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# Federal Shutdown Disrupts Distilled Spirits Industry as TTB Operations Stall

Delays in label and permit approvals threaten product launches, sales, and jobs across the U.S. hospitality sector

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The ongoing federal government shutdown is causing immediate concern within the U.S. distilled spirits industry, as operations at the Alcohol and Tobacco Tax and Trade Bureau (TTB) are significantly affected. The TTB is the primary federal agency

responsible for permitting, regulating, and collecting taxes on distilled spirits. Without TTB approval, distillers cannot legally operate or bring new products to market in the United States.

Every distilled spirits product must have a TTB-approved permit and label before it can be sold. Many products also require formula approval from the agency. Before any beverage alcohol product can be bottled and distributed across state lines, it must receive a Certificate of Label Approval (COLA), as mandated by the Federal Alcohol Administration Act. In 2023, the TTB processed nearly 198,000 label applications and 27,000 formula submissions for beverage alcohol products.

Distillers of all sizes depend on timely approvals from the TTB to stay competitive. Any disruption in these services directly impacts their ability to launch new products, expand into new markets, or make necessary changes to existing labels. The fall season is especially important for product launches and holiday planning in the spirits industry. Delays caused by the shutdown are expected to result in postponed product launches, missed market opportunities, lost sales, and reduced tax revenue.

The broader hospitality industry is also at risk. The distilled spirits sector generated $6.7 billion in federal excise tax revenue last year and supports more than 1.6 million jobs nationwide. Industry leaders warn that continued delays could cause lasting harm not only to distilleries but also to bars, restaurants, distributors, and retailers that rely on a steady flow of new products.

Industry representatives are urging Congress to resolve the shutdown quickly to restore full operations at the TTB. They emphasize that uninterrupted agency functions are essential for protecting American consumers, supporting businesses of all sizes, and maintaining economic stability within the hospitality sector. As the shutdown continues, distillers face growing uncertainty about when they will be able to resume normal business activities and meet consumer demand during a critical time of year.