

Ms. Linda Pryor
Hilltop Farm LLC

The Honorable Jeff Duncan

1. Silfab, a South Carolina-based solar panel company, is facing intense competition from Chinese manufacturers. Despite the IRA's intention to support domestic solar production, Chinese companies continue to receive subsidies. This loophole allows Chinese companies, often subsidized by their government and potentially using forced labor and dirty energy, to compete unfairly with American businesses. Should the IRA be amended to ensure that taxpayer-funded incentives are exclusively available to American companies? What specific changes would you recommend to achieve this goal?

Fair, level-playing-field competition is essential, and benefits both consumers and producers. Silfab is an example of an American based solar panel company that is being forced to compete with Chinese manufacturers that are not operating under the same standards. When competition is unbalanced the company that is striving to follow the required standards is at a disadvantage and cannot remain competitive. As an American business owner and an American taxpayer, I believe that amending the Inflation Reduction Act (IRA) to eliminate loopholes that place American companies at a competitive disadvantage should be a priority, which would align with the goals of strengthening domestic manufacturing, securing domestic supply chains, and supporting fair competition. The IRA is intended to boost clean energy production in the US, however its current structure may inadvertently allow foreign competitors with unfair advantages to undercut American companies.

Specific amendments that would ensure fair competition could include:

Clear subsidy eligibility requirements that apply to all companies specific labor and environmental standards. Wages paid to employees and the cost of meeting safety standards for employees are significant expenses for American businesses, and we are at a disadvantage when we compete with countries that have low or no labor standards. Any standards that American companies are required to meet should also apply to any foreign company that is seeking a subsidy through the IRA. To incentivize US production, the IRA could be amended to prioritize companies that manufacture products comprised of American produced components- the higher the percentage of American produced components, the higher priority given.

-Increase transparency and reporting which would require companies receiving IRA funds to disclose their supply chain details. This would ensure companies are not sourcing any materials or components from regions linked to forced labor, or dirty energy. Implement audits to verify compliance with eligibility requirements and penalize those companies that make false claims regarding their supply chain. The Uyghur Forced Labor Prevention Act (UFLPA) could be expanded to include all solar and clean energy components and block imports that are linked to forced labor and dirty energy.

Amending the IRA to close this loophole ensures that the US achieves its clean energy goals without compromising on fair competition, labor standards, and environmental responsibility. It also strengthens national security by reducing reliance on foreign manufacturers for the infrastructure required to implement clean energy.

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The Honorable Rick W. Allen

1. I understand that the production of fertilizer is an energy intensive process. Can you share how the price of fertilizer has increased over the years and talk about the impact of that?

Fertilizer is a significant expense for American farmers. Fertilizer production is energy intensive, and heavily relies on natural gas. This dependency makes fertilizer prices highly sensitive to fluctuations within the energy market. Nitrogen, phosphorous, and potassium are vital to meet the fertilizer needs on American farms, the transportation and fluctuation of fuel costs for their transport adds to the cost.

While the price of fertilizer fluctuates there has been an increase over the years which places a strain on American farmers. From the beginning of 2020 to today, increases have ranged from over 20% for potassium fertilizers (potash) to nearly 50% for common phosphorous fertilizers. The increase has been influenced by supply chain issues, political unrest, and excessive regulation which all place the American farmer at a disadvantage. Rising costs directly impact farmers making their crops less profitable, especially crops like corn, which depend on nitrogen. If farmers reduce fertilizer application rates to be able to afford to get through the growing season they are left with lower crop yields, which results in less profitability. Farmers like myself are constantly seeking alternatives to combat the high cost of fertilizer. On our farm we utilize cover crops, crop rotation, and precision agriculture whenever possible.

Ultimately American farms and American families suffer, lower yields result in higher prices for shoppers, and high input costs are absorbed by the farmer.