



March 18, 2020

The Honorable Mitch McConnell
Majority Leader, United States Senate
311 Russell Senate Office Building
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
H-232 U.S. Capitol
Washington, DC 20515

The Honorable Chuck Schumer
Democratic Leader, United States Senate
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader, United States House
H-204 U.S. Capitol
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

As you prepare additional relief packages that respond to the economic impact of novel Coronavirus (COVID-19) crisis, we urge your support of the well-being and safety of American workers in distilleries, breweries, wineries, and cideries. These businesses contribute to our nation’s hospitality, restaurant, tourism, and retail industries. Collectively, the beverage alcohol sector proudly supports over 5.4 million jobs across the country and generated over \$562 billion in economic activity in 2018.

Absent relief, a large number of distilleries, breweries, wineries, and cideries may be forced to permanently close their doors as a result of COVID-19. Producers across the country have begun already shutting down and suspending production as tourism precipitously declines, bars and restaurants close, and Americans stay home to prevent the further spread of COVID-19. This translates to swift drop-off in sales for many beverage producers who operate on narrow margins. This dramatic reduction not only impacts the livelihoods of employees, but also the livelihoods of farmers, glass bottle makers, aluminum can manufacturers, distributors, truck drivers, warehouse workers, and countless others connected to the industry.

As Congress considers an economic relief package, we urge Congress to:

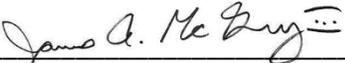
- **Expand Unemployment Insurance**
 - Make unemployment insurance available for all temporarily laid off or furloughed employees, with no long-term negative impact on employers’ insurance premiums.
- **Suspend Payroll taxes**
 - Suspending payroll taxes has been a part of different relief proposals, we support it and we believe it will help our members across the country.

- ***Provide federal excise tax relief***
 - *Suspend federal excise taxes on beverage alcohol products and waive penalties and interest fees on late payments, effective from January 1, 2020, through December 31, 2020.* Many beverage alcohol producers pay excise taxes on a bi-weekly basis, and this relief will help keep businesses open.
 - *Permanently enact the Craft Beverage Modernization and Tax Reform Act (H.R. 1175/S. 362).* Making permanent the current rates for craft beverage producers by enacting a bipartisan bill with 342 House co-sponsors and 73 Senate co-sponsors provides certainty amidst economic instability and helps ensure they will be able to respond to economic duress and withstand this crisis
- ***Provide Robust no- and low-interest loan assistance***
 - *Provide for robust funding for Small Business Administration (SBA) Disaster Assistance Programs.* No- and low-interest loans through SBA are necessary for affected businesses – including craft beverage producers operating on slim margins on the brink of closure, helping them to avoid lay-offs and pay bills. As few limits as possible should be placed on the ability for small businesses to access these loans regardless of existing lines of credit.
 - *Ensure that the terms and conditions of existing and new commercial bank loans mirror those of SBA Disaster Assistance Loans.* SBA Disaster Loans represent a critical economic lifeline for our industry, but small businesses must first exhaust access to other lines of credit. Recognizing the extraordinary burden the COVID-19 crisis places on the beverage alcohol industry, we urge Congress to consider ways to modify the conditions of current and new commercial banks loans undertaken during this time to bring them into greater alignment with disaster assistance loans. The government should authorize the SBA and encourage commercial lenders and certified development companies to defer principal and interest payments on business loans for customers.
 - *Establish a beverage alcohol industry coordinator.* Because our industry is unique and highly regulated, we would request that the Small Business Administration designate a principal coordinator for our industry and effect business loans for our industry.
- ***Create an industry stabilization fund***
 - We understand a government-wide grant program for COVID-impacted industries might be under consideration. As part of that larger grant program, we hope part of those funds would prioritize our industry to help these businesses through the financial crisis. This could include a stabilization fund of \$5 billion to provide cash advances to ensure our businesses have enough receivables to pay their employees and to borrow against. We would ask that the Treasury create the program within 15 days of enactment and provide grants with minimal procedural delay.

- **Maintain an open commercial border**
 - Our businesses, small and large, are part of a global supply chain that requires goods from abroad. Maintaining a border that is open for commerce will reduce the potential for supply shortages, and price gouging.
- **Seek the suspension of tariffs on beverage alcohol and their suppliers**
 - Tariffs are taxes on our business operations, and the elimination or reduction of those tariffs would maintain the health of our businesses and global supply chains.

We understand the unprecedented pressure you are under to contain COVID-19 and mitigate its effects on American families and businesses. We hope you will remember the important role of distilleries, breweries, wineries, and cideries in local economies across the country and their inextricable link to other impacted sectors, including the hospitality, restaurant, tourism, agriculture, and retail industries, as Congress moves swiftly to provide economic relief to affected businesses.

Sincerely,



 Jim McGreevy, President & CEO
 Beer Institute



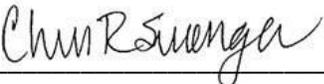
 Robert D. Pease, President & CEO
 Brewers Association



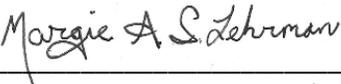
 Robert P. "Bobby" Koch, President & CEO
 Wine Institute



 Jim Trezise, President
 WineAmerica



 Chris Swonger, President & CEO
 Distilled Spirits Council



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



 Michelle McGrath, Executive Director
 American Cider Association



 Sergio Moutela, President
 American Mead Makers Association

Cc: President Donald Trump