



**MEMORANDUM OF UNDERSTANDING BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT
OF CANADA ON TRADE IN SOLAR PRODUCTS**

**THE GOVERNMENT OF THE UNITED STATES OF AMERICA (“UNITED STATES”)
AND THE GOVERNMENT OF CANADA (“CANADA”),**

AFFIRMING the importance of a strong and cooperative bilateral relationship;

DESIRING to enable the United States’ implementation of the recommendation of the Panel Report under the Agreement between the United States of America, the United Mexican States, and Canada, which entered into force on July 1, 2020 (“Agreement”), and to enhance their bilateral trade relationship;

SEEKING to improve the North American supply chain for solar products;

RECOGNIZING that eradicating forced labor, including in the supply chain for solar products, is both a moral imperative and economic necessity; and

RECALLING that the United States and Canada have recognized the goal of eliminating all forms of forced or compulsory labor, including forced or compulsory child labor, under Article 23.6 of the Agreement and have each agreed under that agreement to prohibit the importation into its territory of goods, including of solar products and inputs to solar products, produced in whole or in part by forced or compulsory labor, including forced or compulsory child labor;

HAVE COME to the following understanding:

DEFINITIONS

1. For the purposes of this Memorandum of Understanding (“Memorandum”):

Commission means the United States International Trade Commission.
(*Commission*)

CSPV products means crystalline silicon photovoltaic cells, whether or not partially or fully assembled into other products, covered by the solar safeguard measure taken by the United States. (*produits de CPSC*)

CSPV products originating in Canada means CSPV products originating in Canada for purposes of Chapter 4 of the Agreement, inclusive of Annex 4-B, and includes only CSPV Products that would otherwise be subject to the solar safeguard measure. (*produits de CPSC originaires du Canada*)

GW means gigawatt, and where it refers to quantity, means wattage as measured by total watts at maximum power based on standard test conditions according to the latest revision of International Electrotechnical Commission (IEC) 60904, “Photovoltaic Devices”. (*GW*)

Proclamation 9693 means Presidential Proclamation 9693 of January 23, 2018, “To Facilitate Positive Adjustment to Competition From Imports of Certain Crystalline Silicon Photovoltaic Cells (Whether or Not Partially or Fully Assembled Into Other Products) and for Other Purposes”, as published in the *Federal Register* on January 25, 2018, at 83 Fed. Reg. 3541. (*proclamation 9693*)

Proclamation 10101 means Presidential Proclamation 10101 of October 10, 2020, “To Further Facilitate Positive Adjustment to Competition From Imports of Certain Crystalline Silicon Photovoltaic Cells (Whether or Not Partially or Fully Assembled Into Other Products)”, as published in the *Federal Register* on October 16, 2020, at 85 Fed. Reg. 65639. (*proclamation 10101*)

Proclamation 10339 means Presidential Proclamation 10339 of February 4, 2022, “To Continue Facilitating Positive Adjustment to Competition From Imports of Certain Crystalline Silicon Photovoltaic Cells (Whether or Not Partially or Fully Assembled Into Other Products)”, as published in the *Federal Register* on February 9, 2022, at 87 Fed. Reg. 7357. (*proclamation 10339*)

solar safeguard measure means the safeguard measure on imports of certain crystalline silicon photovoltaic cells (whether or not partially or fully assembled into other products), proclaimed by the President of the United States on January 23, 2018, through Proclamation 9693, modified by the President of the United States on October 10, 2020, through Proclamation 10101, extended by the President of the United States on February 4, 2022, through Proclamation 10339, and any potential future reduction or modification of such measure. (*mesure de sauvegarde sur les produits solaires*)

surge means a significant increase in imports over the trend for a recent representative base period. (*augmentation subite*)

threshold level means:

- 1.0 GW between February 1, 2022, and January 31, 2023;
- 1.15 GW between February 1, 2023, and January 31, 2024;
- 1.30 GW between February 1, 2024, and January 31, 2025; and
- 1.45 GW between February 1, 2025, and February 6, 2026. (*niveau seuil*)

Trade Representative means the United States Trade Representative. (*représentant au Commerce*)

**REMOVAL AND REINSTATEMENT OF LIMITATIONS ON IMPORTS OF CSPV PRODUCTS
INTO THE UNITED STATES**

2. Within 14 days of signature of this Memorandum, the United States will amend subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States to suspend application of the solar safeguard measure to unliquidated entries of CSPV products that are originating in Canada under the Agreement and that are country of origin Canada pursuant to 19 CFR Part 102, effective with respect to merchandise entered for consumption, or withdrawn from warehouse for consumption on or after 12:01 a.m. on February 1, 2022.

3. The United States may revoke the suspension referred to in paragraph 2 in the event that the Commission finds, in response to a request from the Trade Representative under section 332 of the Tariff Act of 1930 (19 U.S.C. § 1332), that a surge in imports of CSPV products originating in Canada undermines the effectiveness of the solar safeguard measure. The Commission will submit its finding to the Trade Representative no later than 30 days after the Commission receives the request. The United States will notify Canada of any request no later than one business day after delivery of the request to the Commission.

4. In making its finding of whether a surge in imports exists for purposes of paragraph 3, the Commission will take into account:
 - (a) the historical volume of imports of CSPV products from Canada prior to imposition of the solar safeguard measure;
 - (b) subsequent developments in the U.S. CSPV product market; and
 - (c) the effects of the solar safeguard measure on imports of CSPV products from Canada through the date of implementation of this Memorandum.

5. The Trade Representative will not make the request described in paragraph 3 unless:
 - (a) the volume of imports into the United States of CSPV products originating in Canada in the most recent 12-month period for which data are available exceeds the threshold level applicable at the time of the request; and
 - (b) at least 30 days before the date of the request, the United States has delivered written notice to Canada, during which period it will provide an opportunity for consultations with Canada on the matter.

For avoidance of doubt, imports of CSPV modules originating in Canada that are otherwise excluded from the safeguard measure (for example, bifacial modules) will not be included in the quantities of imports originating in Canada in the determination of whether the volume of imports of CSPV products originating in Canada exceeds the threshold level.

6. Any application of the safeguard measure by the United States following a revocation of the suspension under paragraph 2 will be done in a manner consistent with Article 10.2.5 of the Agreement.
7. Nothing in this Memorandum prevents the United States from taking action under section 204(b)(2) of the Trade Act of 1974 (19 U.S.C. § 2254(b)(2)) to the extent that a producer or importer is circumventing the solar safeguard measure.

ACTION UNDER ARTICLE 10.2.6 OF THE AGREEMENT

8. Canada will not take action with respect to the solar safeguard measure pursuant to the last sentence of Article 10.2.6 of the Agreement as long as the solar safeguard measure is not applied to imports of CSPV products originating in Canada.

RESOLUTION OF USMCA DISPUTE USA-CDA-2021-31-01

9. Upon signature of this Memorandum, the United States and Canada jointly will submit letters to the U.S. Section of the Agreement Secretariat and to the dispute settlement panel established under Article 31.6 of the Agreement in the dispute USA-CDA-2021-31-01, notifying the Secretariat and the panel that, pursuant to Article 31.18 of the Agreement, this Memorandum constitutes a resolution of dispute USA-CDA-2021-31-01.

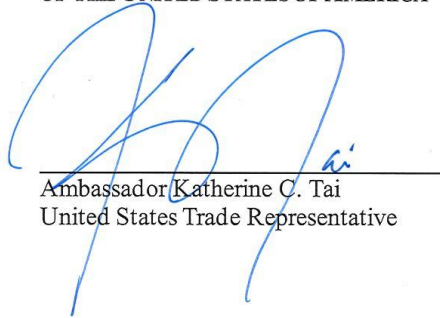
LEGAL CHARACTER

10. This Memorandum is not binding under international law.

SIGNATURE

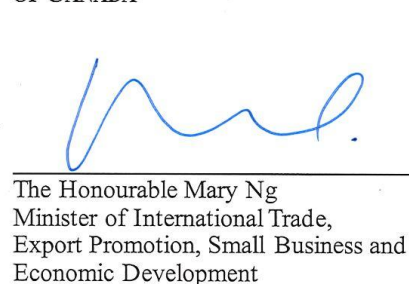
SIGNED at Vancouver, in duplicate, this 8th day of July 2022, in the English and French languages, both language texts being equally valid.

**FOR THE GOVERNMENT
OF THE UNITED STATES OF AMERICA**



Ambassador Katherine C. Tai
United States Trade Representative

**FOR THE GOVERNMENT
OF CANADA**



The Honourable Mary Ng
Minister of International Trade,
Export Promotion, Small Business and
Economic Development