

Objectives of the U.S. Spirits Industry

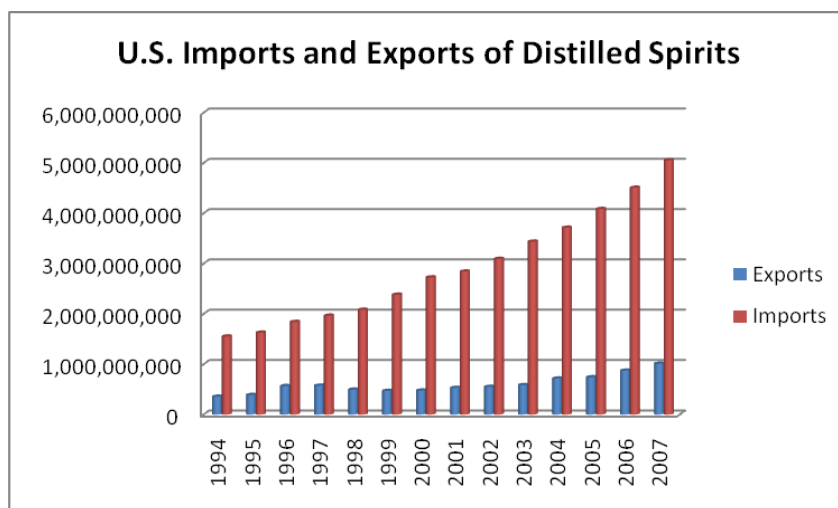
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The Distilled Spirits Council of the United States, a national trade association representing U.S. producers, marketers, exporters and importers of distilled spirits products, enthusiastically supports the work of the World Trade Organization (WTO), including the ongoing Doha Development Agenda negotiations.

International trade and the rules-based trading system administered by the WTO are critical to the Council's member companies, which export distilled spirits to more than 130 countries worldwide. Since the conclusion of the Uruguay Round of WTO negotiations in 1994, U.S. exports of distilled spirits have increased by 253%, growing to \$1.01 billion in 2007. The free flow of imports also is extremely important to the U.S. distilled spirits industry since imported spirits expand the portfolio of products that U.S. suppliers can offer American consumers.

Despite the achievements of past rounds of WTO negotiations, a number of countries still maintain significant tariff and non-tariff barriers to U.S. spirits exports. The DDA provides the best, and, in some cases, the only opportunity to address many of these concerns. The Distilled Spirits Council's priority objectives for the DDA negotiations are:

- Achieve the steepest possible tariff reductions for each line item in tariff heading HS 2208 in priority markets, which include developed and developing countries;
- Adopt negotiating modalities that will provide for a maximum five-year phase-in period for tariff commitments and bind tariffs at each of the intermediate stages, as well as the final stage;
- Adopt strict disciplines regarding "special" and "sensitive" products, as well as the circumstances that may trigger use of any "special safeguard mechanism";
- Ensure that any tariff simplification exercise will not require WTO members to convert their specific tariffs to *ad valorem* tariffs on a permanent basis; and
- Achieve the successful conclusion of the negotiations on a register of geographical indications of wines and spirits and ensure that Bourbon and Tennessee Whiskey are included on any such register.



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