



Washington State
Liquor Control Board

3000 Pacific Ave. SE Olympia WA, 98504

February 3, 2011

No. 2011-02

To: ALL SPIRIT SUPPLIERS

From: STEVE BURNELL, MARKETING MANAGER

Subject: SPIRIT PRICE CHANGES/DISCOUNT OFFERS - SUBMISSION DEADLINES
AND QUALIFYING STANDARDS

We would like to take this opportunity to remind all spirit suppliers of our requirements for spirit price changes and discount offers. Spirit pricing may be adjusted monthly.

Price changes must be submitted on a Control States Standard Quotation and Specification Form with a minimum of 45 days notice before the effective date of the price changes. Prices are changed effective the first day of the month.

Offering a discount to the LCB through Special Purchase Allowances and/or Depletion Allowances (SPA or DA) allows us to pass this discount through to the customer as a Temporary Price Reduction (TPR). SPA's and DA's are supplier offers to reduce the case price on a specific brand code for a specific month. An SPA amount is deducted from the case cost at the time of payment to the supplier for the specific month. A DA amount is billed back to the supplier based on the bailment withdrawals for the specific month.

1. Offers must be submitted 60 days prior to the month that they are to be effective and go into effect the first day of the month. The only exception is that spirit SPA/DA's for the month of December must be received at least 90 days before the effective date.
2. This advance notice is needed so that we have adequate time to calculate retail pricing and forecast inventory requirements, giving suppliers adequate time to prepare and ship the needed inventory. It also allows for sufficient time to print and distribute our retail price books, price change notices, and individual product shelf tickets for our retail outlets.
3. If the same size product is listed in both glass and plastic, price changes and SPA/DA's must be submitted for both items at the same time.
4. SPA/DA's will be passed through to the customer a maximum of one time per Quarter for each listed item, except during the fourth quarter of the Calendar Year when SPA/DA's will be passed through up to two times. The quarters are January-March, April-June, July-September, and October-December.
5. There are minimum reductions in the retail price required for SPA/DA's:
 - a. 1.75 liter size - Minimum computed retail price reduction of \$2.00 per unit or five percent of normal retail, whichever is greater.
 - b. All other sizes - Minimum computed retail price reduction of \$1.00 per unit or five percent of normal retail, whichever is greater.



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Please contact Kelly Higbee at (360) 664-1659 or ksh@liq.wa.gov if you have any questions or desire additional information.