



July 19, 2023

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

The Honorable Gina Raimondo
Secretary of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Ambassador Tai and Secretary Raimondo,

On behalf of the Toasts Not Tariffs Coalition, which includes 50 U.S. associations and state guilds representing the entire three-tier chain of the U.S. beverage alcohol industry, we are writing to support your efforts to reach an agreement with the European Union (EU) in the steel and aluminum dispute this year. Failure to do so would lead to the EU's reimposition of retaliatory tariffs on all American Whiskeys, but this time at a rate of **50 percent** effective January 1, 2024. The Toasts Not Tariffs Coalition is united in our call for the permanent removal of all EU, UK and U.S. tariffs on distilled spirits and wines imposed in connection to trade disputes concerning steel, aluminum and civil aircraft subsidies.

We are extremely grateful for the U.S. government's swift actions in 2021 to secure the suspension of tariffs on U.S., EU, and UK distilled spirits and wines in these trade disputes that were unrelated to the beverage alcohol sector. The EU's 25 percent retaliatory tariff on American Whiskeys, which was imposed between June 2018 and December 2021, had a devastating impact on distilleries across the United States. During that period, American Whiskey exports to the EU plunged by an astonishing 20 percent, from \$552 million to \$440 million.

The agreements with the EU and UK to suspend tariffs were significant steps in the right direction to rebuild the U.S.-EU trading relationship and have helped American Whiskey exporters located in 41 states begin to regain lost market share. Since the EU suspended its 25 percent retaliatory tariff on American Whiskeys in January 2022, American whiskey exports to the EU increased by 32 percent compared to 2021 reaching \$566 million and accounting for 44 percent of global American Whiskey exports. If the retaliatory tariff on American Whiskey returns at 50 percent, it will bring this growth to a screeching halt and -- once again -- put American Whiskey exporters at a competitive disadvantage in our single largest export market.

We very much appreciate your leadership and President Biden's commitment to strengthen the relationship with the EU. We urge you to continue this positive momentum and secure an agreement with the EU that avoids the return of retaliatory tariffs on American Whiskeys in January 2024, which

will be devastating to American Whiskey producers across the United States. We stand ready to support your efforts, and we look forward to continuing to work with you and your great teams.

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
Colorado Distillers Guild
Connecticut Spirits Trail
Distilled Spirits Council of the United States
Distillers Association of North Carolina
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
United States Bartenders' Guild
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