

August 19, 2020

Commissioner Phil Hogan Commissioner for Trade European Commission Rue de la Loi / Wetstraat 200 1049 Brussels, Belgium

Dear Commissioner Hogan:

As members of the Wine Origins Alliance, we are writing to reiterate our support for a negotiated outcome in the disputes between the United States and the European Union over Large Civil Aircraft and urge you to avoid imposing retaliatory tariffs on American wine if such countermeasures become necessary. We are also urging the United States to remove tariffs on these products.

The Wine Origins Alliance is composed of 32 organizations from 11 countries spanning North America, Europe, Australia, and Asia. The U.S. and EU are the two leading wine producers in the world with combined wine exports of nearly €25 billion in 2019. Wine trade between the two has long been favorable and subject to much lower tariffs than are applied in wine trade between other countries. Instead of imposing barriers that jeopardize this further, the U.S. and EU should be working together to lower trade barriers on wine around the world.

Additional tariffs on wine, if imposed by the EU, would only lead to lost economic growth and lost jobs for the farmers, vintners, wineries, wholesalers, distributors, and retailers – many of them small businesses – that bring our distinctive wines to the tables of consumers in the U.S. and the EU. Furthermore, these businesses are currently facing a global pandemic and unprecedented economic uncertainty, in addition to tariffs on wine that have already been levied. According to Eurostat, more than 11.9 million people in the Euro area were unemployed in April 2020 – an increase of 211,000 people from March. The International Organisation of Wine and Vine (OIV) further estimates that European winemakers could see their revenues cut by up to 50 percent due to the joint impact of coronavirus and the existing tariffs on wine. Levying retaliatory tariffs would only compound the catastrophic economic pain that has been felt by businesses across the U.S. and EU.

We understand the importance of the dispute in which additional wine tariffs are being considered. However, imposing tariffs on unrelated products such as wine is not the best way to obtain a favorable result. If tariffs become necessary, we would instead urge you to limit the proposed tariffs only to products relevant to the matter at hand: aircraft and aircraft parts, which may lead to a swifter resolution. We have also reached out to your counterparts in the U.S. to encourage them to settle as well, as we understand that a resolution to this dispute will require action by both sides.

We urge you to work with the U.S. government to settle the ongoing trade dispute without including wine on your tariff countermeasures list. We thank you for your attention to this matter and would be happy to discuss further.

Sincerely,

Giovanni Manetti President Consorzio Vino Chianti Classico

President Conseil Interprofessionnel du Vin de Bordeaux

Louis-**V**arice Latour resident Bureau Interprofessionnel des Vins de Bourgogne

> Maxime Toubart Co-President Comité Champagne

Jean-Marie Barillère Co-President Comité Champagne

James March Barossa Grape & Wine Association

President Consejo Regulador del Vino de Jerez

Executive Director Livermore Valley Winegrowers Association

Kareem Massoud President Long Island Wine Country

Jim Anderson **Executive Director** Missouri Wine and Grape Board

Executive Director Monterey County Vintners & **Growers Association**

Linda Reiff President

Napa Valley Vintners Association

President Oregon Wine Board

> ric Rosaz Director Inter-Rhône

Executive Director Paso Robles Wine Country Alliance

Gilberto Igrejas President Instituto dos Vinhos do Douro e Porto

Eric Pastorino President Syndicat des vins Côtes de Proyence

Eermando Salamero President Consejo Regulador D.O.Ca. Rioja

President & CEO Santa Barbara Vintners

Executive Director Walla Walla Valley Wine Alliance

Britany Gibson Executive Director Seneca Lake Winery Association

> **Executive Director** Sonoma County Vintners

President Texas Wine Growers

Péter Molnár President Council of Tokaj Wine Communities

Morgen McLaughlin Executive Director Willamette Valley Wineries Association