



The Honorable Rosa DeLauro
Chairwoman
Committee on Appropriations
H-307 The Capitol
Washington, DC 20515

The Honorable Patrick Leahy
Chairman
Committee on Appropriations
Room S-128 The Capitol
Washington, DC 20510

The Honorable Kay Granger
Ranking Member
Committee on Appropriations
1036 Longworth House Office Building
Washington, DC 20515

The Honorable Richard Shelby
Vice Chairman
Committee on Appropriations
304 Russell Senate Office Building
Washington, DC 20510

January 12, 2022

Dear Chairwoman DeLauro, Chairman Leahy, Ranking Member Granger, and Vice Chairman Shelby:

As Congress negotiates final fiscal year (FY) 2022 funding levels, we want to highlight the significant new duties that Congress imposed and the importance of appropriately funding the Alcohol and Tobacco Tax and Trade Bureau (TTB) at \$149,330,000 to meet the needs expressed by the U.S. Department of Treasury in its June 2021 "Report to Congress on Administration of Craft Beverage Modernization Act Refund Claims for Imported Alcohol"¹ ("the Report"). The Report details plans for TTB to take over certain responsibilities from U.S. Customs and Border Patrol (CBP) related to imported beverage alcohol products by January 1, 2023. TTB will need to begin its preparations well in advance to perform these new responsibilities by the stated deadline. We also request the inclusion of additional bill language:

¹ Available online at: <https://www.ttb.gov/about-ttb/plans-and-reports>

“Of that amount, \$18,000,000 for investments in technology and human resources necessary to administer the Craft Beverage Modernization Act refund claims for imported alcohol.”

In the Report, the Department of Treasury notes, “Treasury currently estimates annual resource requirements of \$12 million-\$18 million and 35-45 [full-time employees] once fully implemented” to administer the import claims program that CBP currently manages. The Report, which was released following the President’s FY2022 Budget Request, notes the following resource needs:

To administer the CBMA import claims program, TTB plans to develop two separate modules in its planned online filing system, “MyTTB.”⁵ First, foreign producers seeking to assign CBMA tax benefits for their products will provide information directly to TTB through an online registration module.⁶ Second, an import claims module will allow importers to submit refund claims to TTB for CBMA tax benefits. Together, these two modules will enable TTB to receive import claims electronically and validate claims automatically by reconciling claim data with data submitted to CBP at the time of importation, as well as against the required assignments provided by foreign producers in the foreign producer module. Electronic claim filings will also enable TTB to develop risk targeting tools to help it identify high-risk claims for audit and investigation. Treasury’s ability to fully implement this approach is contingent on receiving sufficient resources.

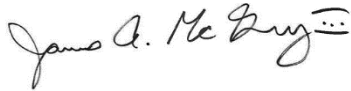
These additions will ensure that TTB is able to maintain its functions as the primary regulator of alcohol as it hires and trains new employees, engages IT service providers to update the TTB Online Systems, and transfers vital import data from CBP along with establishing new links with the CBP Automatic Commercial Environment (ACE), among other transitional tasks, as TTB prepares to assume these new responsibilities. All of these systems and elements must be in place well before January 1, 2023, and pose significant expenses now.

This additional funding will also ensure that TTB is not forced to draw from funding it requires to protect consumers through enforcement of Federal alcohol permitting, labeling, marketing, and trade practice regulations and education, which are all fundamental parts of the Federal Alcohol Administration Act and TTB’s mission. It is critical that TTB has the resources to add new programs while maintaining the integrity of its current operations.

Moreover, the federal government will be nearly halfway through FY2022 at the expiration of the current continuing resolution on February 18. Failure to provide these additional funds in the final FY2022 appropriations could have significant negative consequences for thousands of our members.

We appreciate your consideration of this information and the recommendations provided as the Appropriations Committees negotiate the final FY2022 funding package and in consideration of any additional continuing resolutions for FY2022.

Sincerely,



Jim McGreevy, President & CEO
Beer Institute



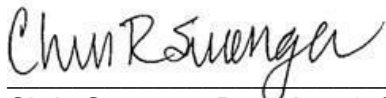
Robert D. Pease, President & CEO
Brewers Association



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



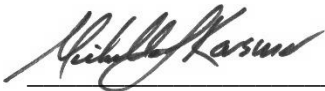
Jim Trezise, President
WineAmerica



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



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



Michelle Korsmo, President & CEO
Wine & Spirits Wholesalers of America



Craig Purser, President & CEO
National Beer Wholesalers of America



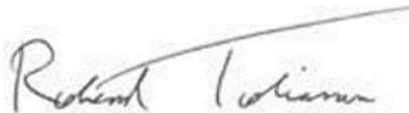
Matt Dogali, President & CEO
American Distilled Spirits Association



John Bodnovich, President & CEO
American Beverage Licensees



Alison Leavitt, Managing Director
Wine and Spirits Shippers Association, Inc.



Robert Tobiassen, President
National Association of Beverage Importers



Michelle McGrath, Executive Director
American Cider Association



Brian Wing, President
American Mead Makers Association