

July 31, 2018

United States House of Representatives
Committee on Appropriations
Room H-305, The Capitol
Washington, DC 20510

United States Senate
Committee on Appropriations
Room S-128, The Capitol
Washington, DC 20510

Dear Chairmen Frelinghuysen and Shelby and Ranking Member Lowey and Vice Chair Leahy:

As you prepare to conference the House and Senate FY 2019 Financial Services and General Government Appropriations bills, we urge your support of funding for the Alcohol and Tobacco Tax and Trade Bureau (TTB) at the House level of \$123 million, which will enable the agency to fulfill its current responsibilities and ensure economic growth in all segments of our industry. This requested funding level allows the agency to continue carrying out its current duties and should aid the prompt processing of label and formula approvals. Additionally, the funding would support increased educational efforts on federal trade practice laws and maintain the strict enforcement of trade practices as required by law, including current caseload levels. These funds should also help the agency address the implementation of new tax provisions included in tax reform legislation late last year; all of which will provide increased investment and job growth in our collective industries.

In order to promote a more efficient federal government, additional responsibilities have been suggested and a proposal has been made to consolidate federal alcohol and tobacco tax enforcement authorities within the Department of the Treasury and transfer jurisdiction for the Contraband Cigarette Trafficking Act (CCTA) from the Department of Justice's (DOJ) Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) to TTB.

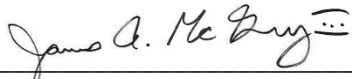
In recent years, there has also been explosive growth in the number of businesses that the TTB regulates. This funding will ensure that TTB can maintain the personnel necessary to conduct its responsibilities as the nation's primary federal alcohol regulator. The agency's ability to respond swiftly and properly to changes in the alcohol industry has a direct impact on jobs, consumer protection, the innovation of new products and the collection of federal excise taxes, particularly given the rapid rise of new products entering the market. This has never been more true, as provisions of the *Craft Beverage Modernization and Tax Reform Act (CBMTRA)* need to be implemented quickly and efficiently. Members of Congress have been unequivocal about their support of the CBMTRA, yet we are eight months post-passage of this bill and there is no clear indication for when our industry will get full tax relief. Increased funding will ensure that TTB can work with all relevant agencies and fully implement the regulations necessary for the tax relief Congress intended. This is critical work that is of the utmost importance to the beverage alcohol sector.

In addition to its important tax collection role, which results in \$414 collected for every dollar spent, TTB is responsible for enforcing the Federal Alcohol Administration (FAA) Act, including its provisions to protect consumers and preclude unfair trade practices. TTB ensures industry integrity through a comprehensive system of licensing and background checks for its more than 30,000 permittees. Agency officials also review

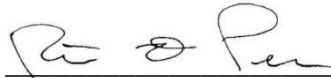
160,000 labels and thousands of formulas each year to protect U.S. consumers from unsafe products. A fully-funded TTB can prevent and guard against unscrupulous actors that attempt to enter the marketplace and put American consumers at the risk of counterfeit products; a scenario all too familiar in many countries outside of the United States.

The beverage alcohol industry needs a well-funded TTB to operate successfully. The TTB has proven that with sustained funding agency personnel are able to effectively perform their role as regulators of the alcohol beverage and tobacco industries. Any change in that could have a negative impact on the TTB and the thousands of businesses that they administer. Thank you for your consideration of this important issue and please let us know if we might be of any assistance to you in this matter.

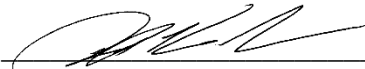
Sincerely,



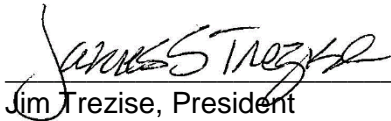
Jim McGreevy, President & CEO
Beer Institute



Bob Pease, President & CEO
Brewers Association



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



Jim Trezise, President
WineAmerica



Mark Gorman, SVP
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