



FULFILLMENT CENTER LICENSING & REPORTING

Fulfillment centers are commonly used to warehouse, pack, and ship direct-to-consumer (DTC) beverage alcohol orders on behalf of a winery or retailer. **While the use of fulfillment centers is seemingly innocuous, they create a “blind spot” for regulators seeking to enforce DTC laws.**

This enforcement “blind spot” is created by the fact that:

- fulfillment centers generally **do not need a license**, and
- fulfillment center **shipments do not identify the underlying shipper** on a common carrier report making it **impossible to discern whether a shipment was legal** (i.e., made through a licensed winery, taxes were collected, etc.).

Fulfillment center licensure and reporting requirements provide regulators with the tools to uncover and take enforcement actions against illegal DTC shipping.



Shipping by unlicensed, unregulated fulfillment centers creates a wide range of transparency, health, and safety problems for regulators and consumers:

- lack of a clear chain of custody to facilitate a recall in the case of product adulteration,
- weaken the state’s ability to enforce alcohol laws,
- lack information about the products being shipped and the alcohol producer,
- can bypass state taxes, and
- can undercut local businesses and those following state laws.