

Dear Ambassador Tai:

We write to express our strong support for the millions of American jobs that depend on fair and free trade between the U.S., the European Union (EU), and the United Kingdom (UK). As you know, the beverage alcohol sector supports good-paying jobs in every state, from the production, import, and wholesale tiers to the retail and hospitality sectors. The U.S. beverage alcohol industry has been negatively impacted by tariffs, which have increased prices on American consumers and hurt American businesses and employees.

The UK and the EU continue to impose a damaging 25 percent tariff on American Whiskey. This tariff issued in June 2018, in response to U.S. tariffs on steel and aluminum, is scheduled to double to 50 percent on June 1, 2021. These tariffs have damaged what had been a great American export success story for many years. American Whiskey exports to the EU, our largest export market, grew from \$502 million in 2008 to \$702 million in 2018, an increase of 40 percent. Since the tariffs were imposed, our American Whiskey exports to the EU have declined by 37 percent and to the UK by 53 percent.

We hope that the recent agreements to temporarily suspend tariffs that were imposed in connection to the WTO large civil aircraft subsidy dispute will lead to the prompt removal of all tariffs on U.S., EU, and UK wine and distilled spirits. The suspension of tariffs is happening at a critical time for the U.S. hospitality industry and the beverage alcohol sector. Permanently lifting the tariff burden will also support the recovery of restaurants, bars and small craft distilleries across that country that were forced to shut down their businesses during the pandemic.

In 2020, there were more than 2,000 craft distillers in the U.S. and American Whiskey was exported from 37 states. Craft distillers across the U.S. are suffering from these tariffs and the crushing impact of the COVID-19 pandemic. Forty-one percent of their sales have evaporated, and 31 percent of their employees have been furloughed since the start of the pandemic. Absent urgent action to fully suspend these tariffs, American Whiskey will remain at a serious competitive disadvantage in our two most important export markets, and we fear many craft distillers will be put out of business.

As the Administration continues to work with the EU and UK on priority trade issues, we strongly urge that the Administration work with the EU and UK to secure the immediate suspension of tariffs on American Whiskey and secure agreements that result in the removal of all tariffs on U.S., EU, and UK distilled spirits and wine. The removal of these tariffs will help support U.S. jobs and U.S. consumers as the economy continues to recover.

Thank you for your consideration.

Sincerely,