



# BI Update

April 2008

**Federal Excise Rollback Legislation** - While the brewing industry remains one of the few job creators in the manufacturing sector at this critical point in our country's history, it also continues to be one of the most highly taxed U.S. industries. As the second session of the 110th Congress began its work in January, BI staff continued its aggressive effort to achieve support from a majority of House Members to cosponsor the beer excise tax rollback legislation. Congressmen Earl Pomeroy and Phil English introduced H.R. 1610 in the House and signed on 204 cosponsors, 14 from our goal. Colorado Senator Ken Salazar introduced the rollback legislation in the Senate. The Senate bill currently has 8 cosponsors. The BI is committed to keeping the momentum we have built over the last few years strong and will continue to focus its efforts on reducing this highly regressive tax. Given the potential for significant additional federal spending this fall and in 2009, the rollback legislation also serves as a defensive measure against future excise tax increases.

**Recently In Congress** - Many provisions of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171), the most recent omnibus farm bill, expired in 2007, so reauthorization has been a focus of the 110th Congress. The scope and direction of the new farm bill has been a sticking point during this Congress, and hurdles have transcended party lines. A number of factors such as financial conditions in the agricultural economy, competition among varying interests, use of commodities to produce renewable energy, international trade obligations, and – possibly most important – a tight limit on federal funds has led to the farm bill to stall. Senate Agriculture Committee staff, during a recent meeting with BI staff, have expressed optimism that the Farm Bill will move within the next month. Beer Institute staff recognizes the importance of a stable U.S. agricultural system to our membership, and we are closely monitoring the Farm Bill as the reauthorization process moves forward.

## Congressional Outreach

- Whether it is through individual meetings or informal receptions, the Beer Institute maintains regular communications with key policymakers and legislative staff on Capitol Hill. Since the beginning of the 110th Congress, the Beer Institute has met with staffers representing a majority of the Congressional leadership offices and the 51 freshman class offices.
- Quickly approaching on May 12 is the beginning of the NBWA/BREWERS Joint Legislative Conference which provides a great opportunity for Members of Congress to hear from leaders in our industry about important issues. At this year's Conference, highlighted issues include a Congressional resolution celebrating the 75th anniversary of the repeal of prohibition, the beer tax rollback legislation, and the industry's commitment to responsibility and combating drunk driving.

