March 11, 2025

The Honorable Jamieson Greer
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

RE: USTR-2025-0001: Comments to Assist in Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions to Investigate Harm from Non-Reciprocal Trade Arrangements – Submission by the Toasts Not Tariffs Coalition (90 *Fed. Reg.* 10677 (February 25, 2025))

Dear Ambassador Greer:

On behalf of the Toasts Not Tariffs Coalition, which includes 54 U.S. associations and state guilds representing the entire three-tier chain of the U.S. beverage alcohol industry and others, we strongly support the Administration's efforts to strengthen the economic vitality of our great country and to secure fair and reciprocal trade. Our companies produce wine and spirits in every U.S. state and support more than 3.5 million U.S. jobs. Wine and spirits also play a critical role in the restaurant and foodservice industry, which is an essential pillar of the U.S. economy that provides 15.7 million jobs and generates significant tax revenue at the local, state, and federal levels.

Collectively, we share serious concerns about the impact of potential U.S. tariffs on wine and spirits imports, as well as the potential for retaliatory tariffs on U.S. exports and the harm that either or both actions could have on the hundreds of thousands of small businesses that we represent. We stand united in our support for efforts to secure zero-for-zero tariffs on our products in key markets where zero-for-zero tariffs do not currently exist. Several of our coalition's individual sectors will provide detailed information on barriers pertaining to their specific industries.

American wine and spirits have long benefitted from fair and reciprocal trade with Canada and Mexico. As of March 11, U.S. exports of wine and spirits face a 25% retaliatory tariff and are being removed from store shelves in nearly all Canadian provinces. Canada is a major export market for U.S. wine and spirits, selling U.S. wine with a retail value of more than $1.1 billion annually and the second largest export market for U.S. spirits. The significant damage done to U.S. alcohol brands in Canada because of this trade dispute will leave lasting negative impacts on U.S. producers. The new U.S. import tariffs on wine and spirits from Mexico and Canada will also result in great harm to the hundreds of thousands of small businesses that we represent, from restaurants, bars and retail outlets to shippers and importers/exporters.

We are also concerned that the EU may reimpose its 50% tariff on American Whiskeys as early as March 12, 2025, when U.S. tariffs on imported steel and aluminum are imposed, and by March 31, 2025, if there is no agreement on steel and aluminum or if the EU does not extend the suspension of its tariff. The U.S. announced it would terminate the steel and aluminum agreement with the EU on March 12, 2025.

Wine and spirits are high valued-added agricultural products with significant upstream and downstream supply chains that create good-paying jobs and generate over $476 billion in combined annual economic activity. Our products support businesses across communities in every corner of the country - from the farmers who grow inputs such as grapes, corn, wheat, barley, hops, rye, and rice on more than 1 million acres of farmland, all the way through the supply chain to the waiters, bartenders, truck drivers, and retail clerks. These jobs also include fields such as transportation and distribution, bottling and packaging, marketing and finance, restaurants, bars, taverns, small package stores, and large and small grocery outlets.

Wine and spirits are unique products because many can only be produced in certain geographical regions around the world. Some spirits are recognized as “distinctive products” by the U.S. and our trading partners and can only be made in their designated countries - Bourbon and Tennessee Whiskey in the U.S., Tequila in Mexico, Cognac in France, and Scotch Whisky in Scotland. Similarly, wine is inherently tied to its place of origin through labeling with appellations of origin or geographical indications, which link the wine to a particular winegrowing region and its unique qualities and characteristics. As a result, the production of these products cannot simply be moved to another country or region to avoid a tariff.

We estimate that a 10% tariff on imported wine and spirits could result in over 38,000 American job losses across production, distribution, hospitality, and retail and nearly $3.3 billion in lost sales. A 20% tariff could cost 74,000 U.S. jobs and nearly $6.2 billion in lost sales. In addition, U.S. wine and spirits products are frequent targets of tariff retaliation by foreign governments, which reduces demand for U.S.-grown agriculture products, threatening workers' livelihoods across the supply chain. From 2018 to 2021, tariffs imposed by the EU and United Kingdom (UK) on American Whiskeys and other U.S. spirits in the steel and aluminum and large civil aircraft disputes led to a decline in the value of American Whiskey exports by 18%, and in total spirits exports by 12%.

Nearly 85% of U.S. spirits exports go to countries that eliminated tariffs on all U.S. spirits (such as EU, UK, Canada, Mexico, Japan, and Australia); the vast majority of U.S. wine exports go to countries where the import duty is low or zero. Additionally, approximately 98% of spirits imports originate from countries that have eliminated tariffs on U.S. spirits exports. Our industry exemplifies how fair and reciprocal trade can thrive; U.S. producers enjoy equitable access to international markets, while American businesses benefit from fair access to imported products.

Our industry stands as a model of mutually beneficial trade, where all parties—domestic and international—prosper.

In sum, we believe new tariffs on U.S. imports of wine and spirits will trigger additional retaliation that will erode access to our largest export markets, halt investments in the U.S., prevent U.S. job growth, and limit our industry's ability to capture new markets.

Thank you for this opportunity to share our views.

Sincerely,

- American Beverage Licensees
- American Craft Spirits Association
- American Distilled Spirits Alliance
- American Distilling Institute
- American Single Malt Whiskey Commission
- Arizona Craft Distillers Guild
- Atlantic Seaboard Wine Association
- Associated Cooperage Industries of America
- California Artisanal Distillers Guild
- Colorado Distillers Guild
- Connecticut Spirits Trail
- Distilled Spirits Council of the United States
- Distillers Association of North Carolina
- Florida Craft Spirits Association
- Idaho Distillers Association
- Illinois Craft Distillers Association
- Independent Restaurant Coalition
- Iowa Distillers Alliance
- Kentucky Distillers' Association
- Louisiana Distillers Guild
- Maryland Distillers Guild
- Michigan Craft Distillers Association
- Michigan Spirits Association
- Montana Distillers Guild
- Napa Valley Vintners
- National Association of Beverage Importers
- National Association of Wine Retailers

- National Council of Chain Restaurants
- National Restaurant Association
- National Retail Federation
- New Hampshire Distillers Guild
- New Jersey Craft Distillers Guild
- New York State Distillers Guild
- North American Shippers Association
- NY Wine Industry Association
- Ohio Distiller’s Guild
- Oregon Distillers Guild
- Oregon Wine Council
- Pennsylvania Distillers Guild
- Sonoma County Vintners Association
- South Carolina Craft Distillers Guild
- Tennessee Distillers Guild
- Texas Distilled Spirits Association
- The Maryland Wineries Association
- United States Bartenders’ Guild
- U.S. Wine Trade Alliance
- Virginia Distillers Association
- Virginia Spirits Association
- Washington Wine Institute
- Willamette Valley Wineries Association
- Wine & Spirits Wholesalers of America
- Wine and Spirits Shippers Association
- Wine Institute
- WineAmerica