

United States Senate  
WASHINGTON, DC 20510

February 18, 2021

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear President Biden:

We write today to request the removal of the Section 301 tariffs that were placed on food, wine, and spirits products from the European Union in October 2019 in relation to the World Trade Organization Large Civil Aircraft dispute, which USTR announced last week that it “is unnecessary at this time to revise the action.”

The EU 301 tariffs have been extremely harmful for restaurants, retailers, grocers, importers and distributors, many of which are small, locally owned businesses, magnifying the already catastrophic impact of the COVID-19 pandemic. The tariffs have driven up the cost of higher quality products, making them much harder to sell, and thus making it much harder to entice new customers. In the case of the restaurant industry, through December 2020 seated diners remain more than 60 percent below 2019 at that time.<sup>1</sup> Restaurants secure about 60-70 percent of revenue from food. Restaurants try to keep the costs of inputs to about one-third the price of the dish, so small increases in food costs can impact the viability of a menu offering. For full service restaurants, wine sales, and especially European wines, are a critical profit center with 60 percent gross margins.

Staffing levels in restaurants and small businesses are highly sensitive to changes in revenue. Even beyond the devastating impact of the pandemic, the tariffs have forced businesses to furlough staff and reduce hours. Removing these products from the EU 301 product list will free up cash and allow staff to be rehired.

While we have heard from local businesses and their suppliers all over our states about the tariffs’ harm, their utility to U.S. negotiators is less obvious. In place since October 2019, the tariffs have failed in their mission: the EU has not made serious offers in negotiations on commercial aircraft subsidies.

Vaccine distribution has given the industry much needed cause for optimism, but several more difficult months lie ahead. Tariffs relief now, an action which requires no legislation, would invest in that optimism.

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<sup>1</sup> *OpenTable*. “The state of the restaurant industry.” <https://www.opentable.com/state-of-industry>. Accessed December 14, 2020.

Thank you for your attention to this urgent matter. If you have any questions, please do not hesitate to contact our offices.

Sincerely,



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Susan M. Collins  
United States Senator



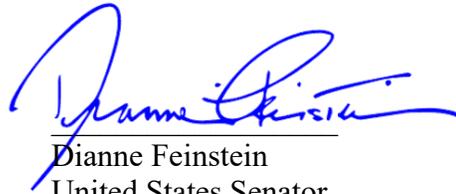
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Kyrsten Sinema  
United States Senator



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Mark Kelly  
United States Senator



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Dianne Feinstein  
United States Senator



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Angus S. King, Jr.  
United States Senator



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Patrick Leahy  
United States Senator



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Kirsten Gillibrand  
United States Senator