge

subsidies Chinese solar manufacturers receive from their government.”

According to the Department of Energy, solar panel prices have dropped 42 percent since January, largely because of \$30 billion in Chinese government subsidies to its solar sector. The United States share of the worldwide solar-panel market has fallen from a peak of 43 percent in 1995 to just 7 percent last year.

Investigations into whether jobs are lost to foreign trade include an examination of company financial documents as well as market research and typically take about two months, Labor Department officials said.

Solyndra is the third solar manufacturer in the United States to go bankrupt this year, and Trade Adjustment Assistance petitions have already been filed on behalf of workers at the other two companies, Evergreen Solar of Massachusetts and SpectraWatt of New York. The Labor Department denied SpectraWatt’s petition but granted Evergreen’s, although both companies made the same type of photovoltaic panel.

Joshua Lamont, a Labor Department spokesman, said the two situations were different. SpectraWatt’s workers lost their jobs because of a decline in export sales, he said, while Evergreen Solar “acquired from a foreign country articles like or directly competitive with articles produced by the workers.”

Inside the solar industry, many are not convinced that Solyndra faltered because of overseas competition. The company used a novel technology that did not require silicon and took a big competitive hit when the price of silicon tumbled.

A number of Bay Area-based solar manufacturing companies, including San Jose’s NanoSolar and Solaria in Fremont, are actively recruiting former Solyndra employees to work in their factories. Daniel Shugar, the chief executive of Solaria, said the importance of low-cost Chinese labor in making United States-built panels less competitive had been greatly exaggerated.

“Labor cost is not a huge part of the cost of making solar panels, because these things are automated to

a large degree,” Mr. Shugar said in an interview. Solaria has opened a factory in Fremont for United States orders and another in India for Asian deliveries.

Even some former Solyndra employees were skeptical that competition from China caused their company’s downfall. Danny Nguyen, who worked as a mechanic at Solyndra for five years, said he was waiting for the outcome of the F.B.I. investigation “to find the real cause” of his employer’s collapse.

Still, the pressures of foreign competition are evident on rooftops across the Bay Area. On Wednesday, Lisa Jackson, head of the Environmental Protection Agency, took a tour of the headquarters of Project Open Hand, a San Francisco charity, where a local solar company, Luminalt, installed 52 panels made by the Chinese company Suntech.

Luminalt has also installed solar hot water panels on the charity building’s roof. Those panels were produced by BP Solar, which according to Pete Resler, a spokesman, “ceased all manufacturing in the United States last spring, primarily because of cost.”

After posing for photos in front of the Chinese panels, Ms. Jackson said that employing local residents to install solar panels had environmental and economic benefits, regardless of where the panels were made.

“What we need is more of what we see here,” she said.

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