



DEPARTMENT OF THE TREASURY
Alcohol and Tobacco Tax and
Trade Bureau

Industry Circular

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Streamlining the Certificate of Label Approval Review Process

To: Proprietors of Bonded Wineries, Bonded Wine Cellars, Taxpaid Wine Bottling Houses, Beverage Distilled Spirits Plants, Breweries, Importers, and Others Concerned.

1. Purpose.

The Alcohol and Tobacco Tax and Trade Bureau (TTB) will discontinue evaluating labels for purposes of ensuring that the labels conform to all applicable legibility and type size requirements (including characters per inch and contrasting background). This change will:

- Assist alcohol beverage industry members to move their products into the marketplace more quickly and reduce the administrative burden and cost of multiple application resubmissions; and
- Promote the most efficient use of TTB's limited resources, without reducing consumer protection, while decreasing the number of applications returned for correction, resubmission, and re-review.

2. Authority.

Section 105(e) of the Federal Alcohol Administration Act (FAA Act), 27 U.S.C. 205(e), provides for the application for and approval of certificates of label approval (COLAs) for wine, distilled spirits and malt beverages and authorizes the Secretary of the Treasury to prescribe regulations for the labeling of such products. The FAA Act requires that these regulations, among other things, prohibit consumer deception and the use of misleading statements on labels, and ensure that labels provide the consumer with adequate information as to the identity and quality of the product. TTB administers the regulations promulgated under the FAA Act which are set forth in Title 27, Code of Federal Regulations (CFR), parts 4, 5, and 7 (27 CFR parts 4, 5, and 7). The TTB regulations, among other things, provide general legibility and size of type requirements for mandatory information. See 27 CFR 4.38, 5.33, and 7.28.

In addition, the Alcoholic Beverage Labeling Act (ABLA) states that it shall be unlawful for any person to import for sale or distribution in the United States any alcohol beverage unless the container bears the specified health warning statement in a conspicuous and prominent location on the container. See 27 U.S.C. 215(a) and (b). Regulations under the ABLA are contained in 27 CFR part 16. Section 16.22 of the TTB regulations sets forth legibility and size of type requirements for the health warning statement.

3. Background.

TTB evaluates applications for COLAs to ensure that the labels contain all of the mandatory information required by the TTB regulations. During this review, TTB also determines whether the mandatory information is presented in a manner which complies with all applicable legibility and type size requirements (including characters per inch and contrasting background) specified in the regulations. See 27 CFR 4.38, 5.33, 7.28 and 16.22. TTB returns for correction or rejects those label applications that are not in compliance.

In reviewing each label to ensure that it complies with these rules, TTB has found that applications are often returned to the applicants for correction due to problems with image clarity or distortion, file compression, and resolution issues intrinsic in the submission of some electronic label image files. While the actual printed labels may conform to the TTB requirements, the inadvertent distortions that sometimes appear on the images of those labels through the transmission process cause TTB to return applications for correction, sometimes multiple times, which results in processing delays.

4. Action.

TTB will continue to review all labels to ensure they contain all of the mandatory information and do not contain any prohibited information; however we will no longer examine labels to determine whether the images included in the applications meet the type size, characters per inch, and contrasting background requirements. As a result, TTB will no longer return applications for correction due to these issues. However, TTB reserves the right to review and return applications for these reasons when it deems necessary. With this streamlined review process, the labels displayed on the Public COLA Registry may appear differently, with respect to type size, characters per inch and contrasting background, than the actual labels on the container.

The responsible industry member has always been obligated to ensure proper labeling for their products. In order to remind industry members of their continued responsibility for compliance, TTB will now include a qualification statement on all COLAs consistent with the purpose of this circular. The qualification statement will appear as follows:

TTB has not reviewed this label for type size, characters per inch or contrasting background. The responsible industry member must continue to ensure that the mandatory information on the actual labels is displayed in the correct type size, number of characters per inch, and on a contrasting background in accordance with the TTB labeling regulations, 27 CFR parts 4, 5, 7, and 16, as applicable.

5. Questions.

If you have any questions concerning this circular, please contact the Advertising, Labeling and Formulation Division at 1-866-927- 2533 or at ALFD@ttb.gov.

Signed by John Manfreda

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