



July 23, 2015

Dear Senator:

We write to urge you to withhold support for S. 1562/H.R. 2903, The Craft Beverage Modernization and Tax Reform Act of 2015. While well intentioned, this legislation fails to provide meaningful support for the nearly 8,000 wine producers spread across all fifty states. Wine Institute supports the goal of comprehensive alcohol excise tax reform for beer, wine, spirits and cider, but only when done in an equitable way.

Wine is the original “craft” beverage and we look forward to the chance to work with the bills’ authors on wine specific provisions that will help all of our nation’s vintners and wine grape growers. As it is currently drafted, this bill would do relatively little to spur the growth of a unique success story in American agriculture. The wine industry, with so many diverse regions across the country, is a vital engine for growth in local agriculture, tourism and hospitality.

There is something fundamentally wrong with legislation that provides hundreds of millions of dollars in tax benefits to large, foreign beer and spirits conglomerates while providing relatively little benefit for American wineries. The bill misses an opportunity to make changes that could help American wineries by spurring greater innovation and capital investment.

Again, we urge you to withhold support for this bill until it can be improved to include meaningful support for America's wineries. Please feel free to contact Charles Jefferson cjefferson@wineinstitute.org or Linda Ulrich lulrich@wineinstitute.org at (202) 408-0870 should you have any questions or concerns.

Thanks very much for your consideration and attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to be "R. Koch", written in a cursive style.

Robert P. Koch
President & CEO