

April 12, 2021

The Honorable Tom Vilsack Secretary of Agriculture 1400 Independence Avenue, S.W. Washington, DC 20250

Dear Secretary Vilsack,

On behalf of the Toasts Not Tariffs Coalition, which includes 48 U.S. associations representing the entire three-tier chain of the U.S. alcohol industry, we are writing to seek your urgent support in securing the permanent removal of all EU, UK, and U.S. tariffs on distilled spirits and wines imposed in connection to unrelated trade disputes.

The recent agreements between the U.S., EU and UK to suspend tariffs on certain wines and spirits, including the 25 percent tariffs on exports of U.S. rum, brandy and vodka to the EU and UK, are significant steps in the right direction. This will support the recovery of distilleries, restaurants, and bars across the U.S. that were forced to shut down during the pandemic.

However, 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. 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.

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.

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.

Thank you for your consideration.

Sincerely,

American Beverage Licensees American Craft Spirits Association American Distilled Spirits Alliance American Distilling Institute American Single Malt Whiskey Commission Arizona Craft Distillers Guild Atlantic Seaboard Wine Association California Artisanal Distillers Guild Secretary Vilsack Page 2 of 2 April 12, 2021

Colorado Distillers Guild **Connecticut Spirits Trail**

Distilled Spirits Council of the United States

Florida Craft Spirits Association Idaho Distillers Association

Illinois Craft Distillers Association **Independent Restaurant Coalition**

Iowa Distillers Alliance

Kentucky Distillers' Association

Louisiana Distillers Guild Maryland Distillers Guild

Michigan Craft Distillers Association

Montana Distillers Guild Napa Valley Vintners

National Association of Beverage Importers National Association of Wine Retailers

National Council of Chain Restaurants

National Restaurant Association National Retail Federation

New Jersey Craft Distillers Guild

New Hampshire Distillers Guild New York State Distillers Guild North American Shippers Association

NY Wine Industry Association

Ohio Distiller's Guild Oregon Distillers Guild Oregon Wine Council

Pennsylvania Distillers Guild

South Carolina Craft Distillers Guild

Tennessee Distillers Guild

Texas Distilled Spirits Association The Maryland Wineries Association

U.S. Wine Trade Alliance Virginia Distillers Association Washington Wine Institute

Willamette Valley Wineries Association Wine & Spirits Wholesalers of America Wine and Spirits Shippers Association

Wine Institute WineAmerica