

August 29, 2016

Jim Jenkins  
Vice President  
On Time Delivery, Inc.  
1800 Preble Avenue  
Pittsburgh, PA 15233  
**VIA E-MAIL**

**RE: Licensing to Store Alcohol**

Dear Mr. Jenkins:

ISSUE: This is in response to your e-mail of July 13, 2016, wherein you state that you are the vice president of On Time Delivery, Inc., which holds a Transporter-for-Hire License, Class C. You currently deliver alcohol on behalf of several wholesalers to the stores of the Pennsylvania Liquor Control Board (“PLCB”) in the Pittsburgh area. You have been asked by your customers if you are able to store small quantities of fast-moving brands at your location in order to pick/pack and deliver to fill orders on an expedited basis. You inquire if additional licensing is required, referencing bonded warehouse and bailee-for-hire licenses. You have been unable to find definitions of each and their respective requirements.

Records of the Pennsylvania Liquor Control Board (“PLCB”) indicate that On Time Delivery, Inc., holds Transporter-for-Hire Class C License No. IU-12 (LID 64429) for use by it at 1800 Preble Avenue, Pittsburgh, Pennsylvania.

OPINION: Section 1-102 of the Liquor Code defines “bonded warehouse” to include all places and warehouses legally established under the provisions of the acts of Congress and the administrative provisions of the internal revenue laws of the Government of the United States of America for the storage, concentration, distribution, and holding in bond, (a) of whiskey and any other potable distilled spirits, except ethyl alcohol, when used in Article VII entitled “Distillery Bonded Warehouse Certificates” and, (b) of alcohol or liquor when otherwise used. 47 P.S. § 1-102. “Bailee-for-hire” refers to the contractual relationship in which property is delivered and held by one party in trust for another party.

Both the bailee-for-hire license and the bonded warehouse license permit the holders to store alcohol. 47 P.S. §§ 5-501, 504(a). Once lawfully procured, products may be stored at warehouses or at storage facilities maintained by a bailee-for-hire licensee or

a bonded warehouse licensee. 47 P.S. §§ 5-501, 5-505.1. Please note that the bonded warehouse license is used for newly manufactured or imported products; the purpose of the bond is to ensure the payment of the federal excise tax. For your perusal, sections 501, 503, 504, and 505 of the Liquor Code cover the general requirements of both licenses. 47 P.S. §§ 5-501, 5-503, 5-504, 5-505. Liquor Code section 5-505.1 and sections 9.121-9.123 of the PLCB's Regulations address bonded warehouse license restrictions and storage requirements. 47 P.S. § 5-501.1; 40 Pa. Code §§ 9.121-9.123. There are no specific guidelines and requirements for the physical configuration of the warehouse.

In light of the aforementioned and in order for your company to perform the services requested by your customers, an additional license will be required to store the alcohol and to pack it as requested. The most suitable is the bailee-for-hire license. You may access the online application on the PLCB's public website at [www.lcb.state.pa.us](http://www.lcb.state.pa.us) under PLCB+ and follow the prompts to submit the application electronically.

Should you have any other questions and/or issues related to the Liquor Code or the PLCB's Regulations, please feel free to once again contact this office.

THIS OPINION APPLIES ONLY TO THE FACTUAL SITUATION DESCRIBED HEREIN AND DOES NOT INSULATE THE LICENSEE OR OTHERS FROM CONSEQUENCES OF CONDUCT OCCURRING PRIOR TO ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADDRESSED ONLY UNDER THE LIQUOR CODE AND REGULATIONS. THE LAWS AND POLICIES ON WHICH THIS OPINION IS BASED ARE SUBJECT TO CHANGE BY THE LEGISLATURE OR THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Sincerely,



RODRIGO J. DIAZ  
CHIEF COUNSEL

cc: Pennsylvania State Police, Bureau of Liquor Control Enforcement  
Jerry W. Waters, Director of Office of Regulatory Affairs  
Tisha Albert, Director, Bureau of Licensing  
Jeffrey Lawrence, Assistant Director, Bureau of Licensing