



December 23, 2019

Amb. Robert Lighthizer
Office of the U.S. Trade Representative
600 17th Street NW
Washington D.C. 20508

Dear Ambassador Robert Lighthizer,

On behalf of my family and the 17 European families that we represent in business, I write in strong opposition to the proposed tariffs, up to 100 percent, on European wines as proposed in response to France's Digital Services Tax (docket # UTSR-2019-0009-0038) and the enforcement of WTO rights involving civil aviation (docket #UTSR-2019-0003-2518).

For four generations my family has been involved in grapegrowing and winemaking in the United States. I have personally been in the wine industry for more than 60 years, most of that in a professional capacity, growing, creating and advocating for California and Napa Valley around the world.

Through our family's national import and sales company Folio Fine Wine Partners, we have the honor of representing multi-generation European wine families who rely on the U.S. market as their primary source of revenue. We have been able to absorb the recent 25% increase in tariffs through careful and ongoing negotiation with our supplier and wholesale partners, but this proposed increase will make the situation untenable for all involved and puts our long-term business at risk.

This proposed increase will impact our distributors immensely and put many of our wines out of the reach of wholesalers, retailers, restaurants that have supported us for more than 15 years. Of the more than 16,000 restaurant accounts that we sell to, many regional accounts rely on the artisanal French, Italian, Spanish, Portuguese, and Austrian winemakers that we represent to offer diversity and variety on their lists to diners.

With these tariffs, restaurants will no longer be able to afford to buy the wines or pay the higher costs of supporting these small producers. This has far reaching implications, for both the restaurant listings and diversity in consumer choice. Consumers stand to pay up to 150% of the cost to secure the wines they enjoy, or in many cases, wines will become cost prohibitive to import to the U.S. affecting product selectivity for wine drinkers.



The losses are far-reaching. According to analysis from U.S. alcohol trade groups, up to 78,600 jobs in the U.S. beverage alcohol and hospitality sectors could be lost if distilled spirits, wine and non-alcoholic beer are included on the final list of EU products targeted for retaliatory tariffs.¹ We are one of more than 12,000 import agencies who will be impacted, which for some, the financial impact will be insurmountable, putting their businesses and livelihoods at risk.

Punishing the wine industry for trade is nonsensical. Our industry is collateral damage in trade disputes that have nothing to do with the beverage alcohol sector, and we believe that wine should not be targeted in retaliation in trade disputes involving products other than wine. On behalf of my family, our employees and the U.S. wine industry, we implore you to find other solutions to resolve the trade concerns.

Do not punish an industry that contributes immensely to the fabric of American life, that enriches the lives of wine lovers both in the U.S. and around the world, and that has kept my family in business for more than 100 years.

Sincerely,

A handwritten signature in cursive script that reads "Michael Mondavi".

Michael Mondavi
Co-Founder and Coach
Folio Fine Wine Partners

1. Alcohol Trade Groups Call on USTR To Remove Spirits and Wine From Retaliatory Tariffs List of EU Products – Distilled Spirits Council of the United States.