

United States Senate

WASHINGTON, DC 20510

December 5, 2023

Ambassador Katherine Tai
United States Trade Representative
Executive Office of the President
600 17th Street, NW
Washington, DC, 20508

Dear Ambassador Tai,

We write today to request an expedited agreement with the European Union (EU) to secure the permanent removal of retaliatory tariffs on spirits and wines. While we applaud the Administration's efforts to suspend retaliatory tariffs for five-years on spirits and wines in the WTO Large Civil Aircraft Dispute and the two-year pause on American Whiskeys in the steel and aluminum dispute, we are deeply concerned that a lack of a permanent fix risks the re-imposition of tariffs. As of now, a 50 percent tariff is set to hit American Whiskeys on January 1, 2024.

Spirits have had a significant cultural impact in our country, and currently have a profound impact on the U.S. economy. In 2022 alone, U.S. distilled spirit exports reached \$2.06 billion. But the impact of the retaliatory tariffs was devastating. For the American Whiskey industry, exports decreased from \$702 million to \$440 million, a loss of 20 percent between 2018 and 2021. In 2022, American spirits exports rebounded over 2017 pre-tariff levels – the last full year before retaliatory tariffs – due in large part to the suspension of retaliatory tariffs. For many in the hospitality industry and others such as retailers, grocers, importers and distributors, many of which are small, locally-owned businesses, the impact was severe, compounded by the onset of the Covid-19 pandemic.

While we understand that you continue to negotiate towards a deal to settle the dispute related to steel, we believe that the targeting of spirits is extraneous. Likewise, a permanent fix is needed as the two-year pause on American Whiskey tariffs is set to snapback soon.

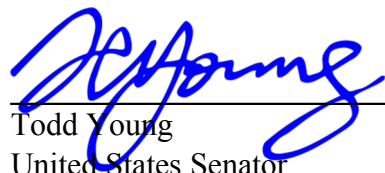
Understanding that tariffs are a 'tool in the toolbox' in negotiating a deal, the imposition of additional tariffs on this industry would be detrimental. There are mutual benefits in finding a path forward, and our belief is that spirits and wines are a point where there can be consensus to limit the damage for all parties.

We look forward to your support in finding a permanent fix for retaliatory tariffs on spirits and wines.

Sincerely,



Catherine Cortez Masto
United States Senator



Todd Young
United States Senator



Tim Kaine
United States Senator



Rand Paul, M.D.
United States Senator



Mitch McConnell
United States Senator



Mike Crapo
United States Senator



Mark R. Warner
United States Senator




Marsha Blackburn
United States Senator



Joe Manchin III
United States Senator



Roger Marshall, M.D.
United States Senator



Jacky Rosen
United States Senator



Bill Hagerty
United States Senator



Maria Cantwell
United States Senator



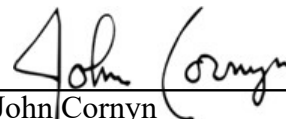
Katie Boyd Britt
United States Senator



Gary C. Peters
United States Senator



Mike Braun
United States Senator



John Cornyn
United States Senator