

Dear USTR,

My name is Christian Troy, and I am the owner of Indie Wineries, a small wine importer and wine distributor based out of New York. We carry distribution licenses and operations in New York, New Jersey, California, Oregon, and Washington. Our portfolio represents both European wine and domestic wine (we are particularly strong in our support of Oregonian wines). We employ nine US citizens full time and through employment we support their families. We have not laid anyone off while under the Covid-19 pandemic impact.

I am writing to submit comments regarding the tariff associated with the WTO Large Civil Aircraft Dispute (WLCAD) between Boeing and Airbus.

I understand the need for the USTR to protect American interests regarding the WTO subsidies. That said, the tariff (which is generally defined as 25% of the invoice total on wines that are over 14.5% abv) has severely reduced our business and our ability to grow and protect our American employees. Coupled with the Covid pandemic with the loss of our restaurant business (which was 50% of our direct distribution work), this tariff has had the net effect of doubling down on the existential pressure our business is receiving.

The American public is demanding quality French and Spanish wine at pricepoints it can afford right now. The current tariff limits the American public's access to product they would like to buy. And because of this limited access, the current tariff is harming the entire American-owned business supply chain that is in place to deliver these goods to the American public.

The WLCAD tariff is paid by American wine importers- not French or Spanish wineries. Assuming this, the USTR has delivered two responses to the American wine trade: 1. American wine wholesalers should buy and support more American wines. 2. American wine wholesalers should pass the tariff thru to the French and Spanish wineries.

Regarding assumption 1, Indie Wineries represents a strong portfolio of American wines. Because of the tariff, and now Covid, we have been increasing our support of our domestic wineries. But, this has not diminished the lost opportunity to our business (and lost availability to the American public) due to the tariff restriction. Simply put, our customers want to buy French and Spanish wine from us, and the tariff is limiting this, which is limiting our ability for our business to grow, and our ability to provide more economic security to the American families we employ.

Regarding assumption 2, We have tried to work with our French and Spanish wineries on passing the tariff along, but they are all small, high quality farms. All of them have break-even businesses even in normal times. They also carry customers from all over the world. Asking these wineries to shoulder any of the tariff burden has not been possible. They don't have the money, and they don't need the US to be in business. What we have seen is edited allocations of their inventories, with those inventories being sold to other countries. Simply put, Indie Wineries- the American company- is paying this tariff- not the Europeans.

The net effect of all of this is that if Indie Wineries (or any other wine importer/distributor) wants to offer the American public wine that it wants to buy (French and Spanish wines), then Indie Wineries must come up with the cashflow to pay the tariffs. To do so, it must raise its prices to wine retail (yielding increased prices to the American public), and it must become much more selective with what it

brings in resulting in a loss of availability to the American public. Unfortunately, as a small business we didn't have the money to do this prior to Covid. Now, under Covid, we absolutely do not have the money to do this. As such, we are buying from our French and Spanish producers only very selectively, which is severely curtailing our ability to grow and realize economic safety for the American families we employ.

I strongly urge you to remove the WLCAD tariff, and allow our markets the freedom to be fully supplied again so that Indie Wineries can flourish, all of the American businesses we supply can flourish, and the American consumer can execute their right to purchase products they want to purchase.

Thank you for your thoughtful reflection on my comments. I can be reached at my contact information below if there are any follow up questions.

Sincerely,

Christian Troy

"To see things in the seed, that is genius."

-Lao Tzu

Christian Troy
Partner
Indie Wineries