

POWDERED ALCOHOL

Illinois Higher Education Center

March 10th, 2015

The Alcohol and Tobacco Trade and Tax Bureau approved powdered alcohol for sale in the U.S. on March 10th, 2015.

However, at this time it currently isn't available in stores within the U.S.

Many states across the U.S. are concerned about the new product.

Some of the concerns are:

The product is so light and transportable, worries are it can easily be brought into venues.

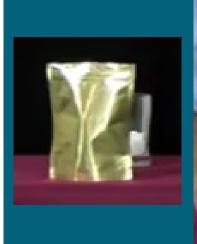
i.e. schools and sporting events.

It could be put into someone's food or drink without their knowledge.

People will snort it to get drunk.

Kids will be able to get a hold of it much easier.

In 1974 U.S. Company
General Foods
Corporation filed for a
patent for an
"alcohol-containing
dextrin powder."



Palcohol pouch.



In This Flyer

- States where powdered alcohol is banned
- The making of Palcohol
- Intended use
- History of powdered alcohol

Funding provided by the Illinois Department of Human Services

Bureau of Positive Youth Development.

Illinois proposed legislation on Powdered Alcohol

235 ILCS 5/6-34.5 new

Synopsis as introduced:

Amends the Liquor Control Act of 1934. Provides that no person shall sell, offer for sale, or deliver, receive, or purchase for resale in this State any product consisting of or containing powdered alcohol. Defines "powdered alcohol" as any powder or crystalline substance containing alcohol produced for human consumption.

Senate Committee Amendment No. 1

Amends the Liquor Control Act of 1934. Replaces everything after the enacting clause with the provisions of the introduced bill, but with the following change: provides that a knowing violation of the prohibition on selling, offer for sale, or delivering, receiving, or purchasing for resale in this State any product consisting of or containing powdered alcohol is a Class A misdemeanor for a first offense and a Class 4 felony for second or subsequent offenses.

Latest Action: Senate - Placed on Calendar Order of 2nd Reading March 26, 2015

BANNED in....

Prior to the new approval of powdered alcohol in 2015, only two states had existing statutes that affected any powdered alcohol products.

In 1986, Delaware amended their existing statute to include powders in the definition of an alcoholic beverage.

In 1995, Alaska prohibited the sale of powdered alcoholic beverages for human consumption.

In 2014, Louisiana, South Carolina and Vermont all joined Alaska by enacting legislation prohibiting the sale of powdered alcohol. Michigan enacted legislation that includes powder containing 0.5% or more of alcohol by volume in their definition of "alcoholic liquor."

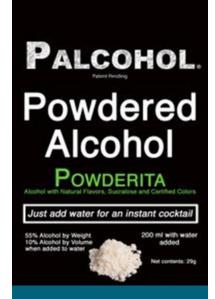
In 2015, 69 bills in 37 states have been introduced in the 2015 legislative session. Virginia prohibits containers sold in or shipped into the state from including powdered or crystalline alcohol.

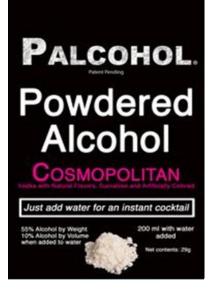
As of March 31st, Alaska, Louisiana, South Carolina, Utah, Vermont, and Virginia have prohibited the sale of powdered alcohol.

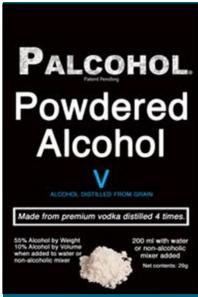
Colorado, Delaware and Michigan have included powdered alcohol in their statutory definitions of alcohol so it is regulated under their current alcohol statutes.

1970 Sato Foods

In 1970, Japan's Sato Foods began selling encapsulated alcohol as an additive for food processing.









Delaware's Definition

"Concentrated alcoholic beverage:" shall mean any powders or crystals, liquid or any other substances which, after being mixed with sugar, water or any other nonalcoholic materials, ferments or otherwise becomes a wine, beer or other alcoholic beverage.

PALCOHOL

The making of powdered alcohol

Palcohol has kept their "recipe" secret. However, it will use a ring shaped cyclodextrin molecule to soak up and hold the alcohol. Cyclodextrin can be found in prescription drugs and are generally considered safe.

Description

Palcohol is expected to be packaged in single serving pouches with dimensions that are 4in wide, 6in tall, with a 2in gusset on the bottom (Caprisun pouch style.)

The pouches are said to be one serving each with 29g of powder in them which is 55% alcohol by weight. The company offers a comparison of the amount of powder to a standard shot glass full of liquid alcohol.

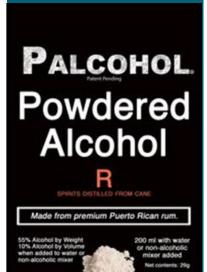
The company is advertising 4 flavors currently and have said they plan to add a 5^{th} .

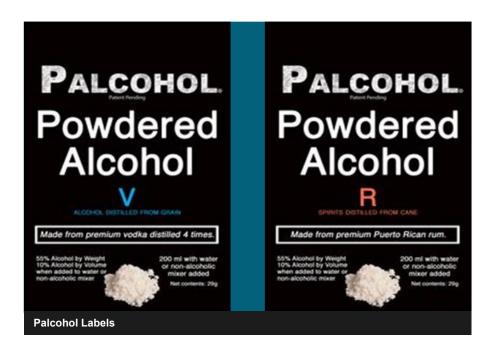
"V" which is powder made from vodka.

"R" which is powder made from rum

"Cosmopolitan"

"Powderita" - tastes like a Margarita





Intended Use...

Directly quoted from the company's website:

Beverage Formulation:

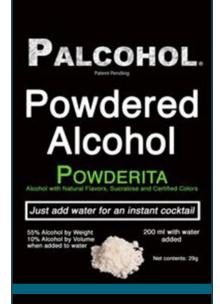
In its beverage formulation, Palcohol is for the legitimate and responsible enjoyment by lawful consumers and has several applications:

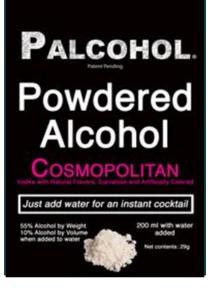
- Outdoor Activity Applications: Palcohol is a boon to outdoors enthusiasts such as campers, hikers and others who wanted to enjoy adult beverages responsibly without having the undue burden of carrying heavy bottles of liquid.
- Travel Applications: Similarly, adult travelers journeying to destinations far from home could conveniently and lawfully carry their favorite cocktail in powder format. Moderate quantities of flavored Palcohol products carried in re-sealable pouches are a fraction of the weight and bulk associated with traditional liquor packaging.
- Hospitality Applications: Because powdered alcohol is so light, airlines can reduce the weight on an airplane by serving powdered vs. liquid alcohol and save millions on fuel costs. An ice cream manufacturer wants to add Palcohol to their ice cream to make an "adult" version. A hotel in Hawaii is interested in powdered alcohol because it would save them so much on shipping from the mainland. That savings in shipping costs would be attractive to many resorts who rely on imported alcohol.

According to news articles and interviews with the company owner, Palcohol increased the volume of non-alcoholic sugars so it would take more than half a cup of powder to equal one

By increasing the volume they believe this will make snorting the powder and sneaking it into places less practical.

drink.





Two Formulas

Palcohol will be made in two different formulations:

Beverage Formulation (ingestible) and an Industrial Formulation (non-ingestible).

Intended use...

Directly quoted from the company's website:

Industrial Formulation (non-ingestible):

The industrial formulation, different from the consumer formulation, has many possible positive uses in industry. People have contacted us with several in mind. Of course, until Palcohol gets government approval, we cannot know exactly what the applications will be. Examples include:

- Medical Applications: We've had medical personnel contact us about using Palcohol as an antiseptic, especially in remote locations where weight and bulk make it difficult to transport supplies.
- Manufacturing Applications: Several companies have contacted us about using powdered alcohol in their business. A livestock supplement company wants to use it. A Swedish and a Canadian inquired about using it in their windshield wiper fluid. Because Palcohol is such a new and revolutionary product, there will probably many more uses discovered.
- Energy Applications: There has been a great interest in using powdered alcohol as a fuel source, from a lightweight alternative to powering a camping stove to an emergency fuel pouch for a vehicle. There is talk of multiple military applications from transport fuel to fuel in a soldier's backpack.

The company
Palcohol intends for
it's product to be
solid in liquor stores
and establishments.
Thus falling under
the same
accessibility and
control as liquid
alcohol.



History of Powdered Alcohol

- **1970** Japan's Sato foods began selling encapsulated alcohol as an additive for food processing.
- 1974 U.S. company General Foods Corporation filed a patent for an "alcohol-containing dextrin powder." The powder never made it to a sellable product.
- 2005 German company created Subyou. The powdered alcohol product contained 4.8% dry alcohol, the equivalent of one and a half servings of liquor. It did not succeed in Germany. There is a Subyou Mexico which has 4 flavors of alcohol in water. It is sold in 65g packets. Subyoux-Mexico.com
- 2007 Students in the Netherlands created Booz2Go as part of a school project. It used to be available in 20g packets.
- **2010** The company Pulver Spirits attempted to get approval for their powdered alcohol product but were unable to.
- 2014 The company Lipsmark created Palcohol and applied for approval with the Alcohol and Tobacco Tax and Trade Bureau and were approved. The approval was quickly rescinded citing an "error." 55% alcohol by weight. 29g per packet/serving.
- 2015 Lipsmark re-applied and have now been approved. It is not currently being sold.
 Palcohol.com

Resources

Illinois Legislation on Powdered Alcohol www.ilga.gov

National Conference of State Legislature

2015 Legislation: www.ncsl.org/15
2014 Legislation: www.ncsl.ord/14

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www.eiu.edu/ihec



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