



July 23, 2018

The Honorable Kevin Brady  
Chairman, the Committee on Ways and Means  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Brady:

On behalf of the American Craft Spirits Association (ACSA), the national trade group representing craft spirits producers throughout the U.S., and the Distilled Spirits Council (Council), a national trade association representing the leading producers and marketers of distilled spirits in the United States, thank you for your efforts on behalf of our industry. We are writing to alert you to our serious concerns that iconic U.S. distilled spirits exports to key markets are subject to retaliatory tariffs in response to unrelated trade actions pursued by the United States.

As you know, the distilled spirits sector continues to grow, with more than 1,700 craft distilleries and over 2,200 licensed distilled spirits plants currently operating across the U.S. Your extensive efforts to provide much needed tax relief to our members through provisions contained in H.R. 1 have led to investments and new jobs in distilleries across the country.

We are concerned, however, that the good work of the tax bill could be undone by trade conflicts, particularly with our closest allies. Specifically, U.S. spirits exports worth an estimated \$759 million are the target of retaliatory tariffs by the European Union, Canada, Mexico, China and Turkey. In fact, 46 percent of global U.S. spirits exports and 65 percent of global U.S. whiskey exports are currently facing retaliatory tariffs. Such tariffs will not only harm spirits producers, but also U.S. farmers, distribution and logistics providers, glass and other packaging suppliers.

American whiskey has been a great American export success story, increasing nearly four-fold in the past 20 years and rising to \$1.13 billion in 2017. Exports of all U.S. spirits have nearly tripled during that time, reaching \$1.64 billion in 2017. These products are exported from small, medium and large distillers located in 42 states, including Texas, supporting the direct and indirect employment of an estimated 1.5 million people across America. Moreover, according to the Craft Spirits Data Project, U.S. craft spirits exports grew by 8.2 percent last year which places these exports at almost 10 percent of our industry's annual volume.

We hope that Congress, the Administration and our trading partners will focus on de-escalation rather than escalation, and that they will engage in dialogue that results in a solution leading to the prompt removal of retaliatory tariffs on our exports.



On behalf of our consumers, distillery workers and supply chain partners, we are grateful for your leadership and all you can do to raise these concerns with the President, his Administration and the leaders of our trading partners. We stand ready to support your efforts and are available to meet with you or the Administration, or testify before your Committee to work together to bring an end to this growing trade war.

Sincerely yours,

Chris Montana  
President, ACSA  
Du Nord Craft Spirits, MN

Mark Shilling  
Chair, ACSA Legislative Affairs Committee  
Treaty Oak Brewery & Distillery Co., TX

Mark Gorman  
Senior Vice President  
Distilled Spirits Council