

WSWA TAKES ON TARIFFS

WSWA opposes any tariff imposed on imported wine and spirits. Since early 2019, WSWA has educated Members of Congress and USTR on the effects retaliatory tariffs have had on America's wine and spirits distributors and importers. Our team has worked to provide educational resources such as surveys, webinars, videos as well as conducting outreach to the press. Below is a recap of the history of USTR's action on alcohol tariffs and a brief summary of WSWA's engagement on the issue.

For additional questions please contact Cody Tucker at cody@wswa.org.

APRIL 2019

USTR initiates investigation to enforce rights in the World Trade Organization (WTO) dispute against the European Union (EU) and certain EU member States addressed to EU subsidies on large civil aircraft (Airbus).

USTR proposes action in the form of additional duties on products of the EU or certain member States, including wine and spirits products, and opens public comment period.

APRIL 2019

WSWA joins in formation of the Beverage Alcohol Coalition, including Distilled Spirits Council of the U.S., Wine Institute, Wine America, American Beverage Licensees, American Craft Spirits Association, American Distilled Spirits Association, Kentucky Distillers' Association, and National Association of Beverage Importers.

MAY 2019

USTR holds hearings on proposed countermeasures in large civil aircraft dispute (Airbus case).

MAY 2019

Beverage Alcohol Coalition submits comments to USTR in strong opposition of tariffs and outlining consequences for U.S. economy, industry, and consumers.

JULY 2019

USTR releases notice of hearing and request for public comment as they consider additional list of products for inclusion on a final list to be subject to increased duties in connection with the Airbus dispute. EU wine and spirits products included on preliminary list of tariffs under consideration.

Concurrently, USTR announces investigation with respect to the Digital Services Tax (DST) under consideration by the government of France. USTR includes notice of a public hearing and public comment period.

JULY 2019

WSWA Federal Affairs team engages USTR, the Administration, and Members of Congress in meetings with coalition members to urge removal of tariffs on wine and spirits products in unrelated trade dispute.

AUGUST 2019

USTR holds hearing on proposed countermeasures related to Airbus investigation.

USTR holds hearings in investigation of France's Digital Services Tax.

AUGUST 2019

WSWA joins Beverage Alcohol Coalition in submitting comments to USTR in opposition of inclusion of EU alcohol products to tariffs list.

OCTOBER 2019

USTR releases notice of determination and action in Airbus investigation. **25% import tariffs are levied on still wine (not over 14% ABV) made in France, Germany, Spain and the UK, and transported in containers of 2 liters or less.**

Also affected by the tariffs are Scotch whisky, single malt whiskey from Northern Ireland, and liqueurs made in Germany, Ireland, Italy, Spain and the UK. USTR will review these tariffs and announce any changes by February 14.

DECEMBER 2019

USTR issues notice of determination and request for comments concerning action pursuant to investigation into France's Digital Services Tax. **Tariffs up to 100% on French sparkling wine and champagne included on preliminary list of products under consideration.**

USTR issues review of action pursuant to enforcement of U.S. WTO rights in large civil aircraft dispute (Airbus case).

JANUARY 2020

USTR holds hearing on proposed action to France's Digital Services Tax.

JANUARY 2020

WSWA joins Beverage Alcohol Coalition in submitting public comments in strong opposition to proposed tariffs on French sparkling wine and champagne.

Barkley Stuart, EVP of Southern-Glazer's Wine and Spirits, testifies on behalf of WSWA at USTR hearing urging the Administration not to adopt these tariffs and warning of the numerous economic consequences further tariffs would have on wholesaler importers and the industry at large.

WSWA Federal Affairs team works in concert with the Congressional Wine Caucus, the New York State Congressional delegation, and the House Small Business Committee to draft and gain cosigners for letters from Congress to USTR requesting they remove tariffs and not implement any new duties on wine and spirits products.

JANUARY 2020

France and U.S. agree to temporary truce in France's Digital Services Tax dispute, suspend France's tax and proposed U.S. tariffs on French champagne and sparkling wine for the remainder of 2020.

FEBRUARY 2020

USTR issues notice of modification related to Airbus case and after review **extends pre-existing 25% tariffs without further changes.**

FEBRUARY 2020

WSWA works with Reps. Bill Pascrell (D-NJ) and Jodey Arrington (R-TX) to introduce the FAIR Tariff Act to direct U.S. Customs and Border Protection (CBP) to provide a limited refund for duties imposed on goods in transit from the EU between October 9, 2019 and October 18, 2019.

WSWA Federal Affairs team continues to engage USTR and the Administration on the economic damage tariffs are causing the U.S. economy, alcohol industry, and consumers and urges Members of Congress to act and push USTR to remove tariffs on wine and spirits products.

WSWA produces member advocacy video featuring David Kenney, Uncorked in Louisiana to educate Members of Congress on the impact of tariffs on his family owned business.

WSWA launches first tariff survey to the membership to determine impact on wholesaler.

WSWA ACTIVELY EDUCATED MEMBERS OF CONGRESS ON THE COMPOUNDING EFFECTS OF TARIFFS AND COVID-19 TO OUR ON-PREMISE RETAILER PARTNERS AS THEY STRUGGLE TO RECOVER.

JUNE 2020

USTR issues a review of action related to enforcement of U.S. WTO rights in large civil aircraft dispute (Airbus case) and opens public comment period. USTR seeks feedback on the lists of products in terms of whether to modify, delete, and/or replace the products and whether to increase or decrease the tariff levels. For products that are not subject to tariffs, USTR is not providing a recommended tariff level, but is seeking input on whether such products should be levied with a tariff, and what that tariff level should be (not to exceed 100 percent ad valorem).

USTR issues "supplemental list" of proposed EU products subject to additional tariffs, including vodka, gin, and beer from the UK, Germany, France, and Spain.

USTR announces initiation of investigation and opens public comment period related to proposed or adopted Digital Services Taxes (DSTs) on revenues that companies generate from providing digital services to users in Austria, Brazil, the Czech Republic, the EU, India, Indonesia, Italy, Spain, Turkey, and the UK. **WSWA is concerned the investigation could lead to additional wine and spirits products from these countries.**

JUNE 2020

WSWA joins Beverage Alcohol Coalition in submitting public comments in strong opposition to newly proposed tariffs and urges removal of all tariffs related to wine and spirits products.

WSWA Federal Affairs team conducted a survey among member companies showing the impact tariffs are having on their businesses. The survey confirmed a number of WSWA concerns, including increased cost of EU products, negative impacts on relationships with importers and suppliers, the shifting products to other markets by EU suppliers, decreased margins, and declining retailer and consumer demand, among other troubling issues.

JULY 2020

USTR announces duties on French goods in direct response to the French Digital Services Tax. **French sparkling wine and champagne are excluded from the list.**

JULY 2020

Due to WSWA's lobbying efforts, wholesalers are specifically mentioned in the press as leading the effort to oppose tariffs on French wines. **WSWA's economic data is cited in multiple press articles highlighting impact.**

WSWA hosts educational webinar for membership outlining the compounding tariff investigations and how the industry is fighting back.

AUGUST 2020

USTR (Airbus case) by August 12, 2020.