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STATE OF MICHIGAN
LIQUOR CONTROL COMMISSION
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
STANLEY "SKIP" PRUSS, DIRECTOR

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Bulletin #3151-17

Date: December 16, 2009

To: Authorized Distribution Agents, Vendors, Vendor Representatives, Industry Associations

From: Michigan Liquor Control Commission

Subject: ADA Distribution System – Proposed Service Changes

The Michigan Liquor Control Commission has reviewed the three distilled spirit delivery system changes requested by the Authorized Distribution Agents (ADAs). The Commission has held several meetings at various locations in the state to gather the opinions of our retail liquor licensees. Two of these meetings were held on August 3, 2009 and October 8, 2009. The ADA's three requested changes, and the Commission's decision on them, are as follows:

1. Permit only full case purchases of the most popular selling items. The Commission has listened to the licensee's concerns and has decided not to implement this change.
2. Raise the minimum order quantity, from one full case to two full cases, to receive free weekly delivery from an ADA. The Commission has listened to the licensee's concerns and has decided not to implement this change.
3. Establish a re-stocking fee for licensees who refuse their entire delivery and/or who "shop" their order, only accepting some of the products delivered. Pursuant to the U.S. Tax and Trade Bureau (TTB) regulations, the Commission will change its product return policy effective June 1, 2010. Under the TTB regulations liquor licensees are responsible to pay for all spirit products they order. The TTB regulations also include "ordinary and usual commercial reasons" under which spirit products can be returned. These "ordinary and usual commercial reasons" can be located in Title 27, Sections 11.32 through 11.39 of the Code of Federal Regulations. The Commission will not permit liquor licensees to order additional spirits if they do not pay for their entire spirit orders.

If you have any questions please contact the Michigan Liquor Control Commission at 800.701.0513.

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