



Massachusetts Package Stores Association, Inc.

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The Honorable Robert E. Lighthizer
United States Trade Representative
Executive Office of the President
600 17th Street, NW
Washington, DC 20508

Dear Mr. Ambassador:

The Massachusetts Package Stores Association, on behalf of all Massachusetts retailers of beer, wine and spirits, is again writing to express our very strong support for fair trade and open markets by not imposing new tariffs and removing past tariffs on EU spirits and wines without delay. The ongoing Tariff War with the EU and China has greatly affected American businesses and impacted jobs. Massachusetts has not been immune to the negative impacts to increased tariffs as several distributors and American importers have reduced staffing or closed. Furthermore, domestic retail prices for alcohol beverages are increasing. Particularly noticeable is the cost of American beer products due to higher aluminum costs being passed onto U.S. consumers. American exports of U.S. made alcohol beverages have also reduced significantly.

Since the EU's 25 percent retaliatory tariffs on American Whiskey was imposed last year, exports have now declined by about 33 percent. The effects of tariffs on wines have raised costs by 15 to 30% throughout the U.S. Additionally, China has imposed a 54 percent retaliatory tariff on U.S. wine imports, which is contributing to an almost 60 percent decline in trade with China since the beginning of 2019. Even Turkey has imposed 70% retaliatory tariffs. It is in this context that many within the AB industry are deeply concerned that added tariffs will materially harm American businesses and reduce U.S. jobs.

Retailers of beer, wine and spirits in Massachusetts strongly oppose new tariffs. We also call on the U.S. and the EU to honor their shared commitment to reach a negotiated settlement to the current disputes by immediately and simultaneously removing the EU's retaliatory tariff on U.S. whiskey and the U.S. tariffs on imported EU spirits and wines.

The Massachusetts Package Stores Association membership is comprised of family or independently owned, and operated alcohol beverage retailers throughout Massachusetts. In Massachusetts, off-premises retail sales of alcohol beverages equate to almost \$3 billion in total economic impact. The total direct and indirect impact of retail sales of the alcohol beverages industry are responsible for \$29 billion in economic activity. Establishments that sell alcohol beverages collectively employ as many as 188,900 people in Massachusetts and generate an additional 60,759 jobs in supplier and ancillary industries.

Respectfully Submitted,

Robert A. Mellion
Executive Director | General Counsel

The Massachusetts Package Stores Association (MPSA) is a non-profit trade organization representing the interests of locally owned retail liquor stores across Massachusetts. MPSA is keenly aware of the business challenges its members face including rising operational costs; changing competitive landscape; regulatory compliance; wage and labor issues; legislative issues; preventing illegal sales and more.