

NEWS RELEASE

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As Major Tariff Hike Nears, Toasts Not Tariffs Coalition Sends Letter to Biden Administration Urging Immediate Removal of all EU, UK and U.S. Tariffs on Spirits and Wines

-Letter Marks 50 Days from EU's Doubling of the American Whiskey Tariff to 50 Percent-

WASHINGTON – The <u>Toasts Not Tariffs Coalition</u>, 48 associations representing the entire threetier chain of the U.S. alcohol industry, sent a **letter** today to <u>U.S. Trade Representative</u> <u>Ambassador Tai</u>, <u>U.S. Department of Agriculture Secretary Vilsack and U.S. Department of</u> <u>Commerce Secretary Raimondo</u> urging the immediate removal of all U.S., EU and UK tariffs on distilled spirits and wines imposed in connection to unrelated trade disputes.

The coalition stated recent agreements between the U.S., EU and UK to suspend tariffs on certain wines and spirits are significant steps in the right direction that will support the recovery of U.S. distilleries, restaurants, and bars that were forced to close during the pandemic. They underscored, however, that American Whiskey, the U.S.'s top spirit export, must not be left behind saddled by tariffs.

"The EU and UK continue to impose a 25 percent tariff on American Whiskeys, including Bourbon, Tennessee Whiskey, American Rye Whiskey and American Single Malt Whiskey, which puts these products at a competitive disadvantage in those markets," said the coalition. "The devastating impact of these tariffs on American whiskey in our most important export markets is clear; since these tariffs were imposed in June 2018, American Whiskey exports have declined by 37 percent to the EU and by 53 percent to the UK."

The groups stated, "In exactly 50 days, the EU's tariff is scheduled to double to 50 percent, further exacerbating the unlevel playing field in the EU market for American Whiskeys. Moreover, we are gravely concerned that if urgent action is not taken to lift these tariffs, many small U.S. distilleries will not be able to recover from the devastating impacts of both the tariffs and the pandemic."

They concluded, "On behalf of producers, importers, wholesalers and retailers that comprise the U.S. hospitality sector, we commend the Biden Administration for working to reestablish positive relationships with the EU and UK. We urge you to continue this positive momentum by prioritizing the permanent removal of EU, UK, and U.S. tariffs on distilled spirits and wine, which will help support U.S. jobs and businesses as the economy continues to recover."

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