

October 30, 2020

Hon. Chrystia Freeland, P.C., M.P.
Minister of Finance
90 Elgin St, Ottawa, Ontario
K1A 0G5

Dear Minister:

On behalf of the hundreds of thousands of businesses of all sizes across the country affected by the COVID-19 health and economic crisis, thank you for your continued engagement with and responsiveness as we continue to try to mitigate the devastating impacts of the pandemic on businesses and their employees.

We are writing on behalf of Canadian restaurants and the hospitality industry, agricultural and other supply chain members, alcohol producers and consumers to ask that Finance Canada repeal the alcohol escalator tax in the government's upcoming update to Canada's COVID-19 Economic Response Plan. The escalator tax is an automatic increase to excise duties that has gone up four times in the last three years and is scheduled to increase again on April 1, 2021 further driving up the price of beverage alcohol for consumers and businesses that are struggling.

Canada has some of the highest alcohol taxes in the world. On average, 47 per cent of the price of beer in Canada is from federal or provincial taxes. Approximately 65 per cent of the price of wine is due to taxes and on average 80 percent of the price of spirits is taxes. The escalator tax increases that tax burden every single year on April 1.

The pandemic has resulted in a collapse in bar and restaurant sales for all beverage alcohol. Another increase to the escalator tax will increase hospitality industry costs, affecting their ability to attract customers and retain employees while they try to survive and recover from government-imposed shutdowns. As new indoor dining restrictions are implemented in various parts of the country and patio season ends, tens of thousands of restaurants and bars are in danger of closing their doors permanently. An increase in excise duties will also hurt Canadian brewers, wineries and distillers who will lose access to much needed capital that they would otherwise invest in their operations, employees and products as they try to navigate the huge losses of sales to restaurants and bars.

When the escalator tax was first introduced, we expressed concern that a permanent automatic increase in duties every year was not warranted given Canada's exceedingly

high alcohol tax rates. We also believe that the escalator shields tax increases from necessary parliamentary scrutiny and approval and that the rigid and automatic nature of the escalator does not allow the government to account for economic circumstances such as those we are experiencing right now.

Now is not the time to increase alcohol taxes on middle-class Canadians, our struggling restaurants and bars and domestic alcohol producers. Our request is that you repeal the escalator tax through the fall update to Canada's COVID-19 Economic Response Plan or the next federal budget. At a minimum to support Canada's economic recovery, the escalator tax increase should be frozen so it does not increase excise duty rates on April 1, 2021.

Thank you for your continued efforts to support Canadian businesses and their employees.

Sincerely,

Hon. Perrin Beatty, PC, OC
President & CEO
Canadian Chamber of Commerce

Tommy Donnelly
Owner/operator
1336209 Ontario In.

Franz Roessl
Owner
180 Pub

Eric Demoncheaux
President
3 Brasseurs Canada

Nelson Abreu
30.50 Imports Inc.

Dave Auger
General Manager
817 Sports Bar & Grill

Blake Anderson
Chief Operating Office
Ace Hill Beer Company Inc

Manny Botelho
President
Adega Inc.

Dave Bishop
Chair
Alberta Barley

Ben Swirsky
President
Alchemy Restaurant & Bar Ltd.

Kent Kirkland
General Manager
Alley Kat Brewing Company

Jeff Guignard
Executive Director
Alliance of Beverage Licensees of British
Columbia

Stephen Schacht
Co-owner
Ampersand Distilling Company

Ramona Froehle-Schacht
Co-owner
Ampersand Distilling Company

Del Rollo
Vice President, Government & Industry
Relations
Arterra Wines Canada

Eric Joyal
Co-Owner
Ascari Hospitality Group

Blair McNeil
VP & General Manager
Bacardi Canada Inc.

Erin Armstrong
Executive Director
Barley Council of Canada

Ryan Keery
Sales Director
Beam Suntory

Harry Brar
President
Best Western Owen Sound

Peter Mammias
President & CEO
Big Rig Kitchen & Brewery

Jessica Schacht
Co-owner
Ampersand Distilling Company

Jeremy Schacht
Co-owner
Ampersand Distilling Company

Michael Pizzitelli
Founder and President
Arbutus Distillery

John Sinopoli
Co-Owner
Ascari Hospitality Group

Kal Merkley
President
Babylon Lounge, Thunder Bay, ON

Brent VanderVeen
Co-owner
BarChef

Ken Beattie
Executive Director
BC Craft Brewers Guild

Brett Ireland
CEO
Bearhill Brewing Co.

Roshan Jainudeen
General Manager
Best Western Premier Toronto Airport Hotel

Kerrie Fraser
VP Strategic Juggling
Birds & Bees Organic Winery, Meadery,
Distillery

Giovanni Venditti
Brewing Science Coordinator
Bishop's Arches Brewery – Bishops University

Vlado Ristovski
Co-owner and Manager
Bistro Ristoro

Ken Woods
President
Black Oak Brewing

Jim Treliving
Chairman
Boston Pizza International Inc

Jordan Holm
President
Boston Pizza International Inc

Eloi Deit
Head Brewer
Brasserie Dunham

Ian Tostenson
President
British Columbia Restaurant and Foodservices
Association

Miles Prodan
President and CEO
British Columbia Wine Institute

Bobbi Woodson
Country Manager Canada
Brown Forman

Sean Fleming
President & CEO
Brunswick Bierworks

Anna-Lisa Brewer
General Manager
BSG Canada

Margaret Hobbs
Partner
Buyers+Cellars Wine Purveyors

Amir Benedikt
Owner
By The Way

Joseph Moore
Director Food and Beverage
Caesars Windsor

Rocco Mastrangelo
President
Cafe Diplomatico and Restaurant Limited

Cristina Ionescu
Owner
Cafe Oro di Napoli

Tom Leger
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Calabogie Brewing Company Ltd.

Melanie Batchelor
Managing Director
Campari Canada

Neale Graham
Managing Director
Canada & Canadian Brands, Beam Suntory

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President
Canada Malting Co. LTD

Emma Breen
Vice President
Canada's National Brewers

Yannick Bigourdan
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Carbon Bar, Union Chicken, Ray's BBQ

Karen Walters
Owner
Carens Wine and Cheese Rosedale

Mario Bourgeois
Owner
Cassel Brewery Company

Adrian Cassini
Owner
Cassini Cellars

Gary Lohin
Brewmaster
Central City Brewers and Distillers Ltd

Krista Tobias
Owner
Collision

Manny Tsouvallas
Owner
Colossus Fine Greek Foods

Ross Alger
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Confluence Distilling Ltd.

Bob Crecouzios
CEO
Cool Beer Brewing Co.

Miguel Kabantsov
Director
Copper Spirit Distillery Ltd.

Nicolas Krantz
President & CEO
Corby Spirits and Wine Limited

Stuart Sands
General Manager
Country Malt Group

Tyler Dyck, President
Craft Distiller's Guild of BC & CEO and Head
of Operations, Okanagan Spirits Craft
Distillery

Jacob Mancini
AVP, Restaurants and Breweries
CWB Franchise Finance

Kristina & Jim Craig
Dark Sky Distillery

Felix Irnich
COO
DaVinci & T-Rex Distillery

Kevin Titcomb
Distiller
deVine Vineyards Inc.

Jodi Rumble
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Diageo Canada

Jonathan Roy
Président
Distillerie Fils du Roy(QC) Inc.

Trevor Doege
Owner
Doege Company Ltd.

Marie Eriksson
Owner
Doege Company Ltd.

Jean-Pierre Foucault
Domaine Mont Vézeau

George Assaf
Owner
East Side Mario's Orleans

Oliver Geddes
Owner
Easy & The Fifth Inc

Barry Chaim
CEO
EDO Group of Restaurants

Justin McKellar
General Manager
Equals Brewing Company

Ron Morrish
Director of National Accounts
Eska Inc

Sean Bayley
FAB Restaurant Concepts

Ginalyn Gamboa
Office Manager
FAB Restaurant Concepts Inc.

Shawn Dawson
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Fatboys Southern Smokehouse - Ottawa

Mike Smith
President
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Mauro Rosati
General Manager - Partner
Fionn MacCool's Woodbridge

Kent Epp
General Manager
Firkin on Yonge

Vito Rizzuto
Owner
Five Doors North

Dave Longbottom
Owner and President
Flora Hall Brewing

Peter Chiodo
Founder
Flying Monkeys Brewery

Scott Shupeniuk
General Manager
Fort Garry Brewing Company

Mike Makhlouf
President
Freddy's

Simi Kapur
Owner
Future Bistro

Kevin Parker
General Manager
Gahan House Hub City

Brian Titus
President
Garrison Brewing Co.

Ted Kindos
President
Gatorteds tap n grill

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Gordon Food Service Canada

Angela Murphy
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Debra Conlon
Government Relations
Grain Farmers of Ontario

Mark Boogemans
President
Grand Bend's Bluewater Motel

Arjun Gopi
Director of Food & Beverage
Granite Club

Michael Brennan
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Great Western Brewing Company Ltd.

Terry Mundell
President & CEO
Greater Toronto Hotel Association

Krista Tobias
Owner
Hanks Liquor

Kristopher Sustrik
Owner/President
Hansen Distillery Ltd.

Angelo Nitsopoulos
Owner
Hart of Niagara Hotels

Martin McSkimming
President
Hemingways Restaurant

Barry Wilde
President & CEO
Highwood Distillers

Doug Loucks
General Manager
Holiday Inn Express Sarnia – Point Edward

Brendon Ainscow
General Manager
Holiday Inn Express Toronto Downtown

Vanessa Stevenson
General Manager
Homewood Suites by Hilton
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Zul Karmali
General Manager
Hotel Metro

John Watts
President
HOTOHOUSE

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Huff Estates Winery & Inn

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Import Vintners and Spirits Association

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CEO
Indie Alehouse

Ted Latimer
Executive Director
IVSA Import Vintners & Spirits Association

Dan Etcher
Vice President of Operations
Jack Astor's

Jamie Myers
President & Owner
Jake's Grill & Oyster House

Jack Valianes
President
Jake's on Main Pub & Grille

Mike Smith
President
Joe Kools

Brian Dillon
Vice President Operations
JOEY Restaurant Group

Jason Alikakos
Owner
Jonathans & J Bistro

Shirley Spralja
Owner / Operator
Joso's Restaurant

Davina Ragoonanan
Owner
Kalypso Hut

John Rufa
Owner
Kawartha Country Wines

Paul Meek
Co-Founder
Kichesippi

Marla Funkenhauser-Wiper
Dining Room Supervisor
Kingsville Golf and Country Club

Nelio Caldeira
Chef/Owner
La Dolce Vita

Paula Hensley
Owner/Operator
La Dolce Vita

Sarah Noonan
Owner
La Place Rendez-Vous

Kyle Norrington
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Labatt Breweries of Canada

Sumit Kapur
Owner
Labryinth Lounge

Taras Manzie
President & CEO
Lake of the Woods Brewing Company

Sandra Kane
Owner
Le Papillon on Front/Savoury Investments Inc.

Dawn Lennie
Proprietor
Legend Distilling

Doug Lennie
Proprietor
Legend Distilling

Michael Ash
Vice President
Leo's Hospitality Group

Wayne Brown
Owner
Liaison College of Culinary Arts

Stefani Choy
Director of Finance
Liberty Hospitality Corporation

Mr. Sukhi S. Shetra
Owner
Loch Side - Bar & Lounge

Mark Findlay
CEO
Lone Star Texas Grill

Judie Starchuk
Owner
Lowville Bistro

Dan Clarke
Owner
Loyalorsman Pub

Geena Lockett
Owner
Lockett Vineyards

Eleonora Caldato
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bar

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MacKinnon Brothers Brewing Co.

Chris Hasslett
Director of Food and Beverage
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Sarah Dewar
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Maiden Lane Wine & Spirits

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Cindi Vanden Heuvel
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Mariposa Cruises by Hornblower

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Todd Lewin
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Pat Bell
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New Wave Wine Society

Maureen Thornton
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New York Fries

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General Manager
Niagara College Teaching Brewery

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Noble Estates Wine and Spirits

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Northern Lights Estate Winery

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Novotel Hotels

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Oliver & Bonancini Group

Keith Currie
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Ontario Federation of Agriculture

Tony Elenis
President & CEO
Ontario Restaurant Hotel & Motel
Association

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Scott Dargie
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Paddy Flaherty's Irish Pub

Adam Slight
Operations Manager
Pauper's Pub

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PEI Brewing Company

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Owner/Operator
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Natalie Dykie
Owner/Operator
Piermari Hotels Limited / Village Inn Hotel

Mathan Rajaratnam
Owner
Pizzeria Oro di Napoli

Scott Bellhouse
Owner & Founder
Profile Hospitality Group

John Allen
President
Propeller Brewing Company

Peter Hottman
General Manager
Proximo Canada

Scott Bonikowsky
Owner & Chief Commercial Officer
Pump Hospitality Group Family of
Restaurants

Shaun Fraser
President
Pump House Brewery

Mike Marcolin
Owner / Operator
QB Sports Bar Grill Games

Charn Lalli
General Manager
Quality Inn – Sarnia

Greg Graham
Operations Manager
Quench Hospitality

Trent Leggett
President
RASAS Group

Nathan Cameron
Beverage Director
Recipe Unlimited Corporation

Daelyn Hamill
President
Red Shed Malting

Adam Grinstead
Owner
Reset Social Cafe

Rob Gregorini
CEO/Founder/Head Chef
Respect is Burning Kitchen and Bar, Red Fang
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Durham Social
Alan Hudson
President
Richibucto River Wine Estate

Todd Barclay
President
Restaurants Canada

Rebekah Crowley
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Roots and Wings Distillery

Carlam Holland
Director
Royce Distilleries Inc

Mike Smith
President
Runt Club

Trent Leggett
Director
Rural Agency Store Advisory Society of BC

Stuart Sakai
Owner/operator
Sakai Bar

Elizabeth Wise
SVP – Government Affairs
Sazerac

Mike Cappiello
Vice President
Scaddabush Italian Kitchen and Bar

Jacob Wiebe
Shelter Point Distillery

Paul Bognar
President & CEO
SIR Corp (Service Inspired Restaurants)

Faye Warrington
Owner
Skunkworks Distillery

John Sleeman
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John Ciampini
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Smokeshow BBQ & Brew

Kevin Wood
President
Something Brewing

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Son of a Peach Pizzeria

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Brent Poulton
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St. Louis Bar & Grill

Kathy Gutscher
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Stanley's Olde Maple Lane Farm

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State & Main Etobicoke

Dane Adahan
Operations Manager
Stone Gate Inn

Michael McBride
President
Storm Brewing Company

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Stratford Fellini's Inc.

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Mike Bobbitt
Executive Director of Operations
Sunray Group

Herman Chan
Owner
Swiss Chalet Courtice

Randy White
President
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Ted Moroz
President
The Beer Store

Claude Bilodeau
General Manager
The Black Velvet Distilling Company

Marcos Yu
General Manager
The Bond Hotel

Wayne Cowley
Owner
The Bottomline

Doris Weiler
Owner
The Copper Mug Restaurant and Pub

Richard Pereira
Owner
The Duke on Sydenham

Amber Thom
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The Everly Restaurant Kingston, ON

Robin Ridesic
Founder and CEO
The Exchange Brewery

Larry Isaacs
President
The Firkin Group of Pubs

Ash Farrelly
Owner
The George Street Diner

David Mangano
Owner
The Grand Pizzeria & Bar

Brittany Hutchison
Owner Operators
The Green Door Cafe

Justin Lahey
Owner Operators
The Green Door Cafe

Perry Meeker
Owner
The Hatter Gastropub

Ed Catley
Owner Operator
The Queens Head Burlington

Bruce Roberts
Owner
The Rebel House Toronto

Christopher Freeman
Owner
The Social Pub

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The Sunshine Doughnut Co.

Brandon Stanicak
Owner
The West Town Bar and Grill

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The Windsor Tavern

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Theoretically Brewing Company Ltd.

Mike Smith
President
Toboggan Brewery

Kevin Schmidt
General Manager
Toronto Airport Marriott Hotel

Bailey Hoefels
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Trench Brewing & Distilling Inc

Meghan Stewart
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True North Distilleries Ltd.

Mark Freeland BA
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Partner & General Manager
Vancouver Island Brewing

Alise Matos
Sommelier/Manager
Veloute

Allan Merlo
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Village Brewery

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Bruce Van Leeuwen
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Weston Golf and Country Club

Richard Reid
General Manager
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Kent Donaldson
President & Co-Owner
Whitetooth Brewing Co. Ltd.

Christopher Thompson
President & Co-Owner
Whitewater Brewing Company

Keith Robinson
Co-founder
Wild life Distillery Inc

Matt Widmer
Co-founder
Wild life Distillery Inc

Sean Lucey
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Dan Paszkowski
President & CEO
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Haley Brown
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Aaron Dobbin
President and CEO
Wine Growers Ontario

Robin Singh
Woods Restaurant

Bob Baxter
Co-Owner & President
Yukon Brewing

John Borsten
President
Zak's Diner