

Congress of the United States
Washington, DC 20515

November 19, 2001

The Honorable George W. Bush
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We, the undersigned, are writing to express our concern regarding any reduction in the U.S. tariff on wine. It is timely, as U.S. negotiators are scheduled to meet with their Chilean counterparts to possibly conclude a U.S. - Chile Free Trade Agreement.

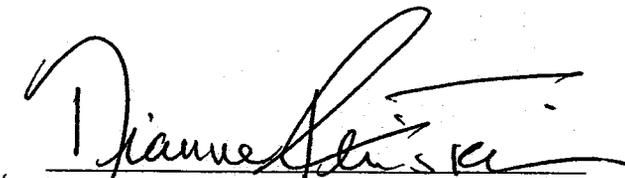
We believe the U.S. wine tariff of \$0.063 per liter, already the lowest of any major wine-producing country, should not be reduced. Chilean wine exports to the U.S. are booming, while there is no significant market for U.S. vintners to secure in Chile. In 2000, Chile exported \$134.3 million worth of wine to the U.S. and the U.S. exported \$100,000 to Chile.

For wine, we endorse the "harmonization" of tariffs, which calls for nations to reduce wine tariffs to the low U.S. level. The concept of harmonization tracks with the position on tariffs taken by the New World Wine Trade Group, whose membership includes the U.S., Chile, Canada, Argentina, Australia, New Zealand and South Africa. The Group's position is to "reduce import duties on wine to a level that will maximize meaningful market share and minimize trade distortions." It is clear the U.S. has already done this, as foreign wine import statistics bear this out.

American wine has not fared well under existing Free Trade Agreements or in multi-lateral rounds. In Israel, we pay a 42 percent tariff, while Israeli wines enter the U.S. duty free. In Mexico, our wines face the longest tariff phase-out, while Chile received more favorable tariff treatment. EU tariffs are still more than twice our level despite reductions as a result of the Uruguay Round. We do not want to see this happen again to an industry that only seeks a level playing field on which to compete.

For the reasons above, U.S. wine tariffs should not be reduced. Instead, it is long overdue for our trading partners around the world to begin to reduce their wine tariffs to the U.S. level.

Sincerely,


DIANNE FEINSTEIN
U.S. Senator


BARBARA BOXER
U.S. Senator


MIKE THOMPSON
Member of Congress
Congressional Wine Caucus Co-chair


GEORGE RAPANOVIICH
Member of Congress
Congressional Wine Caucus Co-chair

Robert J. Matsui

BOB MATSUI
Member of Congress

George R. Nethercutt, Jr.

GEORGE NETHERCUTT
Member of Congress

Nancy Pelosi

NANCY PELOSI
Member of Congress

Donald Manzullo

DONALD MANZULLO
Member of Congress

Anna Eshoo

ANNA ESHOO
Member of Congress

Charles H. Taylor

CHARLES TAYLOR
Member of Congress

Gary Condit

GARY CONDIT
Member of Congress

Duncan Hunter

DUNCAN HUNTER
Member of Congress

George Miller

GEORGE MILLER
Member of Congress

Phil English

PHIL ENGLISH
Member of Congress

Lois Capps

LOIS CAPPS
Member of Congress

Elton Gallegly

ELTON GALLEGLY
Member of Congress

Lynn Woolsey

LYNN WOOLSEY
Member of Congress

Stephen Horn

STEPHEN HORN
Member of Congress

Pete Stark

PETE STARK
Member of Congress

Doc Hastings

DOC HASTINGS
Member of Congress

Hilda Solis

HILDA SOLIS
Member of Congress

Doug Ose

DOUG OSE
Member of Congress

Ellen Tauscher

ELLEN TAUSCHER
Member of Congress

Richard Pombo

RICHARD POMBO
Member of Congress

Joe Baca

JOE BACA
Member of Congress

Ken Calvert

KEN CALVERT
Member of Congress

Loretta Sanchez

LORETTA SANCHEZ
Member of Congress

Mary Bono

MARY BONO
Member of Congress

Anthony Weiner

ANTHONY WEINER
Member of Congress

Wally Herger

WALLY HERGER
Member of Congress

Jerry Lewis

JERRY LEWIS
Member of Congress

cc: U.S. Trade Representative Robert Zoellick
Secretary Ann Veneman