

JENNIFER M. GRANHOLM  
GOVERNOR



STATE OF MICHIGAN  
**LIQUOR CONTROL COMMISSION**  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
DAVID C. HOLLISTER, DIRECTOR

NIDA R. SAMONA  
CHAIRPERSON

**Bulletin #3075-17 Returned and Refused Orders**

July 15, 2004

To Our Valued Customers - Our Licensees:

The Michigan Liquor Control Commission is always looking for creative ways to address problems and concerns many in this industry face. A major issue that has been raised, and is of concern, is that of returned or refused liquor orders.

The Commission wants to continue to provide weekly liquor delivery and hold down costs for this free service to you, our customers. Research has revealed that, for the year 2003, an astonishing \$13,000,000 of merchandise ordered by licensees was refused at delivery. Over 30,000 times last year licensees refused some portion or all of an order. **This was for merchandise actually ordered by the customer, not misdelivered merchandise.** So far the Commission has absorbed the tremendous costs of this returned merchandise. Truck drivers must reload refused merchandise, work around it for the rest of the day, take care to prevent breakage, and unload it back at the warehouse where someone else must put each bottle away.

The Commission is asking for your help to solve this problem. One consideration is a restocking fee for refused merchandise. **A restocking fee would be a last resort step.** This fee, if implemented, would be sufficient to cover the costs of extra shipping and handling. Your trade associations, with whom we have regular contact, have asked us to explain the situation first. You should have already received some communication from your associations regarding this issue. Again, I hope cooperation and working together is the ultimate solution.

You can help keep returns of merchandise a free service by **ordering what you know you absolutely need and can pay for** when you place your order. Many licensees tell us ordering liquor through the MLCC Internet site helps accuracy. The order can be seen and errors corrected before order placement. Telephone ordering systems also allow confirmation of each item ordered. The Commission will monitor return volume for 60 days and if returns remain high, the Commission may impose a return fee for refused merchandise or take other action to alleviate the problem.

The Michigan Liquor Control Commission hopes to see the hospitality industry continue its robust pace this summer tourist season. Thank you for your cooperation and understanding. Have a safe and prosperous summer!

Sincerely,

A handwritten signature in cursive script that reads "Nida R. Samona".

Nida R. Samona, Chairperson