

NEW SECTION

**WAC 314-23-060 What are "volume discounts"?** Volume discounts are discounts that are based solely on the volume of the spirits and/or wine that is purchased by a retailer from a distributor that are allowed. However, the limitations on interactions between the levels of licenses remain, including the prohibition on undue influence and sales below cost.

NEW SECTION

**WAC 314-23-065 What are "unfair trade practices"?** (1) "Unfair trade practice" means one retailer or industry member directly or indirectly influencing the purchasing, marketing, or sales decisions of another retailer or industry member by any agreement written or unwritten or any other business practices or arrangements such as, but not limited to, the following:

(a) Any form of coercion between industry members and retailers or between retailers and industry members through acts or threats of physical or economic harm, including threat of loss of supply or threat of curtailment of purchase;

(b) A retailer on an involuntary basis purchasing less than it would have of another industry member's product;

(c) Purchases made by a retailer or industry member as a prerequisite for purchase of other items;

(d) A retailer purchasing a specific or minimum quantity or type of a product or products from an industry member;

(e) An industry member requiring a retailer to take and dispose of a certain product type or quota of the industry member's products;

(f) A retailer having a continuing obligation to purchase or otherwise promote or display an industry member's product;

(g) An industry member having a continuing obligation to sell a product to a retailer;

(h) A retailer having a commitment not to terminate its relationship with an industry member with respect to purchase of the industry member's products or an industry member having a commitment not to terminate its relationship with a retailer with respect to the sale of a particular product or products;

(i) An industry member being involved in the day-to-day operations of a retailer or a retailer being involved in the day-to-day operations of an industry member in a manner that violates the provisions of this subsection;

(j) Discriminatory pricing practices as prohibited by law or other practices that are discriminatory in that the product is not offered to all retailers in the local market at the same price.

(2) The exercise of undue influence is an unfair trade practice and is prohibited.

NEW SECTION

**WAC 314-23-070 What is "local market"?** Local market is limited to businesses in geographic recognized market areas such as town, city, county or other recognized geographic area in which distribution services are provided. For the purposes of volume discounts, sales to on-premises retailers and off-premises retailers constitute separate markets.

NEW SECTION

**WAC 314-23-075 What are "family plans" and are they allowed?**  
(1) A "family plan" is a discount plan offered to a retailer by a distributor which allows the retailer to receive a lower price for the distributor's products, but the retailer is required to purchase a specific or minimum quantity or type of a product or products from an industry member including a percentage of their spirits back-bar, well-drinks, wine by the glass or any combination of these in order to receive the discount.

(2) Family plans are prohibited under RCW 66.28.170 and federal law 27 C.F.R. 6.72.

NEW SECTION

**WAC 314-23-080 Are licensed distributors or other licensed suppliers of spirits and wine allowed to provide volume discounts to on-premises or off-premises retail licensees?** (1) Yes, distributors or other licensed suppliers are allowed to provide volume discounts to licensed on-premises and off-premises retailers. The discounts must be based solely on the volume of the spirits and/or wine that is purchased by a retailer from a distributor. However, the limitations on interactions between the levels of licenses remain, including the prohibition on undue influence and sales below cost of acquisition.

(2) Volume discounts that provide different volume pricing between on-premises licensed retailers and off-premises licensed retailers is allowed as long as there are no sales below cost. This business practice is referred to as "channeling."

NEW SECTION

**WAC 314-23-085 What type of discounts are not allowed?** The following types of discounts are not allowed. Please note that this list is representative and not inclusive of all practices that are not allowed:

- (1) Volume discounts that violate local, state, or federal laws.

(2) **Discounts on purchases beyond the day of purchase period.** Prices must be based on the spirits or wine delivered in a single shipment or single invoice.

(3) **Discounts on a combined order that is delivered to multiple licensed sites.** Volume discounts may only be provided based on combined orders by one or more licensees to the "central warehouse" or a single location to which the order is delivered. The delivery of product to multiple sites cannot be used in determining the volume discount for a combined order.