



October 7, 2020

The Honorable Robert E. Lighthizer
United States Trade Representative
Executive Office of the President 600
17th Street, NW Washington, DC 20508

Valdis Dombrovskis
Executive Vice-President
European Commission
Brussels, Belgium

Dear Executive Vice-President Dombrovskis and Mr. Ambassador:

The undersigned 18 U.S. and EU associations representing retailers, restaurants, and distilled spirits, wine, and beer producers, wholesalers, and importers are united in our call urging the European Union (EU) and U.S. to come to a negotiated settlement without delay that simultaneously eliminates additional tariffs on distilled spirits and wine, which will generate growth and jobs on both sides of the Atlantic. Furthermore, in recognition of the severe harm that is impacting our industries during this time, the U.S. and EU should immediately agree to refrain from imposing any new tariffs and suspend all additional tariffs while negotiations are underway.

These tariffs, which have been imposed in connection with unrelated trade disputes, have generated severe economic pain for our sectors and our wider supply chains. Tariffs by the EU on American Whiskey and U.S. tariffs on Single Malt Scotch Whisky, Single Malt Irish Whiskey from Northern Ireland, liqueurs and cordials from Germany, Ireland, Italy, Spain, and United Kingdom, and certain wines from France, Germany, Spain and UK are greatly harming consumers and the entire industry's competitiveness, from distillery and winery workers, hospitality workers, retail workers, farmers, to packaging companies that provide the containers, caps, and lids, and truckers, freight forwarders and logistic providers that get these products through Customs.

In response to press reports that the World Trade Organization has issued its confidential report authorizing the EU to impose tariffs on \$4 billion in U.S. imports in connection with the large civil aircraft dispute, we are concerned that the EU will move swiftly to impose additional tariffs on U.S. wine, rum, brandy, and vodka. The EU has already indicated that it will increase the tariff on American Whiskey to 50% in June 2021 and the U.S. is required to “review and revise” the list of EU products on the tariff list periodically, with the next review in February 2021. The escalation of tariffs on the distilled spirits and wine sectors, by either the U.S. or EU, will only increase harm to an industry already suffering.

The spirits and wine industries and hospitality sector are facing incredible economic harm due to the mandatory closings of restaurants, bars and distillery and winery tasting rooms in response to the outbreak of COVID-19.

For these reasons, we strongly urge the U.S. and EU to come to a negotiated settlement without delay that simultaneously eliminates additional tariffs on distilled spirits and wine, to suspend these tariffs while negotiations to resolve the disputes are ongoing, and a commitment not to impose new or additional tariffs on beverage alcohol products in disputes unrelated to the sector. An immediate restoration of duty-free access for all distilled spirits and low tariffs for wine is essential to returning our industries to supporting jobs on both sides of the Atlantic.

Please do not hesitate to contact us if we can provide any additional information.

Signed:

Chris R. Swonger
President & CEO
Distilled Spirits Council of the U.S.



Karen Betts
CEO
Scotch Whisky Association



Robert. P. “Bobby” Koch
President & CEO
Wine Institute



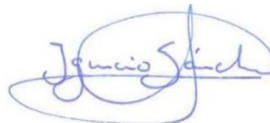
Ulrich Adams
Director General
spiritsEUROPE



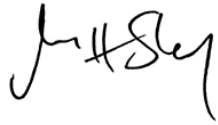
Michelle L. Korsmo
President & CEO
Wine & Spirits Wholesalers of America



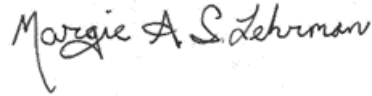
Dr. Ignacio Sánchez Recarte
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Matthew Shay
President and CEO
National Retail Federation



Margie A.S. Lehrman
Chief Executive Officer
American Craft Spirits Association



John Bodnovich,
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American Beverage Licensees



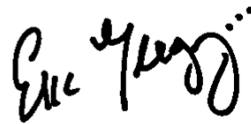
David French
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