



March 19, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
H-232 U.S. Capitol  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Senate Majority Leader  
S-230 U.S. Capitol  
Washington, D.C. 20510

Dear Speaker Pelosi and Majority Leader McConnell:

On behalf of the hardworking men and women in the American beer industry, we applaud your leadership and ability to successfully pass legislation to provide much needed relief to those who have been hardest hit by the COVID-19 virus and your effort to mitigate its economic impact on the American people.

The beer industry supports the livelihoods of 2.1 million Americans and contributes \$328 billion to the American economy. These jobs support the hospitality, restaurant, tourism, distribution and retail sectors. We have seen the closure of bars, restaurants, and brewpubs throughout the US in recent days as Americans are asked to stay home. The economic impact of these closures is vast.

To help ease the economic loss associated with this public health crisis, we are writing to ask Congress to work with the undersigned industry leaders to institute a short-term business tax credit to address the economic disruption attributed to the COVID-19 crisis. Specifically, a tax credit would be realized by the entity that is in possession of the beer product on the date that it expires. Doing so will provide employers with greater financial certainty, assist with retaining employees, help many small brewers from imminent and permanent closures, and bring financial relief to the thousands of retailers, distributors, brewers and importers that are facing an uncertain future.

As Congress turns its focus to broader relief efforts to lead the country toward economic recovery and financial stability, we would like to address a unique challenge facing America's brewers, distributors and retailers. The beer industry has been hit hard by recent cancellations and closures, including St. Patrick's Day parades and celebrations from coast to coast, March Madness and other tournaments, NBA and NHL seasons and Major League Baseball's opening

day along with hundreds of minor league games. These events all require tremendous staging and load-in of beer – the only perishable alcohol beverage.

Additionally, brewers, distributors, retailers and importers are facing a significant economic hardship caused by the necessary, but disruptive, self-quarantining of beer consumers and the sustained closures of on-premise retail establishments – including restaurants, bars, taverns, breweries/taprooms, music and sports arenas and other venues – where 20 percent of the total U.S. beer volume is sold annually.

The closure of these on-premise retailers is having a disastrous effect on the beer industry, with brewers, distributors and retailers sitting on a significant amount of inventory that is highly perishable and must be consumed within a brief window of time before it is “out of code” and no longer fit for sale and consumption. In some instances, beer can expire in as little as 30 days.

Brewers have beer in production, distributors have beer products sitting on warehouse floors and on-premise retailers have beer, with no patrons or customers to serve. Industry estimates project the combined value of anticipated out-of-date beer currently held by retailers to be as high as \$900 million. Out-of-date beer at distributor and brewer facilities would drive this number even higher. These losses will have a ripple effect for on-premise retailers, small brewers and distributors in local communities across the country.

We appreciate your consideration of this request as Congress works tirelessly to provide relief to the American people during this public health crisis. Thank you for your consideration of this request and we look forward to working with you.

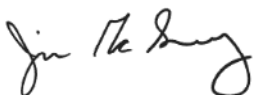
Sincerely,



American Beverage Licensees  
Executive Director



Brewers Association  
President and CEO



Beer Institute  
President and CEO



National Beer Wholesalers  
President and CEO