PRESS RELEASE

DISCUS is the trade association representing producers and marketers of distilled spirits sold in the United States.
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DISTILLERS URGE SENATE TO PASS RUSSIA TRADE BILL

PNTR Will Ensure Better Market Access for U.S. Distillers

WASHINGTON, DC – Legislation granting permanent normal trade relations status (PNTR) to Russia was introduced in the U.S. Senate today, and the Distilled Spirits Council urged speedy passage in order for U.S. distillers to gain many market access benefits of Russia's accession to the World Trade Organization (WTO).

Russia is expected to join the WTO this summer, and U.S. spirits exporters to Russia will be at a distinct disadvantage to exporters in Europe and elsewhere if PNTR is not in place before that occurs.

"Russia PNTR is vital for the U.S. distilled spirits industry to make further inroads into this rapidly growing market," Distilled Spirits Council Senior Vice President Christine LoCascio said. "With Russia's WTO membership, the industry will gain significant tariff reductions and other important market access improvements, but only if Congress passes PNTR. We urge the Senate to act quickly on this legislation."

Among the benefits for the industry are 25% tariff reductions by 2015 from two Euros per liter to 1.4 Euros per liter for whiskey and to 1.5 Euros per liter for other spirits. In addition, Russia will be required to abide by internationally-accepted trade rules, including non-discrimination and transparency. The U.S. will also have recourse to the WTO dispute settlement process, which has helped to overturn discriminatory trade practices in several key spirits export markets.

Russian imports of American whiskey, rum, and other distilled spirits have exploded in the past decade, growing 2,254% from $3.8 million in 2002 to $89.2 million in 2011. Whiskey accounted for 55% of the 2011 total, while rum accounted for 41%.

"Extending PNTR to Russia will boost American exports without risk or cost to the U.S. We look forward to toasting the passage of this key job-creating legislation in both houses of Congress," LoCascio concluded.

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