



March 17, 2021

The Honorable Katherine Tai
United States Trade Representative
600 17th Street NW
Washington, D.C. 20006

Dear Ambassador Tai:

On behalf of the Wine Origins Alliance (WOA), a global coalition of 31 wine and grape-growing organizations dedicated to ending all barriers to trade in wine, we are writing to congratulate you on your confirmation as the United States Trade Representative. We look forward to working with you to address issues that are inhibiting trade in wine products, including the use of wine tariffs in trade disputes and the lack of effective name protection in the United States. Addressing these issues will help alleviate some of the pressure on the U.S. food and beverage industry, which is already under severe strain and losing jobs due to the COVID-19 pandemic.

WOA members represent nearly 90,000 wineries and grape growers that have generated nearly one million jobs and more than \$8 billion in global wine exports. Among our members are 12 American wine regions and two state wine trade associations, spanning California, Missouri, New York, Oregon, Texas and Washington.

As you begin your tenure at USTR, the U.S. wine industry faces a dire situation. Our industry has been significantly harmed by COVID-19, devastating wildfires and the tariffs that have been imposed on our industry due to unrelated trade disputes. The tariffs that were imposed by both the United States and European Union (EU) in conjunction with the disputes on aircraft subsidies were particularly harmful, and we are pleased that the Biden Administration has temporarily suspended them. Nonetheless, we are concerned with the possibility that these tariffs could come back into effect and that wine tariffs could be imposed in the Section 301 investigations related to digital services taxes (DST) imposed by countries within the EU. We are also still paying higher-than-normal tariffs in China due to tariffs that were imposed in retaliation for U.S. Section 301 tariffs.

These tariffs have had an outsized negative impact on America's small, independently owned businesses, particularly in the hospitality sector. One wine industry analytics firm, cited by [The New York Times](#), estimates that "for every dollar's worth of wine not imported because of the tariffs, consumers spent \$4.52 less at American distributors, retailers and restaurants."¹ This is only compounded by the pandemic. In fact, the unemployment rate among those who work in food

¹ Gomberg, Fredrikson & Associates

service and drinking establishments in the United States stands at 12.2 percent – nearly double the national unemployment rate of 6.2 percent.²

WOA understands the importance of enforcing WTO decisions and protecting U.S. technology, but wine products have been unfairly caught in the crossfire at a moment when the industry can least afford it. Therefore, we urge you to build upon the recent progress that has been made towards resolving the aircraft subsidy disputes with the EU as quickly as possible. We are also urging the European Commission and EU member states to show maximum flexibility. Additionally, we encourage you to avoid imposing retaliatory tariffs on wine in conjunction with the DST investigations and to seek a solution at the Organisation for Economic Co-operation and Development (OECD) instead. Finally, we hope that you can find a path forward with China that leads in a reduction, instead of an increase, on the tariffs that it imposes on U.S. wines, which were already high to begin with (54 percent MFN tariff).

Another issue that adversely affects our industry is the lack of effective name protection for wines in the United States. The American wine industry is strong today because it is built on distinctive regional names known as American Viticultural Areas (AVAs). Wine consumers around the world have come to trust that wines made in these regions will be easy to identify and of consistently high quality.

The Biden Administration can effectively support U.S. wine producers by ensuring that all wines sold in the United States maintain the same high standards for truthful, accurate and not misleading labels. Wine is the ultimate product of place – no wine, whether it is imported or produced domestically, should be able to suggest that it was made in a different region. This means rigorously enforcing the U.S. Department of Treasury Alcohol and Tobacco Tax and Trade Bureau's regulations on AVAs. It also means working with Congress to end the misguided protection for U.S. wines that inappropriately use one of the 16 European wine region names that are currently designated as “semi-generic.” By protecting the names of all wine regions, both foreign and domestic, the administration will strengthen consumer demand for these products while also repairing ties with democratic allies in the European Union, for whom wine place name protection is an important priority.






Thank you for your attention to these matters. We look forward to working with you to address these issues and hope you will consider us a helpful resource on any matters pertaining to trade in wine going forward.

Sincerely,

The Wine Origins Alliance

² U.S. Bureau of Labor Statistics, February 2021: <https://www.bls.gov/iag/tgs/iag722.htm>

Wine Origins Alliance Members

					
Finger Lakes Wine Alliance, NY (USA)	Livermore Valley Winegrowers Association, CA (USA)	Long Island Wine Country, NY (USA)	Missouri Wine and Grape Board (USA)	Monterey County Vintners & Growers Association, CA (USA)	
					
Napa Valley Vintners Association, CA (USA)	Oregon Winegrowers Association (USA)	Paso Robles Wine Country Alliance, CA (USA)	Santa Barbara Vintners, CA (USA)	Seneca Lake Winery Association, NY (USA)	
					
Sonoma County Vintners, CA (USA)	Texas Wine Growers (USA)	Walla Walla Valley Wine Alliance, WA (USA)	Washington State Wine Commission (USA)	Willamette Valley Wineries Association, OR (USA)	
					
Conseil Interprofessionnel du Vin de Bordeaux (France)	Bureau Interprofessionnel des Vins de Bourgogne (France)	Comité Interprofessionnel du Vin de Champagne (France)	Syndicat des vins Côtes de Provence (France)	Inter-Rhône (France)	
					
Council of Tokaj Wine Communities (Hungary)	Consorzio Vino Chianti Classico (Italy)	Yamanashi Wineries Association (Japan)	Instituto dos Vinhos do Douro e Porto (Portugal)	Cape Wine Origins (South Africa)	
					
Barossa Grape & Wine Association (Australia)	McLaren Vale Grape Wine & Tourism Association (Australia)	Wine Victoria (Australia)	Wine Industry Association of Western Australia	Consejo Regulador del Vino de Jerez (Spain)	Consejo Regulador de la Denominación de Origen Calificada Rioja (Spain)