

# Distillery Age modern



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## U.S. Distilled Spirits Industry Urges U.S. Senate Leadership to Provide Economic Relief to Distillers Amid COVID-19 Crisis

In a letter sent this week to Senate Majority Leader Mitch McConnell and Senate Minority Leader Chuck Schumer, U.S. spirits supplier trade associations urged Congress to move quickly to provide economic relief to distilleries facing enormous financial hardship due to the impact of COVID-19. The letter was signed by the presidents of the Distilled Spirits Council of the United States, American Craft Spirits Association, New York State Distillers Guild and Kentucky Distillers' Association. The letter is available [here](#).

In the letter, the association presidents stated: "Across the United States, our member distilleries are doing their part to help prevent the spread of COVID-19 and ensure the health and safety of their workers and the public. However, because of the necessary measures being undertaken, including the closures of restaurants, bars and tasting rooms, many distillers will soon need to lay off employees and delay or reduce production. Many may even be forced to close their doors permanently."

The letter underscored that these serious developments are having a devastating ripple effect throughout the entire supply chain impacting farmers, glass bottle makers, truck drivers, warehouse workers and countless others connected to the spirits industry.

The association heads urged Congress to include four critical components to aid distillers as part of any economic relief package, including:

- Provide federal excise tax relief
- Ensure robust no- and low-interest loan assistance
- Seek the suspension of tariffs on distilled spirits
- Create an Industry Stabilization Fund

"As Congress moves swiftly to provide economic relief to affected businesses, we urge you to remember the important role of distilleries in your home states and across the country, and their inextricable link to the hospitality, restaurant, tourism and retail industries."

Craft distillers weighed in on current hardships and urgent need for financial support:

"The craft distillers represented by the New York State Distillers Guild are already incredibly hard-hit by COVID-19 mitigation efforts in the Empire State — necessary though they may be. Distilleries like ours may be unable to continue to operate after the pandemic if we don't get federal support, which will hurt our employees, suppliers, farmers and the communities we love and support and who support us." — *Louise Newsome, co-owner, Cooper's Daughter Spirits at Olde York Farm, Claverack, N.Y.*

"As a small, independent distillery owner in Minnesota, the devastating impact of COVID-19 on my business is very, very real, and without federal support, our survival is in jeopardy. We have already closed our cocktail room to the public and laid off more than half of our staff. With no end in sight, we will almost certainly be forced to further reduce our workforce and potentially halt our production. These actions have been

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## WSWA Letter to 50 U.S. Governors

Wine & Spirits Wholesalers of America (WSWA) CEO and President Michelle Korsmo sent a letter to 50 U.S. governors yesterday regarding closures of spirits and wine stores.

"If closures of these stores across localities or states occur inconsistently, there is an increased chance that people will travel interstate or among localities to find an open store with available supply, increasing risk of spread among communities," wrote Korsmo. "Closing down regulated stores for consumers to access alcohol will likely encourage black market activity — specifically, illicit products and illegal, unlicensed and untraceable sales and shipments from unknown locations to consumers," she warned.

She went on to urge governors to take advantage of or implement provisions in state laws that allowed for curbside pick-up from retail locations or delivery by employees over 21 years of age and the bundling of food and alcoholic beverage orders by licensed restaurants.

The full letter is available [here](#).

## TTB: COVID-19 – Production of Hand Sanitizer by Distilled Spirits Permittees

Due to the Coronavirus 2019 (COVID-19) pandemic, the Acting Administrator of the Alcohol and Tobacco Tax and Trade Bureau (TTB) has found that it is necessary or desirable to waive provisions of internal revenue law with regard to distilled spirits, and therefore is providing certain exemptions and authorizations to distilled spirits permittees who wish to produce ethanol-based hand sanitizers to address the demand for such products during this emergency. Any existing DSP therefore can immediately commence production of hand sanitizer or distilled spirits (ethanol) for use in hand sanitizer, as described below, without having to obtain authorization first. These measures are generally authorized under authorities that apply in disaster situations, and as a result, are initially approved through June 30, 2020, with the possibility for extension as necessary.

**Permit guidance for alcohol fuel plants (AFPs) and beverage distilled spirits plants:** TTB is exempting AFPs and beverage DSPs from the

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