April 15, 2011

The Honorable Max Baucus  
The Honorable Orrin Hatch  
U.S. Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Baucus and Ranking Member Hatch:

I represent the Glass Packaging Institute (GPI), which is the trade association for the glass container manufacturers of beverage and food containers, as well as glass recyclers and other suppliers to our collective industry. Our industry employs thousands of Americans in 48 glass container manufacturing plants throughout the country.

On behalf of our industry, I would like to express support for S. 534, the Brewer’s Employment and Excise Relief Act of 2011 (BEER Act). A major focus in the glass container manufacturing industry is the production of beer bottles. This important legislation would lower the federal excise rate that small brewers currently pay, based on the production level at the company.

It is estimated that this modest tax reduction would provide the growing small and craft brewer industry with an additional $27.1 million annually. This money may be utilized by these businesses to support significant long-term investments and to create job growth in their companies. In addition to federal regulations, small breweries must also navigate a series of state and local brewing regulations. Passage of this legislation would assist them greatly in complying with these regulations, along with helping them grow their businesses.

The small brewer tax rate was established in 1976 and has never been updated. To address this issue, the bill also thoughtfully raises the ceiling level for small breweries by increasing it from two million barrels to six million barrels per annual production. This increase more accurately reflects the intent of the original differentiation between large and small brewers in the U.S.

Glass container manufacturers and our U.S. brewer partners depend on each other to ensure continued success of our industries. We hope your Committee will favorably consider this legislation.

Please contact me should you have any questions or concerns regarding our position or this legislation.

Sincerely,

Lynn Bragg  
President