

North American Free Trade Agreement: Benefits to the U.S. Spirits Sector

The Distilled Spirits Council strongly supported the negotiation and implementation of NAFTA and enthusiastically welcomes the Administration's efforts to modernize the agreement. Total U.S. spirits exports to our NAFTA partners increased 617 percent, from \$34 million in 1995 to \$244 million in 2017. It is critical that the modernization of NAFTA preserve – and build upon – these gains.

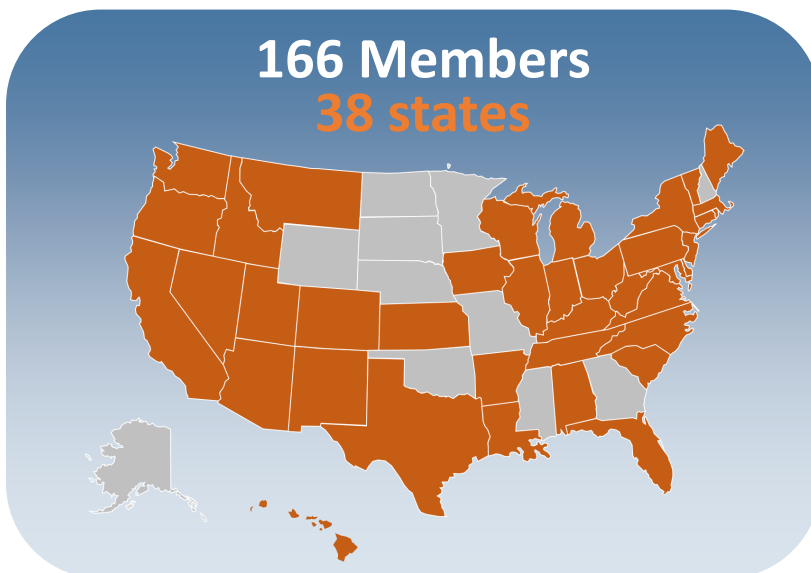


NAFTA's Key Provisions:

- All U.S. distilled spirits exports to Mexico and Canada are duty-free
- Mexico and Canada recognize "Bourbon" and "Tennessee Whiskey" as distinctive U.S. products
- Canada's Provincial Liquor Board policies required to be transparent and non-discriminatory

Key Objectives for NAFTA Modernization:

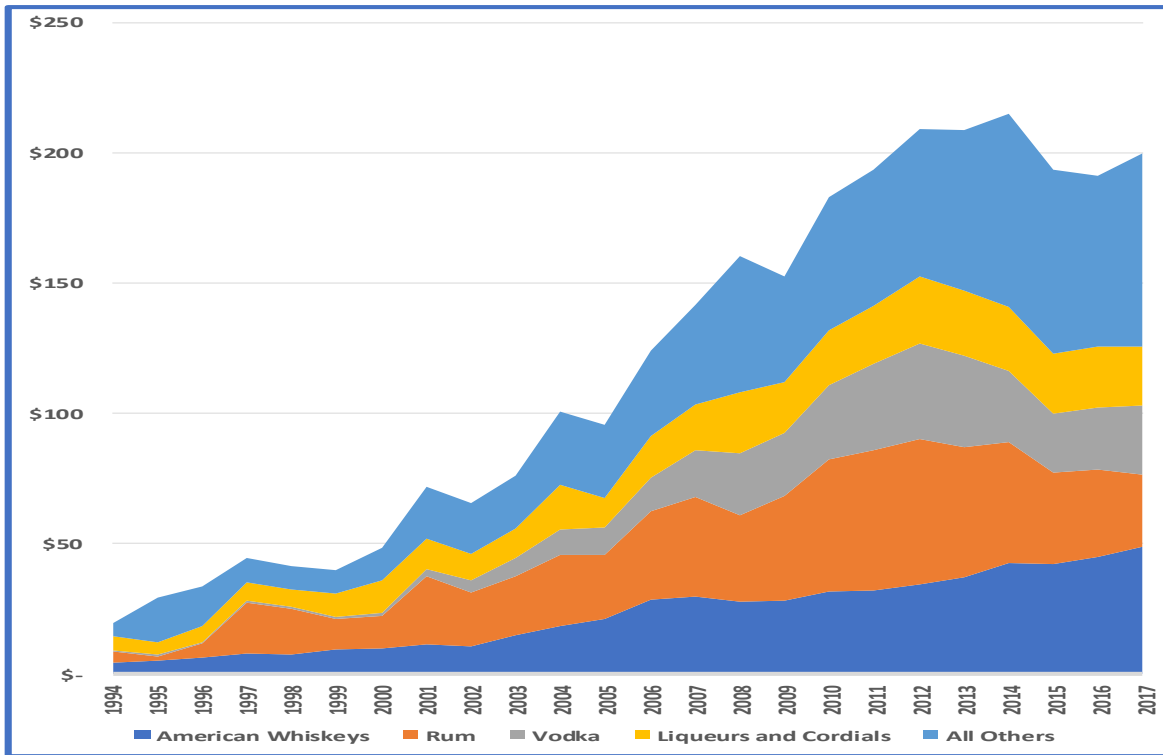
- Preserve duty-free treatment for U.S. distilled spirits exports
- Expand distinctive product recognition to include "American Rye Whiskey"
- Incorporate regulatory best practices for the labeling and certification of distilled spirits products
- Strengthen rules regarding Canada's Provincial beverage alcohol distribution and retail monopolies
- End prohibition in NAFTA on the use of duty drawback



The Distilled Spirits Council is the national trade association representing the leading U.S. producers, marketers and exporters of distilled spirits.

U.S. Distilled Spirits Exports to Canada 1990-2017

(\$ millions)



U.S. Distilled Spirits Exports to Mexico 1994-2017

(\$ millions)

