2014 National Conference of State Legislatures Fall Forum

STATE ALCOHOL REGULATION SHIFTS

Presented by

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TOPICS OF DISCUSSION

- History of Powder Alcohol
- The Science
- The Concerns
- The State Responses
PALCOHOL
POWDER ALCOHOL
HISTORY OF POWDER ALCOHOL

1964
• Harold Bode of the Sugar Research Foundation submits a patent application for an “alcoholic dry beverage powder”

Early 1970’s
• Japanese company Sato Foods Industries begins to sell alcoholic capsules as a food additive

1974
• General Foods filed a patent for an “alcohol-containing dextrin powder” with the hope of using it both in food and as “a high ethanol-containing powder which can be used as a base for alcoholic beverage” (This product never came to market.)
2005
German product called Subyou entered the marketplace first online, then in stores.
• Product contained 4.8% dried alcohol or 1.5 drinks.
• Early success did not last, the company went out of business.

2007
Dutch students developed Booz2Go as part of a school project.
• The Netherlands Ministry of Health, Welfare and Sport said there was no border to bringing the product to consumers.
• Booz2Go is not available to buy as of today.

2010
• Pulver Spirits asks TTB for approval on an alcoholic powder but decides not to proceed due to “regulatory hurdles.”

2014
• Palcahol approved by TTB. Subsequently, label approved is pulled.
Alcohol is absorbed by a sugar derivative (dextrin).

Through the encapsulation process, capsules of powdered alcohol are created.

Dextrin can hold 60% of their own weight in alcohol.

According to food research and flavor design company Bompas & Parr, the scientific process is similar to creating longer flavor release in chewing gum.

The capsule can become a liquid alcoholic product in water but also may be taken in capsule form orally as you would medication.
THE CONCERNS

CHILD ACCESS

SNORTING

OVERUSE: MULTIPLE PACKETS TOGETHER

USED IN FOODS, COMBINED WITH OTHER ALCOHOL-INFUSED PRODUCTS

COMBINING WITH LIQUID SPIRITS

EASY TO HIDE IN PROHIBITED EVENTS

COMBINED WITH ENERGY DRINKS
STATE RESPONSES TO POWDERED ALCOHOL
California

- 1978 - Adopts Regulation 2557 on “powdered distilled spirits”
  - Regulated and taxed as any distilled spirit with volume calculated in wine gallons
Alaska

• 1980 - Governor signs law that a “substance having alcoholic content and intended for human consumption may not be sold in the state unless in liquid form”

• 1995 – language is updated to state “a person may not sell an alcoholic beverage if it is intended for human consumption and is in powdered form”
2014

- Vermont, Louisiana, South Carolina and Michigan legislatures pass bans on the sale and possession of powdered alcohol.

- Minnesota, Ohio, Michigan, New York and New Jersey are considering similar bans.
STATE RESPONSES TO POWDERED ALCOHOL

2014 - Louisiana

Signed by Governor June 2014

“No container sold in or shipped into this state shall include powdered alcohol”

Powdered alcohol is not defined in the statute
STATE RESPONSES TO POWDERED ALCOHOL

2014 - South Carolina

Signed by Governor June 2014

Prohibits the ability to “use, offer for use, purchase, offer to purchase, sell, offer to sell, or possess powdered alcohol”

Powdered alcohol defined as “alcohol prepared or sold in a powder form for either direct use or reconstitution”
STATE RESPONSES TO POWDERED ALCOHOL

2014 - Vermont

Signed by Governor June 2014

Possession of a “powdered alcohol product” equals a fine of not more than $500

Sale of a “powdered alcohol product” equals up to two years in prison and/or a $10,000 fine

Powdered alcohol product is defined as “any alcoholic powder that can be added to water or food”
STATE RESPONSES TO POWDERED ALCOHOL

2014 - Michigan

Signed by Governor June 2014

Changed definition of “alcoholic liquor” to include “powder”

Note: The law enacted does not include original language that banned powdered alcohol in the state. That bill is still under consideration in the state senate.
STATE RESPONSES TO POWDERED ALCOHOL

2014 - Minnesota

April 2014 – Introduced in State House of Representatives

Unlawful “to possess, purchase, sell, offer to sell, or use powdered alcohol”

Powdered alcohol defined as “alcohol sold in a powder form, for either direct use or reconstitution”
STATE RESPONSES TO POWDERED ALCOHOL

2014 - New York

June 2014 – Passed by State Senate

Unlawful to “sell, offer for sale, or otherwise provide for off-premises consumption, any powdered or crystalline alcoholic product”
STATE RESPONSES TO POWDERED ALCOHOL

2014 - New Jersey

September 2014 – Introduced in State Assembly

Unlawful to “sell, offer for sale, or deliver, receive or purchase for resale in this State, any product consisting of or containing powdered alcohol”

Powdered alcohol defined as “powder or crystalline substance containing alcohol…produced for human consumption”
STATE RESPONSES TO POWDERED ALCOHOL

2014 - Ohio

November 2014 – Passed by State House of Representatives

Prohibits the “sale or offering for sale for human consumption powdered or crystalline alcohol”

Powdered or crystalline alcohol defined as “a product that is manufactured into a powdered or crystalline form and that contains any amount of alcohol”
STATE RESPONSES TO POWDERED ALCOHOL

2014 - Those Control States approached about the product have responded by indicating they will not list the product.

Control State Listing

• Control states have the additional ability to decide whether or not to list a product for sale in state outlets.

• Many have stated they will not list powdered alcohol for sale regardless of legislative and regulatory action.
THANK YOU.

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