

United States Senate

WASHINGTON, DC 20510

May 11, 2021

The Honorable Katherine Tai
United States Trade Representative
Executive Office of the President
600 17th Street, NW
Washington, DC 20508

The Honorable Gina M. Raimondo
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Ambassador Tai and Secretary Raimondo,

We write today to emphasize the importance of working to remove harmful retaliatory tariffs on distilled spirits and wine to promote free and fair trade between the United States, European Union and United Kingdom. These tariffs have negatively impacted the U.S. beverage alcohol sector and placed American producers at a severe competitive disadvantage in what had been a growing export market for them.

American craft spirits production has grown substantially in recent decades, and in 2020 more than 2,000 distillers operated in the United States, employing tens of thousands of workers spread across all 50 states. With this growth came overseas opportunities. American Whiskey in particular saw a significant rise in exports, with exports to the EU growing by 40 percent from 2008 to 2018. The implementation of retaliatory tariffs, though, have inhibited this growth. Since June 2018, American Whiskey has faced a 25 percent tariff in the EU and UK. Whiskey exports to the EU have dropped by 37 percent since then and exports to the UK have been cut in half. This tariff is currently scheduled to increase to 50 percent in the EU on June 1, 2021.

Like other small businesses involved in the food and drink industry, American craft distillers have struggled during the pandemic, as on-site sales and sales to restaurants and bars declined substantially. Nearly a third of craft distillers' employees have been furloughed since the start of the pandemic. These employers are just now starting the road to recovery and the continuation, and potential increase, of these tariffs will inhibit this recovery.

The recent suspension of tariffs related to the WTO large civil aircraft subsidy dispute, including on U.S. rum, brandy, and vodka, has provided critical relief for many in the hospitality and beverage alcohol sector at a critical time. Securing an agreement to permanently lift these tariffs on wine and spirits will help restaurants, bars, and craft distilleries across the country as they recover from the pandemic.

As the Biden administration works to address trade disputes with our allies in Europe, we urge the administration to work to secure the immediate suspension of tariffs on American Whiskey and, ultimately, the permanent removal of all retaliatory tariffs on American, EU,

and UK spirits and wine.

Thank you for your attention to this critical issue.

Sincerely,



Tim Kaine
United States Senator



Todd Young
United States Senator



Alex Padilla
United States Senator



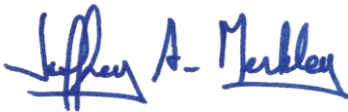
Rand Paul, M.D.
United States Senator



Mark R. Warner
United States Senator



Marsha Blackburn
United States Senator



Jeffrey A. Merkley
United States Senator



Bill Hagerty
United States Senator



Kyrsten Sinema
United States Senator



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United States Senator



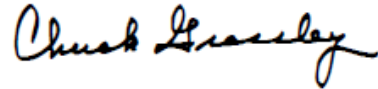
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United States Senator



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United States Senator



Jacky Rosen
United States Senator



Chuck Grassley
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Margaret Wood Hassan
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