

B.C. Cannabis Regulation Engagement: Stakeholder Submissions

PART 1 of 3

Stakeholders were invited to send a formal submission by November 1, 2017 at 4 p.m. All written submissions from organizations that were received by the deadline are listed and included in full below.

List of Stakeholder Submissions – Part 1

A. G. Kemp & Associates Inc.
Abbotsford School District
Alliance of Beverage Licensees (ABLE BC)
Alternative Aromatic Apothecary
Amercanex International Exchange
Archdiocese of Vancouver
Arthritis Society and Canadians for Fair Access to Medical Marijuana
Aura Cannabis
Aurora Cannabis
Baked Edibles Inc.
BC Alliance for Healthy Living
BC Coalition of Nursing Associations
BC Compassion Club Society
BC Government and Service Employees' Union (BCGEU)
BC Independent Cannabis Association
BC Pharmacy Association
BC Real Estate Association
BC Trucking Association
British Columbia Association of Municipal Chiefs of Police
British Columbia Automobile Association (BCAA)
British Columbia School Trustees Association (BCSTA)
Buddha Barn
Canadian Alliance for Responsible Cannabis Production
Canadian Association for Pharmacy Distribution Management
Canadian Association of Medical Cannabis Dispensaries (CAMCD)
Canadian Cancer Society
Canadian Cannabis Co-op
Canadian Drug Policy Coalition
Canadian Federation of Independent Business
Canadian Home Builders' Association of BC (CHBA BC)
Canadian Life and Health Insurance Association
Canadian Media Awareness Project
Canadian Mental Health Association British Columbia (CMHA BC)
Cannabis Canada Association
Cannabis Commerce Association of Canada
Cannabis Compliance Inc.
Cannabis Growers of Canada (CGC)
Cannabis Trade Alliance of Canada
Canopy Growth Corporation

Central Saanich Police Board

Centre for Addictions Research of BC

Child Health BC

City of Abbotsford

City of Chilliwack

City of Dawson Creek

City of Delta

City of Fernie

City of Fort St. John

City of Grand Forks

A. G. KEMP & ASSOCIATES INC.

Serving and Assisting Rental Housing Providers since 1997

October 27, 2017

The Joint Provincial-Local Government Committee on Cannabis Regulation
cannabis.secretariat@gov.bc.ca

Dear Sirs/Mesdames:

PLEASE! Not in my rental property!

It is anticipated that the federal legislation allowing recreational growing, possession, and smoking of marijuana will make no distinction between owned and rented homes. This is the case with the current medical marijuana regulations and has been problematic for rental housing providers.

History – and the current scene – tells us that there will be thousands, if not tens of thousands of British Columbians who will begin or continue to smoke marijuana once the law permits recreational use. It follows that more people will choose to grow their own plants. While the federal legislation may limit the number of plants individuals can grow in their homes, policing that limitation will be virtually impossible.

For 16 years, I was the CEO of the Rental Owners and Managers Society of BC, a 2400 member not for profit business association serving, educating, and representing residential landlords with the same mandate. Since 2013, I have operated my own consulting company, with the same mandate. I was involved in the development of the current Residential Tenancy Act, and am have been a member of the Residential Tenancy Branch Stakeholders Group and the Executive Director's Strategic Committee since their inception.

Not only must a distinction be made between owned and rented properties, but also, legislators must understand the impacts of growing marijuana plants indoors.

People can choose to do anything within their owned homes; should damage result, no one is affected except the home owner. The same is not true in rented properties, whether basement suites, single homes, or multi-unit complexes and apartment buildings. Any damage caused affects the owner of the home, not the resident, and potentially neighbouring households. While this fact is self-evident, the actual impact of growing marijuana plants indoors is not.

With this major societal and cultural change must come assurances to the owners of rental properties that legislation will provide some protection to them and their ability to deal with situations involving the growing of marijuana and its impact on their property and potentially the homes of neighbours. Failure to provide this assurance will undoubtedly result in many small landlords – the majority of rental housing providers – removing their properties from the rental market for fear of the damages, etc. that can result from indoor marijuana cultivation. British Columbia critically needs more residential rental properties, not less.

The remainder of this submission details the deleterious impacts of growing marijuana.

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Safety hazards

The Federal Task Force on the legalization of marijuana¹ recommended that up to four plants of up to one metre in height be allowed in **all** dwellings, which implicitly includes rented dwellings and dwellings in multi-unit buildings. From the perspective of rental housing providers, that recommendation is problematic to say the least!

The ideal growing conditions for marijuana require high heat and high humidity,² both of which can damage buildings and create an unhealthy living environment, especially for children and people with various disabilities.

The optimal growing temperature is at or above 20 to 25^o C, which is higher than most residences are kept, except during the summer in some areas. A higher temperature accommodates more moisture in the air. The optimal humidity for growing marijuana plants is 40% to 70%, whereas the humidity which is healthy for buildings and for people is 35% in the winter and 50% in the summer. Besides growers' elevating humidity to maximize output, marijuana plants themselves produce much more moisture than other house plants as per the evidence accepted by the Federal Court in *Allard v. Canada*.³ In that case, Hon. Mr. Justice Manson, quoting Cpl. Shane Holmquist of the RCMP wrote:

With regard to health and safety, Cpl. Holmquist has witnessed the presence of mold and other chemical contaminations at marihuana grow operations. Further, he notes that a residence which includes a marihuana grow operation has a 24 times greater risk of a fire than one without, given the extensive lighting systems needed to grow marihuana indoors, the use of carbon dioxide generators, and the extraction process involved in producing marihuana oil. Because of the concealed and controlled nature of many grow operations, it makes it difficult for individuals to escape in the event of fire, or for emergency workers to adequately and safely respond in the event of an emergency. He also notes that injuries can occur to marihuana growers from touching lighting systems and slipping on excess water.

Higher humidity leads to mould and condensation which can damage window frames and walls, and create health hazards for people.⁴

Indoor marijuana plants need ample light to facilitate growth. That light is best supplied by high-pressure sodium (HPS) lights. For ideal yields, a grower may use a 600W or above HPS light, which uses a significant amount of power. Using such high wattage lamps in relatively small spaces is a fire hazard.

Marijuana plants require CO₂ to grow. In indoor operations, it is sometimes necessary to supplement CO₂ supply, as atmospheric CO₂ can be used up quickly without free flow of outside air. This can create unbreathable air.

A substantial amount of marijuana can be harvested from a single plant of less than one metre in height. Modern best practices use the "screen of green" technique (SCROG) in which a grower directs heads on the plants laterally, resulting in the plant growing more marijuana, more efficiently, while the plant's height remains below one metre. Under the care of a knowledgeable grower, a single plant can yield up to a pound or more (up to 500g) of dried marijuana. Depending on whether a grower starts with a clone or a seed, it takes two to three months for a plant to be ready for harvest. The Federal Task Force's¹ recommendation is to allow households to have four plants under 1 metre in height at any given time. That would allow an expert grower to grow 16 to 24 pounds of marijuana per year, which is vastly more than any household would need for personal consumption.

A good airflow system is key to regulating temperature and humidity, as well as CO₂. There are two components: moving air around the grow area, and exchanging air from the outside. Ideal systems will control temperature, humidity and odour. It is recommended that a marijuana grower purchase an after-market ventilation system.² Like the heating lamps, such a ventilation system could easily place an unacceptable power draw on the building wiring, raising the risk of electrical fire.

A common technique for drying marijuana quickly is to dry it in a kitchen oven for an extended period of time. That would also add to extra power draw and add to the risk of fire.

Should a fire occur in an apartment or unit in a town house complex, given the close proximity of other households, it is highly likely that they also will be damaged or even destroyed.

Interference with other residents

Marijuana plants give off a pungent, skunky odour which can be very intense, particularly during the flowering and drying stages. While this odour is tolerable by some, many others will be offended by the odour, especially those with sensitivities. Such odours should not have to be endured by those who have no interest in growing or smoking – or smelling – marijuana.

Under section 32 of BC's *Residential Tenancy Act*, ("the Act")⁵ the owners and managers of residential rental properties are responsible to ensure residents have "quiet enjoyment" of their homes and are free from unreasonable disturbance. Allowing residents to grow marijuana in their homes places an additional burden on owners and managers who are prohibited from entering the rental units of suspected marijuana growers, without providing at least 24 hours advance written notice of the intent to enter the rental unit. Such entry is usually necessary to confirm that they are in fact growing marijuana, in order to take action under the Act.

As Cpl. Holmquist was further quoted by Justice Manson in *Allard v. Canada* (supra):

Cpl. Holmquist pointed to an RCMP Criminal Intelligence Brief entitled "Marihuana Grow Operations and Related Violence in Canada," dated April 2012, which states that "grow-rips," or theft of medical marihuana, is becoming increasingly common. These grow-rips often are violent and involve the use of weapons. To prevent grow-rips, growers may arm themselves, thereby increasing the risk of injury to bystanders.

A "grow operation" for commercial purposes will inevitably attract undesirables to the building and neighbourhood, interfering with the safety and quiet enjoyment of residents and neighbours.

Potential liability to rental housing providers and renters

There are liability issues of which I am aware through my clients' dealings with municipalities, mortgage brokers, banks, and insurance companies.

Marijuana growing on any scale is often done with significant amounts of fertilizer and pesticides. Generally, the soil in which the plants are grown is not suitable for a second plant. It must be disposed of, and that is most likely to happen in the vicinity of the home, i.e. elsewhere on the owner's property, or someone else's property. The presence of pesticides in particular is an environmental hazard, to say nothing of the unsightliness and undesirability of mounds of "used" soil.

The insurance industry looks askance on the growing of marijuana inside a residence. Many companies' policies void coverage for any incident involving the growing of marijuana; this fact may not be realized by the rental property owner, and/or the renter. Unfortunately, many renters choose not to carry tenants' insurance covering their possessions and liability. Consequently, if damage is done to the property, subrogation by the property owner's insurance company is not possible. More critical is that the property owner's insurance policy may also void a claim related to the production of marijuana, even though the property owner had no way of knowing of the grow operation prior to the fire or other damage.

Further, insurance companies tend to cancel policies when they learn any marijuana has been grown. That leaves a property owner and/or renter with no liability insurance, putting both at risk.

Mortgages cannot be renewed without insurance, and some banks and mortgage brokers tend to demand full payment if they learn any quantity of marijuana has been grown in the home. That is a costly problem, which can result in a devastating financial situation for an innocent rental property owner.

Many municipalities have enacted bylaws requiring property owners, i.e. manufactured home community owners, to pay fines and/or undergo extensive remediation at considerable cost, if a marijuana grow operation (legal or illegal) is discovered on or in a rental property. One example is the City of Langford, which will charge the owner of a home where the growing of marijuana is discovered \$1500 an hour for the deployment of a fire truck!

Enforcement

As noted above, section 32 of the *Act*,⁴ prohibits a rental property owner or manager from entering the home of a resident without at least 24 hours written notice. Thus, it is difficult to impossible for the owner to prove that marijuana is being grown in the home.

Further, even if the federal legislation limits production in a home to X plants, law enforcement authorities cannot enter a home without probable cause, which also would be also be difficult to impossible to establish, given the above entry restriction. Also, many police departments or detachments decline to respond to complaints in multi-unit buildings, surmising (incorrectly) that the property owner can deal with the problem through the Residential Tenancy Branch dispute resolution process.

Finally, police departments today have insufficient resources to deal with “small” grow operations, thus, will not respond to a rental housing provider, not only without reasonable cause being established, but also without it being established that the grow operation is of sufficient magnitude to justify assigning resources.

Summary of Concerns

Marijuana growing on residential rental property and/or in rental units raises the following serious concerns:

Safety hazards due to:

- excess electricity usage, on wiring not designed for the power draws
- increased humidity, bringing the risk of mould
- unbreathable air due to CO₂ being used up

Interference with other residents

- the skunky smell
- the safety concerns
- the likelihood of criminal activity and attraction of undesirable strangers to the building and neighbourhood
- Potential for fire in the subject rental unit, damaging adjacent homes

Potential liability of MHC owners and residents

- Incidents caused by marijuana growing likely not covered by property or liability insurance, including that of the residential property owner
- The risk of residents' mortgages being called
- The risk of property owners' insurance being cancelled because a resident grew marijuana
- Property owners can be fined and/or held financially responsible for the consequences and/or remediation of property damaged by residents growing marijuana

Enforcement

- Residential property owners and managers are restricted from entering residents' homes
- Difficulty of gathering sufficient evidence to attract police and/or uphold a notice to end tenancy.
- Lack of police resources to respond to "small" grow operations

Conclusion and Recommendation

It is worth restating that for all the above reasons, there is a probability that the owners of one or a few residential rental properties will withdraw them from the market, unwilling to face these additional risks to being a landlord.

For all the reasons noted, we submit that it is not practical to permit marijuana growing in manufactured home communities. Enforcement of the limits on growing would be nearly impossible, both for landlords and for the police, as the Canadian Association of Chiefs of Police has said.

Consequently, we recommend that a provision be added to the *Residential Tenancy Act* prohibiting the planting, cultivation, and/or production of marijuana within a Rental Unit as defined in the *Act*.

I would be pleased to meet with you or any of your officials to discuss this critical need further.

Sincerely,



Al Kemp
Executive Director

Cc: Hon. Selina Robinson, Minister of Municipal Affairs and Housing
Hon. Mike Farnworth, Minister of Public Safety and Solicitor General
Hon. David Eby, Attorney General
Greg Steves, Assistant Deputy Minister, Office of Housing and Construction Standards
Kathy Elder, Executive Director, Residential Tenancy Branch

¹ *A framework for the Legalization and Regulation of Cannabis in Canada*. The Final Report of the Task Force on Cannabis Legalization and Regulation, November 30, 2016

² <http://www.ilovegrowingmarijuana.com>, in particular the section [/create-best-climate-marijuana-grow-room/](#).

³ [Allard v. Canada](#) - 2014 FC 280 - 2014-03-21, paragraphs 47 – 48

⁴ Federal Provincial Advisory Committee on Environmental and Occupational Health.

⁵ *Residential Tenancy Act*. [SBC 2002] Chapter 77

Councillors

Les Barkman
Sandy Blue
Kelly Chahal
Brenda Falk



CITY OF ABBOTSFORD

Mayor, Henry Braun

Councillors

Moe Gill
Dave Loewen
Patricia Ross
Ross Siemens

October 31, 2017

File: 0400-30/0530-03

Via Post and Email: cannabis.secretariat@gov.bc.ca

Honourable Mike Farnworth
Minister of Public Safety and Solicitor General
PO Box 9285 Stn Prov Gvt
Victoria BC V8W 9J7

Attention: Cannabis Legalization and Regulation Secretariat

Dear Minister Farnworth:

Re: Local Government Impacts – Proposed Cannabis Act

The City of Abbotsford recognizes that the pending enactment of Bills C-45 and C-46 presents complex policy challenges for the Province and by extension, for municipalities. For local governments, the changes being proposed have potentially significant implications for zoning bylaws, building inspections, health and safety regulations, business licensing, public nuisances, and workload for local inspection and enforcement personnel.

We appreciate the opportunity to participate in the Provinces engagement process as outlined in your September 21, 2017 letter and accompanying *Cannabis Legalization and Regulation in British Columbia Discussion Paper*.

The City of Abbotsford strongly urges the Province of BC to advocate with the Government of Canada and consider the following actions to support municipalities in BC:

1. That the Government of Canada create a strong Regulatory framework be introduced with the new Act in order to:
 - ensure that organized crime cannot benefit from the legalization; and
 - youth/minors do not gain access.
2. To include with the Act an approval and licensing regime that includes considerations of how retail regime will operate at the local level to avoid cross-jurisdictional confusion;
3. That local governments retain the ability to zone and regulate business operations within their community;

4. That the *Act* introduce regulations that address impaired driving, including:
 - Legislation to clarify impairment levels;
 - Approved instrument to measure levels;
 - Process for considering cross contamination of alcohol & drugs; and
 - Sustainable funding for training for police in enforcement and management.
5. That consideration for workplace ramifications and workplace safety measures be considered within Regulations; and,
6. That a wide reaching fully funded public education campaign be introduced with the new regime.

The attached Briefing Note provides additional information and background information on the areas of concern from the City of Abbotsford for your consideration. Please feel free to contact me directly should you wish to discuss any of the information provided in the attached document.

Thank you again for the opportunity to provide input into this process.

Yours truly,



Henry Braun
Mayor

Attachment

- c. Council members
George Murray, City Manager
Chief Constable Bob Rich, Abbotsford Police Department
Michael de Jong, MLA, Abbotsford West
Simon Gibson, MLA, Abbotsford Mission

October 12, 2017



**CITY OF ABBOTSFORD
BRIEFING NOTE
Bill C-45 and C-46**

Prepared for the Honourable Mike Farnworth, Minister of Public Safety and Solicitor General for INPUT

Re: Local Government Impacts – Proposed Cannabis Act

BACKGROUND

On April 13, 2017 the Government of Canada introduced two Bills in relation to the legalization of cannabis; Bill C-45 (the *Cannabis Act*) and Bill C-46 (amending the *Criminal Code* impaired driving provisions). The Bills are currently making their way through the federal parliamentary process with the goal of bringing Bill C-45 into force in July 2018, making non-medical cannabis legal in Canada as of that date. The federal government also plans to bring into force the amendments proposed in Bill C-46 that will to simplify and strengthen its approach to alcohol and drug impaired driving under the *Criminal Code*, at the same time.

Under the new legislative regime, the federal government will hold the authority for licensing marijuana producers, while the provinces and territories will regulate the distribution and sale of non-medical cannabis within their respective jurisdictions, subject to minimum federal conditions. Included with this latitude, provinces and territories will have the authority to:

- establish distribution and retail systems;
- increase the minimum legal age established by the Government of Canada for purchase and possession of non-medical cannabis;
- regulate public consumption and possession limits;
- establish additional restrictions on personal cultivation, and;
- address cannabis impaired driving in provincial road safety laws.

On September 21, 2017, the Province of British Columbia sent a letter to municipal governments and regional districts outlining these provincial areas of responsibility and seeking feedback as part of their consultation process. Further, the Province's *Cannabis Legalization and Regulation Secretariat* held a workshop at the 2017 Union of BC Municipalities (UBCM) Convention in September. Provincial consultation with UBCM is anticipated to be ongoing until the provincial regulatory framework is developed.

For local governments, the changes being proposed have potentially significant implications for zoning bylaws, building inspections, health and safety regulations, business licensing, public nuisances, and workload for local inspection and enforcement personnel.

DISCUSSION

Distribution and Retail Systems (pages 7 & 8 of Province of BC Discussion Paper)

If retail cannabis establishments are authorized under a provincial framework similar to the existing dispensaries which have sprung up in advance of legalization, they will be subject to zoning and business licensing bylaws. There may also be delegated authority for local governments to establish special categories of licenses with specific criteria, similar to systems which have been piloted in jurisdictions such as Vancouver and Victoria. The extent to which the conditions of such local licensing may be provided for or circumscribed at the provincial level will depend on the content of the provincial establishing legislation enacted under the *Cannabis Act*.

Age Limits (page 3 of Province of BC Discussion Paper)

Bill C-45 establishes a minimum age of 18 years to buy, grow, and publicly possess up to 30 grams of non-medical cannabis. Provinces and territories can choose to establish a higher minimum age in their jurisdictions.

Public consumption and possession (pages 3 & 4 of Province of BC Discussion Paper)

Bill C-45 establishes a 30 gram limit on public possession of dried cannabis. Practically, this means that this is the maximum amount that an adult could buy and take home at any one time (for context, one joint typically contains between .33g to 1g of cannabis). The legislation also sets possession limits for other forms of cannabis (e.g. oils, solids containing cannabis, seeds) and the federal government intends to add other types of cannabis products (e.g. edibles) by regulation at a later date.

BC can restrict where non-medical cannabis can be consumed, and can place different restrictions on different types of consumption (e.g. smoked, eaten). If BC does not legislate restrictions on public consumption by the time Bill C-45 comes into force, it will be legal to smoke, vape, and otherwise consume cannabis in public, including in places where tobacco smoking and vaping are forbidden.

The City of Abbotsford can amend its Smoking Bylaw to address how persons can smoke or vape cannabis in public places in Abbotsford. However, public consumption of non-inhaled forms of cannabis would be very difficult to detect and enforce. While BC could legislate restrictions on public consumption of these forms of cannabis, it may be more practical to rely on public intoxication and disorderly conduct laws to manage intoxication issues related to public consumption.

Further, safety regulations related to the consumption of cannabis in the workplace would need to be established and regulated at the Provincial level (WCB).

Personal cultivation/compliance and enforcement regimes (page 6 of Province of BC Discussion Paper)

Of specific interest for municipal governments under this area of the new framework is the permitted personal production at residences. The ability to grow 4 plants at home will undoubtedly be subject to applicable building and health and safety regulations. Traditionally, the production of cannabis in personal dwellings has been associated with unauthorized modifications to systems such as ventilation, electricity, and water, creating safety hazards and health risks such as mold, pesticide exposure, and fire.

The current Medical Marijuana Production Regulations (MMPR) require applicants for a commercial license to notify the local government, fire and police officials of the location of their facilities, and to comply with all federal, provincial and local government laws and bylaws, including zoning bylaws. Municipal governments have the ability to zone areas where marijuana for medical purposes may be produced and to enforce local laws.

Section 38 of the existing MMPR requires applicants to provide a written notice to a senior official of the local government, police, and fire service, informing these officials of the applicant's intention to apply to become a licensed producer of marijuana for medical purposes and to identify the location of the proposed production site. Applicants are required to provide a copy of this written notice to Health Canada as part of the application to become a licensed producer. The intent of the notification process is to provide local government, police and fire officials with the opportunity to engage with the applicants on local government requirements that apply to the proposed production site. Health Canada is currently responsible for ensuring compliance with the MMPR including ensuring licensed producers are not conducting any activity authorized under the MMPR in a dwelling place. Yet the federal government does not have jurisdiction over land use patterns, local zoning laws or the issuing of building and construction permits or business licenses in municipalities across Canada.

This has created an ambiguous environment and a huge burden on local governments in ensuring local zoning laws and land use requirements are followed. Concerns of local governments related to production facilities have to be dealt with between the local government and the licensed producer with no support from the federal government.

Further, Health Canada inspectors have been unable to provide effective oversight of home grow operations due to the rapidly increasing number and the inability of inspectors to enter a private residence without either permission from the occupant or a warrant.

The new proposed *Act* also provides for federally established inspection powers, including information requests and search and seizure provisions for properties or vehicles being used for activities which may be regulated under the *Act*. The Minister may designate any individuals or class of individuals as inspectors. Depending on the extent to which local governments are expected or authorized to participate in regulatory offence prosecutions under the new *Cannabis Act*, consideration may be given to advocating for bylaw officers to have access to these powers.

Due in part to the public's already perceived liberalization of drug laws, there has been a considerable increase in marijuana grow-operations. This has resulted in increased strain on police resources, as well as a corresponding need for government to address health, safety and community concerns. With enactment of the new legislation, it will be necessary for government to obtain public support in order to maintain public confidence through effective legislative changes that policing can confidently implement.

BC is also different from many other Canadian provinces in its regulatory landscape for farmland due to its ALR. Adding to the unclear landscape, the Provincial Government of BC has decided that medical marijuana is a farm use and should not be prohibited by local governments in the Agricultural Land Reserve (ALR). The Province has developed a Bylaw Standard for MMPR use on Agricultural Land that

requires local governments to permit MMPR operations on agricultural lands. It is unclear how this will be impacted under the new regime.

The City of Abbotsford has recorded 18 fires that were Marijuana Grow Operations in an agricultural/farm settings since MMPR Regulations were enacted. The total number of Grow Operation fires that have been formally investigated (including residential settings) is 27.

Amendments to road safety laws (pages 5 of Province of BC Discussion Paper)

Finally, to address the issue of impaired driving, a blood-testing mechanism to determine impairment from THC has been proposed. Current scientific evidence indicates that blood THC content may not be a reliable metric; if these provisions are enacted in their current form, significant *Charter of Rights and Freedoms* challenges can be expected to follow in short order, which may result in the suspension of their effect. This may leave the recreational cannabis framework in place with no viable ability to police impaired driving, which represents a significant safety concern.

REQUEST

The City of Abbotsford strongly urges the Province of BC to advocate with the Government of Canada and consider the following actions to support municipalities in BC:

1. To consider a strong Regulatory framework be introduced with the new *Act* in order to:
 - ensure that organized crime cannot benefit from the legalization; and
 - youth/minors do not gain access.
2. To include with the *Act* an approval and licensing regime that includes considerations of how retail regime will operate at the local level to avoid cross-jurisdictional confusion;
3. That local governments retain the ability to zone and regulate business operations within their community;
4. That the *Act* introduce regulations that address impaired driving, including:
 - Legislation to clarify impairment levels;
 - Approved instrument to measure levels;
 - Process for considering cross contamination of alcohol & drugs; and
 - Sustainable funding for training for police in enforcement and management.
5. That consideration for workplace ramifications and workplace safety measures be considered within Regulations; and,
6. That a wide reaching fully funded public education campaign be introduced with the new regime.

October 24, 2017

To the Cannabis Legalization and Regulation Secretariat:

RE: The Legalization of Non-Medical Cannabis, and its Potential Impact on the Abbotsford School District

As the provincial government looks to develop a regulatory framework for the legalization of non-medical cannabis, several aspects will potentially impact the students in our school district. It is important that we give due consideration to these areas and understand the long lasting impacts they may have on our youth and families.

With the introduction of Bill C-45 and amendments to Bill C-46 by the federal government, the provincial government will have an opportunity to set regulations that would govern compliance and enforcement regimes, including age limits, restrictions in possession, public consumption and road safety laws. In providing feedback on the legalization and regulation of non-medical cannabis use, feedback was sought from our staff and community partners who were given an opportunity to identify potential issues and challenges and to suggest considerations for the provincial government in the development of a regulatory framework.

Continuing to ensure our schools are safe learning environments needs to be of the utmost importance. To this end, the regulatory framework needs to support existing school policies, which are clear and consistent around the prohibited use of drugs and alcohol in and around schools. We would strongly support the legal age for use of non-medical cannabis be set at 19 years of age or older. This would ensure congruency between our existing school policies and the regulatory framework, which would support our efforts to keep non-medical cannabis use out of school facilities and events.

Other factors to consider to ensure safe learning environments in our schools include:

- Some students may have increased access to non-medical cannabis due to their family situations, and use in their homes.
- There may be shifting attitudes towards cannabis use by students, who think because it is legal, it is safe to use.
- Some students may self-medicate with non-medical cannabis and not reach out for the medical assistance they need. This will have an impact on the overall physical and emotional health of students.

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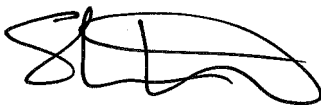
Planning around prevention education and intervention should be a major consideration as we move to a regulatory framework for the legalization of non-medical cannabis. Students may have more exposure and access to cannabis, and our collective abilities to respond and communicate the dangers around cannabis use to students is paramount. The compelling research about the potential negative impacts of cannabis use in youth under the age of twenty-five suggests that a detailed action plan for educating students is warranted.

Other factors to consider to ensure effective prevention education and interventions are in place:

- Strong partnerships with law enforcement on prevention and educating youth about non-medical cannabis use.
- Messaging about the dangers of non-medical cannabis use, including driving under its influence.
- Increased levels of service and support for families and youth who are adversely affected by non-medical cannabis use.

The potential for impact on our youth is considerable as we move towards the legalization and regulation of non-medical cannabis. We appreciate the opportunity to provide the provincial government with our assessment impact this decision may have on the students in our schools. We hope you will consider the points we have brought forward around student safety, and will allocate the necessary resources required to strengthen our existing prevention and intervention programs for youth and families.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shirley Wilson', with a stylized, cursive script.

Ms. Shirley Wilson, Chair
Abbotsford Board of Education

cc: Abbotsford Board of Education
All Boards of Education c/o BCSTA
The Honourable John Horgan, Premier of British Columbia
The Honourable Rob Fleming, Minister of Education
Mr. Henry Braun, Mayor of Abbotsford
Mr. Michael de Jong, M.L.A.
Mr. Simon Gibson, M.L.A.
Mr. Darryl Plecas, M.L.A.
Mr. Ed Fast, M.P.
Mr. Jati Sidhu, M.P.

Responsible Retailing of Recreational Cannabis

Recommendations to British Columbia's Cannabis Regulation Engagement Secretariat



ALLIANCE OF BEVERAGE LICENSEES
FOR A RESPONSIBLE LIQUOR INDUSTRY

Introduction

On behalf of British Columbia's Alliance of Beverage Licensees (ABLE BC), thank you for accepting our submission to the BC Cannabis Regulation Engagement process.

ABLE BC is the united voice of BC's private liquor industry, representing private liquor stores, neighbourhood pubs, nightclubs, and hotel liquor licensees. Our 1,000 members operate in every region of the province, directly employ nearly 100,000 British Columbians, and contribute over a billion dollars to BC's economy every year.

Throughout our organization's history, ABLE BC has been proud to work collaboratively with our provincial and municipal government partners to promote fair, transparent regulations and policies that encourage business investment amid a highly-regulated industry. We believe our decades of experience retailing a controlled substance safely, our proven track record of enforcing age-controlled environments, and our demonstrated history of complying with a rigorous enforcement and inspection regime make us uniquely suited to retail adult-use recreational cannabis in BC. We further believe that BC's existing liquor control and distribution systems are the most efficient and cost-effective way for BC to meet the federal government's July 2018 deadline.

In summary, we believe BC's liquor industry is ideally suited to meet several government objectives, including:

- Ensuring that legal, adult-use recreational cannabis is retailed safely in professional, reliable, age-controlled retail locations throughout BC;
- Ensuring that consumers have access to professionally trained staff who can help educate about responsible consumption, health implications, and potential side effects of cannabis and cannabis-infused products;
- Ensuring that we keep cannabis out of the hand of minors, and;
- Ensuring that we reduce the cannabis black market and disrupt organized crime.

Our commitment to safe, responsible consumption

British Columbia's mixed public-private liquor retail model is unique. With nearly 200 government-run "BC Liquor Stores" and 670 private-run liquor stores, BC is the only province in Canada to operate competing full-service government and private retail liquor stores. While our stores may compete for customers, we are united in our commitment to the principles of responsible beverage service.

Every single liquor store in BC takes their obligations as retailers of controlled substances extremely seriously and works diligently to comply with a rigorous set of provincially-mandated rules around licensing, minimum pricing, storage and handling, age verification, tax remittance, packaging, etc. We also comply with stringent municipal bylaws and policies regarding distances from schools or public parks, hour of operation, and zoning.

As you may know, every single person selling alcohol in British Columbia is required to be certified with Serving It Right—an industry-created responsible beverage service program administered by go2Hr. The course not only educates licensees, managers, and servers about their legal responsibilities when serving alcohol, it also teaches effective techniques to educate customers about alcohol consumption and problems related to intoxication.

Because of the vital importance of ensuring safe and responsible cannabis consumption, ABLE BC recently participated in a curriculum development process with Kwantlen Polytechnic University to develop guidelines for training future Cannabis Retail Consultants. Our goal is to help develop a training program that produces highly professional employees who can educate consumers about cannabis and cannabis-infused products and safe, responsible consumption of those products. Although we are prepared to enforce voluntary compliance in such a program among our members, we strongly recommend that government mandates that all retailers of recreational cannabis be certified.

Additionally, liquor stores already have proper safeguards in place to educate consumers about responsible consumption of controlled substances. It is common practice for liquor stores to run regular education campaigns and to provide in-store information on responsible consumption. Most recently, in partnership with BC's Liquor Control and Licensing Branch (the liquor industry's regulator), ABLE BC helped create mandatory public education material encouraging moderation and responsible consumption. These signs are displayed proudly in every single liquor store or other licensed establishment in BC.

Our commitment to protecting minors

Of all the regulatory requirements that liquor stores must comply with, none is taken more seriously than the duty to prevent minors from gaining access to alcohol. Accordingly, BC's liquor stores have invested heavily in systems and staff training programs to ensure that we are checking and verifying customer identification. Standard practice at all liquor stores is to ask for not one, but two, pieces of ID to ensure that every customer purchasing alcohol is of legal drinking age.

Our commitment to keeping alcohol out of the hand of minors is taken so seriously that the LCLB created a special inspection program focused exclusively on minors (Minors as Agents program). According to the LCLB's published statistics, the current compliance rate of private and public stores is 93 per cent. Health advocates have since noted that youth in BC have a harder time accessing alcohol than tobacco.

Given our collective desire to keep recreational cannabis away from minors, ABLE BC believes the government should set a legal minimum age of consumption of 19 years old. This is consistent with the long-standing age restrictions for alcohol, and in our opinion will help undermine demand in the black market.

Eliminating the black market and disrupting organized crime

One of the most important considerations of legalizing recreational cannabis is to gradually eliminate the illegal and “grey” markets that exist today. As we share government’s concerns on this matter, we are deeply concerned about the role organized criminal groups play in the current cannabis trade.

During a recent panel discussion on recreational cannabis at the annual BC Liquor Conference (October 23, 2017 in Vancouver), Curtis Robinson—a retired police officer and Chair of Vancouver’s Bar Watch program—offered a detailed summary of the persistent links between existing illegal dispensaries and organized crime. In brief, Mr. Robinson offered insights—based on his 35-year career in policing, including running numerous under-cover operations in Vancouver—that many if not most of the existing marijuana dispensaries throughout BC are deeply connected to organized crime groups such as the Hells Angels. Mr. Robinson concluded that, in his expert opinion, many existing unlicensed cannabis dispensaries are not only financing organized crime but they also represent a threat to public safety.

(For more details on this matter, please consult Mr. Robinson’s submission to this process, or the submission of the BC Association of Municipal Chiefs of Police.)

As responsible small business owners with proven track records of complying with BC’s liquor and tax laws and regulations, it is deeply troubling to contemplate that illegal businesses connected to organised crime, who are not paying appropriate business or payroll taxes, would be allowed to continue operating in the regulated professional industry we wish to help create.

We believe the most efficient solution to this problem is to use the existing licensing requirements of the liquor industry as a template for any cannabis licensing system. For example, every applicant for a liquor license must submit a detailed criminal background check and must declare any interests they maintain with liquor manufacturers.

Alcohol and cannabis

We would be remiss if we did not address concerns about the about co-consumption of alcohol and cannabis. As many health advocates have indicated, there is a legitimate need to educate consumers about the potential consequence of consuming controlled substances such as alcohol, cannabis, or tobacco.

Our research indicates that much of these concerns about increased consumption due to co-location or cannabis and alcohol are unfounded. According to the globally-respected Centre for Addiction and Mental Health located in Toronto, “there is no evidence as to whether selling cannabis and alcohol alongside one another encourage or facilitate co-use.”

Further, we believe that the best way to educate consumers about the potential side effects of consuming cannabis and alcohol simultaneously is by giving consumers access to trained and

certified staff in a regulated, professional retail environment. One of the most effective ways to educate consumers about potential risks is at the point of sale. BC's liquor stores are also uniquely suited to assist government in creating appropriate regulatory restrictions that ensure the health and safety of consumers. For example, it may be prudent to commence with a "store-within-a-store" model that creates an additional controlled point of access for consumers.

Conclusion

BC's existing liquor stores have a proven track record of delivering controlled substances to British Columbians safely, thanks in large part to a highly-regulated licensing and distribution system, professionally trained staff, responsible marketing communications, and sincere connections to the communities where our businesses operate in. British Columbia is our home too, and we want to make sure our children are protected, and that all controlled substances—whether alcohol or cannabis—are distributed safely.

The legalization of adult-use recreational cannabis is one of the most important and significant public policy decisions since the legalization of alcohol nearly 100 years ago. Now as then, there are necessary public debates happening surrounding the appropriate retail framework, public consumption, risks of intoxication, taxation, etc. While we expect many of these debates to continue in the year ahead, we believe BC's liquor system offers government an efficient, cost-effective, practical, and responsible way to meet the cannabis retail needs of British Columbians ahead of the federal government's July 2018 timeline.

Thank you again for accepting our submission and considering our recommendations on the future of recreational cannabis retailing in BC. If you wish further details on any of the points contained herein, please do not hesitate to contact ABLE BC's Executive Director, Jeff Guignard, at jeff@ablebc.ca or (604) 688-5560. Alternatively, you may also wish to consult our more detailed recommendations submitted to the federal Task Force on Cannabis Legalization and Regulations. Those recommendations are available on the website of the Responsible Marijuana Retail Alliance of BC, a partnership between ABLE BC and the BC Government and Service Employees Union, at www.responsible-retail.ca.



October 31, 2017

**Cannabis Legalization and Regulation Secretariat
Ministry of Public Safety and Solicitor General
Province of British Columbia**

Sent via email only to: cannabis.secretariat@gov.bc.ca

Re: Cannabis Stakeholder Submission

AAA Dispensary is an independent cannabis retailer in Victoria, BC, and a member of the British Columbia Independent Cannabis Association. For two years, AAA Dispensary has provided cannabis products and expert advice to the public at our dispensary, and recently completed the rezoning process required under the terms of Victoria's Cannabis-Related Business Licence Bylaw.

AAA Dispensary wholeheartedly endorses the BCICA's recent submission to the Secretariat containing the following 15 recommendations:

1. That the province make space for private distribution and retail within the legal framework.
2. That the province create a digital seed-to-sale tracking system that allows cultivators to deliver directly to retailers.
3. That the province avoid the centralized warehousing of fresh cannabis.
4. That the province consider the potential pitfalls for the B.C. distribution system, should there be a shortage of federally produced cannabis as a result of restricted federal licensing.
5. That the province prepare for the eventualities of point 4, by creating a B.C.-only category of small-scale production licenses for cultivators whose product is only sold in-province.
6. That the province allow private distribution, or enter into a private-public partnership, for the distribution of mail-order cannabis online.
7. That the province allow cannabis lounges, to keep widespread consumption off the street, and allow the distribution of single-dose cannabis products at these locations.

8. That cannabis not be co-located with alcohol.
9. That the province not decrease carry limits.
10. That the province consider the safety ramifications of people using hydrocarbons to make cannabis extracts at home, and establish guidelines in tandem with WorkSafe BC, CSA, and all levels of government, for the safe, legal extraction of cannabis based on industrial best practices.
11. That the province advocate strongly for amnesty, expungement, and inclusion for convicted cannabis offenders.
12. That the province not create a registry for home growers, and not decrease plant counts.
13. That the province consider harmonizing with neighbouring provinces, with regards to age.
14. That the province consider medical access and distribution, which is a constitutionally protected right, separately from the non-medical model.
15. That the provincial system actively attempt to incorporate the best actors from the current illicit industry into the new regulatory framework.

Private Distribution and Retail

First among these recommendations is that the province allow, preserve and encourage private distribution and retail of cannabis. For a range of reasons it is important that the regulatory system incorporate permissions for and suppress barriers against participation in the marketplace by small businesses and entrepreneurs.

One of the stated public policy objectives of the federal Task Force on Cannabis Legalization and Regulation is to keep profits out of the hands of criminals, particularly organized crime. Making entry and existence too difficult or expensive for small business on the supply-chain side or in the retail arena ensures that only those with deep pockets – big business, big pharma and organized crime – will be able to participate. None of these players have consumers' best interests as their driving motivation, nor are they known for their propensity to pay taxes.

Independent retailers already possess carefully cultivated relationships with customers. We have been matching our products to customers' needs with success and guiding producers through feedback. The Craft Cannabis Association of BC's August 2017 submission paper to the Standing Committee on Health noted that choice, quality and the ability to support locally made products are valued elements of our consumers' experiences.

The cannabis industry is estimated to provide some 13,000 jobs in BC, many of them in otherwise difficult employment markets. Small-scale growing has financially supported individuals and rural communities in particular, and has buffered economic downturns in BC.

On the retail front, small cannabis retailers often hire people with significant employment challenges related to pain that preclude them working in other businesses while giving them invaluable personal experience and expertise with the therapeutic benefits of cannabis.

Regulation

While protection of the public is paramount, there may be a temptation to create stringent regulations around cannabis that attempt to control consumption through supply management. This approach has a checkered history and would ignore the reality that cannabis use is already widespread and easily accessible even though it remains illegal in most circumstances. Attempts to suppress the already broad use will simply maintain the demand for the existence of a black market.

Requiring retailers to buy product only from a select few producers disregards the existing supply chains of small, unlicensed producers and all the accumulated expertise, quality and consistency therein.

There is ample evidence that measures aimed at changing demand for a substance can be very effective. Canada has been a leader in reducing tobacco consumption, particularly among young people, through public awareness campaigns about the dangers of smoking. Well-crafted advertising campaigns that highlight the dangers of cannabis consumption by young people and pregnant women would likely be similarly effective.

Broadly speaking, we support the comments made by the British Columbia Association of Municipal Chiefs of Police in their submission to this process. Honest dispensary owners are under no illusions of the history and opinions surrounding their products and recognize that a clear regulatory structure must be in place. With that in mind, if cannabis is treated as a product to be feared and tightly controlled, the point of liberalisation will be lost. In this case, the growing, selling, buying and using of untested products will continue illegally while those who could benefit from cannabis will continue to avoid it due to heavy stigma and complex access.

Alcohol is a highly toxic, addictive drug that is physically and socially destructive but people like to use it and society has developed strategies to manage it. Children are permitted to enter liquor stores and watch their parents buy alcohol; they are permitted to watch people in restaurants drink alcohol from fancy glasses festooned with umbrellas and fruit.

Cannabis has none of the deleterious effects of alcohol, yet proposed regulations would outlaw the very sight of opaque packages of cannabis by children through the window of dispensaries they are forbidden to enter. As a society, we need to be very careful about imbuing cannabis with the aura of forbidden fruit if the goal is to encourage responsible use.

Labeling

All cannabis products sold in the marketplace should have clear, accurate labeling detailing contents, THC levels, and suggested dosage. A safe product is a product that is properly labeled and has no surprises.

All dispensaries should prominently display guidelines describing suggested dosages that consider factors like first-time use, varying tolerances, body weight, etc.

It is reasonable to require that edibles bear precise labeling for content and dosages. Manufacturers must have provable product strength and test results.

The industry should be accountable for product testing. Acceptable levels of fungicides, pesticides, solvents, etc., should be regulated.

It would be counterproductive to put floors or ceilings on THC content. Making labeling mandatory and insisting on accuracy would be of much greater and realistic effect. There is no benefit to forcing consumers in search of a specific dose of THC to eat more sugar than they need or want, and it is unethical to indirectly force them to smoke more to achieve their required dose.

Proprietary markings on dispensaries and their products should be permitted.

Prices

Legislation of prices should be avoided entirely. Let the marketplace determine prices. Competition will keep prices from rising so high that the back alley trade revives. By the same token, retailers will not drop prices so low that they become volunteers in their own businesses.

Taxation

Cannabis should be taxed at a reasonable rate. Burdensome levies will encourage tax cheating. Good operators pay their taxes.

Revenue Canada is one of government's most effective regulatory tools. Norman Bossé, QC, the Child and Youth Advocate for New Brunswick, in his presentation to the Legislature Select Committee on Cannabis this year, recommended that regulations commit a specific percentage of tax revenue collected from the sale of cannabis products be dedicated to youth-oriented education, addictions treatment, research and data monitoring. Tax revenue from cannabis sales, if it is not unreasonably diverted, will be more than sufficient to fund public education campaigns, research, and all regulatory and inspection functions necessary to the industry.

Medical Cannabis

The BC Pharmacy Association in its submission on this BC Cannabis Regulation Engagement website decries the use of the term “dispensary” by those selling cannabis and wants the government to restrict use of the word to those governed by the Health Professions Act, claiming that non-medical cannabis retailers are “trying to assume a degree of unfounded legitimacy”.

The Association further advocates including cannabis as a Schedule 1, behind-the-counter narcotic to be dispensed exclusively by pharmacists rather than “retailers masquerading as businesses selling “medicines” to their “patients”.” This creates the possibility of an interesting scenario where one person who is prescribed cannabis by a physician becomes a registered narcotic user whose choice is restricted to product obtained from a federally licensed supplier, perhaps one that has recently been the subject of increasingly frequent recalls for contaminants. Meanwhile, another person strolls into a local dispensary and is offered guidance by budtenders who know the strains they sell, their effects, terpene profiles and genesis, and likely know the grower who supplied them.

The Association states that 94% of pharmacist respondents said they want more training on the efficacy, dosing and prescribing of cannabis. This is not surprising considering that health professionals have done very little formal research on cannabis and indeed have actively opposed

investigation into cannabis for most of its modern history. Most health professionals have no more training or insight into remedial cannabis than anyone else and often have considerably less. By their own admission they are largely unqualified to offer professional advice on cannabis use. Do they intend to establish their own criteria and self-certify themselves? Will they at the same time deny existing industry experts any right to continue to support their patients?

The current opioid crisis is a relevant cautionary tale. Doctors and pharmacists were the vectors for this epidemic of addiction and were not able to prevent their prescriptions from being abused. This history with lab-tested and government approved narcotics does not support their contention that they are the only group with the knowledge and experience to properly distribute an ancient medicine like cannabis.

There is a strong aversion to a “big pharma” takeover of cannabis distribution and our customers tell us that the high cost of any pharmacy medication and restricted access to an essentially safe medicine is a major concern for them as is the potential loss of knowledgeable guidance by dispensary personnel.

We are on the cusp of legalization pioneered by advocates, entrepreneurs and small business dispensaries taking personal financial and legal risks. Pharmacists are now happy to seize the market under the umbrella of “medicine”. Despite cannabis being safe and enjoying support for legalisation by a majority of adults in Canada, the pharmacy profession announces that “it is imperative to protect patients by making legal, quality controlled medicinal cannabis available with the oversight of a pharmacist”.

The idea of making Cannabis a Schedule 1 narcotic as it is in the USA, with associated severe legal penalties, is a move in the opposite direction from this point of the process. Such a move would concentrate the only legal source in the hands of big pharma while criminalizing millions of responsible Canadian adults even more severely than before.

Conclusion

It is vital that the legislative framework for regulating cannabis include private producers and retailers. No one is better positioned to bring expertise, sense, accountability, productivity and quality to the cannabis public marketplace than those of us who have been delivering these things all along.



AMERCANEX
INTERNATIONAL
EXCHANGE

**Stakeholder Submission to the Province of British Columbia
Regarding: Legalization of Recreational Cannabis
October 30, 2017**

Amercanex International Exchange
2 Bloor Street West, Suite 2600
Toronto, Ontario, M4W 3E2

Purpose:

Amercanex International Exchange (AIE) is a Canadian corporation with headquarters in Toronto and affiliated offices in Sacramento, California and Denver, Colorado. The company was created by financial industry veterans who drew from their expertise in commodities exchange and foreign exchange trading to purpose-build a cannabis industry marketplace for resolving supply and regulatory challenges.

AIE was founded with the sole-purpose of ensuring a completely transparent, neutral and non-manipulated marketplace for licensed cannabis industry participants while strictly adhering-to regulatory requirements established by lawmakers.

Our system is already up and running in Colorado and poised to deliver services in the state of California. We have committed five years of research and development into our platform and it may be deployed to complement any of the distribution models currently under consideration by the provinces including British Columbia. Implementation of the AIE system in Colorado has proven to assist licensed stakeholders within the industry as well as regulatory bodies who are providing oversight.

Cannabis legalization presents complex challenges for the province. AIE has identified and resolved a multitude of issues facing regulatory authorities as well as licensed cannabis industry participants. Our solutions – the ACExchange, ACEtrak and ACEpay – combine to form a secure, stable and compliant platform. On a single platform, we have the proven ability to track products, track funds, regulate and collect taxes in a low-cost, efficient, user-friendly and transparent manner.

We understand that in order for this industry to succeed, regulators will need an effective system to monitor, regulate and collect revenue from licensed industry producers and retail outlets. AIE gives local and provincial regulatory authorities the tools to track and audit activities throughout the supply chain.

Authorities may access and analyze market transactions in daily, weekly and monthly time frames. Calculate taxes and related fees in real time, at the point of transaction. In short, AIE offers licensed cannabis industry participants an efficient marketplace with clear government oversight and

The ACExchange Eco-System

i) Seed to Sale Tracking System

Our marketplace leverages state of the art technology to track cannabis from seed to sale using our ACETrak platform. Bill C-45 details the requirement for a national cannabis tracking system to coincide with legalization.

AIE's robust tracking system affords licensed cannabis market participants an invaluable tool for managing their production, extraction or manufacturing operation while empowering regulatory authorities with the technology to manage the legal supply of cannabis in real-time and from the convenience of a dashboard interface. Additionally, ACETrak facilitates the rapid and complete recall of every lot or batch of product that has been made available for sale.

ii) An Exchange for Market Participants

Central to our eco-system is the ACExchange, the cannabis industry's first fully electronic, regulatory compliant and transparent exchange. The platform is the breakthrough solution for tracking the wholesale purchase and sale of legal cannabis.

ACExchange operates at the wholesale level; it is not designed for retail end users. All transacting members of the marketplace are licensed stakeholders, growers, manufacturers and retailers competing for the best pricing and products on a transparent platform.

The ACExchange offers a secure and transparent marketplace for licensed cannabis industry participants to operate while allowing for clear government oversight.

iii) An Online Payment System

AIE's market tracking capability is bolstered by combining the seed to sale tracking of cannabis products (ACETrak) and the electronic exchange (ACExchange) with a digital e-wallet solution (ACEpay). This combination allows the ACExchange to provide a thorough and transparent system that covers the production, distribution and the resulting financial transactions in the legal cannabis market.

When adopted, AIE's eco-system would provide regulatory authorities the ability to audit the wholesale trade of product and the resulting financial activities of licensed cannabis market participants.

Development of the Provincial Regulatory Framework

Public Health

The issue regarding health and public confidence in all cannabis products from seed to retail sale is paramount. Our system is a real-time online seed to sale interface which allows for up to the minute traceability of the product and allows for regulatory controls to be implemented and enforced. By leveraging the latest in RFID technology, the origin and current location of each plant

health by mandating independent lab testing of all products listed. In the event of a recall, all of our tracking protocols would facilitate the tracking and collection of compromised or unsafe products. In addition, the AIE platform assists in ensuring that cannabis products are quality controlled. Whenever audits, inspections or laboratory testing takes place, all of this data is attached to each product and will remain throughout its lifecycle from seed-to-sale. We are also capable of regulatory audits and inspections which can be conducted via dashboard interface 24hrs a day, 365 days a year.

Privacy and Security

Our system is fully adaptable and can be designed to comply with federal and provincial privacy acts and the Personal Information and Protection of Electronic Documents Act (PIPEDA). If the ACExchange is adopted by the provincial government, AIE would work with officials to determine the precise features of the exchange to ensure they are in full compliance with privacy legislation. All data and redundancies will be stored within Canadian servers.

Safety

An important aspect of implementation is the potential for a virtual cashless system. This will ensure that only licensed parties may participate and benefit financially from the lawful sale of adult-use cannabis. The province must have the ability to ensure a robust product tracking system is in place and that a continuous chain of custody management is set in stone. The system is also capable of identifying out-of-the-norm circumstances which will empower enforcement & regulatory bodies to identify and investigate unusual incidents or patterns.

Transparency

The additional benefit of a cashless system means that transactions are recorded and reported. Date stamping of all market activity is available for regulatory audit or review 24 hours a day. The ability to track both the product and the payment is possible regardless of the distribution regime the Province of British Columbia selects. The ability of a system to ensure collection of tax remitted at the point of sale is done effectively, efficiently and fairly is critical to government, stakeholders and the public.

Economic Development

British Columbia has already seen the benefits of economic development and job creation within the medicinal and retail cannabis industry. There is no question there exists a very real and continued growth opportunity to grow the provincial economy.

AIE's experience, both from an implementation and learned best practices, ensures we are prepared to implement as legalization comes into force on July 1, 2018. Whether it is research or implementation, the government must be prepared to get it right the first time. The economic opportunities involved in legalization require a trusted and fully tested platform.

AIE Deliverables

- A breakthrough solution for a fully electronic, wholesale cannabis marketplace allowing licensed participants to benefit from sourcing quality controlled product at the lowest market price.
- A robust seed to sale tracking platform which affords licensed market participants an invaluable tool for managing their production, extraction or manufacturing operation while empowering regulatory authorities with the technology to manage the legal supply of cannabis in real-time and from the convenience of a dashboard interface.
- Integrated payment solution supporting ACE marketplace transparency.
- Technology enabled systems to facilitate the rapid and complete recall of every lot or batch of product that has been made available for sale.
- ACExchange memorializes all transactions and provides access to authorized governmental, regulatory and law enforcement agencies through a secure proprietary online application.
- AIE would collaborate with officials to determine the precise features of the ACExchange and how the system would be calibrated to meet regulatory, legislative and ongoing policy development requirements.
- An eco-system which ensures that only lawful and licensed participants can profit from the emerging legal cannabis marketplace.
- A purpose-built cannabis industry solution ideally suited to arm governmental and regulatory bodies with the tools to establish a BC-specific system for addressing the unique needs of the province.

Next Steps

Governments at all levels are facing daunting challenges as we move toward legalization of cannabis. Few countries in the world have taken on such a broad and all-consuming task. The province of British Columbia clearly understands this based on their participation in the current provincial market place.

The AIE eco-system would afford the regulatory oversight necessary to ensure a seamless coordination and regulation of provincial supply. The ability to get the system right and have it on track requires a system ready for use and implementation. We look forward to participating in this process and becoming a partner in the success of this industry in British Columbia.



Submission to the Government of B.C. Cannabis Regulation Engagement

I welcome the British Columbia Government's consultation on cannabis regulation and the opportunity to offer my concerns, and some suggestions, about the implementation of legalized marijuana in Canada.

Let me also commend the Government for taking seriously the opioid public health emergency by creating a Ministry of Mental Health and Addictions. The issue of addiction and mental health is, I believe, relevant to the discussion of a regulatory framework for cannabis in B.C.

The Government carries a heavy responsibility as Canada proceeds with this initiative, which will make it the only G7 country, and only the second country in the world, to make the recreational use of cannabis legal.

When the Federal Government announced it would legalize marijuana for recreational use, its stated intention was to keep drugs "out of the hands of children, and the profits out of the hands of criminals." If legalization takes place by next July, as expected, it is important that provincial regulations reflect the intent of this Federal legislation.

Legalizing marijuana will have largescale consequences throughout our Province – on communities, families, and individuals – and it is our young people we must be especially concerned about. As experience in other jurisdictions shows, it is they for whom marijuana will have the greatest impact, since it affects the adolescent brain, which is still developing until the mid-20s. Numerous studies indicate there is serious cause for concern about the effects of regular marijuana use on teens and the resulting changes in brain structure:

[American Psychological Association: Marijuana and the Developing Brain](#)

[PNAS: Persistent cannabis users show neuropsychological decline from childhood to midlife](#)



I hope to offer some suggestions to ensure young people don't suffer the consequences of liberalizing a substance that can impair judgment and health and that, until now, has been against the law.

As British Columbia sets up a regulatory framework for distribution, sales, consumption, and possession of cannabis, we are fortunate to have years of experience to draw from in other jurisdictions, as well as our often-unsuccessful history with other controlled substances such as tobacco, liquor, and prescription drugs.

Consider the effects on young people alone. There is evidence that [use by teenagers rises](#), [high school dropout rates increase](#), and [traffic fatalities involving marijuana use doubled](#).

When cannabis is legalized, [emergency room visits by children and poison control centre calls](#) rise as children ingest cannabis in everyday products.

Because of the great risks, known and unknown, and the experience of other jurisdictions, I urge the Government to take a strict approach to regulating cannabis in order to keep it out of the hands of the most vulnerable.

I ask the Government to take a three-pronged approach:

Education

Due to the widespread and growing perception that marijuana use is safe, I urge the Government to launch a broad education campaign outlining the facts about cannabis use, so the public are as familiar with the risks as they are with the risks of smoking, alcohol, and other drug use. A [2014 article in the New England Journal of Medicine](#) by researchers from the National Institute on Drug Abuse and the National Institutes of Health said marijuana is not the harmless drug many believe and that it is associated with "substantial adverse effects, some of which have been determined with a high level of confidence."

These negative outcomes identified in the paper include the potential risk of addiction, health problems, increased fatal and non-fatal motor vehicle accidents, and reduced life achievement and school performance in cases of long-term use, especially starting in adolescence.



The Government must keep in mind that the message it sends on marijuana may affect, especially for young people, the social acceptance of other drugs, possibly weakening messages on opioids and other substances.

Regulations

Distribution and retail use: restrict the sale of cannabis to entities with an established history of dealing with controlled substances, such as pharmacies and liquor stores.

Personal cultivation: prohibit growing within a to-be-determined distance of a school, park, place of entertainment, or other place typically accessed by minors.

Driving restrictions: In the absence of appropriate suitable roadside testing, implement a zero or low-tolerance threshold for drivers, as is the case for professional drivers and airline pilots.

Public consumption should be prohibited, as with smoking and unlicensed alcohol.

Legal age limit: 21 years due to adolescent brain development continuing into the 20s.

Treatment

In my 2016 [*Statement on Vancouver's Overdose Crisis*](#) I called on the Provincial Government to increase addiction treatment and residential care. This is clearly needed more than ever as the opioid crisis worsens and a new legalized drug enters the marketplace.

These recommendations do not reflect a legalized, punitive approach to cannabis, but a measured and reasonable strategy to educate and discourage use, as we do with tobacco, and provide resources for those who wish to stop, as we do with alcohol abuse.

In a message to young people in 2013, Pope Francis said “it is necessary to confront the problems underlying the use of these drugs, by promoting greater justice,



educating young people in the values that build up life in society, accompanying those in difficulty, and giving them hope for the future.”

Drug use, including use of legalized marijuana, is symptomatic of broader social problems. The Pope told a 2014 [drug enforcement conference in Rome](#) that if we don't want young people to fall prey to drugs, society has to say “‘yes’ to life, ‘yes’ to love, ‘yes’ to others, ‘yes’ to education, ‘yes’ to greater job opportunities.”

“If we say ‘yes’ to all these things, there will be no room for illicit drugs, for alcohol abuse, for other forms of addiction.”

It is our responsibility, both Government and Church, to protect and form young people, who are our future. I strongly urge the B.C. Government to tackle these issues with a broad, holistic approach that takes into account societal problems such as addiction, mental illness, and homelessness.

Such a strategy will ensure that at the federal and provincial levels, we look at health approaches that address overall wellness.

I pray that as the Government implements measures to regulate marijuana use, it will deter its use among young people, implement effective treatment, and at the same time use this as an opportunity to address the widespread causes of so many in our society, and young people in particular, turning to drugs.

✙ J. Michael Miller, CSB
Archbishop of Vancouver

The Archdiocese of Vancouver, established as a diocese in 1908, covers approximately 120,000 square kilometres, including B.C.'s Lower Mainland, and has approximately 430,000 baptized Catholics within its boundaries.

October 31, 2017

Subject: Consultation on cannabis legalization in British Columbia

Dear Sir or Madam,

On behalf of The Arthritis Society and Canadians for Fair Access to Medical Marijuana (CFAMM), thank you for the opportunity to provide input on British Columbia's approach to regulating cannabis.

A growing number of patients use cannabis as a therapy to help manage their health conditions, including seizures, pain, insomnia, neurological issues, nausea and vomiting, and side effects from prescription medications. According to Health Canada, as of 2013, 65% of patients authorized to possess medical cannabis were diagnosed with "severe arthritis," and this remains a significant group for medical cannabis under the current regulations.

As the province prepares for the federal government's plans to legalize and regulate cannabis by July 2018, we believe British Columbia has an important opportunity to help the thousands of patients who access medical cannabis by improving the current medical access regime, which is expected to continue parallel to the legalized, recreational/non-medical, cannabis regime.

Our submission highlights some of the challenges that patients face in the existing regulatory approach to medical cannabis, and provides recommendations to help inform and support your efforts to create an appropriate regulatory framework for cannabis – one that prioritizes and adequately supports the needs of patients.

Here is a summary of our recommendations:

- **Sales and distribution:** Pharmacies should have the authority to retail medical cannabis in the province. This will create a clear distinction between medical cannabis and cannabis for recreational/non-medical use and help ensure that patients receive reliable education on the safe and effective use of medical cannabis from trained health care professionals.
- **Taxation:** Medical cannabis should not be subject to sales tax or other levies. This will ensure that it is treated as other therapeutic products intended to manage peoples' illnesses, and will not preclude the province from levying taxes on non-medical cannabis.
- **Public education:** Patients should be educated about how to access medical cannabis and have evidence-based information about its use and forms (e.g., oil, dried flower, capsules, etc.)
- **Public consumption:** Certain exceptions should be made for vaporization of medical cannabis on medical grounds, such as in health care facilities (hospitals, hospices, and long term care homes), in emergency situations, and in workplaces (at employer's discretion).

RECOMMENDATIONS

Sales and Distribution

Once authorized to use medical cannabis by a physician or nurse practitioner, many patients face ongoing difficulties accessing an affordable, regulated, and tested supply of medical cannabis. The current regulatory system is a patchwork of regulations that are difficult for patients to understand and navigate. At the moment, there are two legal ways for patients to obtain medical cannabis: (1) via mail order from a licenced producer that meets a number of safety and quality assurance requirements; or (2) by growing their own supply of medical grade cannabis or designating someone to grow it for them.

While both of the current non-retail distribution options have their merits and should remain in place, we believe that the most coherent and responsive provincial approach to addressing the needs of patients would be through a formal retail channel for medical cannabis that is easier to access and navigate. Any formal retail channel would need to ensure that patients have access to a regulated supply of medical cannabis that has been tested for safety, potency and quality – from the point of production, including any processing or preparation of the medical cannabis, through distribution to patients. Patients using medical cannabis often have complex health conditions and require professional guidance on the safe and effective use from a trained health care professional. For this reason, we recommend separate distribution channels and point of sales between medical cannabis and cannabis for personal use, so that the currently unmet needs of patients are prioritized and addressed.

To that end, we believe that pharmacies are best suited for this purpose, and should have the authority to sell and distribute medical cannabis in the province. This is so for a number of important reasons, including:

- As knowledgeable health care professionals, pharmacists are capable of providing the necessary level of support and on-site information to patients about their medicine.
- Pharmacies would be able to monitor supply issues and help patients manage any potential supply disruptions.
- Pharmacy distribution would expand the potential for broader cost-coverage, increasing the affordability of medical cannabis to patients.
- Pharmacies have the requisite regulatory and professional oversight and quality assurance procedures.

Taxation

Patients who access medical cannabis should be treated consistently and equitably with other patients who access health products to support their health and manage their illnesses. Prescription medicines in British Columbia are not subject to HST, therefore medically prescribed cannabis should also be exempt from HST and any other levies. This does not preclude the province from levying sales tax on cannabis for recreational/non-medical purposes and would underscore a clear distinction between medical cannabis and cannabis used for non-medical purposes.

Moreover, patients cannot make use of existing policies and programs that help to address the costs of their medicine, including private or public drug coverage. As the province develops a new regulated market for non-medical cannabis, patients' affordability concerns must be addressed. Failure to do so may undermine incentives for patients to seek a regulated supply of medical cannabis.

Public Education

As access to cannabis for non-medical purposes expands through a legalized and regulated regime, it will be increasingly important for British Columbians to understand more about cannabis in order to make informed decisions about its use. We acknowledge the necessity for a public education campaign on non-medical cannabis, however, there is also a need for education funding for medical cannabis. This objective can be supported by providing patients with evidence-based information about medical cannabis, including appropriate form (e.g., oil, dried flowers, capsules, etc.) and dosage, interaction with other elements of a patient's treatment plan, and the benefits and risks of medical cannabis.

Public Consumption

With regard to the issue of public consumption of cannabis, we believe that certain exceptions should be made for vaporization of medical cannabis on medical grounds, such as in health care facilities (hospitals, hospices, and long term care homes) or in emergency situations, such as when a patient is having a seizure or breakthrough pains and needs immediate access to medical cannabis. Exceptions should also be allowed, at an employer's discretion, for vaporization in workplaces, as vaporization avoids the generation of second-hand smoke. There should also be no limits on public consumption of products that are not inhaled/exhaled (i.e. oils, capsules, or ointments).

Medical Cannabis Impaired Driving

We are supportive of legislation that targets cannabis impairment. To assist policymakers in making evidence-based decisions, CFAMM released a first-of-its-kind research and policy review on medical cannabis impaired driving (found here: cfamm.ca/impaired-driving-report-1).

CONCLUSION

The province has an important opportunity to address the current challenges patients face regarding medical cannabis. British Columbia's approach to medical cannabis needs to be coherent, equitable and patient-centered. The patient community is an invaluable resource for the British Columbia's government as it works to develop its regulatory approach to non-medical cannabis. We appreciate the opportunity to provide our input into this important process and look forward to further dialogue on these matters.

Respectfully submitted by:

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For more information about our positions on medical cannabis please visit the following links:

- Arthritis Society Research Roundtable Report - <https://arthritis.ca/getmedia/f9e3dc04-b3e9-482e-9109-848590a84b7f/Clearing-the-Air-EN-FINAL.pdf>
- Joint Submission to the Federal Task Force on Legalization: <https://cfamm.ca/tf-recs/>
- Impaired Driving Research Review: <https://cfamm.ca/impaired-driving-report-1/>

ABOUT

The Arthritis Society: The Arthritis Society is Canada's principal health charity providing education, programs and support to the over 4.6 million Canadians living with arthritis. The Arthritis Society conducts research to better understand the impact of arthritis, advocates for progressive arthritis policies, works with stakeholders to promote appropriate standards of care and deliver educational programs to empower those living with arthritis to self-manage their disease.

Canadians for Fair Access to Medical Marijuana (CFAMM): Founded in 2014, CFAMM is a national, non-profit, patient-run organization dedicated to protecting and improving the rights of medical cannabis patients. CFAMM's goal is to enable patients to obtain fair and safe access to medical cannabis with a special focus on affordability, including private and public insurance coverage.

**Aura Cannabis Stakeholder Submission
Cannabis Legalization & Regulation in BC**



CANNABIS

Submitted: Nov 1, 2017

Introduction | Overview

Aura Cannabis is pleased to participate in the British Columbia Stakeholder Submission Process to help ensure that our provincial cannabis regulatory system reflects the needs and values of our members on issues ranging from minimum age; personal possession limits; public consumption; drug-impaired driving, personal cultivation and retail distribution models.

Since our inception more than seven years ago, Aura has focused on building value driven relationships with local residents and business owners in order to create the best experience possible for our members and community stakeholders. Aura Cannabis was the third dispensary to earn its business license with the City of Vancouver, and we currently employ more than 20 people as part of our operations in Vancouver. We pay our taxes, provide group benefits for our employees, and are committed to providing our members with innovative services that help elevate their experience to achieve balance and well-being. Aura is fully focused on transitioning into a legal framework, and is working on developing additional retail opportunities for licensed locations in Vancouver, and across Western Canada.

By participating in this stakeholder process, Aura hopes to provide the BC Government with insights and information to help them build a balanced approach to meeting their objectives of providing access to a regulated supply of cannabis, implementing restrictions to minimize the harms associated with cannabis use, and reducing the scope and scale of the illegal market and its associated social harms. For more information please visit our website at auracannabis.com

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Key Issues | Public Considerations | Recommendations

Key Issue: Minimum Age

Public Considerations:

- Bill C-45 establishes a minimum age of 18 years to buy, grow, and publicly possess up to 30 grams of non-medical cannabis
- Provinces and territories can choose to establish a higher minimum age in their jurisdictions
- The Task Force recognized, setting the minimum age too high could have unintended consequences
- Persons under 25 are the segment of the population most likely to use cannabis
- The greater the number of young users who cannot buy legal cannabis, the more likely that there will continue to be a robust illegal market where they can continue to buy untested and unregulated cannabis
- Legal minimum age is not the only tool to discourage cannabis use by young persons. As an example, public education campaigns that provide information about how cannabis use can limit academic performance and future opportunities have been found to be effective

Recommendation:

We agree with setting the minimum age in British Columbia at 19. This would avoid any potential public confusion, because it would be consistent with the minimum age for accessing tobacco and alcohol, and would be aligned with the BC age of majority.

Key Issue: Personal Possession – Adults & Youths

Public Considerations:

- Bill C-45 establishes a 30 gram limit on public possession of dried cannabis
- The legislation also sets possession limits for other forms of cannabis (e.g. oils, solids containing cannabis, seeds) and the federal government intends to add other types of cannabis products (e.g. edibles) by regulation at a later date
- The 30 gram limit is consistent with the Task Force recommendation and with public possession limits in other jurisdictions that have legalized non-medical cannabis
- The reason for public possession limits is that possession of large amounts of cannabis can be an indicator of intent to traffic, so a public possession limit can help law enforcement to distinguish between legal possession for personal use, and illegal possession for the purpose of trafficking
- The Province cannot increase the public possession limit, but they can set a lower limit, and a consistent possession limit across the province would be easier for the public to understand and comply with
- Persons under 18 will not be able to buy or grow cannabis under Bill C-45
- Persons under 18 are not prohibited from possessing up to 5 grams of dried cannabis or equivalent amounts for other cannabis products
- Provinces and territories can establish laws that prohibit possession by persons under an established provincial minimum age. Such a provincial law would not result in a criminal conviction and would be similar to how BC deals with alcohol – persons under 19 are prohibited from possessing alcohol, and a law enforcement officer can confiscate it and has the option of issuing a ticket.

Recommendation:

We agree with adhering to the guidelines outlined in the proposed federal legislation and the recommendations of the Task Force to limit public possession of dried cannabis to 30 grams, as well as the following possession limits for other cannabis derivatives, based on the Government of Canada's model of equivalencies stating that one gram of dried cannabis is same as:

- 5g of Fresh Cannabis
- 15g of Edible Product
- 70g of liquid product
- 0.25 g of concentrates (both solid or liquid)
- 1 Cannabis Plant Seed

We would also agree with the Task Force report, which took the position that youth should not be criminalized for possession of relatively small amounts of cannabis. We support regulations offering a range of penalties that could be exercised at the discretion of the officer, depending on the severity of the infraction. Tickets, comparable to a traffic infraction, could be issued and products seized for destruction, if an adult was carrying more than 30 grams, but say less than 50 grams, of dried cannabis or equivalent. We would support regulations where an individual that receives a ticket from a law enforcement officer for public possession would not be impacted by an active charge or criminal record, provided they paid the assessed fine within the prescribed time period.

Key Issue: Public Consumption**Public Considerations:**

- Bill C-45 will amend the federal Non-smokers' Health Act to prohibit cannabis smoking and vaping in certain federally-regulated places (e.g. planes, trains), but regulation of

public consumption of cannabis will otherwise fall within provincial and territorial jurisdiction

- BC could extend existing restrictions on tobacco smoking and vaping to cannabis smoking and vaping – under provincial law, adults would then be allowed to smoke or vape cannabis anywhere they can smoke or vape tobacco
- Depending on the regulatory scheme established by the Province, local governments may also be able to establish additional restrictions, such as where non-medical cannabis can be consumed, and can place different restrictions on different types of consumption (e.g. smoked, eaten)
- BC could prohibit public cannabis smoking altogether, but allow cannabis vaping wherever tobacco smoking and vaping are allowed
- Compared to smoking, vaped cannabis has a reduced odour and is less likely to be a nuisance to passersby
- Banning public cannabis smoking could help avoid normalizing cannabis use.

Recommendations:

For the purposes of this submission we will be separating our recommendations regarding public consumption to address first, restrictions on general public consumption regulations; and second, to address the availability of other forms of consumption.

Firstly, we support the regulations that are in line with the recommendations of the Task Force, which suggest that current restrictions on public tobacco smoking be extended to cannabis, and that cannabis should be regulated no more strictly than alcohol and tobacco. We urge regulators to permit dedicated consumption sites, such as cannabis lounges and/or tasting rooms. Legal consumers of all ages will need safe and secure places to consume outside of their private residences, and we believe these venues should not be co-located with alcohol consumption. Moreover, we support provincial regulations that prescribe the impact of individual consumption activities and limits through the current public intoxication and

disorderly conduct laws in order to manage intoxication issues related to consumption in public places.

Secondly, while we recognize that the production of other forms of cannabis (eg. edible, drinkable or topical) will not likely be commercially available immediately upon legalization, Aura does support the formation of regulations that allow for product diversity to be expanded to include products already available in dispensaries. We believe that excluding these products would perpetuate the existing stream of consumers accessing within the illicit market.

Key Issue: Drug-Impaired Driving

Public Considerations:

- Drug-impaired driving is already prohibited under the Criminal Code, but Bill C-46 would overhaul existing impaired driving provisions and specifically address cannabis impairment
- The amendments will provide authority for the federal government to set a blood tetrahydrocannabinol (THC) limit beyond which a person can be criminally charged with cannabis-impaired driving. This is similar to the blood alcohol limits in place for alcohol-impaired driving
- The proposed federal criminal penalties for drug-impaired driving range from a minimum of a \$1,000 fine to up to a maximum of 10 years in jail. In BC, police who stop an alcohol-impaired driver can charge the driver criminally, but they also have the option of issuing an Immediate Roadside Prohibition (IRP) or an Administrative Driving Prohibition (ADP) under the BC Motor Vehicle Act. Sanctions can include license prohibitions, monetary penalties, vehicle impoundment, and license reinstatement fees
- These programs have been very effective in reducing the number of road fatalities on BC roads. While the IRP and ADP schemes do not currently apply to drug-impaired driving, police officers in BC do have the option to issue a 24-hour roadside prohibition to a suspected drug-affected driver, with or without a criminal charge

Recommendations:

Given that there are unique challenges associated with linking a particular blood THC level with impairment, due to a significant lack of available scientific evidence, we recommend the provincial government place a priority on researching and developing solutions in this regard, such as oral fluid screening devices, which could work in conjunction with other ways to assess impairment, such as a field sobriety test conducted by a trained law enforcement officer, or evaluation by a designated expert.

We also recommend that the province invest in more training for police officers, and in a public education campaign to inform British Columbians about the risks and potential consequences of cannabis impaired driving.

Key Issue: Personal Cultivation**Public Considerations:**

- Bill C-45 allows adults to grow up to 4 cannabis plants per household, up to a maximum plant height of 100cm, and does not place restrictions on where plants can be located (indoor vs. outdoor) and does not require home growers to put any security measures in place, but it is open to provinces and territories to establish such restrictions
- The Task Force acknowledged concerns about risks such as mold, fire hazards associated with improper electrical installation, use of pesticides, and risk of break-in and theft. However, it noted that these concerns were largely shaped by experience with large scale illegal grow operations, and found that on balance, allowing small-scale home cultivation of up to four plants was reasonable
- The Task Force recognized the need for security measures to prevent theft and youth access, and for guidelines to ensure that cannabis plants are not accessible to children. The Task Force also suggested that local authorities should establish oversight and approval frameworks, such as a requirement that individuals be required to notify local authorities if they are undertaking personal cultivation.

Recommendations:

We support regulations that empower local governments, are practical and cost-effective to introduce, and that regulate cannabis no more strictly than alcohol or tobacco. It is important to note that in Canada it is legal to grow tobacco and to produce wine or beer at home for personal use with very few restrictions. Many of the proposed laws around personal cultivation are focused on limiting plant counts, restricting cultivation settings and implementing strong security protocols; but, when it comes to personal production of alcohol and tobacco in particular, there are no such security measures to prevent theft or access by youth. Implementing such measures would significantly increase costs associated with administering regulations, and would also prove unappealing for those who do not already comply with laws on home cultivation.

Key Issue: Distribution Model

Public Considerations:

- Under Bill C-45, each province or territory will decide how cannabis will be distributed in its jurisdiction. Distribution is the process by which goods are supplied to retailers that sell to consumers. Distributors are often called wholesalers.
- There are three basic models for the warehousing and distribution of cannabis to retailers in BC: government, private, or direct: **Government distribution** – In this model, government would be responsible for warehousing and distribution of cannabis. Licensed producers would send cannabis products to a government distributor, which would then fill orders from cannabis retailers. Government distribution allows for direct control over the movement of cannabis products, but requires significant up-front investment and set-up. The Task Force heard strong support for government distribution, noting that it has proven effective with alcohol. **Private distribution** – In this model, one or more private businesses could be responsible for the physical warehousing and distribution of cannabis. However, significant government oversight would be required in the form of licensing, tracking and reporting requirements, as well as regular audits and inspections. **Direct distribution** – In this model, the province would

authorize federally licensed producers to distribute their own products directly to retailers. This model would also require significant government oversight and could make it challenging for smaller producers to get their products to market.

Recommendations:

We recognize that the myriad of stakeholder interests to consider in determining appropriate regulations in this regard, but we believe a hybrid of private and direct distribution could prove viable for establishing solid middle ground between legitimate public health and safety concerns, and regional economic needs to support free enterprise and galvanize entrepreneurial opportunities. We believe a purely public distribution system would be impractically expensive to set up given all of the significant up-front investments in retail infrastructure required in such a short timeframe.

A private-direct distribution system would also require setting up a robust licensing, compliance and enforcement system, but any associated costs could be recovered directly through licensing fees; moreover, we support a private-direct retail system, because it can make it possible to transition existing locally-approved and compliant cannabis dispensaries into the legal cannabis market through regulatory measures that prioritize the elimination of non-compliant operators. We would also encourage the BC Government and local municipalities to create regulatory and license structures for retailers that include existing cannabis businesses and that would allow these businesses to bring in local producers from their supply chain.

In order to facilitate access in rural parts of the province, BC could establish a private retailer distribution option that allowed for a direct-to-consumer mail-order system. This could help spur economic growth and diversification for lots of small to mid-sized private retail businesses, while also facilitating access to legal cannabis for those in rural and remote locations, and for persons with mobility challenges. Thank you for reading our submission and please feel free to reach out to us directly with any questions or feedback.



November 1st, 2017

BC Cannabis Legalization Secretariat
PO BOX 9290
STN PROV GOVT
Victoria, BC, V8W 9V1

RE: Comments on British Columbia's Adult Consumer Cannabis Market

About Aurora:

Aurora Cannabis is a community minded, Canadian owned and operated licensed producer of medical cannabis headquartered in Vancouver, BC. Our first production facility, located in scenic in Mountain View County, AB is home to thousands of plants that are carefully brought to harvest in our purpose-built 55,200 sq. ft. facility. This state-of-the-art facility is designed to produce the cleanest, safest medical cannabis available on the market.

Aurora is also building our Sky facility, an 800,000-sq. ft. hybrid greenhouse located at the Edmonton International Airport. Aurora Sky will be the largest, most technologically advanced cannabis production facility in the world, with unparalleled access to shipping and logistics. Additionally, we recently received a production license for our third facility, a 40,000-sq. ft. facility in Pointe-Claire, QC, which will further enhance our ability to provide high-quality cannabis for the medical and adult consumer markets.

Aurora has quickly become a leader in the emerging medical cannabis industry and is seeking to provide the Province of British Columbia with insights and counsel to help guide the development of an effective regulatory regime for the adult consumer cannabis market, while also respecting the needs of our medical marijuana patients.

Canada's current medical cannabis system:

Since 2013, federally licensed producers have been supplying patients across Canada with discreet and effective access to medical cannabis. During that time, the number of registered patients has grown dramatically and there are now more than 200,000 patients receiving their cannabis safely and securely by courier, according to Health Canada's website.¹

Aurora currently provides over 20,000 registered clients with access to a variety of high-quality, lab-tested dried cannabis and cannabis oils. To date, we have shipped hundreds of thousands of packages safely, securely and discreetly to the intended end user, thanks to several key processes:

¹ Health Canada. "Market Data – Total Number of Client Registrations" Taken from <https://www.canada.ca/en/health-canada/services/drugs-health-products/medical-use-marijuana/licensed-producers/market-data.html> on Oct 31st, 2017



- Every plant we grow and every gram of cannabis we produce are tracked throughout their lifecycle using our sophisticated seed-to-sale software. Our tracking also enables a full recall of every bottle we produce if there is a problem.
- Prior to being released for sale, each product lot is screened, by an independent third-party lab, for pesticides, yeasts, moulds, and a range of other possible contaminants.
- Products are stored in a pharmaceutical grade vault with environmental controls to ensure that the cannabis is stored under optimal conditions.
- All sales are handled through our secure, online store or over the phone and the products are distributed directly to our clients quickly and securely, using a trusted shipping provider or same-day courier service.

This distribution method enables us to consistently deliver a product our clients can trust, while also keeping our operating costs down, so that we can pass our savings on to our customers. The existing medical cannabis system has been extremely effective, and we believe that it is important to incorporate several of the system's strengths, while shaping BC's future adult consumer market.

Moving towards an adult consumer cannabis market:

A. Distribution & Warehousing

We believe that leveraging Aurora and other LPs existing infrastructure is the best, safest and most cost-conscious distribution method once cannabis is legalized.

The BC Liquor Distribution Branch has an important regulatory role to play following the legalization of cannabis but it should not include physical warehousing and centralized distribution for several key reasons:

- This approach eliminates costly overlap of quality systems, given that Aurora and other LPs already have robust Quality Management Systems (QMS) in place for traceability and quality assurance.
 - All finished product batches are tested to a specification, designed and approved by the quality unit after the last processing step.
 - Continuing to use our own seed-to-sale tracking system ensures clear lines of accountability and strong visibility into the supply chain.
 - Provincial authorities can also be granted system access to ensure that inventory is being tracked and that taxes are being properly collected.
- The BC Government will incur substantial capital costs as well as ongoing operational costs based on the federal requirements outlined in the "Draft Guidance Document for GPP", which outlines that final product testing must be conducted after any processing steps, including shipping.²
 - BC Government would need to receive product in bulk packaging and then re-test, bottle, and batch release every single lot of product coming through their warehouse at the taxpayer's expense.

² Office of Medical Cannabis (2017). "Draft Guidance Document for Good Production Practices," Page 8



- Bottling and fulfillment capacity on this scale will require an automated bottling line capable that will cost upwards of \$4 million.³
- Taking on centralized distribution also means that the BC Government will spend millions out of the gate to procure enough cannabis to meet the estimated consumer demand in BC
 - Based on conservative market estimates, the BC Government would need to allocate between \$119 and \$262 million dollars to secure a 3-month inventory of product.⁴
- Health Canada's Security Directive also requires the BC government to construct extremely large vaults, install other security systems for each distribution centre to properly store cannabis.
 - A vault large enough to accommodate a 3-month supply of cannabis for the BC market would cost at least \$10 million, potentially more.⁵
 - Cameras, motion detectors, and other security systems will easily add an extra \$1 million to the overall price tag.⁶
 - These storage facilities will also need sophisticated temperature and humidity control that adhere to the storage conditions set out in the Herbal Pharmacopoeia.⁷
- The timeline before legalization is extremely tight for building a new storage facility to accommodate cannabis
 - The BC Government only has 8 months to design, build, and commission a multi-million dollar facility.

Allowing Licensed Producers to assume responsibility for the warehousing, packaging, and shipping of the final product directly to the retail shop is more cost effective and bears far less risk to the BC Government. An efficient and cost effective supply chain that leverages the existing industry is an excellent way to minimize costs, undercut the black market, all while protecting BC's communities.

B. Private Storefront Retail

Aurora supports the inclusion of cannabis specific, private retail stores, including pre-existing dispensaries in the BC framework, as long as they have received or are able to receive all appropriate licensing.

We also support the federal taskforce's recommendation that cannabis be sold separately from alcohol. The interaction between these two substances when consumed together can increase intoxication – leading to undesired effects. In addition, liquor stores do not

³ See Appendix A – for a cost breakdown of an automated bottling line. Important to note that this is only a single component in the process. Additional automation would also be required for fulfillment, palletization, etc.... Not to mention cost and delays associated with batch testing for every lot of product on-site.

⁴ See estimated market demand and cost breakdown provided in Appendix B.

⁵ Constructing a large vault with the necessary environmental controls for quality assurance purposes would cost between \$250 and \$283 per square foot. See Appendix C for a complete cost breakdown.

⁶ The capital cost of the additional security infrastructure would be approximately ~\$3.25/sq. ft. so the final impact depends on the total square footage of the facility – Estimate assumes additional square footage of 200,000 sq. ft.

⁷ American Herbal Pharmacopoeia (2013). "Quality Control Monograph Cannabis Inflorescence." Page 20 – Storage



currently have the required security or storage infrastructure to accommodate cannabis products.

There are several key factors that British Columbia needs to consider when deciding on the right retail model to meet its policy objectives. Aurora believes that allowing space for a privatized, cannabis specific retail model is the best solution for several reasons:

- The timeline for opening new government shops is going to be tight.
 - It can take up to 12 months to complete renovations and open a retail location after securing the lease.
 - Leveraging pre-existing cannabis infrastructure wherever possible will be very important to establishing an effective retail network by July 2018.
- Only a small number of municipalities have the required bylaws in place at this time. Local governments will need additional time after provincial framework is announced to get these systems in place, which further compresses the timeline.
- Setting up an exclusively government-run retail network would cost the BC taxpayer millions of dollars when the private sector is willing to pick up the slack.
 - Capital expenditure for each location is projected to cost up to \$300,000 and the province will likely need more than 200 dispensaries.⁸
- BC already has experience with private sector liquor retail and these locations can provide “in-person” support from a well-trained and knowledgeable staff, who are qualified to provide information regarding the products available in the shop.
 - A cannabis specific certification course similar to BC’s Serving It Right would be an excellent first step for government and industry to develop collaboratively to ensure that cannabis is being retailed responsibly.

British Columbia has the advantage of pre-existing dispensaries in some jurisdictions as well as excellent examples of municipal bylaws for controlling cannabis retail. The province should leverage the existing industry capacity to ensure that BC has a sufficient retail network in place for the launch of the adult consumer market. Including private retail stores as part of BC’s framework, would reduce the implementation risk facing the BC Government while also avoiding millions of dollars in capital expenditures.

C. Responsible Online Retail Sales with Two-Step Age Verification

Aurora strongly supports the inclusion of the proven and effective online retail system, similar to the current medical cannabis system, as a key part of the adult-use cannabis market in BC. This option will be extremely important for rural areas where residents are less likely to have easy access to retail storefronts and it will also supplement retail storefronts urban areas.

Online retail is a strong option for expanding access to legally sourced cannabis but we also need to make sure that the system helps to keep cannabis out of the hands of youth and other vulnerable populations. Aurora is currently working to implement a robust online

⁸ Based on average sales from Colorado and the population of BC, the province will require at least 200 retail outlets to meet the expected consumer demand. The cost per sq. ft. for building out a mid to high end retail location is ~\$175/sq. ft.



store that couples age verification software with ID verification at the point of delivery to ensure that cannabis does not end up in the wrong hands.

Using age and identity verification software similar to the systems used by many provincial online casinos, our team has designed an easy to use registration portal to screen shoppers before they can even browse our product selection. On top of the initial screening process, our team is already working with several shipping providers that will provide ID verification at the point of delivery to ensure that the recipient is of age.⁹

Aurora's current distribution system has a 99.89% successful delivery rate, which exceeds standards set by most shipping providers. We intend to bring the same standards to the adult use consumer system ensuring that cannabis is delivered efficiently all while protecting our youth.

Conclusion:

While our existing medical clientele will always be our number one priority, Aurora also intends to be a major participant in British Columbia's adult consumer market after legalization. With that in mind, we hope the province will take the following recommendations into account:

- Leverage the existing industry's storage and distribution capacity instead of opting for capital intensive and logistically challenging centralized distribution.
 - Costs for the facility including extensive security, expansive vaults, and will run into the tens of millions while procuring inventory will cost >\$100 million.
 - The BC Liquor Distribution Branch could access all data concerning sales, inventory levels, and quality assurance through our online seed-to-sale database and taxes collection could be easily automated.
- We encourage the government to pass the risk and the millions of dollars of capital expenditures associated with building a retail network on to the private sector
 - There are several pre-existing
 - Given the timeline, it makes sense to rely on the private sector to build stores while the government concentrates on licensing and regulation.
- Design the BC Cannabis Framework to include online retail as a key component at the onset of legalization.
 - Online age verification coupled with age verification at the point of delivery make this retail method more secure than simple storefront sales.
 - The age verification service is widely available with current shipping providers and the system maintains very clear lines of accountability.

⁹ Canada Post, UPS, and other shipping providers all offer age verification and identity verification services at the point of delivery.



Appendix A – Cost Breakdown Automated Bottling Line

Assumptions:

- Demand for cannabis based on average daily consumption in Colorado 0.6g/day/consumer and if 10% of BC residents consume cannabis.
 - $(\sim 3.6 \text{ million adults} \times 0.1) \times (0.6 \times 365) = \sim 79,500\text{kg}$.
- Deloitte estimates that 22% of Canadians currently consume cannabis making the previous number quite conservative estimate.
 - $(\sim 3.6 \text{ million adults} \times 0.22) \times (0.6 \times 365) = \sim 175,000\text{kg}$
- Bottle numbers based on current demand for 5 vs 10gram containers in the Canadian medical market (67% to 75% of units sold are 10 grams).

Component	Description	Estimated Cost
Multi-Headed Weigh Filler	Delivers dried cannabis into bottles	\$300,000.00
Weight Analyzer	Verifies individual bottle weight	\$100,000.00
Hopper & Floor Stand	Support structure and hopper	\$50,000.00
Unscrambler & Weight Verification	Screens and separates containers	\$250,000.00
Cap & Label Machine	Automatically caps and labels all bottles	\$350,000.00
Bottle Sealing Machine	Applies tamper evident seals to all bottles	\$150,000.00
Total		\$1,200,000.00



Appendix B – Inventory Cost Requirements

Assumptions:

- See market demand assumptions in Appendix A
- Low Estimate: $79,500\text{kg}/4 = 19,875 \text{ kg}$ (quarterly supply)
- High Estimate: $175,000\text{kg}/4 = 43,750 \text{ kg}$ (quarterly supply)

Category	Low Estimate	High Estimate
Purchase Amount (g)	19,875,000g	43,750,000g
Purchase Price	\$6.00	\$6.00
Total Cost	\$119,250,000.00	\$262,500,000.00

Appendix C – Vault Cost Breakdown

Assumptions:

- Each pallet in the vault holds approximately 8-9kg of bottled material
- Using standard pallet dimensions, (4 x 4 x 4) it would require 2,840 pallets to warehouse ~25,000kg of dried cannabis.
- 2,840 pallets will require a bare minimum of ~45,000 square feet of floor space. Warehouse pallet shelving would be an option but the increased height of the vault would reduce the overall cost savings.
- The BC Government can reasonably expect to need 50,000 to 65,000 sq. ft.

Vault Requirements:

- Vault base consists of 450mm thick concrete structural slab reinforced with 4 offset layers of 20M rebar spaced at 100mm on center.
- Base slab is founded on screw piles at approximately 2 meters on center each direction.
- Vault floor topping slab consists of 125mm thick concrete slab reinforced with 10M rebar spaced at 300mm on center
- Vault walls consist of 450mm thick concrete reinforced with 4 offset layers of 15M rebar spaced at 100mm on center
- Vault roof slab consists of 450mm thick concrete reinforced with 2 offset layers of 20M rebar spaced at 100mm on center and 2 offset layers of 15M rebar spaced at 100mm on center
- Concrete throughout is 30 MPA



AURORA®

Category	Approx. Cost (45,000 sq. ft.)
Vault Doors	\$200,000.00
Excavation	\$100,000.00
Levelling & Cover Board	\$120,000.00
Concrete Supply	\$1,000,000.00
Rebar Supply	\$3,000,000.00
Install Rebar	\$1,500,000.00
Crane for Rebar Hoisting & Forms	\$600,000.00
Concrete Pumping	\$35,000.00
Forming Base/Suspended Slab	\$2,000,000.00
Place/Finish Slabbing	\$70,000.00
Electrical & Security	\$400,000.00
Mechanical & Refrigeration	\$600,000.00
Contingency Fund	\$500,000.00
Total Cost	\$10,125,000.00



TO WHOM IT MAY CONCERN,

We write to you on behalf of Baked Edibles Inc., a cannabis edibles producer based in Victoria, B.C.

About us:

We have the longest-running commercial medical cannabis bakery in Canada. We source 100% of our cannabis from growers who hold or have previously held MMAR/ACMPR federal licenses and who have been growing cannabis in BC for over 20 years. The derivative oils from this cannabis is tested for pesticides and other impurities by a Health Canada-approved analytics lab before being turned into our wonderful edibles. Throughout the process, all cannabis and cannabis derivatives are tested as many as three times to ensure product safety and correct potency.

At present, we are the only Canadian edibles production facility to have passed inspection by a provincially-sanctioned regional health authority (VIHA - Vancouver Island Health Authority). We are also proud members of the following industry associations:

- Canadian Federation of Independent Businesses (CFIB)
- BC Food Processors Association (BCFPA)
- BC Independent Cannabis Alliance (BCICA)
- Cannabis Commerce Association of Canada (CCAC)

We began commercial operation in 2016 after prevailing in *R v. Smith* Supreme Court case that declared the legal right to access and possess all cannabis derivatives (including oils and edibles) for medical purposes.

Principles of a Responsible Approach to Cannabis Edibles

Over the course of the past two years, we have had literally thousands of medical patients contact our company. The messages are always the same: They are someone with a medical condition that their doctor has recommended cannabis and they are wondering how to use our products.

In our experience, the primary concern when speaking specifically about cannabis edibles is **Public Safety**.

This includes:

- a. **Protecting small children from accidentally ingesting cannabis edibles; and**
- b. **Ensuring cannabis products are physically safe for patient consumption:**
 - i. **Tested Cannabis Ingredients and Dosage Controls**
 - ii. **Food Quality and Safety**
 - iii. **Labelling Accuracy**



A) Protecting Small Children

First and foremost, protection of our children must be centered upon an educational approach. This approach should cover the following topics:

1. The effects of cannabis and how to respond if someone has accidentally ingested it; and
2. Safe storage: Teaching adults how to safely store cannabis so that it cannot be accessed by children

An educational approach such as the one above is the most important factor in keeping children safe, far beyond any policies for cannabis products themselves. As has always been the case when small children are potentially able to access harmful products in their own home, teaching parents preventative measures for responsible storage is the best way to prevent products from reaching their hands in the first place. We provide safe storage instructional handouts to our customers and **have never had a report of accidental consumption by children**. As with all medicines, the onus must be on parents to prevent their children from accessing it (e.g. by keeping it locked in a medicine cabinet).

B) Protecting Patients and Consumers

There are three main categories of consumer protection surrounding cannabis edibles, of which two of the categories are not exclusive to cannabis and pertain to the general production and packaging of food products. They are:

- ii) Food quality and safety; and
- iii) Labelling accuracy

Both of these production-related concerns are already covered extensively by legislation and policies that have been enacted over the course of many decades. Any production facilities for cannabis products that contain food ingredients should also be covered by these standards. The establishment of additional branches of government to enforce these regulations would be unnecessary, as they are already being enforced by previously-established divisions.

- Local-region food production and labelling standards and enforcement are handled by regional health authorities (e.g. VCH, VIHA).
- Inter-regional food production and labelling standards and enforcement are handled by the Canadian Food Inspection Agency (CFIA). Their standards for production and labelling are more in-depth and must be adhered to by any companies that are selling food products outside of their local region.

These enforcement bodies are more than capable of performing the tasks which are in their mandate.

It is our recommendation that any companies who wish to manufacture cannabis edibles be required to receive approval from the appropriate government body as it becomes required, as is already the case for food companies in general.

While these regulations also include standards for packaging and labelling, it is our recommendation that additional standards for labelling cannabis be adopted and enforced.



Specifically, we recommend that a diamond symbol be adopted and required to be displayed prominently on the packaging of any product that contains THC (cp. Schedule A attached).

The shape of a diamond is a symbol that has already been adopted for “contains THC” in many other global jurisdictions (see schedule A). This marking is distinctive for all consumers and will aid in educating children on how to recognize cannabis-infused products.

With regards to cannabis-ingredient specific safety concerns, there is still one primary cannabis-related safety concern that is not currently addressed by existing food-safety regulation:

i) Tested Cannabis Ingredients and Dosage Controls

There are two main general questions that come up when discussing edibles.

- 1) How much is in it (what is the dosage); and
- 2) Is it safe?

Both questions can be easily answered by the same process: **Laboratory Testing**

Lab testing is already a required standard for cannabis being produced by existing federally-licensed companies. At time of writing, there are 33 analytical laboratories that have been licensed by Health Canada to conduct activities with Cannabis, of which 9 are in British Columbia.

Some of these laboratories have now been testing Cannabis edibles for several years, and frankly, they’re quite good at it. Cannabis, cannabis oils, and edibles are tested for (1) THC and CBD potency levels, and (2) toxins such as heavy metals or pesticides. Many of these laboratories have already significantly increased their capacity for testing in line with growth in the market.

It is our recommendation that the Province adopt a requirement for edible cannabis production facilities to undergo a recurring standard testing process for edible cannabis products.

This testing process should include standards that are already required by Health Canada for dried cannabis flower, notably checks for pesticides, heavy metals, organic toxins, etc.

Any cannabis inputs being used for edible manufacturing should be upheld to the same standards that are currently being applied to federally licensed producers. Cannabis oils are the preferred input for edibles due to their ability to test and dose accurately.

This testing process should also include a requirement for accurate dosage for each individual unit. Just as in the pharmaceutical industry, it is not feasible to test each and every individual unit. For this reason, other highly-regulated and successful food industries use HACCP (Hazard Analysis and Critical Control Points) to ensure that each batch of products is as uniform as possible. A regime of regular spot-testing is then implemented to guarantee that the production process does not degrade over time.

It is our recommendation that the Province adopt a requirement that edible cannabis production facilities create and adhere to an acceptable set of HACCP standards.



As long as the spot tests fall within an acceptable margin, products can continue to be produced. Given that cannabis has no known potentially lethal side-effects, it is recommended that the acceptable margin be defined as $(+/-)10\%$ of the labelled dose. It would be prohibitively difficult for all but the absolutely largest factories to regularly produce commercial edible goods within a dosage margin that was smaller than $(+/-)10\%$. The reason for this is that the factor is compounded due to very marginal inaccuracies of test results from the analytical laboratories themselves. For example, the same homogenous cannabis oil sample may be tested multiple times and the results themselves vary by 1-2% or more. If this test is performed on both the input oil and the output product, the effect is compounded and the margin for error from the laboratory alone could be as high as 5%, without any error whatsoever from the production facility.

If a company can successfully comply with government food-production regulations, and successfully implement a regular testing regime by following Good Manufacturing Practices, barring extenuating circumstances that company should be permitted to produce and sell cannabis edibles.

In Summary, we recommend:

1. A pro-active educational approach to protect small children, specifically education for adults on how to safely use and store cannabis (as compared to other materials they would not want their children to access).
2. A pro-active educational approach focused on having parents educate their children as soon as is possible on the effects of cannabis and how to recognize cannabis products
3. The adoption of the diamond symbol and requirement that it be prominently displayed on the packaging of any products that contain cannabis
4. The adoption of already-established food-production safety regulations and safe food-production enforcement by appropriate branches of government (e.g. VCH, CFIA)
5. The adoption of a requirement for edible cannabis producers to undergo a recurring testing process for all products for both potency and product safety
6. The adoption of a requirement that edibles production facilities create and adopt HACCP.
7. That permission to operate be granted to any company who is successful in adopting the above procedures, barring extenuating circumstances.

Signed,

Baked Edibles Inc.



Schedule A



BC Cannabis Regulation Consultation

BC Alliance for Healthy Living (BCAHL) is pleased to participate in this consultation process as we see the legalization of recreational cannabis as a significant policy shift that will likely impact public health. However, we acknowledge that this is new territory for the alliance and because cannabis has been illegal there is not the same robust body of evidence as we would usually draw from when we comment on policy matters.

Recently, BCAHL hosted a forum to look at lessons from Colorado and from alcohol policy that might inform a public health response to cannabis legalization. As one of the first two jurisdictions to legalize cannabis in North America, the Colorado Health Department has practical advice on implementation for BC. Alcohol and tobacco control policies are also informative as they have been developed for legal substances with the intention of reducing health harms.

While cannabis is recognized as being less harmful than other substances such as alcohol, it is not a substance that should be promoted and it is incumbent on government to ensure health harms are minimized.ⁱ Furthermore, there is still uncertainty about the health consequences of cannabis use as many studies have been conducted using lower potency cannabis.ⁱⁱ

As the government deliberates on the framework for legalized cannabis use in BC, BC Alliance for Healthy Living requests consideration of the following:

Public Consumption

- It may be prudent to include smoking and vaping of cannabis in BC's Tobacco Control Act so that it is banned in workplaces, on school and health authority properties, in common areas of multi-unit housing, outside of public doorways and windows, in addition to playgrounds, parks and beaches. The aim of this is two-fold, to protect people from second-hand smoke but also to reduce normalization of cannabis use.

Minimum Age

- Brain development continues until age 25. Some jurisdictions have moved the minimum age for the legal purchase of tobacco to age 21 because the research shows that delayed initiation results in lower risk for long term consumption.
- The rate for cannabis dependence doubles when use initiates before the age of 17.ⁱⁱ
- A minimum age of 21 should be considered or the legal age of majority at the very least.

Distribution and Retail

- From alcohol retail studies, we know that sales in government controlled outlets (government monopolies) result in fewer sales to minors, reduced intoxication and more opportunities to apply minimum pricing and other measures to promote a culture of moderation.^{i,iii}
- Commercially sold product should have clear labelling that indicates a standard “THC dose” which should be applied across products where feasible (edibles, oils, etc.) For example basing a dose of THC that is equivalent to a standard joint, and including a label on the product that indicates the number of doses should help consumers to understand and regulate their usage.ⁱⁱⁱ
- A minimum price per unit may help moderate intake for heavy chronic users. From the research on alcohol, volumetric pricing where a minimum price is set for a standard drink of alcohol has been shown to reduce excessive consumption, this may be applicable to cannabis if pricing is set according to a standard ‘dose’ of THC.^{i,ii,iii}
- Packaging should include warning labels outlining health risks.
- Packaging for edible products should be child-proof to prevent accidental poisonings.^{iv}
- All attempts should be made to ensure cannabis retail outlets are at an inconvenient distance from schools and recreation and youth centres. This should apply to government controlled outlets. If the provincial government decides that cannabis can be retailed in outlets that are outside of government control then local governments should have the right to determine the appropriate location for retail outlets through their zoning authority.^v
- Limitations on advertising and marketing should be consistent with those that apply to tobacco and should include sponsorship of athletic, artistic and community events where children and youth are present.

Data Collection and Surveillance

- A surveillance team should be established so the health impacts and trends in cannabis use are accurately captured. Survey data should capture population use and should be linked with other surveillance tools used to gather statistics on traffic collisions and

fatalities, hospitalization rates and poison control. Ideally, information should be gathered in advance of the legalization so trends can be observed. ^{iv,v}

- The Colorado Medical Officer advises establishing a reference laboratory to develop standardized testing methods and to “[validate that other] laboratories are accurately testing for cannabinoid concentrations, residual solvents, and contaminants.” ^{iv}

Prevention and Public Education

- A portion of the revenues collected from cannabis sales could be earmarked for public education and prevention campaigns and programs targeted to youth and high risk or vulnerable populations. ^{iii,iv}

Who We Are

Established in 2003, BCHLA represents the largest health promotion team in BC history. Our Vision is “a healthy British Columbia” and our Mission is: “To improve the health of British Columbians through leadership and collaboration to address the risk factors and health inequities that contribute significantly to chronic disease.

For further information please contact:

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BC Coalition of Nursing Associations (BCCNA) Submission to the Cannabis Legalization and Regulation Secretariat

October 31st 2017

Introduction

The BC Coalition of Nursing Associations (BCCNA) welcomes the Minister of Public Safety and Solicitor General's commitment to public consultation on the regulation of cannabis in British Columbia (B.C.), and is pleased to provide a nursing perspective on this important topic. BCCNA brings together the collective voice and leadership of all four professional associations and nurse educators in B.C., including the Association of Registered Nurses of British Columbia (ARNBC), Association of Registered Psychiatric Nurses of British Columbia (ARPNBC), British Columbia Nurse Practitioner Association (BCNPA), Licensed Practical Nurses Association of British Columbia (LPNABC), and the Nursing Education Council of British Columbia (NECBC).

Nurses practicing across the continuum of care interact on a daily basis with individuals who use, or are impacted by the use of, non-medical cannabis. As nurses, our expertise in population public health uniquely positions us to provide a balanced and informed response on cannabis regulation in B.C., with the ultimate goal of ensuring positive health and social outcomes. In general, BCCNA supports the legalization of cannabis, and believes that the public health approach taken will help minimize harms associated with cannabis use, especially among children and youth. This submission has been informed by Licensed Practical Nurses (LPNs), Nurse Practitioners (NPs), Registered Nurses (RNs), Registered Psychiatric Nurses (RPNs) and nursing students across the province, and provides a balanced overview of the nursing perspective on minimum age, personal possession limits, public consumption, drug-impaired driving, personal cultivation and distribution and retail models.

Minimum Age

While nurses are well aware of the negative impacts of cannabis consumption on brain development, we also understand that establishing a minimum age that is too high carries unintended consequences such as a continued robust illegal market. Currently, other jurisdictions across the country have established a minimum age of 18 and 19. BCCNA recognizes that setting a higher age limit in B.C. may not necessarily deter youth from using cannabis, nor limit access due to the possibility of cross-border and inter-provincial shopping.

While Bill C-45 establishes a minimum age of 18 years to buy, grow and publicly possess up to 30 grams of non-medical cannabis, BCCNA would recommend that a minimum age of at least 19 be established in B.C., keeping in line with the current age of majority and minimum age to buy tobacco and alcohol. Nursing acknowledges that setting a minimum age alone will not prevent youth from using cannabis, and strongly believes that robust comprehensive public education, especially among youth is required to ensure that British Columbians are aware of the potential harms associated with cannabis consumption. Nursing understands the importance of building capacity among youth, and would advocate for the inclusion of youth in the design and content of education targeted towards this population. Due to the broad scope of nursing practice, nurses will have key role to play in delivering public education in all areas where British Columbians work, live, and play.

Personal Possession

BCCNA agrees with the 30 gram limit on public possession of dried cannabis. Many jurisdictions across the country have established this limit, and BCCNA believes it is important to ensure consistency across the country. While individuals under 18 are not prohibited from possessing 5 grams of dried cannabis or equivalent amounts of other cannabis products under Bill C-45, BCCNA believes that in order to protect young British Columbians, B.C. should implement a zero tolerance approach for those under the established age limit. For individuals under the established age limit who are in possession of 5 grams or less, BCCNA agrees that rather than criminal conviction, similar penalties for underage possession of alcohol should be adopted. Specifically, this includes confiscation of cannabis, ticket fines and/or notification of parents or guardians. Such penalties would ensure that youth are not disadvantaged later in life due to a history of criminal conviction for a small possession of cannabis.

Public Consumption

While adults should be allowed to use non-medical cannabis in some spaces outside their homes, restrictions must be in place to protect the health and well-being of non-users, especially children and youth. The key public health concern associated with public consumption is related to exposure from second-hand cannabis smoke, particularly in relation to young people. As a result, BCCNA would agree that there should be greater restrictions around smoking and vaping of non-medical cannabis compared to other forms of consumption including edibles, lotions, tinctures/drops, etc., which are more difficult to detect. BCCNA agrees that existing restrictions on tobacco smoking and vaping should be extended to cannabis smoking and vaping. In addition, BCCNA believes additional restrictions should be established including prohibiting cannabis smoking and vaping in the following places:

- Motorized vehicles
- All areas that are frequented by children and youth (e.g.: within public parks, playgrounds, school properties and in the surrounding vicinity based on determined buffer zones).

BCCNA would also encourage communities and municipalities to establish restrictions on public consumption to minimize the potential harms of exposure to cannabis smoke among British Columbians, especially children and youth. Nurses who provided feedback to BCCNA were open to the idea of establishing licensed establishments such as tasting lounges or cannabis cafes.

Drug Impaired Driving

Nurses have articulated serious concerns around drug-impaired driving. However there is no consensus on whether nurses think the legalization of non-medical cannabis will result in increased problems with cannabis-impaired driving. As a result BCCNA strongly agrees that more research is required around this critical issue, and believes legalization will enable this.

BCCNA believes that B.C. should consider additional actions to deter drug-impaired driving beyond proposed federal *Criminal Code* penalties. Significant investments must be made in supporting widespread and comprehensive public education and awareness campaigns, with a particular focus on youth. BCCNA would also encourage B.C. to work collaboratively with other jurisdictions to ensure education and awareness campaigns are consistent across the country. Given the nature of practice of nursing, nurses will play a key role in promoting and delivering public education and awareness.

Further, BCCNA believes that B.C. should expand the Immediate Roadside Prohibition (IRP) and/or the Administrative Driving Prohibition (ADP) to include drug impaired driving. As discussed in government's discussion paper, there is

currently a lack of scientific evidence that links blood THC levels with the severity of impairment. As a result, BCCNA would support greater investment in Standard Field Sobriety Testing (SFST) and Drug Recognition Expert (DRE) training among police officers across the province in order to better assess impairment. While THC levels may not indicate impairment, setting a zero tolerance standard in respect to blood THC levels for “L” and “N” drivers may be useful in reinforcing the dangers and consequences of drug-impaired driving among this population. Remedial drug education and counselling would also be an important measure to support on-going education around the risks and harms associated with cannabis use.

Personal Cultivation

While BCCNA recognizes that personal cultivation can remedy issues of personal preferences, cost and access in rural and remote communities, provincial restrictions should be in place to protect children and youth. BCCNA agrees with the limit of 4 plants per household to a height of 100cm for non-medical cannabis, and believes that plants should be restricted from being visible or easily accessible from outside the property in order to prevent theft. Due to the costs associated with administering a registration requirement and the difficulty in ensuring all home growers register, this may be challenging to implement.

Distribution

BCCNA believes that a government operated distribution organization should be responsible for distributing non-medical cannabis. Despite the costs associated with this model, as indicated by government, private and direct distribution models would still require significant government oversight. Similar to alcohol, this would help maintain control over the supply and movement of non-medical cannabis and prevent diversion.

Retail

From the nursing perspective, the ultimate goal of regulating cannabis is to enable safe access, protect public health and safety, and reduce access to the illicit market. BCCNA believes that a mix of government owned and operated retail stores as well as private retail stores will be able to support this goal. While there is concern around the possibility of unchecked proliferation of private retail stores, BCCNA would encourage B.C. and its municipalities to implement legislation and bylaws to mitigate this risk. Due to the available evidence that illustrates that negative impacts of co-consumption of cannabis and alcohol, BCCNA strongly opposes the co-sale of cannabis and alcohol. Further, BCCNA believes that strict restrictions around advertising and marketing should be implemented. Additional priority requirements that should be considered for regulating retail regardless of who operates the stores include (not in any particular order):

- Ensuring adequate distance between stores and areas in which children and youth frequent
- Ensuring minimum age restriction is enforced
- Preserving the right to refuse selling to impaired customers
- Background checks on staff
- A requirement for all employees be trained and able to provide education or advice around the legalities of cannabis, associated risks and harms

Conclusion

BCCNA thanks government for the opportunity to inform cannabis regulation through the nursing perspective. As the largest healthcare workforce in B.C., nursing recognizes that a public health approach to cannabis regulation is a good step in the right direction in addressing the harms associated with cannabis. Nursing is positioned to work collaboratively with government and stakeholders to continue to protect and promote the health and well-being of British Columbians during this significant public policy change. BCCNA is committed to ensuring that nurses across the province continue to have a key role in building healthy public policy, and welcomes any future collaborations with government.



BC Compassion Club Society

BRITISH COLUMBIA COMPASSION CLUB SOCIETY'S
SUBMISSION TO THE PROVINCIAL GOVERNMENT'S
BC CANNABIS REGULATION ENGAGEMENT

October 31st, 2017

BC Compassion Club Society
2995 Commercial Drive, Vancouver, BC V5N 4C8



INTRODUCTION

The BC Compassion Club Society (BCCCS) is a non-profit society that has been responsibly and openly providing cannabis therapies to critically and chronically ill patients for 20 years. We are the first cannabis dispensary in Canada, founded in 1997, and our model is unique. Last year, we provided 3400 non cannabis-related holistic healthcare appointments to some of Vancouver's most marginalized people, with little or no cost to our members. We have developed the gold standard for medical cannabis education and patient support. We are on

the front lines of safe access, harm-reduction and community-based healthcare.

The BCCCS is offering 7 recommendations to assist the Government of BC in prioritizing and addressing patient needs. Cannabis legalization will affect some of the most vulnerable members of Canadian Society, particularly critically and chronically ill patients.

The needs of patients must be prioritized in the process of legalizing cannabis for recreational consumption.

RESPECT, ACKNOWLEDGE AND PROTECT HISTORICAL CANADIAN CANNABIS INSTITUTIONS

Regulating the retailing and distribution of cannabis is the purview of the provincial government, it is therefore this government's responsibility to ensure the health care of Canadians is not unjustly and harmfully interrupted. The BCCCS has been catching marginalized patients falling through the cracks of the healthcare system for two decades. Many of our clients report they feel the Compassion Club has saved their life, without it they would be seriously suffering, or dead.

RECOMMENDATION #1:

The Government should give special consideration to Canada's historical medical cannabis institution, the BCCCS. Protect our subsidized wellness centre and standard-setting education services and dedicated suppliers. It is imperative that the health care services provided to the BCCCS's 11,833 members is not interrupted, and our unique knowledge is not lost. Colorado and Washington are examples of jurisdictions which prioritized transitioning long standing medical cannabis institutions into the new regulatory framework.

A) PREVIOUS ACKNOWLEDGMENT AND RECOGNITION FROM MANY LEVELS OF GOVERNMENT

The BCCCS has been supported and recognized by all levels of government and should be given special considerations and protection. The Vancouver Police Department has refrained from enforcement action on the BCCCS for over 20 years due to our commitment to patients, responsible and industry-leading operating practises, and overwhelming community support. The courts have repeatedly commended our work.

The Senate Committee on Illegal Drugs (2002) recommended the BCCCS's unique model should be the standard for medical cannabis access and patient care across Canada. Libby Davies, former MP for Vancouver East granted us a certificate of congratulations on our 10th anniversary, May 1st 2007, for serving our community.

Our model was enshrined into municipal by-laws by the City of Vancouver (2015) to encourage the replication of our model.

The founder and an early employee were selected by Senator Nolin to receive the Governor General's Diamond Jubilee Medal, acknowledging their significant contribution to Canada for their work with the Compassion Club.

Members of the Task Force on Cannabis Legalization and Regulation, including Chair Anne McLellan, visited the BC Compassion Club Society. In the press conference releasing their report, McLellan said:

"WHAT WE LEARNED THERE, PUTTING ASIDE CERTAIN ISSUES OF ILLEGALITY; IS THAT THERE CAN BE A HOLISTIC, WELLNESS-BASED APPROACH, STREET-LEVEL APPROACH, THAT SERVES GENERALLY, HIGHLY MARGINALIZED POPULATIONS AND THAT THIS IS A MODEL THAT THE REPORT REFERENCES AND SUGGESTS THE GOVERNMENTS SHOULD TAKE A LOOK AT GOING FORWARD."

The BCCCS worked with The Arthritis Society and Canadians for Fair Access to organize and host a special meeting of patients for the Task Force, September 2016. We are the sole cannabis related organization that has been invited to participate in the Health Canada's Partnership Symposium on Cannabis Public Education and Awareness

We continue to offer our experience and expertise to all levels of government and would like to extend a formal invitation to visit the BC Compassion Club Society to all members of the BC government.

B) ADDITIONAL HEALTHCARE SERVICES

Last year alone, the BCCCS subsidized 3400 holistic treatments including: acupuncture, clinical counselling, clinical herbal therapies, craniosacral therapy, nutritional counselling and massage.

We catch many patients falling through the cracks in the healthcare system. Patients across the country deserve the level of care provided by the BCCCS. Waitlists are up to 4 years long to see range of our practitioners as we are inundated with



BC Compassion Club Society

SUBMISSION TO THE PROVINCIAL GOVERNMENT'S BC CANNABIS REGULATION ENGAGEMENT

referrals from physicians and patient service providers. Patients given access to affordable holistic healthcare are often able to manage their conditions more effectively, and as a result, require less cannabis to manage their symptoms.

C) EDUCATION

Patients, especially those new to using cannabis as a therapy, require significant and ongoing education in order to maximize benefits and minimize risks. Each new patient at the BCCCS receives an individualized 60-90 minute intake and education session. This standard of care should be available for all patients exploring medical cannabis as an option.

D) COMMUNITY SUPPORT

The BCCCS is supported by its community, including neighbours, businesses, government officials, law enforcement, healthcare professionals and patient service organizations. The two local elementary schools support us remaining in our long-standing location. Our model has evolved carefully over the years to ensure any concerns our community may have are addressed, and our policies could offer valuable guidance to the development of distribution regulations.

E) CULTIVATORS

When long standing cultivators for the BCCCS apply for production licenses, they should be given special consideration and be fast tracked in order to prevent interruption of our members cannabis therapies and to protect the genetics and specialized knowledge they have developed.

AFFORDABILITY - STATUS, TAX AND INSURANCE

Although the status and taxation of cannabis are in the federal jurisdiction, the BC government should be aware of the affordability crisis facing patients.

The current status of medical cannabis causes it to be in a category of one and not treated in a similar manner to other medicines although patients access it through an 'authorization' from their physician, without the benefits of it being considered a prescription. According to the Supreme Court of Canada, cannabis is a medical necessity and must be treated as such. Medical cannabis is unjustly taxed and cost coverage via public and private insurers remains extremely difficult to obtain.

Patients are often still choosing between an procuring an adequate quantity of their medication and other necessities.

RECOMMENDATION #2 - STATUS:

Since cannabis was made accessible through the courts, it's in a unique situation not shared by any other prescribed medication. The province should advocate for a fast-tracked regulatory pathway for medical cannabis to be approved as a drug or medicine. Treat medical cannabis like other medical necessities to by:

- **Changing the language in the ACMPR to call the medical document a prescription**
- **Giving it a Drug Identification Number, or something akin to it**

An approved drug status would facilitate both fair taxation and cost coverage through insurance.

RECOMMENDATION #3 - TAX :

Support patients by encouraging the federal government to amend the Excise Tax Act to that clarify the medical cannabis obtained through a physician is GST exempt to relieve the unjust financial burden carried by critically and chronically ill patients. Medical cannabis should be zero-rated like other medical necessities and prescription medicines.

The Excise Tax Act proclaims drugs that are authorized by a healthcare practitioner and which are not available "over the counter," are zero-rated. In fact, both the judges in the Federal Tax Court and the Federal Court of Appeal recently interpreted the Excise Tax Act to apply to sales of medical cannabis outside of the process set out by Health Canada's medical marijuana access program. In its decision, the Courts noted that the legislation imposing sales tax on medical cannabis resulted in "uncertainty and confusion" and that the legislation "needs work". *Hedges v. The Queen, 2014 TCC 270, Hedges v. Canada, 2016 FCA 19*

Canadian patients are looking to their elected officials to address this unjust tax.

RECOMMENDATION #4 - INSURANCE:

Medical cannabis needs a Drug Identification Number (DIN) or something akin to it, to facilitate insurance coverage. This is a complicated process. An alternative route to facilitating and encouraging insurance coverage for medical cannabis is for the government of BC to lead the country and the world by including coverage in the plan for employees of the provincial government.

Based on average current pricing and dosage, medical cannabis patients, many of whom are on a fixed income, bear costs upwards of \$250/month for their medicine. This constitutes an unreasonable financial burden and it is the responsibility of this committee to remedy this unacceptable and unjust situation.

"More than half [of patients] reported that they were sometimes or never able to afford to buy sufficient quantity to relieve their symptoms, and approximately one third reported that they often or always choose between cannabis and other necessities such as food, rent, other medicines because of lack of money." (Belle-Isle, L. et al., International Journal of Drug Policy 2014)



While more research is needed, our experience suggests a potential for cost savings on other medications, as patients often report reducing or replacing other medications entirely with cannabis.

ACCESS - RANGE OF PRODUCTS

Patients must be able to purchase cannabis medicines in all of its forms and potencies from a legal source that has been tested for safety and potency. Restrictions on the forms and potency of edible medical cannabis products allowed. The impact on patients is significant, unacceptable and incongruent with the Supreme Court ruling on the issue. Furthermore, such restrictions will only encourage the future illicit market to meet the demand.

RECOMMENDATION #5 - RANGE OF PRODUCTS:

Advocate to ensure legal access to cannabis products in all of its various forms and potencies, including but not limited to: herbal cannabis, capsules, tinctures, topicals, resins, suppositories and finished edible products. Otherwise patients will continue to access them in the unregulated market. This move would bring federal policy in line with the recent Supreme Court ruling, R vs. Smith 2015.

A) IMPACTS OF ARBITRARY LIMITATIONS

Current restrictions on potency of liquid cannabis oils and capsules is a major barrier to reasonable access to medical cannabis. Patients at the BCCCS safely use cannabis products in many forms and potencies to manage their symptoms. This range of products must be legally available.

Patients who find effective symptom management from inhaled extracts that will continue to be prohibited under Bill C-45 as proposed will continue to procure them from unregulated markets or produce them at home. It is unreasonable for these products to be prohibited from being retailed in a regulated environment.

B) FOLLOWING THE SPIRIT OF THE SUPREME COURT RULINGS

The R. vs. Smith 2015 ruling determined that limitations on cannabis products in its various forms are arbitrary. Future regulations must follow the spirit of the Supreme Court ruling. The trial judge concluded that for some patients, alternate forms of administration using cannabis derivatives are more effective than inhaling dried cannabis. He also concluded that the prohibition forces people with a legitimate, legally recognized need to use cannabis to accept the risk of harm to health that may arise from chronic smoking. It follows from these findings that the prohibition on non-dried medical cannabis undermines the health and safety of medical marijuana users by diminishing the quality of their medical care. (R vs. Smith 2015 SCC 34)

C) MITIGATING RISK

Some cannabis extracts can be risky to produce and consume due to the use of volatile, highly flammable and carcinogenic solvents and should therefore be a priority to regulate.

ADVERTISING - EDUCATION RESTRICTIONS

It is essential to ensure patients have access to all of the necessary information they need to make informed choices about their sources of medical cannabis. Currently the BCCCS does not advertise its services in compliance with the ACMPR (Access to Cannabis for Medical Purposes Regulations) or the NCR (Narcotic Control Regulations, which govern advertising). Prohibitions on advertising will create confusion and distrust in a new regulatory environment in which consumer confidence and buy-in is paramount to success.

RECOMMENDATION #6 - ADVERTISING:

Ensure advertising restrictions to not unduly limit the capacity for service providers to provide education and convey product characteristics, in order to help instill consumer confidence in this new regulation.

INVESTING IN RESEARCH

As cannabis is becoming becoming legalized in Canada, we have an opportunity to be world leaders in expanding the evidence base of benefits and risks of medical cannabis. While Canada is facing an opioid and overdose crisis, cannabis and cannabinoids have tremendous potential as a harm reduction tool.

RECOMMENDATION #7 - RESEARCH:

Invest significant resources in human clinical research to further quantify the medical utility of cannabis and cannabinoids, prioritizing researching the potential of cannabis in managing pain and as a harm reduction tool for addiction and substance abuse.

The BCCCS has acquired tremendous experience with people struggling with chronic dependence and problematic substance use using cannabis as a harm reduction tool. Our experience indicates there is great potential in high potency edibles and resins as effective use-reduction tools for recreational and medical opiates, methadone, alcohol, cocaine and crack.

Considering the opioid epidemic Canada is facing, the BC government has a responsibility to explore the role of cannabis and cannabinoids in substance substitution and harm reduction.



CONCLUSION

In the 20 years the BCCCS has been distributing medical cannabis, we have amassed a vast and unique knowledge base and continue to offer this knowledge freely. We implore this government to do everything in its power to protect the community-based, standard setting, front-lines harm reduction organization that pioneered the medical cannabis movement and industry.

The 7 recommendations offered in this submission identify key issues that need to be addressed in order to adequately take care of Canada's most vulnerable groups, critically and chronically ill patients, affected by cannabis legalization.

SUMMARY OF RECOMMENDATIONS

RESPECT, ACKNOWLEDGE AND PROTECT HISTORICAL CANADIAN CANNABIS INSTITUTIONS

RECOMMENDATION #1:

SPECIAL CONSIDERATION. The Government should give special consideration to Canada's historical medical cannabis institution, the BCCCS. Protect our subsidized wellness centre and standard-setting education services and dedicated suppliers. It is imperative that the health care services provided to the BCCCS's 11,833 members is not interrupted, and our unique knowledge is not lost. Colorado and Washington are examples of jurisdictions which prioritized transitioning long standing medical cannabis institutions into the new regulatory framework.

AFFORDABILITY - STATUS, TAX AND INSURANCE

RECOMMENDATION #2:

STATUS. Since cannabis was made accessible through the courts, it's in a unique situation not shared by any other prescribed medication. The province should advocate for a fast-tracked regulatory pathway for medical cannabis to be approved as a drug or medicine. Treat medical cannabis like other medical necessities to by:

- Changing the language in the ACMPR to call the medical document a prescription
- Giving it a Drug Identification Number, or something akin to it.

An approved drug status would facilitate both fair taxation and cost coverage through insurance.

RECOMMENDATION #3:

TAX. Support patients by encouraging the federal government to amend the Excise Tax Act to that clarify the medical cannabis obtained through a physician is GST exempt to relieve the unjust financial burden carried by critically and chronically ill patients. Medical cannabis should be zero-rated like other medical necessities and prescription medicines.

RECOMMENDATION #4:

INSURANCE. Medical cannabis needs a Drug Identification Number (DIN) or something akin to it, to facilitate insurance coverage. This is a complicated process. An alternative route to facilitating and encouraging insurance coverage for medical cannabis is for the government of BC to lead the country and the world by including coverage in the plan for employees of the provincial government.

RANGE OF PRODUCTS

RECOMMENDATION #5:

ACCESS. Advocate to ensure legal access to cannabis products in all of its various forms and potencies, including but not limited to: herbal cannabis, capsules, tinctures, topicals, resins, suppositories and finished edible products. Otherwise patients will continue to access them in the unregulated market. This move would bring federal policy in line with the recent Supreme Court ruling, R vs. Smith 2015.

ADVERTISING RESTRICTIONS

RECOMMENDATION #6:

EDUCATION. Ensure advertising restrictions to not unduly limit the capacity for service providers to provide education and convey product characteristics, in order to help instil consumer confidence in this new regulation.

INVESTING IN RESEARCH

RECOMMENDATION #7:

RESEARCH. Invest significant resources in human clinical research to further quantify the medical utility of cannabis and cannabinoids, prioritizing researching the potential of cannabis in managing pain and as a harm reduction tool for addiction and substance abuse.

B.C. CANNABIS REGULATION ENGAGEMENT STAKEHOLDER SUBMISSION

October 31, 2017



Thank you for the invitation to provide a submission to the B.C. Cannabis Regulation Engagement. The B.C. Government and Service Employees' Union (BCGEU) represents more than 73,000 workers in various sectors and occupations in more than 550 bargaining units throughout British Columbia. Our membership includes 4,200 people who work for the BC Liquor Distribution Branch (LDB). For decades, BCGEU members have professionally distributed and retailed a controlled substance.

Our submission is limited to recommendations about how legal, non-medical cannabis should be distributed and retailed in British Columbia. We believe that legal, non-medicinal cannabis should be warehoused and distributed by the LDB and retailed at both public and private liquor stores. This is the most socially responsible approach and the best choice for British Columbia, for the following reasons:

1. *Distribution*

Undeniably, the LDB is a valuable public asset that generates significant revenue to support public services. The profits from B.C.'s public liquor stores and distribution network contribute over one billion dollars annually to pay for education, health care and other necessary public services in our province.

Today the LDB securely warehouses and distributes almost two billion dollars worth of alcohol per year,¹ and has done so since the end of prohibition in 1921. In short, the LDB has a ninety-six year track record of safely and efficiently distributing a controlled substance to almost every community in British Columbia.

Adapting and expanding the LDB's existing system is the most straightforward option for the distribution of non-medical cannabis. Making use of the LDB's highly-developed distribution network will save costs and maximize revenue to government. Creating a new, parallel distribution system is unnecessarily complex, costly and

time-consuming. This approach risks diverting funds from important public services such as education and health care to duplicate a distribution network that is already in place.

2. *Retail*

It is important that non-medical cannabis is retailed with public safety and social responsibility, not profit, as the priority. Cannabis will be a controlled substance, like alcohol, and we must ensure it is kept out of the hands of minors. For this reason, non-medical cannabis must be sold in an age-controlled environment where minors are not permitted, and by employees who have received training to ensure they will not sell cannabis to minors.

Workers in B.C.'s existing public and private liquor stores are highly trained and expected to refuse service to both minors and intoxicated customers. They have the strongest track record of refusing to sell to minors, as confirmed by the Liquor Control and Licensing Branch's Minors as Agents program. In fact, today minors in B.C. have an easier time buying cigarettes than alcohol.

British Columbia's existing public and private liquor stores are also already in compliance with local zoning and licensing rules, and many could be ready to retail non-medical cannabis by July 1, 2018.

3. *Co-location*

The BCGEU wholeheartedly supports an evidence-based public policy approach that discourages the co-consumption of marijuana, alcohol and tobacco. However, we do not agree with those who argue that recreational cannabis and recreational alcohol should not be sold in the same location.

Other controlled substances are already co-located in retail stores. For example, grocery

¹ BC LDB, 2016/17 Annual Report, p.19.

stores across B.C. sell both cigarettes and painkillers, and several now sell wine as well. More importantly, to date there is no evidence that co-location of cannabis and alcohol leads to increased co-use. The Centre for Addiction and Mental Health (CAMH), in their submission to the federal Task Force on Cannabis Legalization and Regulation, reiterated this point, clearly stating that that “there is no evidence as to whether selling cannabis and alcohol alongside one another encourages or facilitates co-use.”²

In contrast to the absence of evidence related to harms associated with co-location, academic research on alcohol has demonstrated that the policies needed to reduce harm are better implemented by public agencies like the LDB than by the private sector.³ As such, the existing evidence supports choosing the LDB to distribute and retail non-medical cannabis.

Overall, we urge your government to choose a distribution and retail system for non-medical cannabis that maximizes the benefits to our province while reducing risks. Done properly, the retail and distribution of non-medicinal cannabis through our existing liquor retail systems will create good jobs and generate public revenue to fund public services, while minimizing potential harms associated with cannabis use.

Thank you for the opportunity to provide feedback. If you have any further questions, please reach out to President Stephanie Smith at president@bcgeu.ca or 604-291-9611.



² Centre for Addiction and Mental Health, Submission to consultation on legalization, regulation and restriction of access to marijuana in Canada, August 2016. Available at http://www.camh.ca/en/hospital/about_camh/influencing_public_policy/Documents/CAMHsubmission_CannabisTaskForce_20160829.pdf.

³ See, for example, Thomas Babor et al., Alcohol: No Ordinary Commodity: Research and Public Policy, 2010.



Stakeholder Submission

Who We Are

The British Columbia Independent Cannabis Association (BCICA) is an incorporated not-for profit organization that represents a wide variety of stakeholders from the long-standing BC cannabis economy.

The BCICA is not a trade association. Membership is available to the public for an annual \$5 fee.

The BCICA's primary focus is on education. To that end, we host public panels and meetings on specific topics, where we garner feedback from both industry experts and the general public. It is our hope to present the information gained in these sessions in a comprehensive and clear manner, with the goal of informing the public and policy makers about this vibrant, sophisticated business economy.

Our board of directors consists of five cannabis industry experts:

Courtland Sandover-Sly: Founder of Sandover-Sly Financial, Courtland is a financial advisor and insurance broker that caters to the cannabis industry, and has clients across Canada. Courtland is the Chairman of the Board.

Alex Robb: Alex Robb is the General Manager of Trees Dispensaries, one of the largest dispensary chains on Vancouver Island. Trees is among the first dispensaries to receive a business license from the city of Victoria. Alex has a master's degree in Political Science.

Travis Lane: Travis Lane is the founder and CEO at The Internet Dispensary, a founding partner at Levity Solutions, and Director of Purchasing at Holistek. A long-time grower, Travis specializes in growing organic, pesticide-free cannabis. Travis is a certified extraction technician in multiple American states, and has served as a consultant to cultivators, extractors, and dispensaries around BC.

Jamie Shaw: Jamie Shaw is among the most well-informed cannabis minds in Canada. A specialist in government relations, Jamie has served as a Director of the BC Compassion Club Society and as President of the Canadian Association of Medical Cannabis Dispensaries. It was her testimony in the Allard trial that led to Judge Phelan declaring that dispensaries are at the heart of access to cannabis for patients. She is currently the Director of Government Relations for MMJ Canada.

Rob Laurie: Robert W.E. Laurie is an Oxford-educated international lawyer, writer, and speaker. He is qualified as a solicitor in England and Wales and called to the British Columbia Bar as a barrister and solicitor. After practicing law in London and New York in the areas of hedge fund formation and securities fraud litigation, Robert founded Ad Lucem Law Corporation in 2013. Robert focuses his legal practice on issues related to cannabis, encompassing the areas of business law, family and administrative litigation, and criminal defense.

The structure of the BCICA is one that allows collaboration and the free flow of ideas. This board of directors has the ability to appoint further experts, as committee chairs, to speak on specific topics. Along with sessions covering the latest cannabis news, the BCICA also has plans for 2018 to include panels on extraction safety & use, seed-to-sale tracking, small-scale production, analytical testing & labelling, home growing, and a session on the newly minted legal framework when it is unveiled. We encourage all of our members to participate in the feedback process.

Recommendations

The BCICA makes the following recommendations regarding the legal framework for Cannabis in BC:

1. That the province make space for private distribution and retail within the legal framework.
2. That the province create a digital seed-to-sale tracking system that allows cultivators to deliver directly to retailers.
3. That the province avoid the centralized warehousing of fresh cannabis.
4. That the province consider the potential pitfalls for the BC distribution system, should there be a shortage of federally produced cannabis as a result of restricted federal licensing.
5. That the province prepare for the eventualities of point 4, by creating a BC-only category of small-scale production licenses for cultivators whose product is only sold in-province.
6. That the province allow private distribution, or enter into a private-public partnership, for the distribution of mail-order cannabis online.
7. That the province allow cannabis lounges, to keep widespread consumption off the street, and allow the distribution of single-dose cannabis products at these locations.
8. That cannabis not be co-located with alcohol.
9. That the province not decrease carry limits.
10. That the province consider the safety ramifications of people using hydrocarbons to make cannabis extracts at home, and establish guidelines in tandem with WorkSafe BC, CSA, and all levels of government, for the safe, legal extraction of cannabis based on industrial best practices.
11. That the province advocate strongly for amnesty, expungement, and inclusion for convicted cannabis offenders.
12. That the province not create a registry for home growers, and not decrease plant counts.
13. That the province consider harmonizing with neighbouring provinces, with regards to age.
14. That the province consider medical access and distribution, which is a constitutionally protected right, separately from the non-medical model.
15. That the provincial system actively attempt to incorporate the best actors from the current illicit industry into the new regulatory framework.

Aside from these specific recommendations, the BCICA encourages the BC government to draw inspiration from Oregon, Colorado, and California.

California, in particular, will be setting the standard for the rest of the world, as it is already the single most sophisticated cannabis market on the planet. So far, they have encouraged organic outdoor cultivation, created an amnesty and expungement program, focused on a regional approach to licensing, and are actively trying to incorporate the previously illicit market into the newly regulated one.

Finally, the BCICA suggest that provincial regulators keep in mind the potential economic ramifications of the loss of our illicit cannabis economy. A 2016 report by Larissa Flister estimates approximately 14,000 full time jobs in illicit cannabis cultivation in BC. This number does not include extracts, edibles, distribution, retail, or peripheral services like technology and marketing. This is the backbone of BC's cash economy, and its loss would be devastating for many small communities.

Discussion

As BC approaches July 2018, it is important that a comprehensive, robust distribution system be in place at the introduction of legalized cannabis in Canada. BC is in a unique position among all provinces, having a long-standing, sophisticated cannabis economy with the ability to fill provincial demand. No other province has such production capacity.

This province's municipal governments have also been the first to approach the tough questions around regulating storefronts, and have, so far, been the government leaders on this file.

We do believe that our provincial government recognizes these unique facets of our cannabis marketplace, and we are greatly encouraged by the feedback process for which this paper is a submission. We are hopeful that all municipal voices will be heard on this file, and we expect there to be a large quantity of public feedback.

Below, we will discuss four facets of the cannabis economy here in BC, and relate them to the Province's role in defining distribution: Product Supply Chain, Public Health & Safety, Potential Economic Impacts, and Elimination of the Illicit Market.

Product Supply Chain

Product supply is the largest logistical barrier to regulatory success, as any distribution system will obviously fail without adequate supply. In the case of cannabis, it is also important to minimize barriers between product providers and product retailers, as both raw cannabis flower and edibles are perishable goods.

Recommendations 1-8 above focus largely on supply chain and distribution issues. It is our recommendation that the province establish a private retail model, with a digitized tracking system for government reporting. Under the suggested system, physical product would not be centrally warehoused, but it would be possible to have centralized 'distribution' through technological seed-to-sale product tracking.

It is crucial that the provincial government incorporate elements of the already-established private dispensary model, for both storefront and mail-order. If these businesses, some of which have been operating for over a decade, are left out of the legal paradigm, we risk losing the expertise of the very people that brought this country to the decision to legalize.

Incorporating these businesses would also allow for a more seamless transition to a regulated model. Many have already been working with municipal officials, and some have already acquired municipal licensing. By simply creating standards for good business actors, an inspection regime, and funding the municipalities' enforcement efforts, the province could quickly and efficiently establish legal retail networks in the province's two biggest cities and online.

We also recommend that BC take future production shortages into consideration now, and create contingency plans.

The current production system does not have the capacity to provide enough legal cannabis to fill demand nation-wide. When speaking with experts in both legal and illicit production businesses, estimates range from less than 1% to about 10% of demand being filled by July 2018.

Even if the federal government were to issue thousands of licenses between now and July, it is unlikely in the extreme that all of those licensees would be able to build and test in time, considering the federal program's barriers to entry.

Luckily, this province is the only cannabis market in the nation that produces more than it consumes. We recommend that the province look at the possibility of creating a provincial plan for small scale production licenses, which would be available to cultivators who sell their product only in BC.

These licensees would require lower barriers to entry than the larger-scale federal producers, but it would remain necessary to prove security, do background checks, pass analytical chemical checks, and provide quality assurance. These producers would only be able to vend within the provincial distribution network, not outside of BC.

The primary benefits of such an approach would be a guaranteed supply chain that does not rely on the federal bureaucracy for capacity, the protection and creation of in-province jobs and small businesses, and the maintenance of a sophisticated world-famous production network of high-quality cannabis.

Public Health & Safety

Public health and safety concerns are at the very top of every government's considerations on this file. The primary legalization goal of protecting minors is already underway, as all of the dispensaries we are aware of in BC have 19+ policies in place. Age checking will be mandatory, and there will undoubtedly be education programs aimed at curbing youth consumption.

When it comes to safe consumption, we recommend that the government follow a combination of tobacco laws for outdoor consumption, along with the establishment of cannabis lounges, which act in a similar fashion as bars do for alcohol consumption. We recommend that single dose cannabis products be allowed to be vended at these locations, along with coffee and food.

Organized crime, as most people consider it, is virtually non-existent in the small-scale BC cannabis economy, though it is inevitably entangled in large-scale illicit production and sale. Their involvement will be largely eliminated from a licit framework through regulatory burdens, along with a maturing marketplace that prefers variety to volume.

Branding, as an issue, has many potential impacts. The BCICA recommends that product branding be allowed. Branding can play a role in public safety, as good actors can establish their brand trust through transparency and compliance. Alternatively, it also allows the public to identify brands that have failed pesticide tests or inspections in the past. If everyone has the same label, it becomes difficult for end-users to identify historical good and bad actors.

As a final note on public safety, it is important to touch on the need for properly regulated industrial production of cannabis extracts. The only reason that fires or explosions take place is as the result of a lack of safety guidelines and legal options for production. We recommend that BC collaborate with all

levels of government, as well as WorkSafe BC and CSA, to establish standards for such activities. We recommend that these regulations be based on the practices in Denver County, Colorado.

Potential Economic Impacts

As mentioned above, there are many British Columbian residents that already work in the illicit cannabis industry. It is safe to assume tens of thousands of BC residents stand to lose their income if they are not brought into the regulated market somehow.

BC simply cannot afford to lose a business sector that provides more jobs than fisheries or forestry.

The best solution is to incorporate these people into the regulated systems, by allowing their employers to become legitimate, and forgiving those that have been criminalized by cannabis illegality.

This solution will be effective for retail. Additionally, this serves as another good reason for BC to exert control over licensing BC-only cannabis businesses that fall outside the purview of distribution.

As addressed above, the BCICA recommends that some branding and promotion be allowed. BC stands to see an increase in tourism if already established cannabis brands are allowed to flourish. This can be further enhanced with the licensing of branded consumption sites.

This multi-billion-dollar economy can serve as a boon for the province's private sector, considering that Canada is only the second nation to legalize cannabis. BC is the core of the Canadian cannabis industry, with world-class commodity production already in place. If this expertise is allowed to participate in a regulated market, BC can be a world leader in this sector.

Elimination of the Illicit Market

BC has a deeply entrenched illicit cannabis marketplace that will not be eliminated suddenly on opening day of legalization. It will take time, and the shortest route is incorporation into the legal market.

Both regulators and advocates often regard the illicit market as the illegal business community, when, in reality, it is the end-users that are the driving force behind black market success.

In order to meet the long-term goal of reducing, then eliminating the black market, it is these patrons that must be convinced. The best way to do this in a timely fashion is to use the expertise of those that have been successful at doing so today, those that operate in the illicit dispensary space.

It is also important to compete on price and quality. These businesses know the market, and know the product. While we hope to see minimal taxation, just enough to cover costs, it should be remembered that a high level of private competition is almost always the best way to keep prices down and encourage innovation.

In conclusion, the BCICA recommends that the province incorporate the best actors from the current illicit market into the new regulatory scheme, in order to eventually meet the goal of reducing the black market.

British Columbia Pharmacy Association

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October 23, 2017

Lisa Anderson
Executive Director, Cannabis Legalization Secretariat
Ministry of Public Safety and Solicitor General
PO Box 9285 Stn Prov Govt
Victoria, British Columbia V8W 9J7

By email: cannabis.secretariat@gov.bc.ca

Dear Ms. Anderson,

Thank you for inviting the BC Pharmacy Association (BCPhA) to make a submission on the impending legalization of cannabis in Canada in 2018.

The BC Pharmacy Association is a not-for-profit voluntary organization representing more than 3,200 community pharmacists and more than 900 community pharmacies across the province.

Included in our written submission is our concern about well-established illegal cannabis shops operating under the false pretense of selling their product for medicinal purposes and calling themselves "dispensaries". We urge the government to limit the use of this term to health professionals.

We also believe that the government of B.C. must undertake a simultaneous review of both the implementation of sales of recreational cannabis and dispensing medicinal cannabis because of the unique situation in British Columbia, where illegal pot shops have falsely led consumers to believe they are selling marijuana for "medical" purposes.

Thank you again for the opportunity to provide input.

Sincerely,

A handwritten signature in blue ink, appearing to read "Geraldine Vance".

Geraldine Vance, CEO

B.C. Cannabis Regulation

BC Pharmacy Association Submission to the Ministry of
Public Safety and Solicitor General

October 23, 2017



British Columbia
Pharmacy Association

The BC Pharmacy Association was pleased to have received an invitation from the Ministry of Public Safety and Solicitor General's Cannabis Secretariat to make a submission on the impending legalization of cannabis in Canada in 2018.

The BC Pharmacy Association (BCPhA) is a not-for-profit organization representing more than 3,200 community pharmacists and more than 900 community pharmacies across the province. Our members dispense about 70 million prescriptions annually and are often the key link to health care services in rural and remote communities.

We appreciate that the federal government's decision to pass Bill C-45 to legalize non-medical or "recreational" cannabis by July 2018 means that B.C.'s provincial government must do the necessary policy and administrative work needed to operationalize this deadline. And we appreciate that this has led the government of British Columbia to invite commentary on issues directly related to the legalization of recreational cannabis. We recognize that the federal government's decision to delay further discussion and decision making on the distribution and sale on medical cannabis beyond the current regime has led provincial governments to believe the policy discussion and decisions about recreational and medicinal cannabis should be separated and dealt with under different timelines.

With respect, we disagree that it is in the public interest to separate the public policy debate and decision-making process on recreational and medical cannabis.

In B.C. we believe it is virtually impossible to do that. The plethora of retail "dispensaries" selling cannabis for a wide assortment of medical conditions – from fibromyalgia to seizures and cancer – has created a public acceptance that "pot" in the retail market place is medicinal. As such, steps to regulate recreational cannabis must trigger the simultaneous regulation of its medicinal counterpart. Failure to do so infers that both products are the same and compromises the regulatory authority and reputation of those parties - physicians and pharmacists – who are entrusted and licensed to prescribe and dispense medical products.

In our view, the situation in British Columbia is unique in that the illegal cannabis shops are well established and have operated solely under the pretense of selling their product for medicinal purposes. Patients are required to consult with a physician and receive a prescription for the cannabis they purchase at the retail stores selling unregulated – and illegal – marijuana across B.C.

According to Statistics Canada, more than 400,000 people use cannabis for



Unlicensed Vancouver pot shop advertising "medicinal" use of cannabis

medical reasons. Of those, only 130,000, or 32 per cent, are buying their medication through approved and legal mail order Licensed Producers (LPs).¹ This substantiates our position that hundreds of thousands of Canadians are buying their “medicine” from unregulated retailers selling cannabis of unknown origin that has the potential to cause negative impacts to human health. And British Columbia has the highest percentage of recent cannabis use compared to other provinces, with 17 per cent of British Columbians (or 678,000 residents) reporting use of the drug in the past year.²

While it is not possible to get a totally accurate accounting of the number of illegal cannabis retailers in the B.C., it is commonly reported in the media that hundreds of cannabis retailers operate in the Lower Mainland. As of October 20, the City of Vancouver has more than 110 listed “medical marijuana-related retail dealers and compassion clubs”. Of those only 12 have business licenses, 39 have a development permit issued and 60 are operating without a license.³ In fact, the City of Vancouver on its website refers to these pot shops as “medical marijuana-related retail dealers”. It has been reported that there are at least 19 pot shops operating in suburbs in the Lower Mainland, including North Vancouver, Langley, Abbotsford and Maple Ridge.⁴ In Victoria, there were 23 pot shops, four of which were licensed, as of January 27, 2016.⁵

We make two recommendations to the Government of B.C. in the context of their consultation process on the issue of recreational cannabis:

1. Immediately address the problem with illegal retailers of cannabis calling their operations as “dispensaries”.

We have had a long-standing concern about the many cannabis retailers in B.C. positioning themselves as purveyors of medicinal products by using terms like dispensary and “farmacy” to market their products to consumers. There can be no doubt that these retailers use the term dispensary to associate

¹ Neighbourhood Pharmacy Association of Canada, Pharmacies’ Role in Medical Cannabis Distribution, March 2017.

² Canadian Tobacco Alcohol and Drugs Survey, 2015, Retrieved October 20, 2017, <https://www.canada.ca/en/health-canada/services/canadian-tobacco-alcohol-drugs-survey/2015-supplementary-tables.html#a14>

³ City of Vancouver. Medical marijuana-related retail dealers and compassion clubs, Retrieved October 20, 2018. <http://vancouver.ca/doing-business/medical-marijuana-related-business-licence.aspx>

⁴ Greater Vancouver Cannabis Dispensaries. (n.d.). Retrieved October 20, 2017, from <https://www.straight.com/cannabis/greater-vancouver-cannabis-dispensaries>

⁵ Is Victoria the medical marijuana capital of B.C.? (January 27, 2016). Retrieved October 20, 2017, from <http://vancouverisland.ctvnews.ca/is-victoria-the-medical-marijuana-capital-of-b-c-1.2754961>

themselves with legitimate pharmacy dispensaries. Every gram of product cannabis retailers sell is illegally grown with no food and drug regulation oversight. These storefront retailers make false medical claims and the “dispensary” staff have no health care training. They do not “prescribe” based on any established guidelines or protocols and do not have training related to drug interactions. In simple terms, every transaction carried out in an illegal cannabis store has the potential to put a consumer at risk of a serious medical complication. All efforts must be made to remove any aura of legitimacy these operations have as being a facility that has a role to play in the delivery of health care services.

We have previously pursued our concerns on retailers inappropriately using the term dispensary with the City of Vancouver. We also advocated for having the term “dispensary” designated a restricted term only associated with the College of Pharmacists of British Columbia’s definition of “dispensary” with the previous administration. This approach was not possible because other legitimate health care providers use the term dispensary to describe their businesses, notably opticians.



As such, we now recommend that the provincial government take the approach of only allowing individuals governed under the *Health Professions Act* (HPA) to designate their businesses as “dispensaries”. Making this public policy decision will provide municipalities with the authority they need to disallow non-medical retailers of cannabis trying to assume a degree of unfounded legitimacy by calling their businesses dispensaries.

Unlicensed Vancouver pot shop using terms “farmacy” and “medicinal”

This move will provide important public protection, particularly considering the upcoming legalization of recreational cannabis. Legitimate medical cannabis must be easily identified as such. That which is available from legitimate producers and dispensed by trained professionals. Only pharmacists should be able to dispense prescribed medications in a pharmacy and dispensary setting.

Additionally, the dispensing of medical cannabis by persons governed under the HPA allows authorities, such as municipalities, to regulate the recreational product using the mechanisms most familiar to them, including municipal by-laws, zoning, and the policing and enforcement of controlled substances like alcohol. By separation of the two products, the province ensures that those best suited to regulate one area are not drawn into the regulation of the other. This contributes to efficient regulation and avoids the risk of cumbersome and costly regulatory overlap.

2. The province of British Columbia should move forward to address the issue of the safe dispensing of medical cannabis in tandem with implementation of the sale of recreational cannabis.

B.C.'s community pharmacists believe our province is in a unique position regarding the entrenched and far reaching presence of "medicinal" cannabis retailers. Unlike other provinces, where the appearance of cannabis "dispensaries" has been relatively recent, B.C. has had pot retailers for many years in significant numbers.

In all instances these retailers masquerade as businesses selling "medicines" to their "patients". While there is no actual connection between these retail outlets and legitimate licensed producers, we believe there is a general public view that these "dispensaries" sell medical marijuana. As such, we believe B.C. can't wait to address the distribution and sale of medicinal cannabis to a later date.

It could be argued that the federal government decision to maintain the status quo in terms of the current sale and distribution of medicinal cannabis leaves the provinces with no option but to accept this decision and timeline. We are strongly of the view, that B.C. has a responsibility to advocate for a speedier timeline to implement a widely accessible medicinal cannabis program through legitimate pharmacies. We do not believe that Supreme Court of Canada decisions related to the access of medicinal cannabis precludes the province of B.C. moving ahead with the regulation and sale of medical cannabis.

Some might think the move to allow the sale of recreational cannabis in the province will obliterate the need for the existing illegal dispensaries. We argue that depending on the retail model and pricing structure adopted by the province, that the existing illegal retailers may in fact further concentrate on marketing themselves as providing a medicinal product to allow for product differentiation against new entrants to the marketplace.

But, regardless of the new business model for recreational cannabis, we believe it is imperative to protect patients by making legal, quality controlled medicinal cannabis available with the oversight of a pharmacist.

There is strong evidence that medical cannabis is a viable alternative to opioids.⁶ This is of particular importance in B.C. as those associated with addiction treatment struggle to manage the current crisis. Canada is second-largest per capita consumer of prescription opioids in the world.⁷ Important steps are

⁶ Cannabis as a Substitute for Opioid-Based Pain Medication: Patient Self-Report. Cannabis Cannabinoid Res. 2017 Jun 1;2(1):160-166. doi: 10.1089/can.2017.0012. eCollection 2017.

⁷ Canadian Centre on Substance Use and Addiction. Prescription Drugs and Opioids. Retrieved on October 20, 2017. <http://www.ccdus.ca/Eng/topics/Prescription-Drugs/Pages/default.aspx>

being taken by regulators to improve prescribing habits of physicians and to educate physicians and patients on the implications of opioid overuse. This work should show benefits over time. There is growing evidence that medical cannabis can assist patients in moving away from opioids with fewer social consequences and no documented deaths from overdose. In our view this should provide a powerful incentive to make medicinal cannabis widely available to British Columbians who are dealing with opioid addiction.

Community pharmacists believe that medicinal cannabis should be available to patients when prescribed by a physician as a prescription narcotic. This would require medical cannabis to be included in the drugs listed in the Schedule to the Narcotic Control Regulations. It should be treated as a behind-the-counter narcotic drug in pharmacies. Just like other Schedule 1 drugs, medical cannabis would be stored with other narcotics. In B.C. that would require them to be stored in a time-locked safe, consistent with regulations under the College of Pharmacists of British Columbia.

Pharmacists believe that cannabis should be distributed like any other narcotic requiring a chain of signatures from manufacturer to pharmacist, with scheduled regular inventory checks. In B.C. all medicinal cannabis prescriptions would be logged in a patient's Pharma Net record. This would ensure prescribers, pharmacists and emergency workers would have ready access to the patient's complete medication history. This allows for important monitoring of drug interactions and potential overuse of cannabis by patients allowing for early intervention by the health care team. It's important to acknowledge that the BCPhA is not linking tracking medical cannabis on PharmaNet to coverage of medical cannabis by the province. The issue of patient access to quality controlled medical cannabis prescribed by physicians and dispensed by pharmacists is distinct from any discussion and decisions that might be taken about coverage by public or private insurers.

In terms of the pharmacy supply chain, B.C.'s community pharmacists foresee cannabis being obtained only from Health Canada licensed producers. Inventory would be closely tracked, and like other narcotics, discrepancies would be reported to Health Canada and law authorities as appropriate. The BCPhA would work closely with the College of Pharmacists of BC and the Ministry of Health to ensure the appropriate practice standards are in place, and pharmacists receive the needed training to counsel patients appropriately.

In a January 2016 survey of BCPhA members, 94 per cent of pharmacist respondents said they wanted more training on the efficacy, dosing and prescribing of marijuana for treatment of illness or ailments.

We would welcome the opportunity to share additional research and background with the Minister on the issue of implementing a medicinal cannabis program using community pharmacies. We trust that our submission encourages further consideration of this need to address the unique situation that exists in B.C.



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

October 18, 2017

Cannabis Legalization and Regulation Secretariat
Ministry of Public Safety and Solicitor General
Victoria, BC

Sent by email: cannabis.secretariat@gov.bc.ca

Dear Secretariat Members,

Re: BCREA Submission to BC Cannabis Regulation Engagement

The British Columbia Real Estate Association (BCREA) welcomes the opportunity to provide feedback on the province's plan to regulate non-medical cannabis.

BCREA is encouraged that one of the government's six focus areas in this public engagement process is personal cultivation. The Association is concerned about the dangers posed by properties used in the production of drugs, including cannabis, and hopes the federal government's forthcoming cannabis legislation will be a catalyst to the development of robust regulations for home drug production.

When a property has been involved in drug production, citizens can be exposed to serious health and safety risks resulting from mould, chemicals and electrical fires, even if the property is no longer being used for drug production. The *Cannabis Legalization and Regulation in British Columbia Discussion Paper* from the Ministry of Public Safety and Solicitor General notes these risks, as does the federal government's 2016 *Final Report of the Task Force on Cannabis Legalization and Regulation*. Further, properties used in drug operations often become stigmatized, which can result in financing and insurance challenges.

BCREA appreciates there are significant differences between large-scale grow operations and an individual growing up to four plants in their residence. However, the potential property damage from even four plants per residence is not yet quantified. Depending on the circumstances and the size of the residence, four plants could still potentially cause damage. Growing four plants in a 400-square foot apartment, or in a small closet, may have very different impacts than growing four plants in a large, open space.

In addition, the proposed legislation does not account for multiple residences in the same property, such as high-rise buildings or homes with secondary suites. These properties may experience significant damage if several residents grow their own cannabis at home. Moreover, some individuals may grow more than their allotted amount, and enforcing the size and number of plants will be difficult. This

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President Jim Stewart
Past President Deanna Horn

President-Elect James Palanio
Interim CEO Damian Stathonikos

bcrea@bcrea.bc.ca | 604.683.7702 (tel)
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creates the potential for even greater property damage and subsequent financing and insurance complications for future residents, and leaves renters and buyers unable to make informed decisions about their homes.

In cases where homes are damaged by personal cannabis cultivation, the provincial government can play a critical role by implementing strong, consistent standards for property remediation. In BC, there are currently no such standards for remediating and certifying properties that have been used to produce drugs. This means there are no consistent standards for what constitutes a safe, successful remediation.

In November 2016, BCREA hosted a forum on properties used in drug production with more than 50 stakeholders from the financial, insurance, real estate, home inspection, business and government sectors. The overwhelming consensus of this forum was that the provincial government should implement standards for property remediation and certification.

A related issue is the lack of consistency across British Columbia as to how municipalities make information available on a property's past drug production. REALTORS®, mortgage brokers, insurance agents, contractors, renters and potential homebuyers may not have access to a property's history and therefore may be unable to make an informed decision about the residence. Residents and industry would benefit from having ready access to basic information about whether properties have been used in drug operations, as well as information about remediation of those properties.

Based on these concerns, BCREA recommends that the provincial government:

1. Develop a centralised, consistent process for disclosure of property history information.
2. Describe a healthy building, and then develop a centralized, consistent process for remediation of buildings used in drug operations, to ensure these buildings are safe for people.
3. Define a "drug operation" in a meaningful way.

Specific to this consultation, BCREA is pleased to see the government consider options to further regulate personal cultivation in BC, as noted in the *Cannabis Legalization and Regulation in British Columbia Discussion Paper*. The Association is in favour of outdoor cultivation, assuming soil is not contaminated, to avoid the previously mentioned property impacts of growing cannabis indoors.

The Association would also support a registration requirement for personal cultivation of non-medical cannabis, but recommends that such a system be tied to the property instead of the individual. It is true that those who do not plan to comply with the laws on home cultivation may be unlikely to register in the first place; however, we believe most British Columbians are law-abiding and would use the registry. This measure would help potential tenants and homebuyers make informed decisions about properties they may want to call home.

October 18, 2017

BCREA notes there are gaps in the existing research on this file, and advocates for a risk-averse policy approach. The Association is taking active steps to help provide evidence, including through original research on remediation processes in other jurisdictions and their potential applicability in BC. The Association also recently established a Drug Operations Advisory Group, which brings together industry professionals to advance the establishment of remediation and certification standards. BCREA is happy to provide any further resources or assistance to the government based on this research and expertise. BCREA's research is available at www.bcrea.bc.ca/government-relations/drug-operations.

BCREA is the professional association for about 22,000 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the province's 11 real estate boards, BCREA provides continuing professional education, advocacy, economic research and standard forms to help REALTORS® provide value for their clients.

To demonstrate the profession's commitment to improving Quality of Life in BC communities, BCREA supports policies that encourage economic vitality, provide housing opportunities, respect the environment and build communities with good schools and safe neighbourhoods.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Stathonikos'.

Damian Stathonikos
Interim Chief Executive Officer

Copy: Hon. Mike Farnworth, Minister of Public Safety and Solicitor General
(mike.farnworth.mla@leg.bc.ca)
Mike Morris, MLA – Prince George-Mackenzie (mike.morris.mla@leg.bc.ca)



October 31, 2017

The Honorable Mike Farnworth

Minister of Public Safety and Solicitor General

Subject: Stakeholder feedback regarding the legalization of recreational cannabis

Dear Minister Farnworth,

Thank you for the opportunity to provide input regarding the proposed Bill C-45, *The Cannabis Act* and Bill C-46 (amending the *Criminal Code* impaired driving provisions). I write to you to bring you feedback from boards of education across the province.

The British Columbia School Trustees Association (BCSTA) reached out to all 60 public boards of education across British Columbia. Given the short timeline that we were provided, only 25 per cent of boards were able to respond to our request.

With this in mind, we would like to express concern around the timeline that was given to provide this information to you. The letter from your office was sent to us on September 27, 2017, giving 60 boards of education only 35 days to put together their feedback, and very little time, if any, for public consultation. Given the complexity and importance of this issue, we feel that more thoughtful and fulsome discussions should occur at the stakeholder level. Though we appreciate that the legislations are currently making their way through the federal parliamentary process, BCSTA would like to formally request the Ministry of Public Safety and Solicitor General to extend the deadline for feedback for boards of education.

We had the opportunity to discuss this last weekend with trustee representatives present for each school district at our October Provincial Council meeting on October 28, 2017. The assembly elected to pass the following resolution:

Resolution 10.2: Cannabis Regulatory Framework

Be it resolved that:

BCSTA contact the BC Solicitor General's office to request an extension of the deadline for feedback from school districts on the new cannabis regulations in British Columbia.

We hope you consider our request.

That said, BCSTA would like to propose the following guiding principles be kept in mind:

- 1. The health and safety of students and staff are of critical importance to boards of education. All rules and regulations must recognize that importance.**
- 2. BCSTA and boards of education encourage the Provincial Government to ensure continued consultation with all levels of local government/boards of education and the public as regulations are determined.**

BCSTA determined that not all issues brought forward in the *Cannabis Legalization Discussion Paper* would be applicable for a provincial response from school trustees. The following **discussion points** are the ones that we believe are important for boards of education to focus on:

Minimum Age

Of the boards of education who responded, 93 per cent support BC setting the minimum age for non-medicinal cannabis at 19 years. This would be consistent with the minimum age for tobacco and alcohol, and with the BC age of majority

Personal Possession – Youth

Of the boards of education that responded, 67 per cent support that BC provincial law for cannabis possession by youth should not result in a criminal conviction and it should be similar to how BC deals with alcohol – persons under 19 are prohibited from possessing alcohol, and a law enforcement officer can confiscate it and has the option of issuing a ticket.

Public Consumption

Of the boards of education that responded, 53 per cent support that, similar to alcohol, BC should prohibit public cannabis smoking and vaping altogether, and that BC should establish a licensing scheme to allow designated consumption areas, e.g. cannabis lounges. Some boards of education believe that additional restrictions should be established to prohibit smoking and vaping in, or immediately adjacent to school and in public parks close to schools and daycares.

Distribution Model

Of the boards of education that responded, 67 per cent support that, similar to alcohol, government should be responsible for the warehousing and distribution of cannabis.

Others

Multiple boards of education expressed concern regarding the education of students and parents as to the impact of cannabis use on the developing brain and expressed that support from the Ministry in the form of educational resources would be beneficial.

We respectfully submit the feedback above, and many boards of education opted to submit their letters directly to your office.

Again, we would like to thank you for the opportunity to provide feedback. We hope you can consider our request for an extension, and that we can continue to work together in meaningful consultation.

Respectfully yours,



Gordon Swan

President

British Columbia School Trustees Association

October 11, 2017

Cannabis Legalization and Regulation Secretariat
Via email: cannabis.secretariat@gov.bc.ca

Re.: BC Cannabis Regulation Engagement

This submission is being made on behalf of the BC Trucking Association, which appreciates this opportunity to outline concerns specific to the road transportation industry related to the legalization and regulation of recreational cannabis.

BCTA is a member-based, non-profit, non-partisan organization dedicated to promoting and representing the road transportation industry in BC. Since 1913, BCTA has been advising members, protecting their rights, advancing their interests and advocating for fair government regulations and enforcement.

BCTA members include trucking companies hauling every type of freight, as well as charter and scheduled motor coach companies. In total, BCTA represents over 1,200 trucking and motor coach fleets that operate over 13,000 commercial vehicles and employ over 26,000 British Columbians from all across BC. While BCTA members include large organizations, our membership base is primarily made up of small carriers and owner-operators. Almost half of our members operate 10 or fewer trucks.

BCTA is affiliated with other provincial trucking associations and the Canadian Trucking Alliance (CTA) and Motor Coach of Canada. BCTA also founded the Trucking Safety Council of BC to provide resources for industry employers to improve workplace safety performance and reduce the number and severity of work-related injuries, illnesses and fatalities in the trucking industry.

Enclosed is a letter from CTA to Transport Canada Minister Marc Garneau, dated October 18, 2016, outlining CTA's concerns and recommendations as well as those of provincial trucking associations regarding the legalization of recreational cannabis. One of our main concerns is that the current legal framework is insufficient to protect employers and workers from individuals who may operate vehicles while impaired. Provincial and federal cooperation is imperative to ensure that the regulatory framework is robust, clear, fair, and that it protects all road users. As well, both the provincial government and WorkSafeBC have important roles to play in regulating the impact of the legalization of recreational cannabis from a safety perspective.

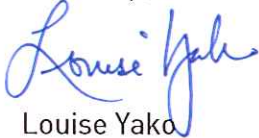
BCTA recommends that the provincial government ensure trucking and motor coach companies have the necessary tools to protect their drivers and the public from crashes due to impairment by working with the federal government to:

- Develop a national approach to legalization.

- Amend the Criminal Code to include a cannabis impairment offence with a THC cut-off level similar to the one established for alcohol, and support a zero-tolerance policy for safety-sensitive occupations, like commercial drivers, in the absence of clear evidence of the level of cannabis impairment that is "safe."
- Agree on a practical, reliable, least intrusive, and legally acceptable roadside testing protocol.
- Agree on a regulatory framework to allow employers of workers in safety-sensitive occupations to conduct random workplace drug and alcohol testing.

Thank you for the opportunity to provide these comments. Should you have any questions, please contact me or BCTA's Director of Policy, Cory Paterson, at coryp@bctrucking.com or 604-888-5319, ext. 211.

Sincerely,



Louise Yako
President & CEO

Encl.

cc. Minister of Labour, Honourable Harry Bains
Minister of Public Safety and Solicitor General, Honourable Mike Farnworth
Minister of Transportation and Infrastructure, Honourable Claire Trevena
Diana Miles, President and CEO, WorkSafeBC

Via email: marc.garneau@parl.gc.ca

October 18, 2016

Honourable Marc Garneau
Minister of Transport
330 Sparks Street
Ottawa, ON K1A 0N5

Dear Minister,

Re: Legalization of Marijuana

The Government of Canada has pledged to introduce legislation to legalize the recreational use of marijuana sometime in 2017. To date, at least three of your ministerial colleagues have been charged with implementing this policy – the ministers of justice, of health and of public safety. In addition, a nine-member task force has been struck to advise the federal government on the forthcoming legislation. CTA has been in communication the ministers and with the task force. However, as Canada's minister responsible for highway safety, there are some important issues that require your consideration.

Impact on Safe Operation of Motor Vehicles

With legalization, marijuana will achieve a status similar to alcohol. And, like alcohol, the consumption of marijuana has certain short-term effects which may decrease concentration and reaction times. In short, the use of marijuana, similar to the consumption of alcohol, is not conducive to the safe operation of a motor vehicle. Impaired driving continues to kill and injure more Canadians than any other crime. Marijuana impairs a number of brain functions needed for safe driving such as coordination, judgement of distances, reaction time, and ability to pay attention. Marijuana is second to alcohol as the drug most frequently found among drivers involved in crashes and drivers charged with impaired driving, and among seriously injured drivers. Marijuana and alcohol are also frequently combined.

Dangers Posed to Trucking Employers

Trucking companies are faced with two dangers posed by the legalization of marijuana: (1) How to continue to oppose operation of vehicles by their own drivers while under the influence of marijuana; and (2) Confronting the likelihood of increased danger to their drivers through the presence of an increased number of other motorists operating while impaired by marijuana.

Current Legislative/Regulatory Shortcomings: On the Road

It is essential that all appropriate measures are in place to prevent, identify, monitor and penalize incidents of driving while impaired by marijuana -- whether by motorists or commercial drivers -- at the same time as the recreational use of marijuana is legalized. The federal task force identifies the need to guard against marijuana-impaired driving as a central objective. Driving while impaired by alcohol and/or drugs, including marijuana, is an offence under Section 253 the *Criminal Code of Canada*. However, in contrast to alcohol, there is currently no specified concentration of THC in the blood to indicate impairment, as there is with the offence of driving with a blood alcohol level at or above the legal limit. In general, impairment from marijuana is less obvious and demonstrates less traditional or consistent symptoms than impairment from alcohol. Moreover, there is currently no practical roadside breathalyzer-type test to detect impairment with marijuana -- although roadside tests are being used in other jurisdictions that can detect the presence of marijuana in oral fluid which are suggestive of recent use.

Current Legislative/Regulatory Shortcomings: In the Workplace

Employers attempting to address the problem of marijuana impairment in the workplace will be faced with the same problems as law enforcement. To date, there has been very little meaningful discussion or consideration of the impact of legalizing marijuana on the workplace. Indeed, the federal task force's discussion paper makes only one reference to "*consideration will need to be given to the use of marijuana in workplaces. For example, a zero tolerance policy could be applied for those who operate heavy machinery or conveyances.*" CTA is of the view that until there is clear evidence and a complete understanding of what level of impairment is deemed to be considered "safe", a zero tolerance policy regarding the presence of marijuana in a truck driver's system is the only safe choice. Yet, in the absence of roadside test to measure impairment and/or if impairment cannot be measured on-the-job, it will be impossible for employers to enforce a zero-tolerance policy. All Canadian trucking companies and truck drivers entering the United States are subject to US drug and alcohol testing laws requiring post-accident, pre-employment and random testing and imposing zero tolerance. No similar regulatory requirement exists in Canada. While over time, human rights commissions have come to tolerate drug and alcohol testing for companies and drivers who must comply with the US testing regulations, the cost to employers created by the lack of clear rules in Canada has been significant. It has also created a place (Canada-only operations) for users to go that is not subject to the same screening as for transborder operations. It is also important that the legalization of marijuana not lead to a new wave of costly human rights challenges for employers.

Required Measures

The likelihood of increased prevalence of marijuana impairment should be addressed in a multi-pronged approach containing the following:

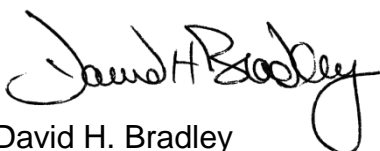
1. A national focus as opposed to piecemeal province-by-province approaches.
2. A legislative amendment to the *Criminal Code*, to include a marijuana impairment offence with a THC cut-off level similar to the "over .08" offence for alcohol.
3. A practical, least intrusive and legally acceptable roadside testing protocol for marijuana.
4. A regulatory framework to require/allow employers of workers in safety-sensitive occupations (e.g., commercial drivers) to conduct workplace drug and alcohol testing. (It is recognized that testing which discloses use based on a medical permit and an underlying disability will require consideration of the duty to accommodate under the relevant Human Rights Code).

It is imperative these measures are brought forward at the same time as the legislation to legalize marijuana use.

Conclusions

It is our understanding that the impact of legalization of marijuana on impaired driving was discussed at the recent meeting of the Council of Ministers Responsible for Transportation and Highway Safety which you co-chaired. We further note that several provincial justice ministers have raised the issue. And, I have spoken with several employer representatives who share similar concerns. Clearly, there is a desire to have these matters dealt with. As always, we stand ready to work with you. I look forward to your response and would be happy to meet to discuss further.

Sincerely,



David H. Bradley
President and Chief Executive Officer



Cannabis Regulations

Submission by the BC
Association of Municipal Chiefs
of Police





ABBOTSFORD



CENTRAL SAANICH



DELTA



NELSON



NEW WESTMINSTER



OAK BAY



PORT MOODY



SAANICH



METRO VANCOUVER TRANSIT
POLICE



VANCOUVER



VICTORIA



WEST VANCOUVER



COMBINED FORCES
SPECIAL ENFORCEMENT
UNIT - BC



STL'AT'IMX TRIBAL POLICE



British Columbia Association of Municipal Chiefs of Police

4455 Clarence Taylor Crescent, Delta, BC V4K 3E1 Tel: 604-940-5009

To Whom It May Concern,

On behalf of the BC Association of Municipal Chiefs of Police (BCAMCP), thank you accepting our submission to the BC Cannabis Regulation Engagement process. The BCAMCP is a united voice for all municipal independent police agencies, representing approximately 2,500 police officers who are responsible for the public safety of over 1.3 million British Columbians.

Police leaders across Canada have similar public safety concerns that may arise from a legalized cannabis regime, namely increases in impaired driving, youth access to cannabis and the infiltration of organized crime. The Canadian Association of Chiefs of Police addressed the Federal Standing Committee on Justice and Human Rights regarding details of the *Cannabis Act* and delivered similar messaging, the nature of which is reflected in this submission including:

- Cannabis and Youth,
- Enforcing the *Cannabis Act* and related provincial legislation,
- Enforcing Impaired Driving Laws and Driver Education,
- Cannabis and Organized Crime, and
- Personal Cultivation/Possession within a Dwelling.

Recognizing that the legalization of cannabis brings with it a breadth of issues from a variety of stakeholder perspectives, it is the hope of the BCAMCP that the feedback and recommendations outlined in this submission are given due consideration from a public safety standpoint.

The BCAMCP recognizes that significant resources have been committed to ensuring that British Columbia is prepared for the legalization of cannabis, and we appreciate the opportunity to be involved in the research and development of provincial regulations and laws that will help keep our communities safe.

Sincerely,

Neil Dubord, M.O.M, PhD, CPHR
Chief Constable, Delta Police Department
President, British Columbia Association of Municipal Chiefs of Police

Cannabis and Youth

Upon the announcement of the legalization of cannabis, the federal government indicated a key rationale of restricting youth access to cannabis. However, the *Cannabis Act* allows youth to possess and social share up to five (5) grams of cannabis. The federal government also permits individuals to grow four marijuana plants in a dwelling house, which may put youth at risk of easy access to cannabis and exposure to unsafe building conditions.

According to the Canadian Center on Substance Use and Addiction cannabis use is associated with experiencing psychotic symptoms and abnormal brain development in youth and young adults up to the age of 25. Fortunately, the federal government has granted autonomy to provincial governments to prohibit the possession of any amount of cannabis by youth, which is an opportunity for British Columbia to protect its youth.

Recommended Actions

That the provincial government:

1. Create provincial legislation prohibiting youth under the age of 19 from possessing or social sharing any amount of cannabis.
2. Create a meaningful penalty strategy for youth found in contravention of provincial possession limits. For example, restrictions placed on a youth's driver's license and/or ability to apply for a license. In Colorado in addition to driver's license restrictions, youth face fines and public service sentences.
3. Develop and fund formal diversion programs for youth found in possession of cannabis including education, counselling and social/emotional support.
4. Immediately commence with a public awareness campaign to educate the public, parents and youth about the dangers of youth marijuana consumption, dangers of drug impaired driving and an overview of the new legislation.
5. Invest in school based programs and provide funding to support school liaison officer programs to manage cannabis-related issues in school environments.
6. Ensure proper consideration is given to storefront locations in proximity to schools, recreation centers, parks and other places children and youth may gather.
7. Develop language in legislation similar to the *Liquor Control Act* that prohibits the sale or supply to minors, in order to give police better tools in dealing with large public demonstrations, such as '4-20'.
8. Develop labelling for all cannabis products that remind adults of the penalties for supplying to youth.

Enforcing the *Cannabis Act* and related provincial legislation

Over the past decade, police agencies have eliminated cannabis enforcement teams, instead focusing on opiates and synthetic drugs such as methamphetamine and cocaine. With these shifting priorities, the ability to enforce the *Cannabis Act* may reduce capacity in other drug enforcement initiatives. The *Act* brings with it complex enforcement requirements including possession amounts, personal cultivation and the need for drug-impaired driving enforcement capacity. In addition, clandestine drug labs will continue to produce illegal cannabis by-products including ‘shatter’ which involves a highly volatile and dangerous process.

With respect to provincial legislation, police resources will be required to enforce public consumption laws, particularly where children are present. Recognizing that cannabis products can be toxic and/or carcinogenic, the issue of public consumption will require input from public health stakeholders.

The federal government key mandates are to keep cannabis out of the hands of youth and to interrupt organized crime in the cannabis market. While notable, the enforcement of these mandates will become the responsibility of local police, which will require resources. Consideration must be given to this cost download when developing a revenue sharing strategy between all levels of government, including the development of a provincial inspection strategy that enforces legal seed-to-sale production of cannabis.

Recommended Action

That the provincial government:

1. Fund cannabis enforcement strategies for municipal police agencies including the re-creation of cannabis enforcement teams.
2. Develop clear legislation on public consumption, including explicitly banning consumption in public spaces such as parks, beaches and other public areas frequented by children and youth.
3. Create a penalty structure for public consumption similar to that under the *Liquor Control Act*, with enhanced penalties where children or youth are present.
4. Add cannabis to the *Smoking and Vapour Products Control Act*
5. Factor the cost download of enforcement to local police when developing a revenue sharing structure.
6. Ensure that sufficient resources be created to develop an inspection strategy for the seed-to-sale supply chain of cannabis for all producers, suppliers and retailers including granting inspectors the authority to immediately shut down illegal operations.

Enforcing Impaired Driving Laws and Driver Education

With fewer than nine months remaining until the *Cannabis Act* comes into effect, the need to prepare police officers in Standard Field Sobriety Testing (SFST) and Drug Recognition Expert (DRE) training has become a top priority for all agencies. Since cannabis was legalized in Colorado and Washington, both states experienced an upward trend of serious and fatal motor vehicle accidents in which a driver was impaired by cannabis. In order to ensure safety for all motorists and pedestrians that use BC roads, strict and effective enforcement under this new regime is required.

The Canadian Association of Chiefs of Police addressed the Standing Committee on Justice and Human Rights to highlight concerns for law enforcement regarding language in Bill C-46. Impaired driving remains a leading criminal cause of death in Canada, and the introduction of legal cannabis will exacerbate this issue, as is evidenced in Washington and Colorado. While the federal government works through the development and potential amendments to Bill C-46, it is incumbent on the provincial government to ensure police officers in British Columbia have the capacity to enforce the law. Training and equipping police forces throughout the province will need to be a top priority, including ensuring sufficient resources and personnel are released from regular duties to guarantee the effective implementation and execution of a provincial training strategy.

By supporting a provincial training strategy, and investing in enhanced Standard Field Sobriety Testing and Drug Recognition Expert training, the government will send a clear message to the public that impaired driving by drugs or alcohol will not be tolerated. In order to meet the legislated requirements post-legalization, training must begin immediately.

According to the Canadian Centre on Substance Use and Addiction, the economic impact of cannabis related collisions is an estimated \$1 Billion per year. The Immediate Roadside Prohibition legislation positively impacted the rate of serious and fatal motor vehicle accidents and has yielded a reduction of impaired drivers on BC roads. BC is a leader in impaired driving enforcement and cannabis impairment can be integrated into the established and successful IRP framework.

In addition to police training and tough penalties, significant investment in public education will be required in order to drive home the message that alcohol and/or drug impaired driving is a key public safety issue. In a number of studies conducted through the Canadian Centre on Substance Use and Addiction, there is an increasing trend of young drivers driving under the influence of cannabis. Young drivers do not view driving under the influence of cannabis in the same way they view driving under the influence of alcohol. According to CCSA, an “analysis of fatality data revealed that among drivers who tested positive for drugs following their death in a car crash, almost 70% of those under the age of 19 tested positive for cannabis.”

It has taken decades to change driver behavior regarding impaired driving, and it is imperative that the government continues to push messaging regarding all impaired driving, including cannabis. Until such time as scientific and medical evidence can properly inform cannabis impaired driving laws, the message that ‘no amount is a safe amount’ will be required to safeguard BC roads from impaired drivers.

Recommended Action:

That the provincial government:

1. Create an integrated management team consisting of RCMP and Municipal police to administer the framework, training, and overall Provincial Training Strategy to ensure that the Province is prepared for cannabis legalization in 2018.
2. Amend the Immediate Roadside Prohibition legislation to include drug-impaired driving.
3. Amend the *Motor Vehicle Act* so that a Section 215 (24 Hour) prohibition for Drugs has the same remedies for review as the 24 hour prohibition for alcohol as detailed in Section 215 of the *Act*. In such cases as it is necessary, the Attorney General will defend challenges against drug impaired driving suspensions in the same fashion as alcohol-impaired challenges, as per s. 215(2) of the *Act*.
4. Fund Drug Recognition Expert and Standardized Field Sobriety Test training for RCMP & municipal police agencies.
5. Create a zero tolerance policy for 'New' and 'Learner' Drivers.
6. Develop provincially based public education training on the dangers and strict penalties involved with drug impaired driving, including a 'no amount is a safe amount' campaign with respect to cannabis consumption and driving.

Cannabis and Organized Crime

Upon the announcement of the legalization of cannabis, the federal government indicated a key rationale of deterring and reducing organized crime and criminal activity in the cannabis industry. Interrupting the black market will require a strategy that includes consideration for cost, quality and convenience that meets consumer demand. It is known that organized crime has infiltrated the medical marijuana regime, and criminals will look for opportunities to exploit the legal retail market. If the public does not have reasonable access to legal cannabis, organized crime will fill the void.

Whether government allows for independently operated storefronts or chooses to control the sale of cannabis to consumers, a clear and effective strategy should be communicated to the public.

Recommended Action

That the provincial government:

1. Ensure an appropriate taxation and licensing scheme is designed to deter consumers from the illegal cannabis market.
2. Ensure pricing is competitive with black market cannabis.
3. Ensure appropriate funding and resources are in place for law enforcement to investigate organized crime activities associated to the cannabis industry.

4. Identify a legal mode of sale that provides reasonable access to legal marijuana, including mail order and appropriate storefront hours, to ensure consumers are not directed to the black market and dial-a-dopers.
5. Conduct stringent vetting of owners, operators and all employees on an ongoing basis to ensure there is no nexus to organized crime.
6. Develop strict penalties for cannabis producers, suppliers or retailers that have a nexus to organized crime or sell to youth.
7. Create strict penalties, including storefront shut-down and fines, for any operator that breaches the regulatory mechanism.

Personal Cultivation/Possession within a Dwelling

The BCAMCP echoes the sentiment of the Canadian Association of Chiefs of Police in its opposition to in-home production. While seemingly benign, the issue of home production brings with it a host of issues.

The risk of exposure to youth as well as concerns regarding diversion of cannabis into the hands of youth will continue to be a risk, if persons are able to grow cannabis within a residence. In order to ensure consistency in cannabis products, including THC content, responsible pesticide use and to avoid potential contamination in homes including mold spores, it may be necessary to restrict cultivation to licensed producers.

Additionally cultivation within a dwelling house has the potential to create problems if police attend a residence on an unrelated call, and observe illegal amounts or sizes of plants. As is evidenced in Colorado, police departments have been held liable for the destruction of seized cannabis products when the seizure was overturned by the courts.

Enforcing a legal cannabis regime will add pressure to police departments in both operational and administrative capacities. The cost of additional time required by police to process, investigate and potentially charge an individual will be borne by local government and will squeeze already maximized police resources. Discourse at all levels of government regarding the cost of policing has put pressure on police agencies to cut costs wherever practicable, however cannabis enforcement will undoubtedly create additional costs.

Recommended Action:

That the provincial government:

1. Prohibit home-grown and personally cultivated cannabis in British Columbia.
2. Approve only licensed producers to cultivate cannabis in a commercial environment.
3. Indemnify law enforcement agencies if a court decisions requires the return of product that has been lawfully seized and destroyed.

End.



MEMBERSHIP
IS REWARDING

October 27, 2017

Cannabis Legalization Secretariat
Ministry of Public Safety and Solicitor General

Via email: cannabis.secretariat@gov.bc.ca

Re: Cannabis Stakeholder Submission

On behalf of the British Columbia Automobile Association (BCAA) and our 880,000 Members across the province, we thank you for the opportunity to provide comments on the provincial cannabis regulatory system in British Columbia.

BCAA is a mission-driven Member services organization. We serve one in three BC households with industry-leading products including: home, car and travel insurance; roadside assistance; Evo Car Share and full-service auto maintenance and repair at BCAA Auto Service Centres. BCAA and our sister clubs across the country that make up the Canadian Automobile Association (CAA), have been relentless advocates in many areas of traffic safety for over 100 years.

Cannabis and impaired driving:

When it comes to driving impairment, most public focus up until now has been on alcohol-related impairment. However, with marijuana legalization expected next summer, there is growing public concern about drug-impaired driving. In fact, a survey by our national organization in June 2017 found that 71 per cent of British Columbians are concerned about safety on the road after marijuana becomes legal.

CAA is working hard to carry the message to the federal government that the currently announced levels of increased support for law enforcement and public education are inadequate. BCAA supports this work and welcomes the opportunity to be a part of the provincial conversation here in BC going forward.

Education and enforcement have already proven to be effective tactics at getting the message across to Canadians on the dangers of alcohol-impaired driving. According to Statistics Canada, in 2015 police reported the lowest rate of alcohol-impaired driving incidents since 1986.

However, drug-impaired incidents are rising. The Canadian Centre on Substance Use and Addiction found that drug-impaired driving incidents doubled from 2% of all impaired driving incidents in 2009 to 4% in 2015. While that proportion is still small, with legalization, that trend could very well continue upward. BCAA believes an important way of preventing this is to ensure education and enforcement efforts are well-funded now. Alarming, June's CAA national poll found that 20 per cent of Canadians aged 18-34 believe they are either the same or better drivers after consuming cannabis, a clear indicator



MEMBERSHIP
IS REWARDING

of a dangerous lack of understanding of the potential impact of cannabis on a person's ability to control a vehicle.

BCAA has led many initiatives advocating for safer roads and will continue them in the future. But drug-impaired driving should be part of a much bigger public education campaign that, in our minds, is too big for non-profit organizations and non-government organizations to do effectively on their own.

While legalizing marijuana is a federal responsibility and the federal government should fund education and enforcement efforts, the current proposed federal funding does not appear adequate. We hope efforts for increased federal funding are successful but the province of BC has a role to play as well. The province should participate and support public education campaigns. Depending on where the provinces end up on tax revenue cost-sharing with the federal government, the province could enhance enforcement through these funds as well.

BCAA very much supports the province's direction in setting an effective regime through the actions of the Cannabis Engagement Secretariat. We support all of your considerations put forward in the Cannabis Legalization and Regulation in BC discussion paper regarding drug-impaired driving. We believe that education, enforcement and measurement are vital in making our roads safer and we would like to be part of the ongoing conversation on this important initiative.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Shom Sen', written over a horizontal line.

Shom Sen
President & CEO
BCAA

Stakeholder submission Buddha Barn cannabis dispensary

Buddha Barn is one of 12 dispensaries in Vancouver in good standing with the City of Vancouver.

Buddha Barn began four years ago when founder Jessika Villano became interested in cannabis baking for people self-medicating for mental health issues. Jessika was looking for healthier methods than smoking and started making lozenges and edibles for the relative, and others. This led to a great deal of researched and, eventually, the founding of the Buddha Barn.

Buddha Barn received a Business License from the City of Vancouver to operate as a medical cannabis dispensary and has earned a reputation as a sector innovator since being established in 2013. It was among the first dispensaries to integrate on-site health services, pay all sales taxes and incorporate lab testing of products which they started in 2016 in collaboration with two federally accredited BC based laboratories.

Buddha Barn has had a cooperative and positive relationship with the city of Vancouver. There have been no issues with neighbouring businesses or residents.

Specific Questions

To address the specific questions the government is asking, we make the following recommendations.

1. The **minimum age** for possession of cannabis should be 19, the same as BC's minimum age for possession of alcohol. Any other age will cause confusion. The higher the age, the more young people will continue to buy untested product from the black market.

While there have been some concerns raised about possible effects on young people's mental development, "conclusive evidence about its positive and negative medical effects is hard to come by" according to a [report](#) published by the [US] National Academies of Sciences, Engineering and Medicine that analyzed more than 10,000 studies.¹

The reality is kids are accessing cannabis now, through the black market. Legalization will provide safer, tested product, restricted to the age of majority, with increased penalties for those who sell to minors.

2. On **personal possession limits**, BC should follow the guidelines outlined in the proposed federal legislation: 30 grams for dried cannabis and the equivalencies for other cannabis products:

One (1) gram of dried cannabis is equivalent to:

- 5 g of fresh cannabis,
- 15 g of edible product,
- 70 g of liquid product,
- 0.25 g of concentrates (solid or liquid), or

¹ <http://www.npr.org/sections/health-shots/2017/01/12/509488977/marijuanas-health-effects-scientists-weigh-in>

- 1 cannabis plant seed.²
3. Regarding **public consumption**, we urge the government to “permit dedicated places to consume cannabis such as cannabis lounges and tasting rooms” as suggested by the federal Task Force on Cannabis Legalization and Regulation.³

People need safe places to consume outside of private residences, that are not co-located with alcohol consumption, in addition to private residences.

As noted in the BC NDP’s *Preparing for Legalization*, restricting consumption to only private residences create problems for business:

“Question of Cannabis tourism and bans on public consumption is a current issue for City of Seattle – big hotels saying that 90% of their inquiries are cannabis tourism, and restrictions on where people can consume marijuana are a problem for tourism, as their own home is not an option.”⁴

While there may be health issues that need to be addressed for employees of such lounges, if cannabis flowers are all tested before concentrating, and no solvents are used in the production of concentrates, vaping residue dissipates quickly, reducing the risk to employees.

4. Drug impaired driving: We have no input on this question.
5. Personal cultivation: We have no input on this question.
6. Regarding **distribution models**, we recommend the province implement a direct distribution system, using the most advanced digital seed-to-sale tracking system available, allowing cultivators to deliver directly to retailers, avoiding the warehousing of cannabis and ensuring the safety and integrity of the seed to sale system.

We agree with The British Columbia Independent Cannabis Association (BCICA) that the province consider the potential pitfalls for the B.C. distribution system, should there be a shortage of federally produced cannabis as a result of restricted federal licensing.

and

That the province prepare for the eventualities of [the above] point by creating a B.C.-only category of small-scale production licenses for cultivators whose product is only sold in-province.

² <https://www.canada.ca/en/services/health/campaigns/introduction-cannabis-act-questions-answers.html>

³ <https://www.canada.ca/en/services/health/marijuana-cannabis/task-force-marijuana-legalization-regulation/framework-legalization-regulation-cannabis-in-canada.html#a4.4>

⁴ Farnsworth, James, *Preparing for Legalization*, July 2016, page 13

Regarding **Retail models**, we recommend a mixed retail system that allows both government retail and private retail outlets. We believe there must be both a competitive price and competitive variety of product to compete with—and eliminate—the black market.

- “support for the private-enterprise model was widespread among respondents to the [federal task force’s] online questionnaire and among experts consulted during our roundtable sessions. This model of retail sales was cited often as a means of ensuring access and encouraging a competitive, open market on pricing which might then be able to compete with, and help limit the use of, the illicit market.”⁵
- “To discourage the black market, the state needs to make sure there is enough legal product and enough retail outlets ready to sell legal cannabis from the start.”⁶
- We add our voice to the “strong support for prohibiting the co-location of cannabis sales with either alcohol or tobacco. Given the wide use and availability of liquor stores, concerns were raised about product promotion and exposing a larger population to cannabis products should sales be co-located, as well as the impact on cannabis consumers who are trying to avoid alcohol. Many also noted that this approach could help mitigate co-use” heard by the federal task force.⁷
- “The liquor store model could hurt business creation and Portland is seeing boom in small business as result of legalization.”⁸

The government should provide a pathway to legal participation in the retail recreational cannabis market for existing dispensaries, particularly those that have been complying with the regulatory structures set up in Vancouver, Victoria and other municipalities. This is the only way to avoid chaos on July 1, 2018.

- “Washington had a system where the good medical marijuana retail actors (who paid taxes, weren’t pests to neighbours, followed rules, didn’t have 911 calls) got “halfway to citizenship,” given priority.⁹
- “You can deal with bad actors by seizing equipment, regulatory enforcement, refusing them “halfway to citizenship” seal of approval – don’t have to arrest them.”¹⁰

Government needs to draw on the expertise of the existing growers, producers and retailers

- “Lawmakers need to reach out to industry in the consultation phase, know how the cannabis business works before making regulations so it’s not overly onerous and the rules aren’t changing as you go. We need rules that are clear and consistent and we will follow them.”¹¹

⁵ <https://www.canada.ca/en/services/health/marijuana-cannabis/task-force-marijuana-legalization-regulation/framework-legalization-regulation-cannabis-in-canada.html#a4.4>

⁶ Farnsworth, James, *Preparing for Legalization*, July 2016, page 11

⁷ <https://www.canada.ca/en/services/health/marijuana-cannabis/task-force-marijuana-legalization-regulation/framework-legalization-regulation-cannabis-in-canada.html#a4.4>

⁸ Farnsworth, James, *Preparing for Legalization*, July 2016, page 12

⁹ Farnsworth, James, *Preparing for Legalization*, July 2016, page 13

¹⁰ Farnsworth, James, *Preparing for Legalization*, July 2016, page 13

¹¹ Farnsworth, James, *Preparing for Legalization*, July 2016, page 12

Additional Comments

A Cannabis Sector Advisory Panel

A 2016 Deloitte report says there will be a national base cannabis retail market of \$5 to \$9 billion, putting it somewhere between hard liquor sales and wine sales. With ancillary services, the industry will approach \$23 billion in total market size.¹²

In BC, that economic impact has always been huge. If the BC government wants to hold onto BC's share of this newly legal market, it will need to be innovative —and fast. The government must find a way to assist existing producers to find a path to participation within the federal government's production rules.

We call on the BC Government to establish an advisory committee (the Cannabis Innovation Council?) to harness the existing knowledge and expertise within the BC Cannabis sector, and feed into the Emerging Economy Task Force.

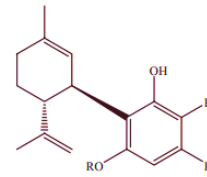
The BC Government can mandate the council's governance structure to ensure organized crime does not have a seat at the table, while still benefiting from existing expertise. The Cannabis industry can cover the costs.

Moreover, the BC government needs to identify existing and potential economic opportunities (jobs, investment and innovative processes), address consumer protection (testing, edibles and labelling), and facilitate more health research (UBC, SFU, and others).

A Cannabis Innovation Council will allow government to use the experience of the existing retail system, growers, producers and labs to retain BC's existing advantage and grow the economic opportunity of the cannabis sector—and do it quickly.

¹² https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/Analytics/ca-en-analytics-DELOITTE%20Recreational%20Marijuana%20POV%20-%20ENGLISH%20FINAL_AODA.pdf

The Canadian Alliance for Responsible Cannabis Production

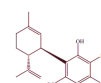


BC CANNABIS REGULATION ENGAGEMENT: STAKEHOLDER SUBMISSION – OCTOBER 2017

The Case for Industry Leading Legislation

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Executive Summary

British Columbia has a longstanding relationship with cannabis. For more than 70 years, the underground economy has thrived and contributed to the growth and health of the provincial economy. BC provides 40% of all Canadian Cannabis¹, and it is estimated that the grey market cannabis sector contributes more than \$6B annually² to the BC economy, with total employment in the sector estimated at \$1.24B³. British Columbia now has the opportunity to lead the way in developing a healthy, sustainable and responsible system of distribution, regulation and enforcement that is effective, inclusive, and will provide a widespread benefit to the people of British Columbia by focusing on Quality Assurance. A successful model will rely upon:

- Recognition of current industry/grey market
- Inclusion of existing distribution participants
- Protection of consumers via product testing
- Non-criminalization of cannabis possession
- Job legitimization
- Recognition of Consumer preferences

We recommend a model that places the Narcotics Dealers License holders as the distribution and testing hub for the system – allowing independent batch and random testing to be conducted as a control over the producers, and as a safeguard for the public. British Columbia is the rightful leader in the Cannabis Industry, and with intelligent legislation, the Government can demonstrate an innovative and sustainable model for the world to follow.

CARCP - About us

The Canadian Alliance for Responsible Cannabis Production (CARCP) is an alliance of like-minded users, growers, medical and scientific professionals, processors and retailers of Cannabis in Canada. Members include ACMPR Licensed Producers, Narcotics Dealer License holders, Licensed patients, as well as members of the constitutionally protected thriving “grey” market. The mandate of CARCP is to advocate for the development of sustainable, effective and equitable legislation for the production, control and supply of high-quality Cannabis and hemp derived products.

CARCP is pleased to provide our members with a platform to participate in this important consultation process. Together, we hope to help define and develop regulations for the legalized Cannabis industry in British Columbia. The following submission is the product of formal discussion with our members. Having been active in the Federal Task Force consultation process, the Alliance believes that our unique insight and experience afford us a deeper understanding of the complexities and opportunities associated with such a multifaceted process.

CARCP believes all consumers of Cannabis, regardless of purpose, have the same rights to safe, high-quality product that is securely packaged and accurately labeled. With this in mind, the Alliance’s focus is on the provision of standardized dosing of Cannabis derivatives, for both medical and adult use markets. We believe it is critical that Governments set in place a system of regulations that focus on solutions, rather than punishment; on common sense, rather than special interests.

¹ "Canada leads 'rich' world in using marijuana: UN". Vancouver Sun. 10 July 2007. Retrieved 1 September 2009.

² Canadian Parliament, Senate; Colin Kenny; Pierre Claude Nolin (2003). Cannabis: Report of the Senate Special Committee on Illegal Drugs. Toronto: University of Toronto Press. p. 35. ISBN 0-8020-8630-6.

³ The Cannabis Market in Canada and British Columbia, Larisa Flister, September 2016



Minimum Age

We believe that the science is inconclusive regarding the impact on the developing brain under the age of 25⁴. Aligning minimum age for access to cannabis under an Adult-use / Recreational model to the current age restrictions for alcohol appears to be both reasonable and effective. It must be noted that access to cannabis for minors under the ACMPR regulations must continue, as many patients are under the age of 19. The health benefits to this demographic are irrefutable, and their rights to access are constitutionally recognized.

Personal Possession – Adults and Youth

The 30-gram limit for adults, and the 5-gram limit for youth, suggested by the Federal Task Force should not be reduced provincially.

As a policy, we are opposed to criminal charges for the possession of cannabis. A system of confiscation and monetary fines (commensurate with the seriousness of the amount/nature of activity, escalating rapidly for repeat offenses) will prove far more effective at reducing the overall crime rates. Criminalizing possession of cannabis is punitive, discretionary and costly. With current Federal, US and International enforcement regimes in place, a cannabis possession charge has devastating personal and social costs, eliminating the ability for future travel, employment, and personal freedoms. Rather than reduce crime, this system has the result of trapping the individual into a life of crime.

ALL AVAILABLE EVIDENCE INDICATES THAT CRIMINALIZATION OF CANNABIS USE IS INEFFECTIVE, COSTLY, AND CONSTITUTES POOR PUBLIC POLICY. THIS VIEWPOINT IS FAR FROM NEW, HAVING NOTABLY BEEN ARTICULATED IN CANADA BY THE FEDERAL GOVERNMENT'S LE DAIN COMMISSION IN 1972, THE SENATE IN 1974, THE CANADIAN BAR ASSOCIATION IN 1994, THE CANADIAN CENTRE ON SUBSTANCE ABUSE IN 1998, CAMH IN 2000, THE FRASER INSTITUTE IN 2001, THE SENATE SPECIAL COMMITTEE ON ILLEGAL DRUGS IN 2002, THE CANADIAN DRUG POLICY COALITION IN 2013, AND THE CANADIAN PUBLIC HEALTH ASSOCIATION IN 2014⁵

Elimination of the illegal trafficking of cannabis is best achieved via economic and regulatory controls. When combined with an inclusive, accessible and competitively priced supply of regulated cannabis, the ability of the black market to survive will become increasingly in doubt.

Public Consumption

The restrictions on public consumption of Cannabis should vary with the method of consumption, dependent upon the impact on others, and the propensity for consumption to encourage use.

⁴ Impact of adolescent marijuana use on intelligence: Results from two longitudinal twin studies, Nicholas J. Jackson, E500–E508, doi: 10.1073/pnas.1516648113

⁵ Centre for Addiction and Mental Health, Cannabis Policy Framework, October 2014



Cannabis Smoking

Smoking of cannabis, by its very nature, is far from discreet. The aroma is highly distinctive, and can impact others in a significant radius. We believe that substantial restrictions on public consumption are warranted. Any designation of an area as fit for consumption of cannabis should only be permitted in the most restricted of cases where public impact is kept to an absolute minimum. Consumption clubs should form part of a regulated distribution system.

Vaping

To the extent that vaping is inherently less impactful and more discreet than smokable flower, relaxation of restrictions may be warranted to those equivalent to tobacco product restrictions

Other forms of Consumption

Ingestion or topical use of cannabis has very low / no impact on the general public. Apart from the difficulty to enforce, there is little reason to attempt to regulate this activity. Reliance on public intoxication and disorderly conduct laws is appropriate.

Drug Impaired Driving

Impairment caused by cannabis consumption cannot be measured in the same way as impairment caused by alcohol consumption. Blood tests for cannabis consumption do not measure the active components themselves, but rather the cannabinoid metabolites contained in the specimen. In simple terms, a person who has consumed high levels of hemp protein over a long period of time, a person who has taken a cannabidiol medication (no euphoric psychoactive effects) within the past week, and a person who is objectively stoned on high THC recreational drugs will all test positive for cannabinoid metabolites, and can do so for more than a month after ceasing cannabis use⁶. The test, therefore, is objectively flawed and inconclusive – being easily overturned in court.

Any test must, therefore, be based on actual competency, the ability to operate a motor vehicle, and ultimately quantification of the threat to the public. Arguably, such a test may eliminate many drivers who have not taken any intoxicant at all, but would result in providing a safer environment for all BC road users.

Personal Cultivation

Further restrictions on the 4-plant limit proposed under C-45 is not warranted. As with tobacco or alcohol, while regulation may allow a home micro-scale production, the costs and inconvenience will not be worthwhile; provided of course, that an efficient legal market is allowed to operate.

Distribution Model

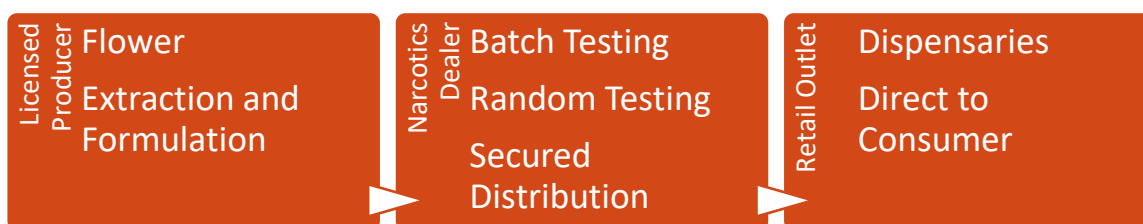
There is a currently existing highly efficient distribution model operating in BC for grey market cannabis. It operates without any government involvement or oversight, and unless the legalization process is well

6 Choices, N. H. S. (2016-12-12). "How long does cannabis stay in the body after smoking? - Health questions - NHS Choices"



managed, it will continue to do so outside of the regulated system. The key to success is maintaining the most positive parts of the existing model, and incorporating product safety measures.

To that extent, our members support a model that channels all product through Licensed Narcotics Dealers (holders of a Dealers' License under the Narcotics Control Regulations that are licensed to conduct activities with cannabis⁷). The obvious benefit to this distribution network is that the NDL's are Federally licensed, trained and equipped to handle, test, transport and destroy cannabis. Independent batch and random product testing can be undertaken at this point, ensuring potency and purity of supply, and providing consumers with peace of mind. Production controls and "self-regulation" under the Federal Licensed Producer model have proven ineffective – Licensed Producers Mettrum, Aurora, Broken Coast and Hydropothecary, operating under strict Federal regulations, have all supplied product that tested positive for banned pesticides in the recent past. The health of British Columbians is too important to rely on LP's self-monitoring and self-reporting. The proposed initiative would position BC as the first legalized market to require distribution through an independent, Quality Assurance based distribution network, effectively setting the benchmark for future legislators.



Retail Model

The existing grey market distribution of cannabis in British Columbia should be carefully examined as a case study in effective market behaviour. Successful dispensaries are ones that are encouraging or requiring product testing, are staffed with knowledgeable personnel, enforce access limitations and provide a welcoming, discreet and positive opportunity for the purchase of cannabis products. The government has an opportunity to reward and encourage responsible participants in the industry through progressive legislation that allows for ongoing participation, within a regulated environment.

CONSUMERS FAVOUR STANDALONE MARIJUANA RETAILERS, PREFERABLY PRIVATELY OPERATED. INTUITIVELY, THIS IS PARTLY BECAUSE THEY WANT TO BE SERVED BY EDUCATED RETAILERS OR 'BUD TENDERS' WHO CAN HELP THEM MATCH NEED TO PRODUCT.

- DELOITTE⁸

Cannabis consumers have clearly shown their preference for the privately-owned dispensary model in BC. Despite access to Licensed Producer products via mail order, the vast majority of consumers choose to continue to purchase from grey market dispensaries. It must be remembered that anti-establishment sentiment is a strong part of the Cannabis culture. If the critical goal is to eliminate the black market, then listening to the

⁷ /www.canada.ca/en/health-canada/services/list-licensed-dealers.html

⁸ Recreational Marijuana – Insights and opportunities, Deloitte, 2016



consumer is critical. Additionally, from a social perspective, allowing private operators to run retail outlets will allow for a wider distribution of wealth, and keep profits in towns, cities and communities across the Province.

Direct-to-consumer models such as currently mandated under ACMPR regulations will have a place in the model for remote locations and the mobility challenged. Experience has shown, however, that where a choice exists, the more interactive and informative retail store model (dispensaries) are vastly preferable. They also allow a positive identification of the recipient of the product, which is not possible through mail.

The Government has an enormous role to play in providing the framework for the existence of professional, discreet, welcoming and informative retail outlets. Programs such as “Serving it Right” or “Foodsafe” tailored to the Cannabis market should be developed by the Provincial Government, and mandated for all retail outlets.

Conclusion

BC has an existing and thriving cannabis industry. Transitioning from the grey into the white will require taking the best of what currently exists, and improving it to include product safety. The most practical way to achieve that goal is to incorporate the Narcotics Dealers License holder into the distribution cycle, and requiring all retail outlets to purchase exclusively from the NDL’s. The dispensary model is working well, and should be improved through Government oversight, regulations and inspections. Public consumption can be regulated more closely, and impaired driving targeted more closely, although both these issues have been present in BC for generations.

“BC Bud” holds a well-earned reputation globally; mindful BC Cannabis legislation should mirror that international success.

CARCP members would like to take this opportunity to congratulate the BC Government for its openness to progressive legislation, and we stand by to provide further and more detailed input as requested.

For further information, contact:

Michael Geoghegan,
e: mgeoghegan@shaw.ca
c: (250) 881-0969

on behalf of:

Canadian Alliance for Responsible Cannabis Production



A “Made In BC” Solution for Cannabis Regulation

Submission of the Canadian Association of Medical Cannabis Dispensaries
to the BC Cannabis Legalization and Regulation Secretariat, November 1, 2017

Established in 2010, the Canadian Association of Medical Dispensaries (CAMCD), is a non-profit, trade organization representing over 60 medical cannabis dispensaries in Canada. Member dispensaries provide safe, affordable, consistent medical cannabis access for tens of thousands of patients today. CAMCD advocates for continuity of access for patients, and for continuity of operations for the businesses that serve them.

CAMCD is the only organization to publish a comprehensive set of operating standards which provide effective guidelines for self-regulation. CAMCD trade membership is required by the City of Vancouver for Compassion Club applicants under the 2015 Medical Marijuana Retail Use business licensing bylaw. CAMCD was invited by the Federal Task Force on Legalization to provide our experience and knowledge around responsible, community-based, storefront dispensing.

CAMCD is governed by a board of directors representing dispensaries across BC and supported by an advisory board with professional expertise in public health, education, scientific research, law, cultivation and manufacturing.

CAMCD and the thousands of people that patronize our storefronts believe that a “Made in BC” regulated approach should provide opportunity for the transition of the existing cannabis industry.

Minimum Age

CAMCD acknowledges the age of majority as a natural benchmark, and does not recommend that higher limits be imposed. Further, age restrictions must not allow the criminalization of youth. The punishments for underage possession or consumption of cannabis must recognize that cannabis is a less harmful substance for youth than alcohol, and youth should not be unduly penalized or marginalized for consumption. Improved education and support programs for youth should be put in place. Regulation should allow for medical exceptions to minimum age, as medical cannabis is currently providing therapeutic benefits for many minors, with the support of their families and doctors.

Personal Possession Limits

CAMCD advises that a 30g limit on personal possession is arbitrary and could unfairly penalize cannabis consumers. Further, this limit is not logical when considering that cannabis is a non-toxic plant, and that there is no possession limit for tobacco or alcohol - the number 1 and 2 threats to public health and safety.

Public Consumption

CAMCD advises public consumption regulation for cannabis should be no more restrictive than for tobacco. Alberta has just announced that public consumption rules for tobacco will be applied to cannabis consumption. CAMCD also strongly recommends that provisions are made for the regulation of safe consumption sites such as designated vapor lounges, designated outdoor public areas, and retail product testing areas.

Drug-impaired Driving

CAMCD strongly advises against the adoption of mandatory DNA samples for Drug Impaired Driving, and per se limits for THC concentrations. Cannabis tolerance among consumers varies widely, and evidence indicates that individuals develop a higher tolerance for THC with continued use over time, such as in patients with chronic pain, cancer, HIV, etc. Without conclusive research in this area, per se limits will in no way be an effective measure of impairment, and instead are likely to unfairly prohibit, penalize or criminalize cannabis consumers for driving.

Personal Cultivation

No similar regulation exists for home production of a natural, medicinal substance for personal use. CAMCD advises that the economic burden of regulation and enforcement of personal cultivation would be expensive and difficult, and advises against it. CAMCD respects the rights of landowners to prohibit intensive indoor production on their properties, however outdoor cultivation (where possible) should be a right of the tenant.

Distribution and Retail Models

Minister Farnworth at UBCM said, “BC is unique” and “we have a long established industry”. Premier Horgan, addressing the press in Ottawa said “We are well-advanced in terms of the retail elements of this (cannabis legalization). The challenges, of course, are on regulation and distribution in a more thoughtful way.”

Distribution

CAMCD recommends that centralized distribution be avoided. Centralized distribution will:

1. add to the cost of the final product and impact affordability, serving to perpetuate the black market,
2. create delays for product to reach consumers which impacts freshness and quality, potentially driving consumers to the black market,
3. add to the environmental footprint of the product by being shipped to central warehousing and then to retail outlets, rather than direct to retail.

4. add unnecessary complexity - licensed producers can ship direct to patients; direct wholesale shipping to retailers is a simple extension of this.

Reliable “seed to sale” tracking systems (aka “Traceability” software) are already in place and working in the majority of regulated American states. Let’s not add unnecessary complexity to this advancement in distribution technology by implementing an outdated central warehousing concept.

Retail

Private Storefront Dispensaries

The most efficient way to reduce the black market is through adequate numbers of well-regulated, privately owned dispensaries as proven in American state markets like Colorado.

A 2011 federal Department of Justice study of 500 cannabis cases showed that less than 5% of cases showed any connection to organized crime, and there were no organized crime convictions in any of the cases reviewed. This means that more than 95% of BC’s cannabis industry participants are not organized crime, rather they are “otherwise law abiding citizens”.

CAMCD recommends that the Province of British Columbia transition existing, compliant, dispensaries in the cannabis retail space. Colorado Oregon, and California - other mature cannabis jurisdictions - have all created state cannabis regulations that provided transition opportunities for existing dispensaries.

The benefits of an inclusive transitional approach are many:

1. the transition of existing, responsible cannabis businesses impacts the black market immediately,
2. licensing existing, responsible dispensaries is more cost effective than establishing enforcement actions to remove them,
3. an expedient transition to regulated sales and tax revenue is realized,
4. regional economies are stabilized, not undermined.

Municipalities such as Kimberly, Nelson, Vancouver, and Victoria have been proactive in establishing common sense regulations. Best practices from US states, especially Colorado, show the private dispensary model works.

Recommendations for Licenses

1. Private - Recommend licenses can be held by any BC registered entity type (Corporation, Society, Partnership, etc)
2. Transferable - Recommend both provincial and municipal licenses are able to transfer ownership/control
3. Portable - Recommend licenses can be moved to another physical address without re-application

Online Sales

Many consumers are in remote locations, and many would prefer to order from the storefront businesses that have helped them in face to face consultations. Forcing these consumers to purchase only from

Licensed Producers - most of which are located outside BC - would not be in the public's best interest nor in the Province's economic best interest.

CAMCD recommends that as with any modern retailer, rights for e-commerce and delivery services should be part of a retail cannabis license. This will provide service for disabled or remote patients and consumers, and will be a convenience for many others.

Co-location

CAMCD recommends that there is no co-location with liquor stores. Consumption of cannabis and alcohol together increases risk of impairment and sends the wrong message to youth. Numerous studies and good practices show cannabis retail should not be located with alcohol retail, due to its use as a harm reduction agent for alcohol. "The fact is, no other jurisdiction co-locates cannabis with alcohol," said Dr. Perry Kendall, B.C.'s public health officer, in a comment to the media on Sept. 29. The same is true with harm reduction for pharmaceuticals, and co-location with pharmacies.

The same is true with harm reduction for pharmaceuticals, and co-location with pharmacies.

An ideal fit for co-location would be with medicinal cannabis shops that currently serve our communities.

Government Owned Stores

A government cannabis store model would create barriers to achieving key goals for successful legalization:

1. Creation of government stores is expensive - additional infrastructure will impact provincial budgets will reduce affordability, perpetuating the black market. The Alberta NDP believes it's too expensive to adopt the government store strategy and seeks a better solution.
2. Private industry is already servicing hundreds of thousands of people in BC.
3. BC's cannabis consumers overwhelmingly prefer the private storefront dispensary model. A recent Insights West survey showed 74% agreed when evaluating the statement; "Marijuana dispensaries are already operating in some cities—we should find ways to allow them to operate without harming the public" with only 16% in disagreement.
4. Given the demonstrated preference for private storefronts, imposing government stores would reduce consumer buy-in and perpetuate the black market.
5. Government stores would not appeal to the "craft" nature of cannabis retail that is truly part of BC culture.
6. The years of experience and the high standard of service created by the existing industry would not likely be met through government run and staffed retail stores.

Thank you for the opportunity to present this brief. CAMCD is available to provincial and municipal regulators as a resource, and can provide additional information, research, or consultations.

For further information, please contact info@camcd.ca

The Canadian Association for Pharmacy Distribution Management

A Solution for the Wholesale Distribution of Cannabis in British Columbia

A Turnkey Solution for the Wholesale Distribution of Cannabis in British Columbia

Acting on behalf of Canada's wholesale pharmaceutical distributors, David Johnston, President & CEO, The Canadian Association for Pharmacy Distribution Management (CAPDM) is pleased to provide this submission to the **Ministry of Public Safety and Solicitor General and the Cannabis Legalization and Regulation Secretariat** outlining a ready-made solution for the comprehensive province-wide distribution of legalized cannabis.

With this submission, CAPDM will identify why Canada's wholesale pharmaceutical distributors are uniquely qualified and ideally positioned to safely, securely and cost-effectively manage the cannabis supply chain from producers to retailers:

- With decades of experience distributing controlled substances and narcotics, CAPDM members understand that Cannabis legalization presents many complex policy challenges for the Province, particularly considering the tight timeline before legalization.
- Pharmaceutical wholesalers are channel-agnostic, and can support various retail models for legalized cannabis in a safe, secure, and cost-efficient manner
- Leveraging pharmaceutical wholesalers would require little or no need for significant up-front investment to establish a new government-run distribution regime for a nuanced and controlled substance that would be far different in handling, packaging, and security requirements than those required for alcohol.
- The pharmaceutical wholesale system is a distribution model licensed by Health Canada with regular audits and inspections that is already equipped to provide tracking, monitoring and reporting requirements, eliminating up-front costs to establish systems while avoiding learning curves with unintended consequences.
- The pharmaceutical wholesale system is a model with extensive supply chain expertise that provides producers with the opportunity to utilize highly sophisticated ordering systems, deal with fewer distribution points, while eliminating costly distribution activities, that for controlled substances, consist of a critical chain of monitored activities.

Priorities for British Columbia (BC) - Choosing the Right Distribution Model

With decades of experience distributing controlled substances and narcotics, CAPDM members understand that Cannabis legalization presents many complex policy challenges for the Province.

BC expects that, as in other jurisdictions that have legalized, it will take several years to develop, establish, and refine an effective non-medical cannabis regime that over time eliminates the illegal market. This may be so, however one of the complex issues that BC can get right, 'out of the gate,' especially in the face of challenging timelines, is the adoption of an appropriate supply chain and distribution model. How BC moves forward on the supply side will significantly impact many of its policy priorities.

The right distribution model will protect public health and safety and support a fluid and competitive retail environment that limits the illicit market. It must be a robust, yet, flexible distribution system that has all the necessary controls in place to ensure the safe storage, handling, transportation and tracking of cannabis in all its potential forms, while still able to scale to the needs of an emerging and evolving new marketplace. Canada's pharmaceutical distribution network already delivers such a model to British Columbia and the rest of Canada and this existing system can be leveraged to safely and securely manage cannabis movement from producer to retailer.

The final report from the federal task force stated, **"A well-functioning distribution system—where the chain of custody is well-controlled—is critical to the overall success of the new regime."** CAPDM and its members couldn't agree more. Effective, coordinated distribution from producer to retailer will be an essential element for the safe legalization of cannabis in Canada, and a critical part of a regulated supply chain.

CAPDM & Pharmaceutical Distributors - History and Background

Founded in 1964, CAPDM is an important national healthcare association that represents Canada's pharmacy supply chain. CAPDM members are pharmaceutical distributors, self-distributing pharmacy chains, as well as prescription and non-prescription drug manufacturers.

Canada's pharmaceutical distributors provide an essential service, ensuring safe, secure and timely access to vital medicines for Canadians regardless of where they live. They operate highly evolved systems and operate within strict Health Canada guidelines with multiple licenses and accompanying audits and reports. Pharmaceutical distributors provide daily deliveries to every pharmacy and hospital throughout BC and the rest of Canada. Well established, key national distributors have been operating for over 100 years.

Pharmaceutical Distribution - A System of Choice

Distribution of a wide product portfolio by pharmaceutical distributors is safe, secure and efficient. Canada's pharmaceutical distributors have maximized operational efficiencies through continuous innovation and investments in new facilities, IT, automation, and six-sigma capabilities. CAPDM national and regional distributor members have been servicing the entire Canadian marketplace for decades.

It is the system of choice for governments and industry. Pharmaceutical manufacturers have come to recognize that placing distribution in the hands of an industry whose core competency is supply chain expertise is an operational and economic necessity. Manufacturers are unable to competitively replicate the full end-to-end services and daily deliveries of products ranging from over the counter headache medication to the most potent narcotics to over 10,000 hospitals, pharmacies and clinics to every neighborhood in Canada. Evidence of this: today in Canada, greater than 95% of all prescription medicines are handled by pharmaceutical distributors. That equates to over 4 million order lines annually that are executed with greater than 99.9% accuracy.

An order placed one day is on the shelf the next day regardless of the pharmacy location. The cost of distribution in a province is the same regardless of destination. Consequently, in Canada or BC there is no difference, no disadvantage from a distribution point of view if you access your medicines from a small pharmacy in a rural town or a large chain in a downtown urban setting.

Pharmaceutical distributors are also a buffer against drug shortages, helping to smooth out supply and demand between pharmacies and manufacturers by holding several weeks of inventory in their facilities and working with manufacturers to closely manage supply during times of constrained product availability.

Pharmaceutical distributors support a 2-way system. **Not only do they distribute, but they track the products and have protocols in place that allow for recalled products to be out of the market and back at the distribution centre with 36 hours.**

This Canadian pharmacy supply chain is recognized as the gold-standard globally. For British Columbians and Canadians across the country this means they can expect to get the medications they need when they need them, no matter how remote their location.

Pharmaceutical distributors can do the same for Cannabis in BC.

The Adoption of a Ready-Made Cannabis Distribution Model in British Columbia

The province already has a relationship with a well-established distribution model that reaches every community in BC.

Pharmaceutical distributors already reach every pharmacy and hospital in the cities, communities and rural areas of BC. That's well over 1300 locations.

Pharmaceutical distributors are prepared to reach new retail or dispensing points across BC. With their established and sophisticated systems, pharmaceutical distributors are equipped and prepared to add new retail or dispensing points to support a BC cannabis retail regime.

The pharmaceutical distribution model that is in place now requires little or no need for investment in tracking, traceability, monitoring, recall systems, or retrofitting. Piggy-backing on a highly regulated system with frequent deliveries to every community in BC means safety, security, managed product integrity, low retail inventories, and low delivery costs to keep cannabis access fluid and competitive to push back the illicit market.

The adoption of this well-functioning system that already exists in BC for Cannabis distribution will deliver:

- A **turn-key solution**, that is ready to go, and that relieves significant system stress, as the pharmaceutical wholesalers already have secure infrastructure and processes in place for safeguarding cannabis from diversion
- Efficient **low-cost distribution** services, thereby maximizing the opportunity for tax revenues, and keeping costs structures competitive to thwart black-market cannabis.
- A **channel-agnostic distribution model** that can service a wide range of retailers whether it would be government-controlled retail outlets, pharmacies, or other channels
- A model that is already vigorously regulated via national standards and **inspected by Health Canada**
- Provision of **shipment data** on a timely basis, providing the government full transparency as to how much product has been shipped and to where
- **Next-day delivery** capabilities meaning that retailers can maintain low, just-in-time inventories, thereby minimizing losses from theft, and operate in a competitive retail environment
- Availability of temperature control of shipments all the way to the retailer back door, if need be
- Quick and **efficient execution of product recalls**
- The ability to adapt and **scale to market demands**, new product offerings, and specialty handling requirements

Developing a Work Plan & Implementation

With less than 9 months to cannabis legalization, this is a crucial moment as BC wrestles with hundreds if not thousands of complex issues on the path to legalization. There are daunting complexities and significant investments associated with establishing a new regime that incorporates best

practices for a highly regulated, secure and cost-competitive supply chain, mandated to safeguard public health and safety while reducing the prevalence of black market cannabis.

Canada's Pharmaceutical Distributors already simplify a complex distribution environment for 100's of manufacturers and over 10,000 pharmacies and hospitals. With decades of experience we will help BC establish the same efficiencies for Cannabis, so that the province gets it right out of the gate and is set up for success from the start.

CAPDM executives alongside operational experts from its member companies are ready and on-standby to collaborate with provincial stakeholders to design a critical path and implementation strategy that meets BC's timelines and supports its policy objectives.

The benefits of a pharmaceutical wholesaler-based distribution model...

BC can take advantage of the many exclusive benefits of this pharmaceutical distribution model that is essentially a sophisticated hybrid model operating under strict **Health Canada** guidelines.

The pharmaceutical distribution model delivers unique and inherent attributes that cannot be replicated by any other distribution model that exists today

Of the three basic models under consideration for the warehousing and distribution of cannabis to retailers in BC, pharmaceutical distributors offer unique advantages not found in other models including:

- Little or no need for significant up-front investment to establish a new government-run distribution regime for a nuanced and controlled substance far different in handling, packaging and security requirements than those required for alcohol.
- A distribution model licensed by Health Canada with regular audits and inspections that is already equipped to provide tracking, monitoring and reporting requirements eliminating up-front costs to establish systems while avoiding learning curves with unintended consequences.
- A model with extensive supply chain expertise that provides Licensed Producers with the opportunity to utilize highly sophisticated ordering systems, deal with few distribution points, while eliminating costly distribution activities, that for controlled substances, consist of a critical chain of monitored activities.

A closed system that enables access without entry points for unlicensed producers

Canada's pharmaceutical distributors operate a closed system that only permits the ownership or movement of product from a recognized and licensed manufacturer to a licensed or recognized pharmacy, hospital or clinic with systems and procedures in place to authenticate purchasers. Through its sophisticated supply chain, Canada has an enviable global record when it comes to the absence of counterfeit or illegitimate drugs entering the Canadian system. With cannabis, pharmaceutical distributors will only engage with licensed producers and approved retailers in good standing.

Competitive Pricing Model

Pharmaceutical distributors operate high-volume low-margin businesses that have proven to be the most cost-competitive handling and shipping mechanism for products of this nature.

This will support competitive pricing regimes necessary to discourage and push back the illicit market.

CAPDM and its members will work with the province and producers to specify anticipated volumes, packaging sizes and types, retail destinations, delivery frequency, and other pertinent information to build a competitive distribution pricing model. Both the BC government and producers will find the pricing regime extremely competitive as pharmaceutical distributors have spent decades maximizing efficiencies to be able to efficiently transport pharmaceuticals across a population sparse country.

Managing risk, abuse, theft and diversion...

The Federal Task Force anticipates, marijuana, upon legalization, will be a drug with a medium-to-high risk profile for abuse, theft, and diversion. On the spectrum of recreational and prescription drugs, from tobacco to alcohol to narcotic & controlled drugs, CAPDM sees cannabis as possessing public health/safety risk and law enforcement concern as between that of alcohol and prescribed narcotic & controlled drugs.

The ideal distribution network for cannabis, connecting producers to retail points of sale, should afford cannabis with the same level of security and traceability as prescribed narcotic & controlled drugs. These requirements are ready-built within Canada's pharmaceutical distribution network:

- Facilities designed to securely warehouse inventory
- Systems & procedures to authenticate purchasers
- Available transportation systems with the capabilities to safeguard product integrity (e.g., from temperature extremes) all the way to the retailer
- The ability to track and report inventory movement from suppliers to warehousing to buyers – facilitating quick recall execution when required
- Strong oversight from Health Canada

Because co-location with alcohol continues to be highly discouraged by stakeholders, pharmaceutical distributors offer the most stable, flexible, channel agnostic option for an emerging market.

Bridging the Cannabis Trust Gap

With every requirement that government, healthcare stakeholders and the public may demand to instill trust into the safe distribution of cannabis already being performed by Canada's pharmaceutical distributors – CAPDM members are the natural choice to fulfill BC's cannabis distribution requirements.

The Path Forward

CAPDM and its Pharmaceutical Distributor members are ready to partner with the BC government to design a low-cost, safe, secure, and efficient distribution channel for cannabis that will support the government's public health and public safety policy objectives. We look forward to further in-depth consultations with BC and the stakeholders associated with the implementation of legalized cannabis.

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Submission in response to the discussion paper, *Cannabis Legalization and Regulation in British Columbia*

Canadian Cancer Society
November 1, 2017

The Canadian Cancer Society appreciates the opportunity to submit feedback as part of the BC Cannabis Regulation Engagement process. The Canadian Cancer Society is a national, community-based organization with the mission to eradicate cancer and enhance the quality of life of people living with cancer. This feedback compliments the submission by the BC Clean Air Coalition, a group to which the Society is a member. This short submission expands specifically on the issue of smoking and vaping cannabis in public spaces.

Recommendation

As part of cannabis regulations, BC's *Tobacco and Vapour Products Control Act* should be amended to address smoking and vaping of all substances at outdoor public spaces and workplaces. Smoking and vaping tobacco, cannabis, and all substances should be prohibited at parks, playgrounds, trails, plazas, beaches, recreation facilities and venues, workplaces and on restaurant and bar patios.

Background

BC has a patchwork of policies for smoking and vaping in outdoor public places. Currently there are seventy-three communities in BC covered by municipal or regional district bylaws that address smoking and vaping in outdoor public places, but these regulations are not consistent, and there are still over one million unprotected British Columbians who live outside of these communities. The inconsistent policies challenge enforcement and do not provide all British Columbians with equal access to clean air. Importantly, while indoor workplaces are protected from second-hand smoke exposure, BC is one of the only provinces that still allows smoking on patios which exposes workers and patrons to second-hand smoke. There is evidence from hospitality patios and building entrances that the levels of particulate matter from tobacco smoke can extend as far as nine meters from its source.

In 2012, UBCM passed *Resolution B92* calling for provincial action on outdoor smoke and vape-free spaces, but the issue has still not been addressed. With the introduction of cannabis regulations, it is timely to address smoking and vaping of all substances.

Cannabis and cancer

Cannabis smoke contains many of the same carcinogens as tobacco smoke, and there is evidence showing that smoking cannabis may increase the risk of developing cancer. However, this evidence is limited, and it is hard to know for sure or the magnitude of the risk. Additional information is available at www.cancer.ca. The harmful substances in second hand cannabis smoke are largely similar to the substances in second hand tobacco smoke.

Public Consumption – Smoking and Vaping

Concerns with cannabis and tobacco smoking

There are concerns that youth smoking of cannabis could have an adverse impact on youth tobacco smoking:

- Many cannabis smokers mix tobacco and cannabis when making a cannabis cigarette, with Ontario data showing that 32% of past year cannabis users had mixed tobacco and cannabis in the past year.¹ The smoking of tobacco in this way could lead to nicotine addiction.
- Youth may learn to smoke by smoking cannabis, which may make it easier to learn to smoke tobacco.
- There is tremendous overlap between youth who smoke tobacco and youth who use cannabis. The Canadian Student Tobacco and Drugs Survey (CSTADS) for 2014-15 found that of students in grades 7-12, 73% of current smokers had used cannabis in the past 30 days, compared with just 3% who had never tried smoking.²
- Among 19-20 year olds who are current smokers of tobacco, 49% used cannabis in the previous 30 days, compared with just 11% among non-smokers. Among 19-20 year olds who used cannabis at least weekly, 51% are current smokers of tobacco, while among 19-20 year olds who have not used cannabis in the past year, only 10% are current smokers of tobacco. Source: Canadian Tobacco, Alcohol and Drugs Survey (CTADS), 2015.³
- The majority of British Columbians do not smoke. Of the minority who do smoke, two-thirds want to quit and are looking for tools to help them. Smelling smoke or seeing people smoking outdoors makes it hard for people who are trying to quit smoking and may trigger relapse. Studies show that when smoking bans have been implemented, many people who smoke have chosen to quit or cut back and that smoke-free patio regulations may help former smokers avoid relapse. It is important that regulations on cannabis do not undermine tobacco control efforts. Smoke and vape-free public places protect citizens from second-hand smoke exposure, support people who want to quit smoking and provide positive role modelling for children and youth.

Endnotes:

¹ Ontario Tobacco Research Unit analysis of data from 2016 CAMH Monitor.

² Propel Centre for Population Health Impact, "Tobacco Use in Canada: Patterns and Trends, 2017 Edition. Special Supplement: Cannabis in Canada" University of Waterloo, 2017, p.S2-12.
https://uwaterloo.ca/tobacco-use-canada/sites/ca.tobacco-use-canada/files/uploads/files/cannabissupplement_2017_final_accessible.pdf

³ Data analysis provided by the Propel Centre for Population Health Impact, 2017.

Canadian Cannabis Co-op

Submission to the Government of British Columbia

October 31, 2017

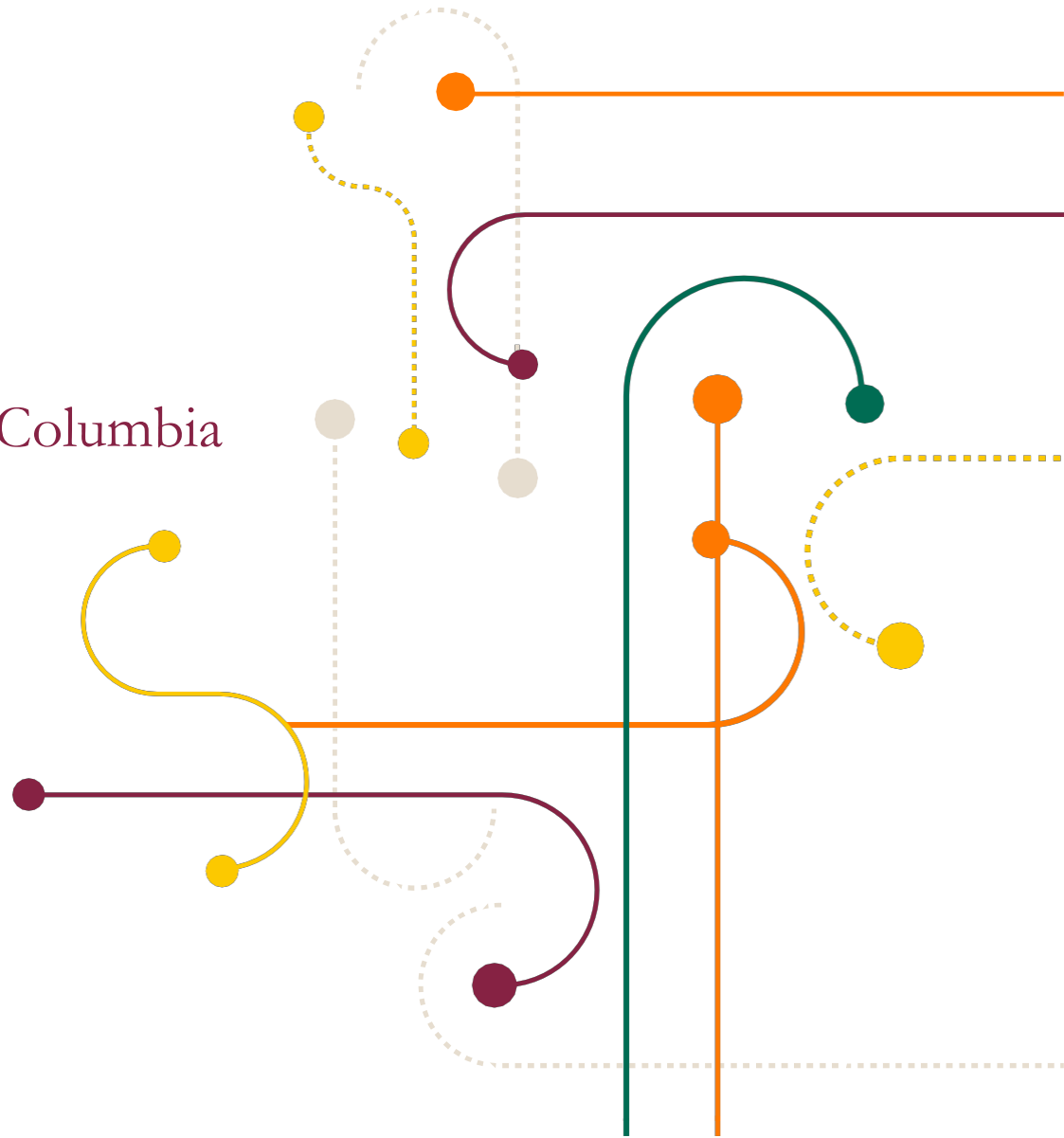
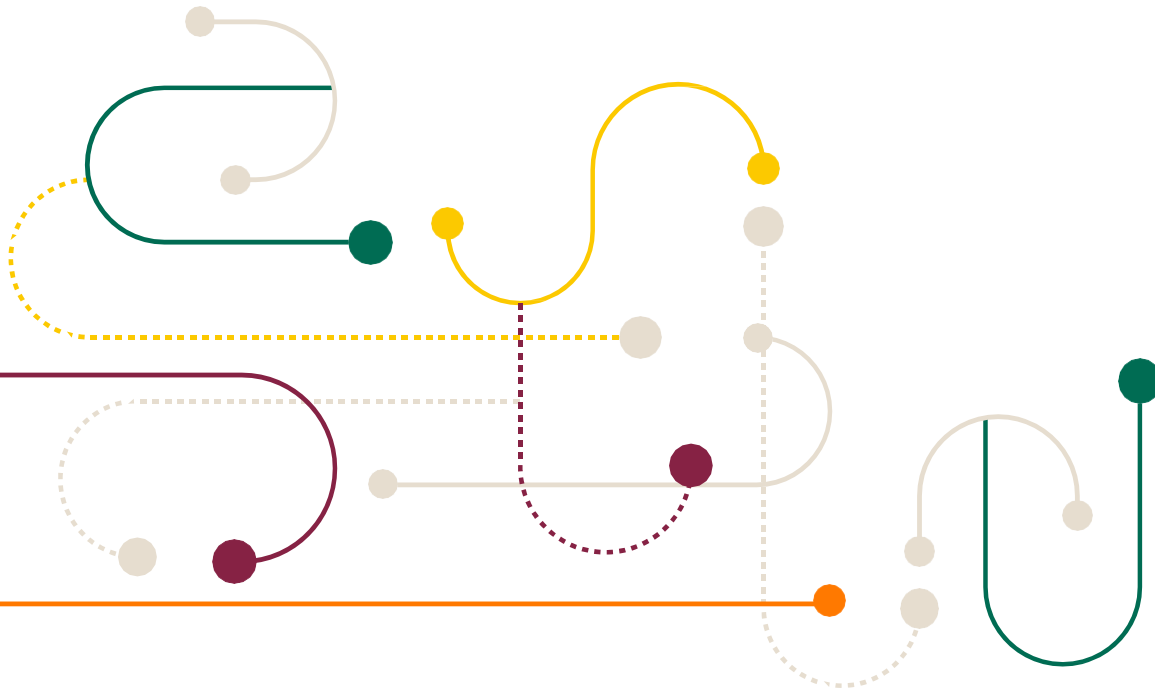


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Executive Summary

The Canadian Cannabis Co-op, a collection of twelve of Canada's leading ACMPR-licensed producers of cannabis representing approximately 60% of the current market by production. We are pleased to provide a response to the Government of British Columbia's consultation process for the production, distribution and retail of cannabis in British Columbia.

The Canadian Cannabis Co-op was borne out of a recognition that Provinces, like British Columbia, are in need of a turn-key solution to addressing the challenges of safe supply and responsible selling of cannabis through a legal retail channel. It was also driven by a shared understanding that we have unparalleled experience in the industry, access to resources and a collective desire to help shape a production, distribution and retail model that is purposely built for the Canadian cannabis marketplace.

We believe our model, as described in detail in the balance of this submission, provides a compelling proposition for a retail channel for British Columbia as it considers its cannabis needs in the years to come. The Co-op model, for example, provides the Province with a predictable, low-risk revenue stream akin to what a public model would offer but without upfront capital expenditure exposure or operational risk. It provides a public sector role in governance, the inclusion of key stakeholders like labour, best in class safety and security and a physical and online retail environment that guarantees a supply of safe cannabis products that is accessible to all consumers in British Columbia. And it provides it all by July 1, of 2018.

We look forward to further participation in discussions with the BC government

Canadian Cannabis Co-op

The risk of alternatives

Although there are many unknowns, we can still identify potential risks. Fortunately, the Canadian Cannabis Co-op offers mitigation from many known risks

Risk to British Columbia	Solutions with Canadian Cannabis Co-op
We can not get enough product to stock all stores	Secure volume commitments by LP; do not expand store number beyond available capacity of target stock keeping units (SKUs); leverage effective demand-supply forecasting; simplify the product mix
Getting the in-store product mix wrong	Undertake consumer need state analysis upfront and then link defined segments to volume requirements; simplify the product mix; leverage category management tools and methodologies while offering competitive price points
Relinquishing oversight	Position for British Columbia government in governance structure of Canadian Cannabis Co-op
An inability to find or secure key talent	Ability to leverage extensive reach of 12 leading ACMPR LPs who have experience in selling regulated medical cannabis
Up front capital requirements and business risk	Canadian Cannabis Co-op assumes up front and operational risk plus capital needs

Working within the existing British Columbia cannabis retail market

We do not envision the Canadian Cannabis Co-Op as an exclusive retail option but one that could operate alongside government run outlets or those operated by any current illegal independent retailers that may be provided with a path into the legitimate marketplace

Background



Background

- The Canadian Federal government announced plans to legalize the sale of adult recreational cannabis on July 1, 2018. Legislation will be tabled in the fall of 2017 around the actual rules around how cannabis will be allowed to be marketed etc.
- Each province has the mandate to establish their own regulations and practices as to how the retail channel will be organized, taxed and regulated. Municipal governments will also likely have a regulatory role in areas like licensing.
- Uncertainty at the federal level, the newness of this category and public sensitivity is causing all provinces to move cautiously if not slowly to establish policies, detailed rules etc.
- Likeminded ACMPR LPs would come together to launch and operate a retail co-op store to sell adult recreational cannabis.
- Twelve ACMPR LPs (list at right) see significant value in this concept and engaged an objective, experienced third-party consultancy to explore this idea in greater detail and make recommendations on what the ideal national model with accompanying economics case would look like.

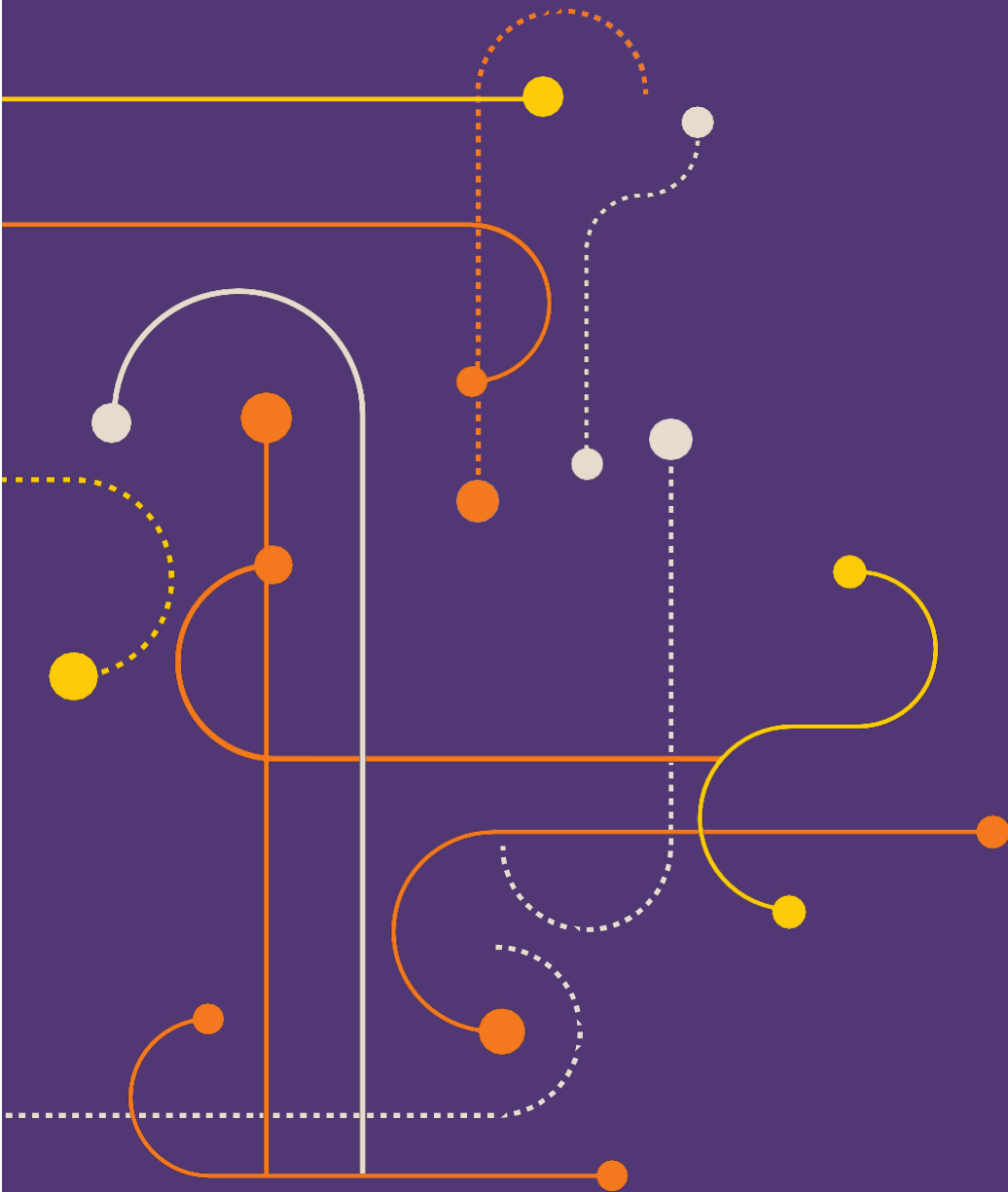
LP Owners Group (OG) - as of October 31, 2017 -

- ABCann
- Aphria
- Bonify
- CannTrust
- Cronos Group
- Emblem
- Emerald
- MedReleaf
- Newstrike
- OrganiGram Inc.
- Hydrophocary
- Tilray

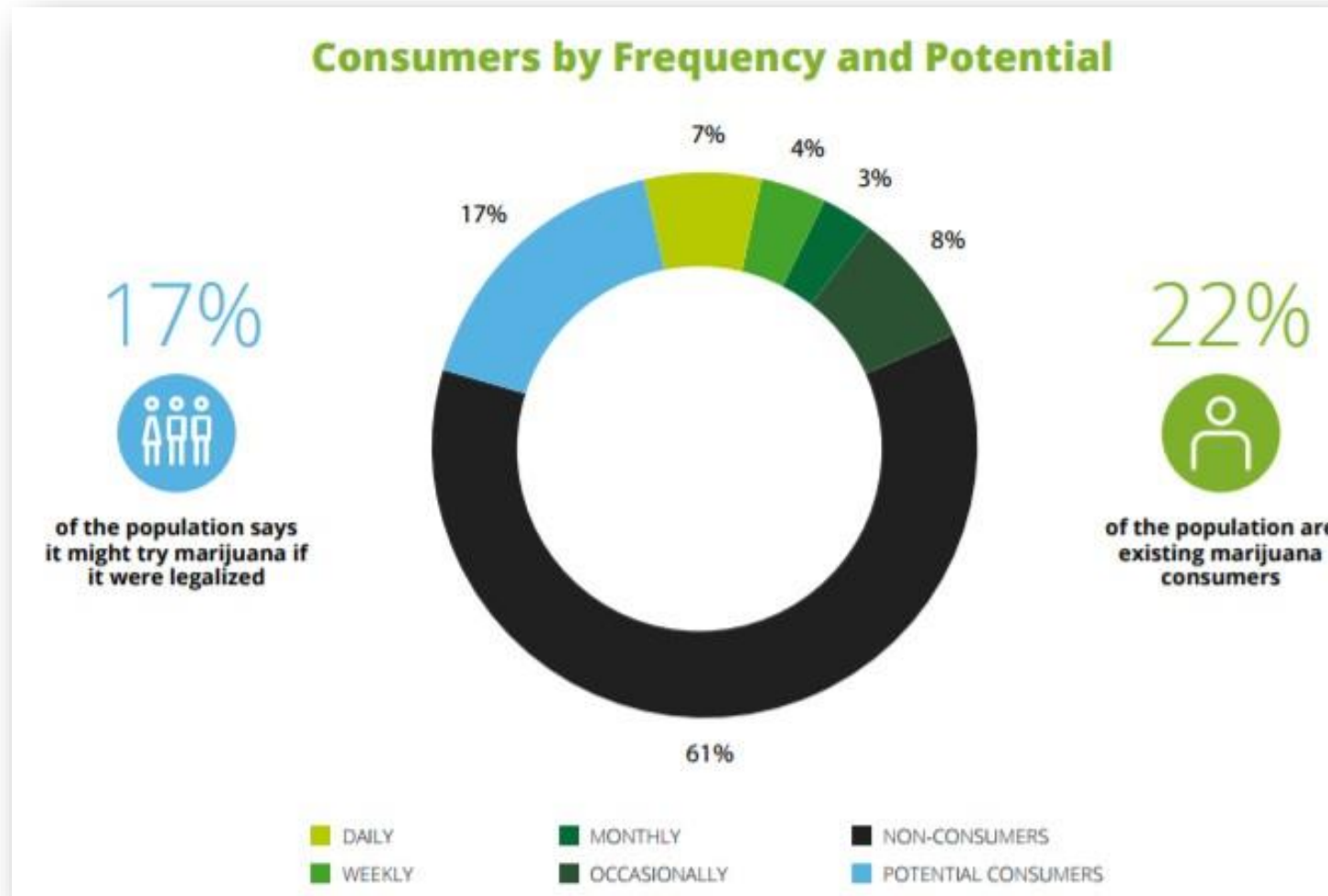
Key terms used in this report

- ACMPR – Access to Cannabis for Medical Purposes Regulations
- LP – Licensed producer of medical cannabis
- Co-op – The initial and unofficial organizing structure adopted by the group. A jointly owned enterprise engaging in the production or distribution of goods or the supplying of services, operated by its members for their mutual benefit. The final legal structure is to be determined through OG deliberations in September-October 2017.
- Ownership Group (OG) – The twelve LPs that have come together to own and launch the Co-op.
- Retail – The physical and e-commerce format, operations and act of selling cannabis and related products to the adult recreational consumer market.
- Taxes – Unless otherwise specified, this term refers to the total taxes generated including HST, excise plus any social responsibility taxes.
- Operating model – All the back end operations, functions, talents, staffing and capabilities needed to get product from the LP or supplier to the store. Store operations refer to all the activities, workers and systems at the store.
- Stakeholder – A party with a vital stake in the operations and results of the retail execution. Stakeholders considered in this study are: owning and non owning LPs, governments (3 levels), workers (unionized and non-unionized), consumers and local communities. Other important stakeholders like physicians and advocacy groups (e.g., MADD) would benefit from a Co-op, albeit in non-quantifiable terms.

Industry learnings



Market potential and usage (1 / 3)



Source: Deloitte

Market potential and usage (2/3)

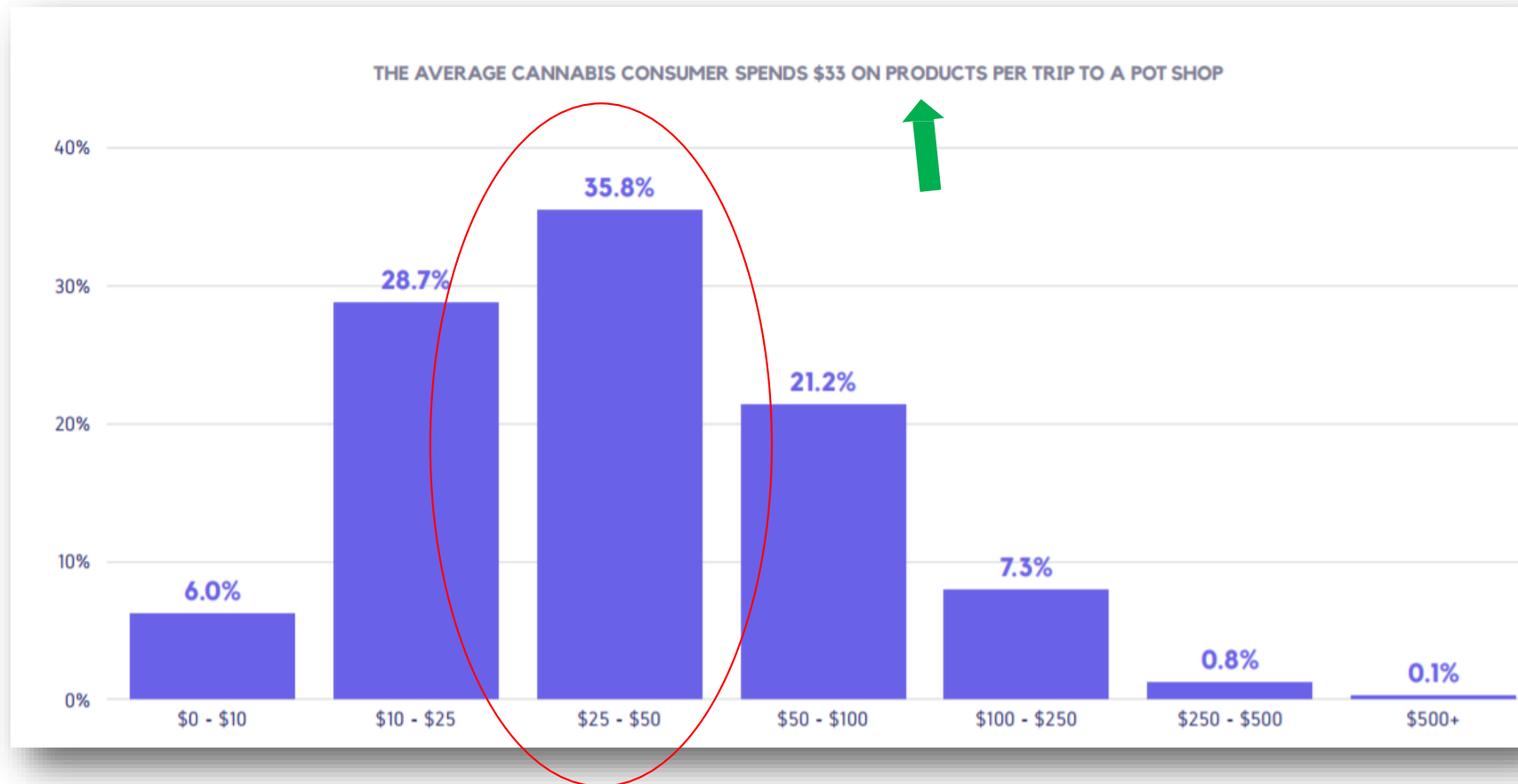
Aggregate Resident Cannabis Consumption by Region per annum (metric tons)



Sources: Light et al. (2014); PBO Calculations

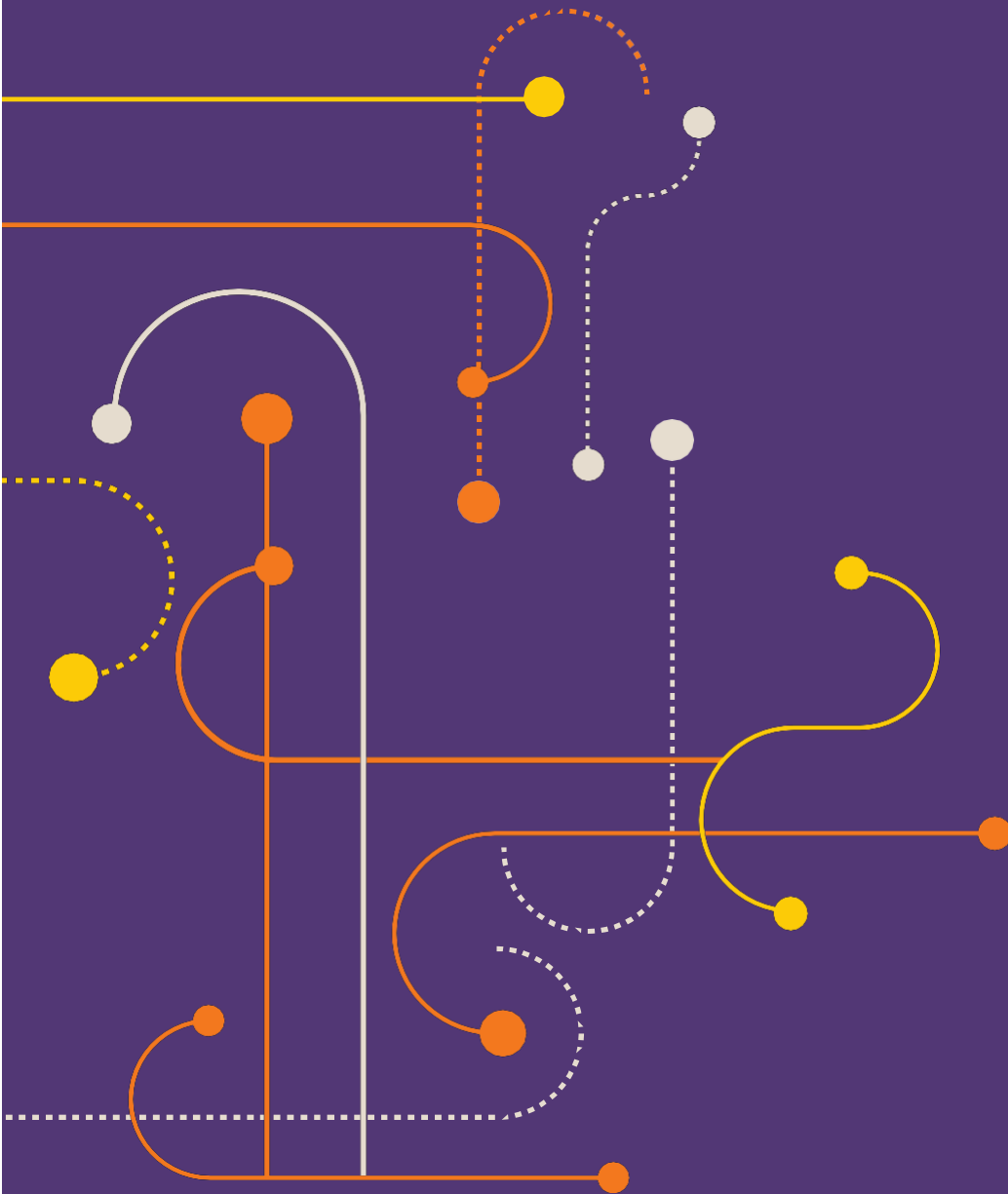
Source: PBO

Market potential and usage (3/3)



Source: Headset Inc.

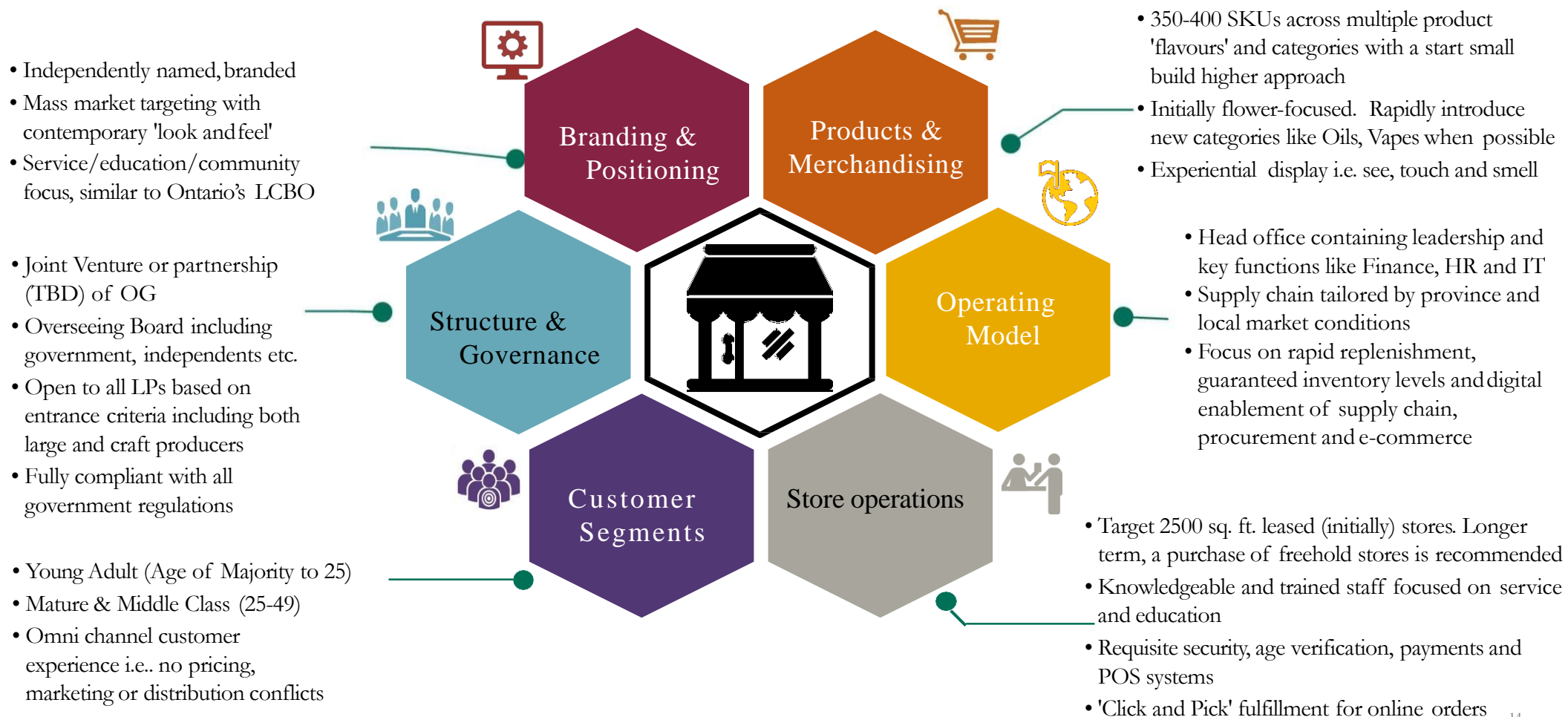
Canadian Cannabis Co-op Recommendations



Retail recommendations

Leveraging lessons from comparable U.S. cannabis retailers and other best practice retailers

The Co-op should consider the following elements and follow these recommended strategies...



Key Insights and Implications



Products & Merchandising

Insights

Offering 350-400 SKUs is approx. the right mix

While merchandising rules are unknown, we should be proactive in recommending an education-focused, live service interaction

Initially, the challenge could be ensuring product availability due to capacity and supply chain constraints

Implications

- Need to consider how this maps to LPs', categories and brands on a strategic level
- Use a 'Start small build higher' approach to adding SKUs
- Category management practices will be key to maximizing sales & profit per square foot
- SKU choices should also follow ideal store design, product regulations

- Product or their facsimiles are on full display behind the counter in child resistant packaging
- If possible stock is located at point of service to minimize lost sales, maximize experience
 - Pricing and product information should be clear and interactive, digitally displayed if possible
- Employ 'Bud Tenders' for consumer education and safety

- Non-flower (e.g., concentrates) and non-cannabis products should be offered where possible
- Create 'application slots' based on needs states where different brands or companies can be swapped in case of SKU shortages
 - Guaranteed supply from each LP

Store Operations

Insights

The ideal store size is approximately 2500 sq. ft. with flagship stores built in major urban centers and where all stores abide by local municipal terms i.e. distance from schools, parks etc.

Staff service levels, knowledgeable and reliability are key to fulfilling the brand promise

In-store and supply chain automation should be leveraged to the fullest extent possible

Implications

- To accelerate launch and minimize CapEx, consider leasing stores in Year 1
 - Create 'platform' designs for rapid build out
 - Maximize selling space (minimum 80% selling space and click and pick fulfillment. 20% would cover storage, marketing etc.) for higher profitability
- Employee vetting will be key, with priority given to previous retail experience
 - Training needs to be ongoing
 - Bringing in unionized labour could be helpful in securing labour support
- Drives in-store efficiencies and speed
 - Allows for real time capture of data for analytics
 - Helps deliver a compelling customer experience
 - Enable 'click and pick' capability: online order with physical pick up

Structure & Governance

Insights

It will be very critical to secure provincial government support upfront and ongoing

Third party businesses owned by competitors are a challenge to launch and manage

The Cannabis Co-op can not be anti-competitive in terms of membership or supply/pricing collusion

Implications

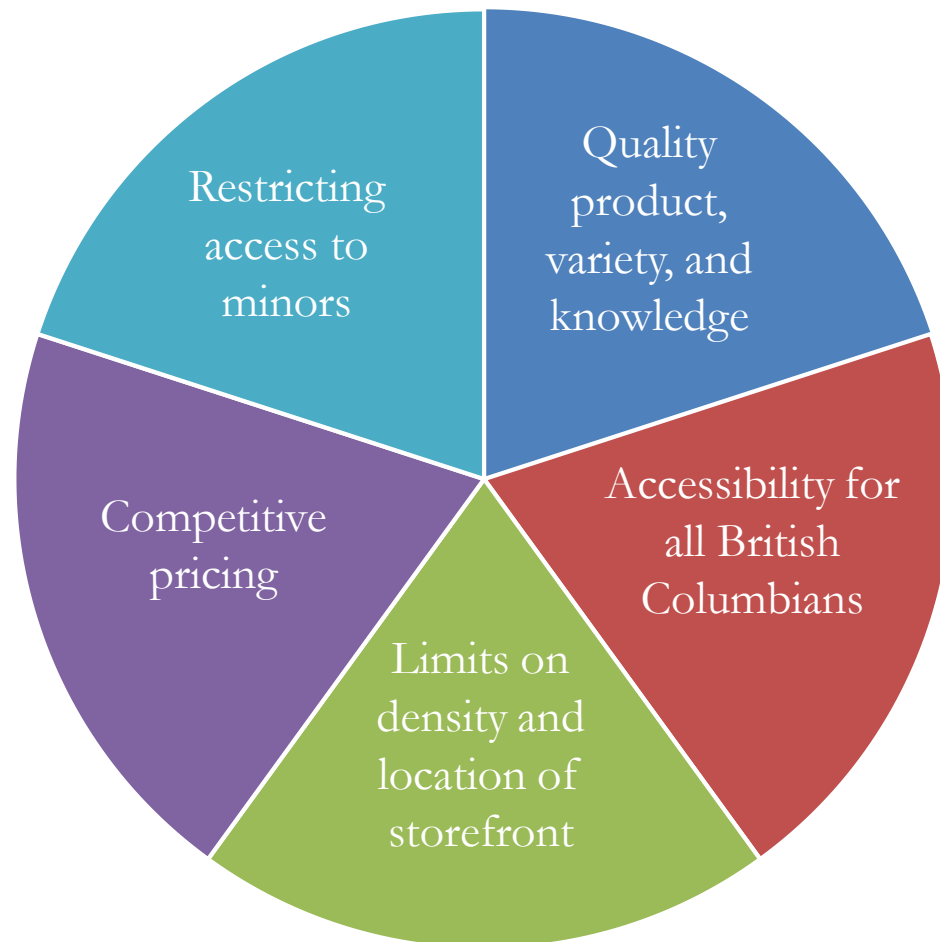
British Columbia ownership is key to recognize the government as a partner, giving them Board representation and setting up an Advisory Council, business transparency and an operating royalty to offset enforcement or consumer education costs

- Align on short & long term goals
- Establish clear entry and exit rules

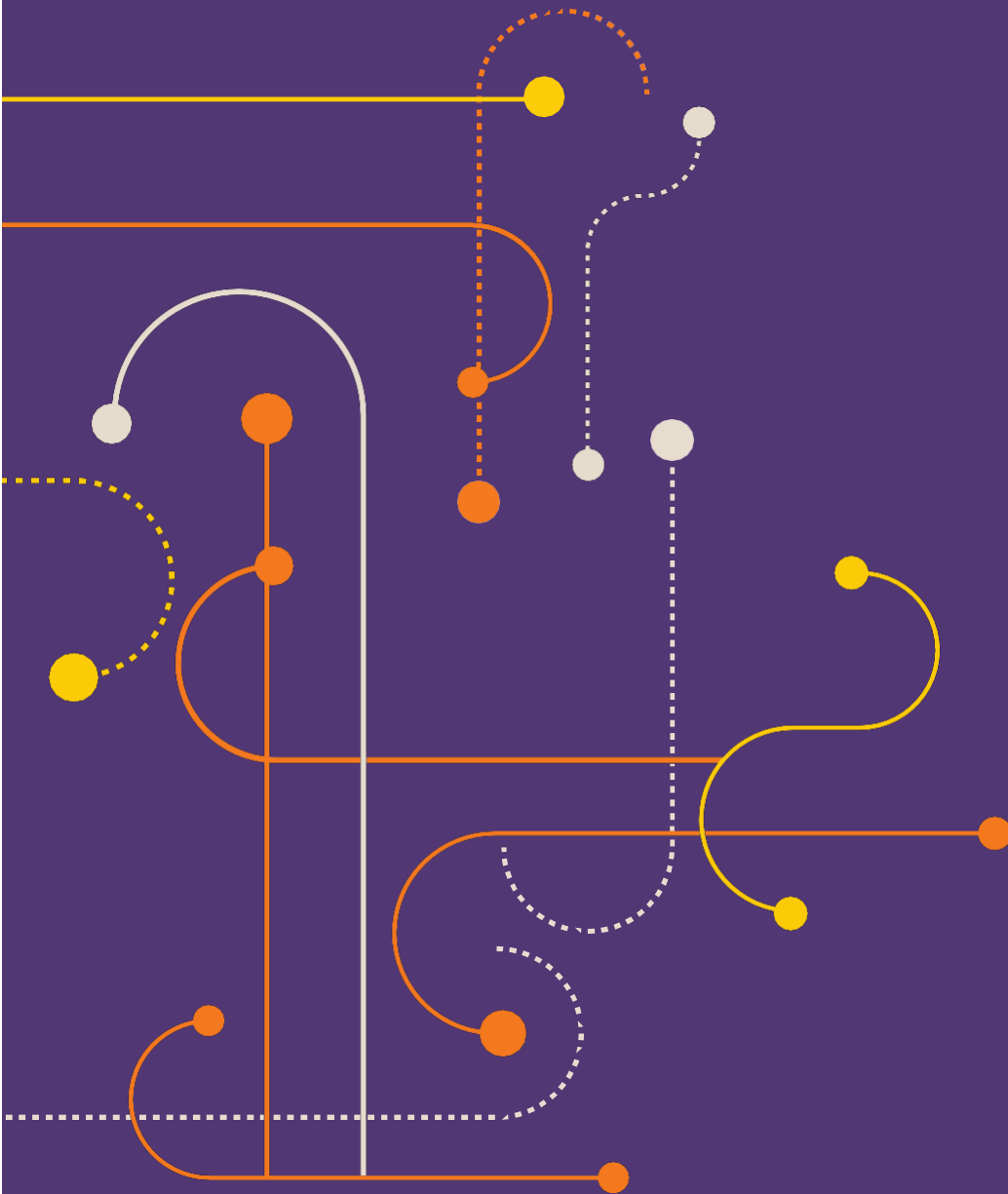
- Heed The Beer Store lessons
- Work alongside illegal retailers that may be brought into the legitimate marketplace.
- Allow Board representation of all LPs regardless of size on a rotating basis
- Apply consistent rules for every LP

Key success factors

A winning and prudent strategy is just the start



Economic model

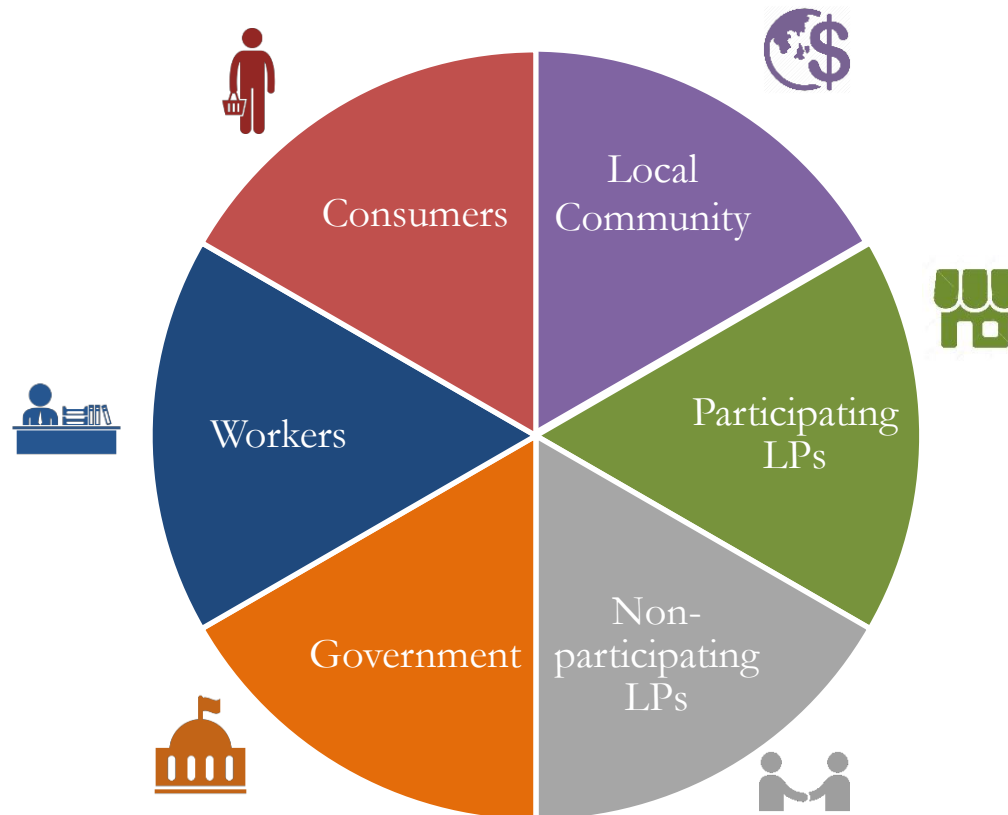


Impact by stakeholder

The Co-op is a compelling win-win for all stakeholders, including the Government of British Columbia

A caveat: our modeling is dependent on many assumptions, studies and data sources which may be dated or incorrect. The results below should be treated as directional and with caution. Further study is needed.

Key Stakeholders



Value to Canada, British Columbia, and the local community

Assuming 50 stores across Canada in target markets such as British Columbia after year 1 of operations....

Consumers

Selection: Approx. 400 product SKUs available from multiple LPs

Easy retail access with a large percentage of British Columbians having access to the store within an hour and a half drive

Safe, cannabis-friendly and educational environment

Convenience including 'click and pick'

Reasonable pricing with available discounts and promotions

A trusted and reliable brand



Workers

\$33M in salaries per year across Canada (store count dependent for British Columbia)

513 direct high paying retail and supporting jobs across Canada created in target markets

Training and education opportunities (including Aboriginal programs)

Ability to unionize



Local Communities

\$40M from tourism and spinoff spending across Canada (store count dependent for British Columbia)

\$560M from spending in complementary sectors across the country (e.g., business services, construction, real estate etc..)

Safety, compliance and security in a controlled cannabis retail environment away from schools/children



Value to various governments

Assuming 50 stores across Canada in target markets such as British Columbia after year 1 of operations....

National Government (Numbers reflect all locations including British Columbia)

\$6M in operational and compliance fees (assuming 2% of revenue)

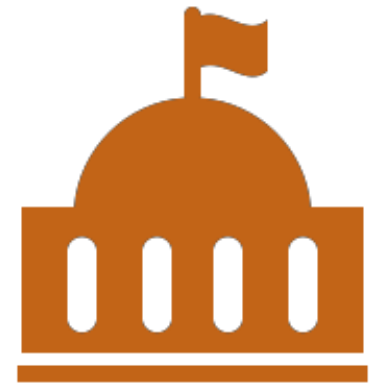
\$29M in Federal taxes (assuming 10% of revenue)

\$14M in Provincial and excise taxes (assuming 5% of revenue)

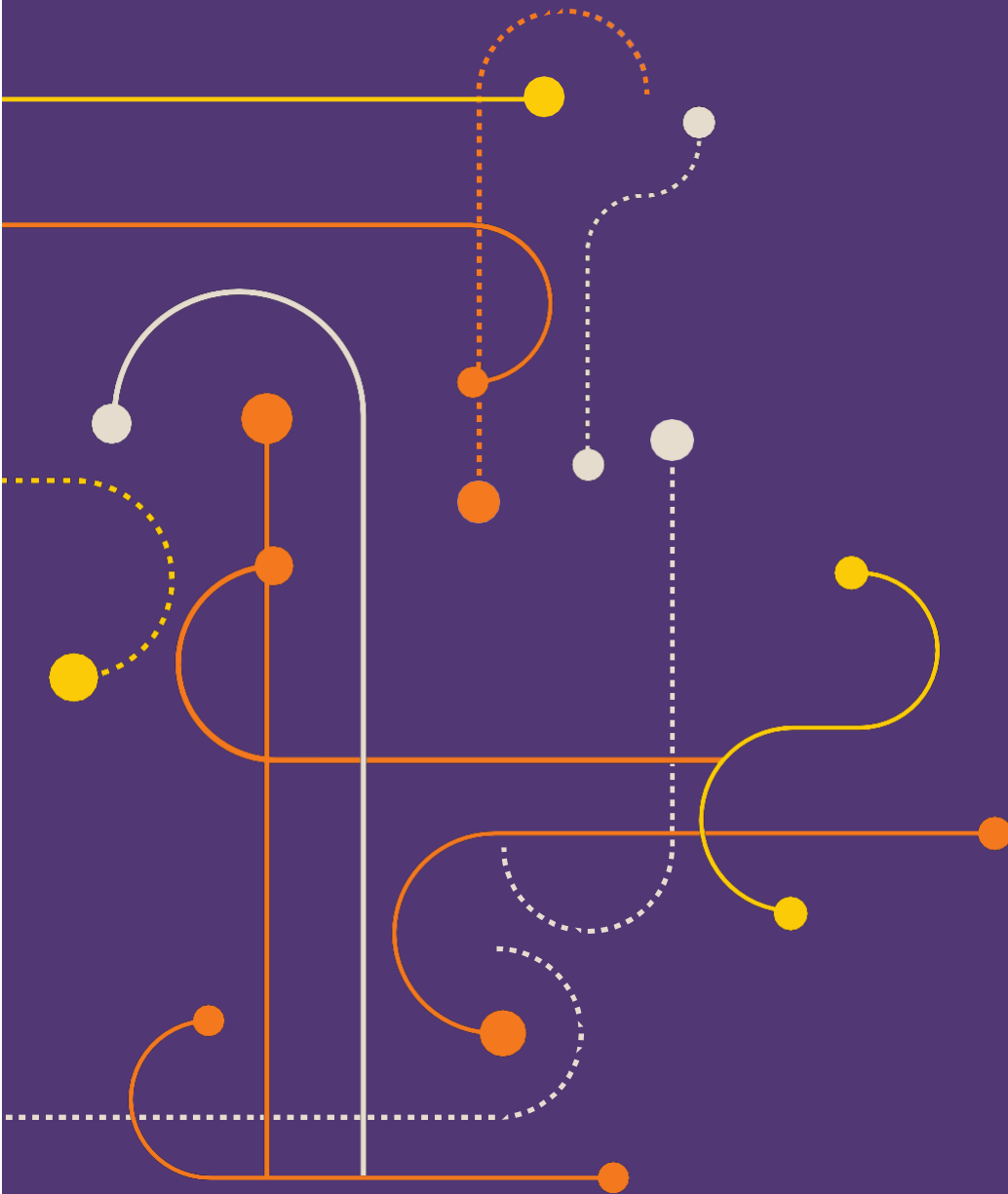
\$6M in dividends (assuming 5% of netprofits)

**With a total of \$43M in taxes paid, total government payout: \$55M
(across all key provinces)**

With this model, there are no CapEx costs to government

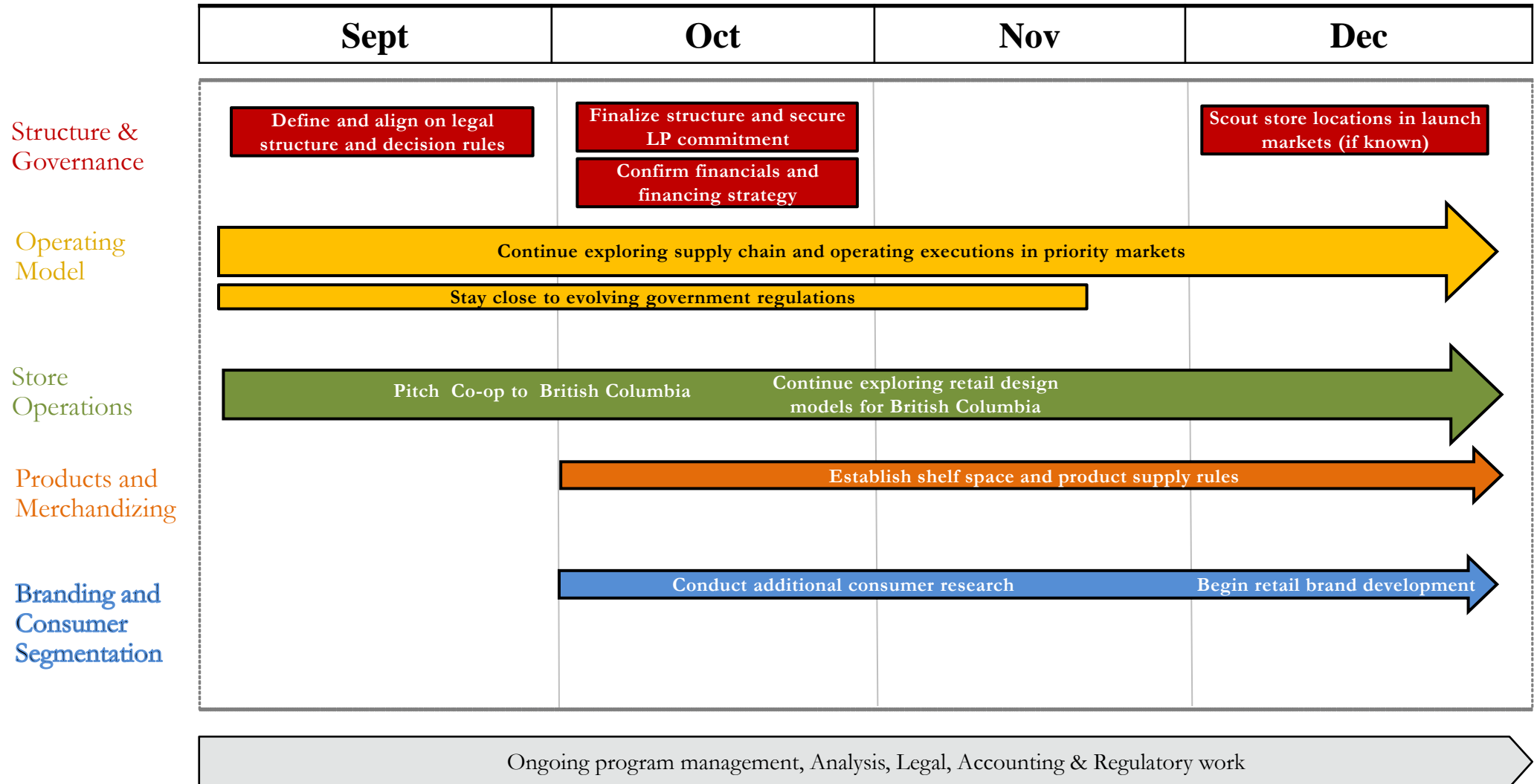


Execution Road Map



High level execution road map

How we see the timeline for key activities and milestones during the project mobilization start up phase



Thank you

We appreciate the opportunity to provide a response to the Government of British Columbia's consultation process for the production, distribution and retail of cannabis in British Columbia

If you require any further support, or have any questions, please do not hesitate to contact us.

Darren Karasiuk
VP, Strategy
MedReleaf
416-580-8768
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Appendix



Data sources

- **PBO, Legalized Cannabis: Fiscal Considerations.** November 2016
- **Deloitte, Recreational Marijuana: Insights and Opportunities.** April 2016
- **Headset Cannabis market insights: Does the Average Cannabis Consumer Look Like?** July 2016
- **MPG: The Economic Impact of Marijuana Legalization in Colorado.** October 2016
- **Marijuana Business Daily: Marijuana Business Factbook 2016.** 2016
- **Statscan, Canadian Community Health Survey: Mental Health, 2012.** September, 2013
- **Statscan, Population by sex and age group.** September 2016
- **LCBO, Quick Facts.** 2016
- **The Green Solution, Trent Woloveck (interview and email correspondence).** July 21st- July 26th 2017
- **Oregon Medical Marijuana Program. Dispensary Sales Report 2016.** April 2016
- **The Toronto Star, The Beer Store's secret sweetheart deal with LCBO revealed.** December, 2014
- **Mackie Research, As High As The Rockies: The Canadian Marijuana Opportunity.** April, 2016
- **Eight Capital, The Value Case For Investing In The Cannabis Sector.** July 2017
- **ICF, The Economic Impacts of Marijuana Sales in the State of California.** April, 2016
- **Hinkel, Chapman and Whitney. Retail Sales and Job Creation: In Oregon's Burgeoning Cannabis Sector.** 2016

We spoke with the following LPs during the project:

- **Barry Fishman and Aaron Keay - ABCann**
- **John Aird and Vic Neufeld - Aphria**
- **Eric Paul and Brad Rogers - CannTrust**
- **Mike Gorenstein and Eric Klein - Cronos Group**
- **John Stewart and Gordon Fox - Emblem**
- **Sebastien St-Louis, Pierre Killeen and Terry Lake - Hydropothecary**
- **Neil Closner and Darren Karasiuk - MedReleaf**
- **Scott Kelly, Allan Rewak, Liam Scott and Adam Potts - Newstrike**
- **Greg Engel, Ray Gracewood and Tim Emberg - OrganiGram Inc.**
- **Woody Pastorious and Cameron Bishop - Tilray**

November 1, 2017

Attn: Cannabis Legalization and Regulation Secretariat
Ministry of Public Safety and Solicitor General

Re. BC Cannabis Regulation Engagement

This submission from the Canadian Drug Policy Coalition includes two topics: Driving and cannabis use, and the role of organized crime in the cannabis industry. We want to put the evidence forward regarding these issues to inform the development of evidence-based policy related to cannabis in British Columbia.

In this submission, we have described the content of the related documents we have prepared previously, and have included links to these documents.

1. Cannabis Use and Driving: Evidence Review and Knowledge Translation Strategy Recommendations

http://drugpolicy.ca/wp-content/uploads/2017/02/CDPC_Cannabis-and-Driving_Evidence-Review_FINALV2_March27-2017.pdf

http://drugpolicy.ca/wp-content/uploads/2017/02/CDPC_Cannabis-and-Driving_KT-Strategy-Recommendations_FINALV2_March27-2017.pdf

Cannabis is widely used in Canadian society (used by ~12% of Canadians in 2011) for both medical and recreational purposes. Recently, the federal government announced its intention to legalize cannabis, with the implementation of new laws expected in early 2018. The federal government's stated intention of the new laws is to mitigate potential risks of cannabis use. A potential risk that is of great concern is driving after using cannabis. Public education pertaining to the use of cannabis and driving must be based upon current research knowledge if it is to be effective and relevant.

To this end, we have undertaken an extensive scoping review of available research evidence in order to:

1. Synthesize current research regarding risks associated with cannabis use in the context of driving;
2. Identify research that points to effective strategies for mitigation of this risk.

This review focused on eight areas of research relating to cannabis use and driving.

- Prevalence of cannabis use and driving after use
- Risks related to driving after cannabis use
- Effects of cannabis use on driving ability
- Factors associated with driving after cannabis use
- Perceived risk of driving after cannabis use
- Detection of cannabis-related impaired driving
- Risk mitigation
- Public health education

In reviewing the evidence relating to cannabis impairment and driving, we have highlighted several main considerations with respect to context, tone, and audience when developing messaging for public education.

We also provide key recommendations for messaging. Knowledge and Action messaging are both needed for effective knowledge translation. Key information messages should counter misinformation or lack of information, and nuanced advice on how to use cannabis and avoid driving while impaired should be provided.

2. Organized Crime in the Cannabis Market: Evidence and Implications

http://drugpolicy.ca/wp-content/uploads/2016/11/CDPC_Submission_Cannabis-and-Organized-Crime_Aug9-2016_Full-Final-1.pdf

Claims that portray Canada's current and pre-existing cannabis industry as dominated by organized crime have the potential to misinform government policy and the direction of legislative reform. This briefing note will assess the evidence that suggests that organized crime is currently involved in the marijuana market in Canada, and to what degree; we also canvass the evidence that describes the characteristics of the participants currently involved in the production and distribution of cannabis.

Key findings of the best available evidence include:

1. *While the label of organized criminal may be accurately applied to a minority of the individuals involved in the illicit cannabis industry, the defining characteristics of the term are not applicable to the majority.*
2. *Unsubstantiated media and police reports portray the cannabis industry as dominated by organized crime.*
3. *Evidence suggests a very low involvement of organized crime in the cannabis industry in Canada; the majority of those in the industry tend to be non-violent and have minimal, if any, involvement with other criminal activities.*
4. *Those involved in cannabis production are typically small-scale growers who are active members of their communities.*

5. *Those in the cannabis industry have diverse motivations, including supplementing income, reducing costs, pursuing business and personal interest, controlling quality and producing diverse strains, and avoiding the illegal market.*
6. *Most of those involved in the illicit cannabis market are keen to be part of a legal market.*

Key Recommendations:

1. We recommend that the government focus upon peer reviewed publications and substantiated claims in its construction of regulations respecting cannabis production, use and distribution, in order to produce cannabis regulations that both flow from and reflect the best available evidence.
2. We recommend that the government base the new cannabis regulations on the best available evidence, to allow for a balanced approach that further restricts the operation of organized crime, while allowing for the involvement of a variety of independent producers in the emerging legal market.
3. We recommend that the new regulations be informed by and incorporate the pre-existing cannabis producers and distributors, both small and large, in recognition that they are an important part of the economy and have experience and insights that can provide critical contributions to the policy-making process and to the new legal industry.

Thank you for considering this submission and related evidence.

Sincerely,

Canadian Drug Policy Coalition

Canadian Drug Policy Coalition
Centre for Applied Research in Mental Health and Addiction
Simon Fraser University
2400-515 West Hastings Street
Vancouver, BC V6B 5K3

Entrepreneurship and the Cannabis Industry

Ensuring small business has a big role in BC's cannabis retail model

Aaron Aerts, BC Economist

The Canadian Federation of Independent Business (CFIB) is a non-profit, non-partisan business association with 109,000 members across Canada, including 10,000 in British Columbia (BC). We are the largest organization exclusively representing the interests of small and medium-sized businesses to all levels of government. This submission presents our members' feedback on the issue of cannabis legalization in the province.

The federal government is moving ahead with its plans to legalize non-medicinal cannabis by July 2018, leaving provinces to regulate the sale and distribution of cannabis. With this in mind, the BC government now has significant decisions to make in developing its own legalization framework.

While small businesses have a wide range of opinions on the legalization of cannabis, the nature and framework of implementing sound, safe policy that works for British Columbians outweighs the sensitivity surrounding the social issues. Legalization is happening, and BC must be ready. This submission focuses on four areas which have a direct impact on small businesses:

- Potential retail models, locations and rules;
- Regulatory compliance;
- Taxation on cannabis sales; and
- Cannabis use in the workplace.

Potential Retail Models, Locations and Rules

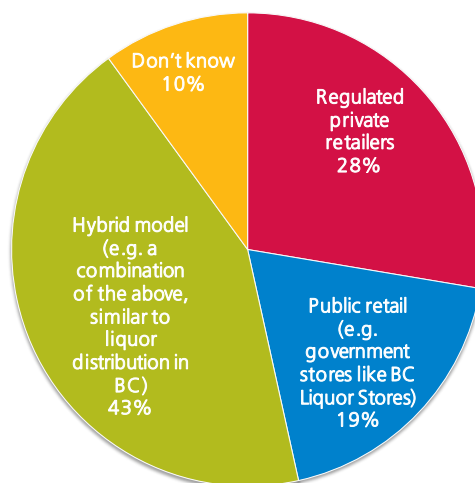
CFIB was disappointed the Ontario government decided to implement a public-sector monopoly for cannabis sales in that province. Selling cannabis exclusively through government run stores is not the solution for this emerging industry. A key objective in legalizing cannabis is to eliminate the underground economy. An above-ground, regulated private sector model would stay much closer to customers' fluid preferences and guard against an underground industry. Shutting out the private sector in BC would be counter-productive and would destroy the livelihoods of the BC entrepreneurs and their employees already building the fledgling industry. Instead of excluding entrepreneurs, the BC government should help those businesses currently operating to transition to a legalized market and allow additional small businesses to emerge.

As the evolution of the cannabis industry over the past few years has shown, there is significant potential for entrepreneurs to participate in cannabis retail. There are already a number of municipalities with cannabis shops operating, especially Victoria and Vancouver. A Deloitte report last year estimated the legalized cannabis market could have a retail market value of \$8.7 billion, which balloons to \$22.6 billion when including all the ancillary products such as edibles. By making room for small businesses, the BC government will ensure the provincial economy can fully benefit from the legalization of cannabis.

In response to the BC government's consultation, CFIB surveyed over 700 BC small businesses on the subject of how the retail market for cannabis should be set up and structured. The results showed that over seventy per cent of small business owners want to see the private sector involved in the legalized cannabis market (see Figure 1). The breakdown is: 43 per cent supporting a hybrid model similar to the liquor retail system in BC, while 28 per cent want a purely private retail market. The results also show entrepreneurs have little appetite for replicating the route Ontario took, with just 19 per cent supporting a model based on a public monopoly of retail sales.

Figure 1:

Who do you feel should have the opportunity to sell cannabis? (%)



Source: CFIB, BC Pre-budget Survey 2017, October 2017. n =735.

CFIB will also be advocating for access to banking and payments services for smaller, independent businesses involved in legal cannabis retail and distribution as a measure to help achieve the goal of limiting the underground economy. The BC government should help push this issue forward to help foster the small business community in this industry and to ensure that it receives the tax dollars it is expecting.

Regulatory Compliance

The government should allow entrepreneurs to play a key role in the development of effective regulations to avoid unnecessary red tape from the start of this new legalized market. It is critical that appropriate measures be in place to protect against sales to minors and to keep distribution out of the underground economy, regardless of the retail and distribution models adopted. Beyond those primary areas, CFIB believes that governments should follow several overarching principles, which overlap a number of the areas included in the provincial government's cannabis consultations.

Too often, governments examine a new area where regulation is needed and quickly expand the mandate to include every part of it. This automatic default ensures that proper enforcement is near impossible to achieve. Choosing a few critical regulatory priorities, such as preventing sales to minors, ensuring proper product safety information and rules, and prohibitions at work or while driving, are a good place to start. The idea is simply: choose the most important aspects to regulate and then do them well to ensure public safety is handled reasonably and responsibly. Additional potential for regulation should be considered once the model is in place and functioning safely to ensure optimal precaution is taken with consideration to all relevant externalities.

Taxation on Cannabis Sales

If governments impose excessive taxes on the industry, particularly in the beginning stages of legalization, much of it will remain in the black market. From decades of experience with tobacco taxation, we know conclusively that punitive tax rates may discourage some users, but will also push many sales into the underground economy. It is estimated that close to a third of tobacco sales are in the black market, often with links to organized crime. Clearly, getting the taxation policy right is important.

CFIB was pleased to hear Minister Farnworth acknowledge taxation of this emerging industry will not be a windfall for government. While bringing recreational cannabis sales out of the underground economy will no doubt have positive revenue implications for government (excise, sales and corporate income taxes), there will be added costs for inspection regimes and treatment services for those who abuse the product. Industry and government proponents of cannabis sales would be wise to resist the temptation to frame this as a cash cow.

Promoting Health & Safety in the Workplace

Many small business owners have shared their concerns about the workplace safety and health implications of legalizing cannabis. From a business perspective, it is critical for the government to outline clear health and safety rules that address workplace safety risks

associated with cannabis use (e.g. operating heavy machinery, or driving a work-owned vehicle while under the influence of cannabis), and focus on both medicinal and recreational cannabis usage in the workplace. The responsibilities for employees and employers should also be clearly defined and easily accessible through the Employment Standards Branch.

Conclusion and Recommendations

On behalf of the 10,000 small and medium-sized businesses CFIB represents in BC, thank you for actively consulting on this important issue. It is encouraging that the BC government seems open and willing to include a key role for small business in this new and emerging industry. We trust you will seriously consider our members' views and concerns. If you have any questions please feel free to call our office at (604) 684-5325.

To summarize, CFIB makes the following recommendations:

- Allow the private sector to be involved in the retail market for cannabis;
- Focus on the imperative regulations on cannabis and do not over-regulate;
- Do not view the legalized cannabis market as a windfall for government – get the taxation level and mix right; and
- Ensure that the proper regulations are in place for cannabis in the workplace.

November 1, 2017

Cannabis Legislation and Regulation Secretariat
Ministry of Public Safety and Solicitor General
Victoria, BC
Email submission to cannabis.secretariat@gov.bc.ca

Dear Secretariat members,

The Canadian Home Builders' Association of British Columbia (CHBA BC) is pleased to contribute to the consultation process on non-medical cannabis and proposed regulatory frameworks for British Columbia.

CHBA BC represents 1,975 members in the residential construction industry who work as home builders, renovators, tradespeople, service professionals, and others. CHBA BC's members are small and medium-sized businesses creating jobs and economic benefits in all areas of the province. Overall, the residential construction industry represents over 158,000 on-site and off-site jobs, \$9.2 billion in wages, and \$23.1 billion in investment value.

The focus for CHBA BC's submission is on the proposed rules for personal cultivation, and the policy gaps that will need to be addressed from these changes. Consistency and clarity moving forward will support renters, buyers, contractors and renovators in making informed decisions about the homes they live and work within.

1. Defining what is a drug operation from residential use for re-introduction into housing markets

At present, properties used for growing cannabis are all considered "grow-ops." With the proposed regulation to allow personal cultivation, this difference must be clarified so that there is an understanding of what becomes a drug operation and what is accepted within a residential property. Four plants may be the current metric, but this could vary depending on a number of factors, including how many residents choose to grow plants within a home, the number of plants within a multi-family building, or the growing conditions in either open or closed spaces.

Determining how homes that will be used to legally cultivate cannabis can re-enter the housing market should be a priority. Currently, properties used for drug production are often either torn down or left empty due to the safety, financing and insurance risks – this is not a sustainable solution moving forward in all cities, but especially those with housing shortages. This priority will be discussed in the following sections.

2. Clear remediation standards for properties

The impacts to a home from personal cultivation are not fully understood at this time. It is assumed that there are differences between a commercial operation and a small amount of personal plants. However, as previously mentioned in section one this impact could vary depending on other factors.

As a result, there is a need for clear remediation standards. This would benefit:

- renovators who will be tasked with remediating properties in the future, and should have clear guidelines;
- builders, who may acquire properties for future development;
- lenders, who will assist with renovation financing or mortgages post-remediation;
- insurance providers, as homes previously used for drug operations currently have significantly higher premiums, are denied coverage, or have very limited coverage.

With the proposed regulations it is likely that there will be more homes affected. The provincial government should be actively involved in the process in coordination with industry and federal stakeholders, especially with the high proportion of existing properties in British Columbia.

CHBA BC also stresses the importance of mitigating cost increases in this discussion. It is important that the provincial government does not push homeowners towards underground economy operators due to high costs or onerous regulations.

3. Impacts on home warranty insurance

B.C. has mandatory home warranty insurance for every newly-built home, using the same 2-5-10 system for material and labour, building envelope, and structural issues. If a home is used for commercial drug production, the home is no longer for residential purposes and warranty claims could be void. However, without clear differences between what is a “drug operation” and what is personal use, this could be more difficult to regulate.

Warranty is also sustained with regular home maintenance. Personal cultivation can create excess heat and moisture that can impact materials and may affect home warranty coverage. There are also other impacts that are not yet understood, such as transfer of ownership from one household that is growing cannabis to one that is not and when the defects may appear. A clear understanding of the responsibilities and standards for new home warranty will be beneficial for both builders and home warranty providers.

4. Public knowledge of properties used for personal cultivation

Across British Columbia, there is no consistent requirement on what information is available regarding drug production. With legalization, many would benefit from this information – such as home buyers, renters, contractors, insurance agents, and mortgage brokers – so they can make informed decisions. In addition, understanding this information in concert with clear remediation standards will clarify to home buyers what work might be required for any renovations ahead of purchasing.

Summary

These key policy areas, among others, will need to be addressed in the transition to cannabis as a legal substance. A focus should be on ensuring homes used for personal cultivation can be sufficiently returned to market, rather than left empty or penalized. Ahead of the deadline, CHBA BC recommends additional consultation to ensure the legislation provides sufficient clarity for B.C.’s residential construction industry in these core areas. CHBA BC looks forward to participating in further consultations.

Thank you for the opportunity to provide input on this issue.

Sincerely,



Neil Moody

CEO, Canadian Home Builders' Association of British Columbia



November 1, 2017

Government of British Columbia
BC Cannabis Regulation Engagement

Sent by email: cannabis.secretariat@gov.bc.ca

On behalf of the Canadian life and health insurance industry, we are writing to raise awareness of the industry's concerns about the potential impact of the future cannabis legalization framework in BC on the existing medical cannabis framework. The Canadian Life and Health Insurance Association is a voluntary association with member companies which account for 99 per cent of Canada's life and health insurance business. In BC, for calendar year 2016, the life and health insurance industry made payments of about \$4 billion on health services for \$3 million individuals covered by private plans. These plans help ensure residents have access to needed health care.

Coverage of medical cannabis is not a standard benefit offered by drug benefit plans. However, many drug benefit plans have companion healthcare spending accounts that provide coverage for products and services that are eligible under the Canada Revenue Agency's medical exemption tax credit, and this includes medical cannabis and seeds. In addition, some plan sponsors have elected to add coverage for medical cannabis to their drug benefit plans.

At the same time, the numbers of medical cannabis permit holders has continued to escalate. In June 2014 there were fewer than 8,000 permit holders; 2 years later, there are almost 200,000 and this growth trend is expected to continue.

There are many decisions that the Government of BC must make as it considers its approach to legalization of recreational cannabis. By way of this letter, the CLHIA hopes to bring to your attention matters that may have an impact on whether individuals choose to obtain cannabis through the medical channel, as opposed to the recreational channel. Of particular interest will be the decisions made around price, taxation and distribution. Our request of the Government of BC is that, as you make decisions with respect to these matters, you consider the potential impact any price or taxation differential between medical and recreational cannabis may have on 'pushing' individuals into the medical system. For instance, if recreational cannabis were priced and/or taxed at a higher rate than medical cannabis, this could cause individuals to pursue a medical cannabis permit. The same

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79 Wellington St. West, Suite 2300
P.O. Box 99, TD South Tower
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analysis would apply to distribution of recreational cannabis where, today, distribution of medical cannabis is strictly controlled.

Further, we ask that the Government of BC work with the province's medical community to ensure that robust guidance is provided to healthcare practitioners to ensure that medical documents for cannabis are provided only where medically appropriate and for indications that are supported by medical research.

We thank the Government of BC for your leadership on this important initiative, and for the opportunity for CLHIA to provide the health insurance industry's perspective. Should you require any addition information, please feel free to contact me directly.

Regards,
Joan Weir

Director, Health and Disability Policy
jweir@clhia.ca
416-359-2003



Canadian Media Awareness Project

Victoria, B.C.

November 1, 2017

Submission to the Cannabis Legalization and Regulation Secretariat, Ministry of Public Safety and Solicitor General, British Columbia

Introduction

Historically, illicit drug policies and prohibitions in Canada have been enacted in a climate of fear and moral panic. The Opium Act of 1908, for example, was a labour act intended to make life more difficult for Asian labourers who were less expensive and more productive than drunk Caucasians. Cannabis was added to the list of prohibited substances in 1923 with no stakeholder consultations, debate, warning or evidence of a public health problem.ⁱ

A good chess player anticipates how their opponent will respond to the various moves they might make. A chess master looks several moves ahead. It seems legislators seldom apply such forethought when crafting drug policies. This submission makes some observations and recommendations, but also poses some questions for the B.C. government to consider.

Minimum Age

Evidence on the adverse effects of cannabis on developing brains is mixed. Correlations have been misinterpreted as causation. Studies have “linked” loss of IQ, psychosis and poor life outcomes to long-term, chronic consumption by minors, however, most cannabis consumers, young and old, consume rarely and moderately. Consumers tend to quit or cut down on their own as they mature and go through lifestyle changes; a new job, a new romantic partner, a new academic pursuit, etc.

Confounding the evidence of harm, most chronic consumers are self-medicating emotional and psychological problems such as ADHD, PTSD and anxiety, typically stemming from adverse childhood events and trauma.ⁱⁱ Lacking cannabis, many would turn to alcohol, pharmaceuticals and other more problematic licit and illicit psychoactive substances, including opioids.

Currently Canadian teens report that cannabis is easier to obtain than alcohol and they are twice as likely to try cannabis that try tobacco before they graduate from high-school.

In their 2002 report, “*Cannabis: Our Position for a Canadian Public Policy*,” the Senate Special Committee on Illegal Drugs recommended 16 years of age as a federal minimum, and allowing the provinces to set their own minimum age of purchase, in harmony with their minimum age of purchase of alcohol and tobacco.ⁱⁱⁱ They based this recommendation, in part, on the average age of initiation. “On average, youth initiated use of cannabis at 15.1 years, young adults at 16.6 years and adults at 18.3 years.”^{iv}

Setting the minimum age too high would undermine the stated objectives of cannabis legalization and regulation, particularly to “*Protect young Canadians by keeping marijuana out of the hands of children and youth. Keep profits out of the hands of criminals, particularly organized crime [and] reduce the burdens on police and the justice system associated with simple possession of marijuana offences.*” The higher the minimum age, the greater the number of consumers excluded from the regulated regime, and the greater the economic incentive to meet their demand illegally.

If the minimum age of purchase for cannabis is set higher than the minimum age of purchase for alcohol, it will “send the wrong message” and encourage young people to drink.

CMAF supports the recommendation of the Senate Special Committee on Illegal Drugs of allowing the provinces to set their minimum age for the purchase of cannabis and cannabis products in harmony with their minimum age for the purchase of alcohol and tobacco.

Personal Possession Limits

To my knowledge, there are no personal possession limits for alcohol and tobacco in B.C. How will consumers react to limitations on how much cannabis they may purchase in a single transaction? Adult consumers might wish to ask others to obtain cannabis from a storefront on their behalf.

Restrictions on the purchase of products containing pseudoephedrine, used as a precursor in the manufacturing of methamphetamine, have caused unintended, negative consequences.^v

How will consumers react to limitations on quantities for personal possession? How will the police and authorities enforce limitations? Will the police be required to carry scales? Would the alleged benefits of possession limitations be worth the loss of civil liberties and the expense of enforcement?

Consumers may need to transport large quantities when traveling or moving. Again, adult consumers might wish to ask others to obtain cannabis from a storefront on their behalf.

Minors found in possession of 5 grams or less for non-medical purposes should be treated like minors found in possession of alcohol. Cannabis should be confiscated, tickets could be issued, parents or guardians alerted, youth referred to counseling, etc.

If the intent is to prevent trafficking, why not look for evidence of trafficking such as scales, separate packaging, customers, witnesses, cannabis and money changing hands, recorded conversations, etc.?

Public Consumption

Although prolonged exposure to second-hand smoke in unventilated, indoor spaces is a known health hazard, there is no evidence that second-hand vapor is a health hazard.

Some people find the smell of cannabis smoke and vapor offensive, but then, some people are offended by the smell of combustion engine exhaust, barbecues, chlorine, perfume, body odor, paper mills, spicy foods, etc. Prohibiting public consumption, as is being considered in Ontario, would be problematic for consumers who, for various reasons, are unable to consume at home.

Serious consideration should be given to licensing vapor lounges and Dutch-style “coffee shops.” Cannabis smoking should otherwise be restricted to places where tobacco smoking is permitted.

Drug-Impaired Driving

CMAF is skeptical of the assumption that legal regulation will increase usage rates or lead to increased rates of cannabis-impaired driving. Yes, Colorado has reported an increase in fatally injured motorists testing positive for cannabis following legalization, but they more than tripled testing of fatally injured motorists following legalization. They test for metabolites which can be detected for weeks following ingestion, and they make no effort to determine if the fatally injured motorists were impaired at the time or blameworthy for the accidents that killed them.^{vi}

Much is made about the police lacking a roadside screening device for cannabis, however, the police also lack a screening device for a medicine cabinet full of impairing drugs such as cold remedies, antidepressants, analgesics, sleep aids, tranquilizers and sedatives.

The label on Marinol (Dronabinol), the legal, synthetic THC pill, (for which the police lack a roadside screening device), advises patients to avoid driving or operating heavy machinery until they become accustomed to the drug.^{vii}

Consumers develop a tolerance to cannabis impairment, such that experienced consumers can consume more than inexperienced consumers before they become impaired. A recent AAA study concluded that there is no reliable correlation between THC blood concentrations and impairment, as there is between blood alcohol concentration and impairment.^{viii}

According to the Senate Special Committee on Illegal Drugs, and many other sources, cannabis consumers tend to overestimate their degree of impairment and attempt to compensate for it by driving more slowly and defensively, in stark contrast to alcohol consumers who underestimate their degree of impairment and drive more quickly and aggressively.

None of this is to assert that cannabis never impairs driving ability. The risks are greater for inexperienced cannabis consumers and inexperienced drivers. The risk is greater when cannabis is consumed with alcohol. The risk is greater with edibles, as opposed to smoked or vaporized cannabis. However, fears of carnage on our highways following cannabis legalization are not supported by the evidence.

Studies have found that cannabis is an economic substitute for alcohol and other licit and illicit psychoactive substances. ^{ix}Increased cannabis usage rates might actually reduce drug-related traffic accidents. ^x

Driving while one's ability to do so is impaired by any substance, licit or illicit, is a criminal offense, apart from the Controlled Drugs and Substances Act. In most provinces, the police have the authority to temporarily suspend the driver's license and impound the vehicle of motorists suspected of being impaired.

CMAAP suggests expanding the training program of "drug recognition experts" and initiating a public education campaign that emphasizes the risks associated with drug-impaired driving. We should not rely on or wait for the development of a roadside screening device. We should test fitness to drive, not bodily fluids.

Personal Cultivation

As we learned in the *Allard* court decision regarding home cultivation for medicinal purposes, ^{xi} home cultivation is not necessarily unsafe nor insecure. As Dr. Susan Boyd reviewed in her book *"Killer Weed: Marijuana Grow Ops, Media, and Justice,"* concerns over the safety and security of home cultivation have been exaggerated in the popular media.

Some of the safety and security concerns associated with home cultivation are a consequence of the prohibition-inflated "street value" of cannabis.

Given that the courts have ruled that medicinal consumers have a right to cultivate at home, enforcing a prohibition on home cultivation for other consumers would be problematic.

How would consumers react to a prohibition on home cultivation? How do they react now?

If growing indoors under lights were legal, cultivators might avail themselves of professional electricians and ventilation experts. Allowing home cultivation could reduce the market value of cannabis, which would have some beneficial outcomes. If cannabis were less valuable, cultivators might opt to grow outdoors or in greenhouses, reducing energy consumption, the risk of fires, mold, property damage, etc. associated with indoor cultivation.

The proposed four plant limit should take into consideration plant age, gender, strain varieties, yield, pests and diseases. Perhaps self-sufficient cultivators should be limited to growing four **flowering** plants plus some number of seedlings or immature "clones."

Distribution and Retail Models

Advertising

On the one hand, advertising can increase the profile and attractiveness of cannabis and cannabis products. On the other hand, advertising can educate consumers, promote moderation and encourage the use of cannabis as a substitute for alcohol and other more problematic psychoactive substances.

"Normalization" may result in better public health and safety outcomes than stigmatization and marginalization.

^{xii}As long as Canadians are exposed to alcohol and pharmaceutical advertising, it may be counter-productive to completely forbid cannabis advertising, rather than merely regulate advertising.

What about advertising harm reducing products, such as vaporizers?

Taxation and Pricing

Conventional wisdom has it that there is a “Goldilocks” taxation and pricing level, neither too low as to make heavy consumption affordable, nor too high as to make a black market viable. This is what we have seen with tobacco taxes and prices.

However, even with the current prohibition-inflated “street value” of cannabis, cannabis is a relatively-affordable “high.” Only medicinal consumers, heavy consumers and economically-challenged consumers, including young people, are sensitive to prices and tax rates. Such consumers sometimes cultivate and/or traffic cannabis to subsidize their own supply.

Many of the systemic problems that we associate with cannabis are a consequence of prohibition-inflated prices. For example, few are inclined to grow other herbs in large-scale indoor “grow ops.” Most herb gardeners are not afraid of thieves stealing their crops. Criminals are not motivated to make a career of selling other herbs. There is virtually no corruption, crime or violence associated with the markets for other herbs and plant products such as coffee and tea, in part because these products are relatively inexpensive and less profitable.

Do the benefits of keeping the retail price high to discourage heavy and impoverished consumers outweigh the negatives? How will heavy and impoverished consumers react to high prices and taxes? Some may commit crimes to pay for cannabis. Some may turn to less expensive and more problematic alternatives, such as huffing gasoline and solvents. See also allowing personal cultivation.

THC Limits

Higher potency cannabis and cannabis products are not necessarily more problematic. While it is true that the average potency of black market cannabis has increased in North America for several decades (as a consequence of prohibition), very potent forms such as hashish and oil have been consumed for thousands of years. Potent cannabis tinctures were widely available prior to cannabis prohibition. Pure, synthetic THC pills have been legally available by prescription for decades.

Experienced consumers titrate their dose to compensate for potency. Thus, more potent cannabis is less harmful than less potent cannabis to the extent that consumers smoke cannabis and cannabis products.

Surveys of patrons of Dutch cannabis “coffee shops” have found that, given a choice, most consumers opt for medium-potency cannabis, much as most alcohol consumers are not interested in over-proof rum and light beer.

While there is some evidence that potent cannabis may trigger psychosis in vulnerable consumers, we also know that cannabidiol (CBD) and some terpenes reduce this risk. Cannabinoid and terpene ratios may be more significant than THC levels with respect to public health risks. Black market cultivators have been economically motivated to cultivate strains that are high in THC but low in CBD.

How will consumers who desire more potent products react to THC limits? Some may turn to the black market. Others may attempt to make their own cannabis extracts from the limited potency cannabis that is legally available. They may use potentially dirty and explosive solvents such as butane and naphtha.

More potent forms should certainly be available to consumers who require them for medicinal purposes.

Restrictions on Cannabis Products

Although reports of accidental ingestion by children and pets have increased in Colorado, some percentage of this increase is attributable to parents and pet owners feeling more comfortable with seeking professional help. Where cannabis remains prohibited, parents may be less inclined to report incidents for fear of criminal sanctions and loss of child custody.

Statistically speaking, accidental cannabis ingestion is a relatively rare and insignificant problem compared to the accidental ingestion of cosmetics and household cleaning products such as detergent pods. Flavoured children's medicines are common. Vitamin gummy candies are available to adults over-the-counter. Colorado has been successful in mitigating the risks of accidental cannabis ingestion with education, child-resistant packaging, labeling and standardization.

As with limitations on THC levels, limiting the potency and forms of edible products may encourage consumers to make their own, less standardized, unlabeled, edible products. Such restrictions could be counter-productive.

Designing an Appropriate Distribution System

Mail order distribution has some disadvantages over the alternatives, as I am sure other stakeholders have pointed out to you.

Most cannabis consumers prefer to smell and examine cannabis and cannabis products before they purchase them, much as most Canadians prefer to examine other agricultural products such as fruits and vegetables. Most cannabis consumers desire the opportunity to consult with knowledgeable sales staff. I fear that limiting distribution to mail-order would run counter to the stated objective of displacing the existing black market.

Liquor outlets may seem like a natural choice for cannabis distribution, but I wonder if selling cannabis alongside alcohol would encourage or discourage the “substitution effect.” Some studies have shown that cannabis is an economic substitute for alcohol, with cross-price elasticities.^{xiii} The substitution of alcohol with cannabis is, on balance, quite desirable from a public health and safety perspective.

Alcoholics who have switched to cannabis might resent being forced to purchase cannabis where alcohol is sold. Would cannabis consumers be more inclined to purchase alcohol if cannabis is sold in liquor outlets? Would alcohol consumers be more inclined to purchase cannabis products? Alcohol and cannabis in combination, poly use, can have a synergistic effect, causing greater impairment.

Pharmacies might also seem like a good model for cannabis distribution, particularly for medicinal consumers and for cannabis-based medicines. On the other hand, therapeutic herbs are often sold in shops that sell other natural health products. I suspect that, had we not prohibited cannabis in 1923, it would be found where consumers find other psychoactive herbs such as valerian and St. John's Wort.

The social customs and mores that evolve as we “normalize” cannabis in society may be shaped in part by our choice of distribution system(s). Will cannabis come to be perceived as a party drug, as an exceptionally addictive and deadly drug or as a natural health product?

As cannabis expert and compassion club pioneer Rielle Capler outlined in her paper *“Why People Use Cannabis,”*^{xiv} cannabis is often used socially and for spiritual purposes. The nature of cannabis use is in many ways fundamentally different than the use of alcohol.

Compassion club and dispensary patrons often benefit from a sense of community and belonging that liquor stores and pharmacies do not provide. Granted, there are bars and night clubs where “everybody knows your name and they're always glad you came.” Serious consideration should be given to licensing vapor lounges and Dutch-style “coffee shops.”

Grey market compassion clubs and dispensaries have been providing cannabis in B.C. for over two decades, and have acquired more experience and knowledge about cannabis and cannabis distribution than pharmacists and liquor store clerks are likely to have for the foreseeable future. I think it would be an injustice and a waste to discard that wisdom, and to not reward those who have risked their freedom to provide cannabis to suffering and dying Canadians by offering compassion clubs, dispensaries and their proprietors, employees and volunteers a mechanism for participating in the new regulated market and economy.

Obviously those who sell cannabis and cannabis products should adhere to good manufacturing practices; labeling, packaging, etc. Our natural health product regulations would seem to provide an appropriate blueprint in this regard.^{xv}

Enforcing Public Safety and Protection

Several studies have determined that cannabis usage rates rise and fall with no statistical relationship to cannabis laws and their enforcement.^{xvi} We know this from comparing similar jurisdictions with differing laws, penalties and levels of enforcement and by tracking changes after penalties and enforcement are relaxed or ratcheted up. For example, Dutch youth use cannabis at about half the rate of Canadian youth, despite or because of the pseudo-legality of cannabis in the Netherlands.

Canadian youth consistently report that cannabis is easier to obtain than alcohol, and they are about twice as likely to try cannabis than try tobacco before they graduate from high-school.

Criminologists will tell you that stiffer penalties do not provide greater deterrence, but rather, that the swiftness and certainty of punishment is more significant. Increasing penalties increases the stakes of getting caught, and the lengths to which criminals will go to avoid arrest. Disproportionate and inflexible penalties, such as mandatory minimum prison sentences, are subject to Charter challenge.

Given the dubious value and certain expense of increasing penalties, doing so should be considered with caution, or avoided altogether.

Conclusion

I have long anticipated that when politicians finally got around to reforming cannabis laws, they would make the case based on protecting the health of young people, cracking down on crime and criminals, regulating quality, labeling, packaging etc., raising tax revenue and shifting the drug control budget and emphasis away from law enforcement and toward the other “pillars” of drug control; prevention, treatment and harm reduction. Yet, I am still disappointed that your discussion paper gives little if any consideration to the rights and preferences of cannabis consumers. Let us remember that most cannabis consumers, cultivators and sellers are “normal” and otherwise law-abiding citizens.

The federal government has stated that it intends to legalize cannabis to restrict access to minors and deprive organized crime of revenue. Bravo. However, based on our experience with alcohol and tobacco, we should accept that minors will always have access to cannabis.

As they do with alcohol and tobacco, minors will obtain cannabis from their parents, older siblings and peers. Yes, let us attempt to make cannabis as difficult to obtain for minors as alcohol, but let us not over-regulate cannabis and thus undermine the objective of displacing the black market.

With 20 years of experience as a drug policy reform activist, I realized rather belatedly that cannabis policy has been mired in an argument over how harmful cannabis is or is not, as though we are arguing over whether or not cannabis should exist, rather than maturely discussing what might be the optimal, not Utopian, regulatory model for minimizing the (relatively insignificant) harms and maximizing the benefits of cannabis and the cannabis industry in society.

Criminal prohibition has impeded honest education and the evolution of social customs and mores that foster moderate and responsible cannabis use. Prohibition has driven a wedge between parents and children, teachers and students, doctors and patients and the police and their communities. Legal regulation will facilitate education, research and social controls.

Our new regulations need not be perfect. There should be a budget and mechanisms in place for research, review and revision, but please keep in mind that we could not do worse than the disastrous “war on drugs” if we tried.

For far too long we have abdicated control to criminals and teenagers who sell myriad drugs of unknown potency, purity and provenance, on commission, tax-free, to anyone of any age, anytime, anywhere, no questions asked. As it stands, adults who wish to obtain cannabis, to revisit their youthful “experiments” with the herb, would be well-advised to seek out an adolescent relative or acquaintance. We have more control over cat food than we do the so-called “Controlled Drugs and Substances.”

About the Canadian Media Awareness Project

[CMAP](#) is an online organization founded in 1996 to disseminate drug-related news and information and encourage members to educate the public and the media about illicit drugs, drug policies and outcomes, primarily by writing letters-to-the-editor and op-eds.

CMAP is the Canadian chapter of the Media Awareness Project of [DrugSense](#), an award winning (501)(c)(3) non-profit organization incorporated in 1995 to inform citizens and encourage involvement in drug policy reform.

DrugSense has developed a number of projects and services that have become a foundation for drug policy reform. The [Media Awareness Project \(MAP\)](#) encourages unbiased media coverage, online media activism and provides drug policy research tools.

- i History of Drug Policy In Canada, https://en.wikipedia.org/wiki/Drug_policy_of_Canada#History
- ii Long term marijuana users seeking medical cannabis in California (2001–2007): demographics, social characteristics, patterns of cannabis and other drug use of 4117 applicants / Thomas J O'Connell and Ché B Bou-Matar, Harm Reduction Journal, 2007 4:16, <https://harmreductionjournal.biomedcentral.com/articles/10.1186/1477-7517-4-16>
- iii Cannabis: Our Position for a Canadian Public Policy, Report of the Senate Special Committee on Illegal Drugs, Chairman: Pierre Claude Nolin, Deputy Chairman: Colin Kenny, September 2002, <https://sencanada.ca/content/sen/committee/371/ille/rep/repfinalvol1-e.htm>
- iv Statistics Canada. (2015). Canadian Tobacco, Alcohol and Drugs Survey: Summary of results for 2013. <http://healthycanadians.gc.ca/science-research-sciences-recherches/data-donnees/ctads-ectad/summary-sommaire-2013-eng.php>
- v <http://www.fronterasdesk.org/content/criminal-rings-find-loopholes-pseudoephedrine-limits>
- vi <http://reason.com/blog/2016/05/10/aaa-finds-no-basis-for-equating-thc-level>
- vii <http://www.marinol.com/>
- viii Logan, Barry, Sherri L. Kacinko, and Douglas J. Beirness. “An Evaluation of Data From Drivers Arrested for Driving Under the Influence in Relation to Per Se Limits for Cannabis.” AAA Foundation for Traffic Safety, May 2016.
- ix Lucas, P., Walsh, Z., Crosby, K., Callaway, R., Belle-Isle, L., Kay, R., Capler, R., and Holtzman, S. (2016) Substituting cannabis for prescription drugs, alcohol and other substances among medical cannabis patients: The impact of contextual factors. Drug Alcohol Rev, 35: 326–333.
- x Study: Fatal Car Crashes Declined After Oregon Legalized Cannabis, <http://www.wweek.com/news/state/2016/12/30/study-fatal-car-crashes-declined-after-oregon-legalized-cannabis/>
- xi Allard et al. v. Canada, [http://cas-cdc-www02.cas-satj.gc.ca/rss/T-2030-13%20reasons%2024-02-2016%20\(ENG\).pdf](http://cas-cdc-www02.cas-satj.gc.ca/rss/T-2030-13%20reasons%2024-02-2016%20(ENG).pdf)
- xii Marijuana Legalization: What Everyone Needs to Know? / By Jonathan P. Caulkins, Angela Hawken, Beau Kilmer, Mark Kleiman, Oxford University Press, 2012.
- xiii Economic Scene: Less Marijuana, More Alcohol? <http://www.mapinc.org/drugnews/v92/n000/a01.html>
- xiv Why People Use Cannabis, <http://www.heretohelp.bc.ca/visions/cannabis-vol5/why-people-use-cannabis>
- xv About Natural Health Product Regulation in Canada, <http://www.hc-sc.gc.ca/dhp-mpps/prodnatur/about-apropos/index-eng.php>
- xvi R. v. Caine <https://johnconroy.com/library/caine-decision.pdf>

Regulating recreational cannabis in BC: an approach that minimizes health and social harms

November 1, 2017



**Canadian Mental
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British Columbia
Mental health for all

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SUMMARY OF RECOMMENDATIONS

POSSESSION

CMHA BC recommends:

- that BC oppose the criminalization of youth for simple possession of cannabis;
- a regulatory scheme that directs youth to appropriate supports; and
- evidence-based regulatory alternatives to criminalization.

MINIMUM AGE

CMHA BC recommends:

- a minimum age of 19 to grow, buy or possess recreational cannabis; and
- evidence-based and factual education in order to reduce public harms associated with the recreational use of cannabis by youth and young adults.

RETAIL MODEL

CMHA BC recommends:

- a retail model that maximizes government control whenever possible; and
- exploring and implementing other retail regulations that reduce harms associated with recreational cannabis use, such as price control and separated sales.

CULTIVATION

CMHA BC recommends:

- considering the significant resources that would be necessary to enforce a prohibition on personal cultivation; and
- as a result, allow four plants to be grown for personal use.

CONSUMPTION

CMHA BC recommends:

- restricting the smoking and vaping of cannabis to the same areas where tobacco smoking is allowed; and
- developing a plan to address the impacts on people detained in psychiatric wards, other healthcare facilities and provincial correctional facilities.

DRIVING

CMHA BC recommends:

- zero tolerance for those with N or L licenses;
- expanding the immediate roadside prohibition scheme to include cannabis impairment;
- expanding field sobriety and drug recognition training; and
- evidence-based public education.

WORKPLACE

CMHA BC recommends:

- the adoption or development of guidelines for employers that address mandatory drug testing, zero tolerance policies, and the rights of those who use recreational cannabis versus medical cannabis or those with substance use issues.

EDUCATION

CMHA BC recommends a robust, evidence-based education plan focused on:

- youth and young adults;
- people with existing mental health issues;
- impairment and driving;
- risk reduction; and
- other groups like pregnant and breast-feeding people.

REVENUE

CMHA BC recommends that provincial revenue from cannabis be ear-marked for:

- research (25%);
- enforcement (25%);
- education (25%); and
- services for people with mental health and substance use issues (25%).



About the Canadian Mental Health Association in BC

OUR VISION: mentally healthy people in a healthy society

OUR MISSION: As the nation-wide leader and champion for mental health, the Canadian Mental Health Association (CMHA) facilitates access to the resources people require to maintain and improve mental health and community integration, build resilience, and support recovery from mental illness.

OUR MANDATE AND SCOPE

In BC, mental health, substance use and addictive behaviours are within scope of the Association.

OUR KEY VALUES AND PRINCIPLES

- Embracing the voice of people with mental health issues (in BC includes people with substance use problems and addictive behaviours, e.g., problem gambling)
- Promoting inclusion
- Working collaboratively
- Influencing the social determinants of health (e.g., housing, justice)
- Focusing on the mental health needs of all age groups
- Using evidence to inform our work
- Being transparent and accountable

CMHA BRANCHES IN BC*

CMHA has a network of 14 branches and a provincial office in BC that are separate legal entities that provide services to over 100 BC communities:

- Cariboo Chilcotin (Williams Lake)**
- Cowichan Valley (Duncan)**
- Kamloops
- Kelowna
- Kootenays (Cranbrook)**
- Mid-Island (Nanaimo)**
- North and West Vancouver (North Vancouver)**
- Port Alberni
- Prince George
- Shuswap-Revelstoke (Salmon Arm)**
- South Cariboo (100 Mile House)**
- South Okanagan Similkameen
- Vancouver-Fraser
- Vernon

The CMHA BC office covers areas of the province where there is no local branch, for example, the Greater Victoria Regional District.

FRAMEWORK FOR SUPPORT

The Framework for Support is the central philosophy guiding the activities of the Canadian Mental Health Association. This philosophy holds that the person experiencing mental illness is at the centre of any supportive mental health system.

The Community Resource Base outlines a range of possible resources in addition to the formal mental health system that can provide support to a person with mental illness. Housing, income, work, and education represent four basic elements of citizenship.

The ultimate goal of the Framework is to ensure that people with serious mental health problems live fulfilling lives in the community. The Framework for Support is referred to as the most comprehensive model for mental health planning by federal and provincial governments, as well as by the Centre for Community Change in the US and the Government of Ireland.

COMMUNITY RESOURCE BASE



KNOWLEDGE RESOURCE BASE



PERSONAL RESOURCE BASE



* Contact information for each branch can be found at the end of this document

** Location of branch office

INTRODUCTION

CMHA BC recommends that BC take an approach to regulating recreational cannabis that minimizes any health and social harms related to its use. Such an approach should include robust public education based on evidence and not myths that perpetuate stigmatization connected to substance use. It should also ensure that those with problematic cannabis use (or underlying conditions for which they use cannabis to self-medicate) can access services that support their wellbeing without stigma. Finally, such an approach should recognize the differential impacts of criminalization on marginalized communities. CMHA BC's recommendations on specific issues related to the provincial regulation of recreational cannabis are set out below.

PERSONAL POSSESSION

While it is within federal jurisdiction, CMHA opposes the criminalization of youth for simple possession of cannabis. Instead, CMHA BC strongly supports a regulatory scheme that directs youth possessing cannabis to appropriate health, social and educational supports. Further, if there will be sanctions for youth found to be in possession of cannabis, we recommend that BC develop evidence-based regulatory consequences as an alternative to criminalization.

MINIMUM AGE

As acknowledged by the Canadian Paediatric Society, BC must strike an important balance when determining the minimum age to grow, buy and possess recreational cannabis:

On the one hand, prohibiting cannabis use until the mid-20s would protect adolescents during a period of critical brain development. On the other, adolescents and young adults are already experimenting frequently with marijuana. Aligning the legal age for cannabis use with that for other legally controlled substances, notably alcohol and tobacco, would help ensure that youth who have attained age of majority have access to a regulated product, with a known potency. Also, they would be less liable to engage in high-risk illegal activities to access cannabis.¹

In addition to the potential health and social concerns set out above, there is also wide-spread recognition that setting the minimum age too high will result in continued reliance on the unregulated illegal market.²

With these considerations in mind, CMHA BC recommends that BC set the minimum age at 19 years to match the provincial regulation of alcohol and tobacco. Further, it is the position of

¹ Christina N Grant, Richard E Bélanger, Canadian Paediatric Society, Adolescent Health Committee "Cannabis and Canadian Children and Youth" *Paediatrics & Child Health* Volume 22, Issue 2, 1 May 2017.

² Task Force on Cannabis Regulation and Legalization, "A Framework for the Regulation and Legalization of Cannabis in Canada" (December 2016) at 17 [Task Force].

CMHA BC that the best way to reduce public harms associated with the recreational use of cannabis by youth and young adults is for BC to invest in evidence-based and factual public education about the risks and myths related to using cannabis and other substances (see education section for more information).

RETAIL MODEL

Research related to alcohol use indicates that there is a correlation between increased government control and the ability to uniformly enforce regulations aimed at reducing health-related harms.³ However, CMHA BC also recognizes the need to ensure that access to legal, regulated cannabis is broad enough to displace the illegal market. With this in mind, CMHA BC recommends that BC utilize a retail model that maximizes government control whenever possible, recognizing that private retail might be necessary in rural communities, and that responds to local community input. All retailers should be licensed by a provincial agency similar to BC's Liquor Control and Licensing Branch.

Further, BC should explore and implement other retail regulations that reduce harms associated with recreational cannabis use. Research examining the impacts of alcohol regulation suggests that separating the sale of cannabis from liquor and tobacco sales and exploring minimum pricing tied to THC content may be effective options.⁴ Such options should be explored and balanced against the need to ensure competitiveness to displace the illegal market.

PERSONAL CULTIVATION

CMHA BC recommends that BC consider the significant resources that would be necessary to enforce a prohibition on personal cultivation, resources that would be better allocated to public education and services to support those with problematic substance use. With this in mind, CMHA BC recommends that BC allow four plants to be grown for personal use with no additional province-wide limitations.

PUBLIC CONSUMPTION

CMHA BC recommends that BC take an approach to public consumption based on evidence of health risk and not on subjective opinions of "nuisance". To do otherwise is to risk the continued stigmatization of people who use substances like cannabis. In this context, CMHA BC recommends that BC restrict the smoking and vaping of cannabis products to the same areas where tobacco smoking is allowed so that there is one set of regulations to enforce. Simply adding the smoking and vaping of cannabis to the Tobacco and Vapor Products Control

³ Scott Macdonald et al, Centre for Addictions Research of BC, "Legalization of Cannabis in Canada: Implementation strategies and public health" CARBC Bulletin #16 (August 2016) [CARBC].

⁴ CARBC; Task Force at 26.

legislative scheme would ensure that cannabis could not be smoked or vaped on school property, healthcare facility property, or in enclosed public spaces and workplaces.

CMHA BC also recommends that BC develop a plan for how the limitation of cannabis smoking and vaping will impact people detained in psychiatric wards, other healthcare facilities and provincial correctional facilities (experience with the increased prohibition of tobacco smoking in BC suggests this may be an important issue). Such a plan must be compassionate and recognize the need for increased support for certain co-existing conditions.

DRUG-IMPAIRED DRIVING

CMHA BC recommends that BC treat cannabis-impaired driving, whether the result of recreational or medical use, similarly to how it treats drivers impaired by alcohol, with a focus on functional impairment. Specifically:

- BC should expand the graduated licensing scheme restrictions by having a zero tolerance approach for those with N or L licenses (assuming that testing capabilities allow for the detection of cannabis use within a reasonable timeframe before driving and not days before).
- BC should expand its current immediate roadside prohibition scheme to drivers impaired by cannabis, with police having the discretion to pursue administrative penalties (fines, prohibitions, license reinstatement fees, etc.) instead of criminal charges in appropriate cases, particularly for youth.
- Because current technology does not allow for accurate biological testing for cannabis impairment, BC should invest in field sobriety and drug recognition training. Funding additional research to develop appropriate technology to ensure reliable and bias-free impairment testing should also be a priority.
- BC should fund an evidence-based public education campaign on the risks of cannabis intoxication and driving (see education section for more information).

WORKPLACE CONSIDERATIONS

Cannabis use in connection to employment will likely be an important issue for BC to prepare for and address, both in terms of ensuring safety in the workplace and protecting employee rights. CMHA BC suggests that BC adopt or develop guidelines for employers that address mandatory drug testing, zero tolerance policies, and the rights of those who use recreational cannabis versus medical cannabis and those who experience addiction.⁵ Such guides should be based on human rights principles and accurately reflect the need to treat problematic substance use and medical use as disability-related accommodation issues.

⁵ See for example, Ontario Human Rights Commission, “Policy on drug and alcohol testing” (2016): <http://www.ohrc.on.ca/en/policy-drug-and-alcohol-testing-2016>.

EDUCATION

CMHA BC recommends that a robust public education plan must be a key component of BC's role in minimizing harms from the recreational use of cannabis. Such education must be evidence-based, balanced in terms of information on risk, and must not take a solely abstinence-based approach. Further CMHA BC recommends that BC undertake the following:

- Education specifically aimed at youth/young adults and their families regarding the particular evidence-based impacts of cannabis use on this age group as well as potential underlying motivations for use. Existing resources like "Cannabis and Youth: A Parent's Guide", developed based on focus group input from diverse parents and youth, provide a solid foundation on which to build this education.⁶
- Health-related education aimed at those with existing mental health issues who might experience specific impacts related to cannabis use.
- Education aimed at the public perception and understanding of the impacts of cannabis use on safe driving and other safety sensitive tasks, including when used in combination with other substances such as alcohol (BC's distracted driving campaign may provide a successful example to learn from to shift perceptions of risk).
- Wide-spread public education on topics like the different impacts of THC and CBD, understanding potency, less risky products, and less risky ways to ingest cannabis products.
- BC should explore the educational needs of other targeted populations, including those who are pregnant or breastfeeding.

The www.heretohelp.bc.ca website provides a strong foundation and structure for the hosting of public education materials. It uses a collaborative model and has significant reach. The "Cannabis and Youth: A Parent's Guide", for example, has been viewed more than 75,000 times (most of which are unique viewers).

REVENUE FROM CANNABIS SALES

While it is unclear how much provincial revenue will result from the legal sale of recreational cannabis and there will no doubt be increased regulatory and enforcement costs for the province and local governments, CMHA BC recommends that BC ensure that a significant portion of the provincial revenue from its sale be earmarked for public education, research on the health and social harms of the new regulatory scheme, and on services to support people

⁶ Centre for Addictions Research of BC, the F.O.R.C.E. Society for Kids' Mental Health, CMHA BC, "Cannabis and Youth: A Parent's Guide" (2012): <http://www.heretohelp.bc.ca/sites/default/files/cannabis-use-and-youth-a-parents-guide.pdf>.

with mental health and substance use issues. CMHA BC suggests that BC should split any revenue from the sale of recreational cannabis as follows:

- 25% for enforcement;
- 25% for mental health and substance use services;
- 25% for public education; and
- 25% for research to better understand the impact of legalizing recreational cannabis on public health.

Dr. Nancy Hall Speaking Up Speaking Out Fund

MAKING A DIFFERENCE BY INFORMING PUBLIC POLICY

Nancy Hall was a health researcher, educator, mediator, writer, presenter, and most importantly a friend and a voice with and for people with a mental illness. She had the courage and conviction to expect governments and communities to do the right thing for their citizens.

Nancy was a longtime friend and advocate of the Canadian Mental Health Association and with encouragement from us and others she applied for the position of Mental Health Advocate. She was the first and only advocate appointed by a Minister of Health in BC. Nancy took the 18 month position in August 1998 and the position ended in 2001.

When Nancy passed away in 2011, the Canadian Mental Health Association created the Dr. Nancy Hall Speaking Up Speaking Out Endowment Fund. It is named in her honour for the voice she brought to the Canadian Mental Health Association by speaking out on issues, assisting with policy papers, presenting at inquiries and just being available as a trusted advisor. Her energy was tireless and her enthusiasm was infectious. Over the last decade Nancy had worked on many projects for the Canadian Mental Health Association and her contribution will live on in this endowment.

The Association has committed to growing the endowment to \$1 Million. The Fund will support the Canadian Mental Health Association's continued work in public policy and systemic advocacy at the provincial level and provide an informed independent voice on the impact of the public mental health system on the lives of people with mental illness and substance use problems and their families.

The Canadian Mental Health Association also established an annual provincial award—the Dr. Nancy Hall Award for Public Policy Leadership. The award recipient is honoured at the BC Division annual meeting and a \$500 gift designated for the recipient's charity of choice.

You can read more about Dr. Nancy Hall's work and legacy at www.cmha.bc.ca/nancy-hall

Memorandum

Date: October 24, 2017
To: Cannabis Secretariat of British Columbia
From: Cannabis Canada Association
Subject: Response to Public Consultations on Cannabis Legalization

Introduction

The Government of British Columbia is holding consultations and engaging with experts prior to framing its cannabis legislation and regulations.

Cannabis Canada Association is well-positioned to help. Cannabis Canada is the voice of cannabis producers licensed under Health Canada's *Access to Cannabis for Medical Purposes Regulations* (ACMPR). Members of Cannabis Canada share a philosophy of both patient-centric care and improved public health, and are committed to product safety and quality, secure and reliable access and the promotion of the safe and effective use of cannabis.

Summary

Since 2013, Canada's Licensed Producers, large and small, have been effective partners in the establishment of a strict, well-regulated system for the production and distribution of medical cannabis that is the envy of the world.

Licensed producers have proven they can deliver:

- State of the art, sanitary, secure and professionally operated production facilities.
- Consistent, high quality products, protected from contamination, and fully traceable in the event a recall is needed.

- Products packaged and labelled to protect children and ensure that adults have information to make informed choices.
- A wide array of products available at different price points.
- A proven distribution and retail system that ensures products reach their intended recipients, with no diversion to the illegal market.
- Production and retail without impact on the surrounding communities, or co-location with alcohol.

It is for these reasons that the Government of Canada is entrusting Canada's Licensed Producers to be the foundation of the production system for legalized adult-use cannabis.

Licensed Producers are eager to work in collaboration and compliance with the Government of British Columbia to quickly establish effective, low risk distribution and retail models that are well-regulated, highly secure, and tailored to the needs of British Columbia.

Our submission outlines what we see as the possible retail scenarios that British Columbia could consider, and provides our rationale for why Cannabis Canada Association respectfully recommends that the Government of British Columbia consider implementing a pure competitive market model for adult-use cannabis, that includes direct producer to consumer e-commerce, and does not preclude participation by Licensed Producers (LPs) in bricks and mortar.

Our submission also seeks your support in a number of key areas that do not fall fully within provincial purview, notably the need for measures which will allow the legal industry to compete with the black market in terms of price and strictly controlled branding and advertising; and the need to preserve a medical cannabis system.

We would be pleased to answer questions you may have about our submission.

Detailed Submission

Regulatory context

The Government of Canada has kept production as its own purview and has deferred all aspects of distribution and retailing to the provinces. The mail order system now used for medical cannabis will be extended to adult-use cannabis until provinces put in place their own mechanisms.

Options for distribution and retail

In terms of the possibilities for distribution and retail models, the options as we see them are as follows:

- A. Public distribution and warehousing, government-run centralized system, similar to the Société des alcools du Québec or the Liquor Control Board of Ontario.
- B. Private distribution and warehousing, licensed by government, similar to pharmaceuticals.

- C. Direct producer to consumer e-commerce, similar to current medical cannabis and wineries.
- D. Private competitive retail, could include variety of chains, independents, producer-run retail, different store types, similar to Alberta liquor and Québec beer and wine.
- E. Public monopoly retail, similar to Société des alcools du Québec or the Liquor Control Board of Ontario.
- F. Hybrid Public-Private model, where Government controls distribution but allows both public and private retail (including all forms described in D), similar to Saskatchewan and B.C. and wine in Ontario.
- G. Private monopoly retail run by producers and overseen by government, similar to Ontario's Beer Store model.

No matter the level of its direct involvement in distribution and retail, the Government of British Columbia will regulate, provide oversight and collect taxes.

In terms of retail, **we believe that adults in British Columbia are best served by Option D, i.e. private competitive retail rather than a monopoly, either private or tax-payer backed, plus Option C, i.e. direct producer to consumer e-commerce.**

Competitive market models attract more entrants and improve geographical access; increased competition leads to lower costs and better quality and selection; and, in turn, lower costs and better quality and selection help to minimize the appeal of the black market – *all at no cost to the tax payer.*

Option C (Direct producer to consumer e-commerce) can and should co-exist alongside any potential distribution and retail model, and not just as an interim measure. Expanding the successful mail-based distribution and retail of medical cannabis by LPs to include adult-use cannabis is an efficient solution that addresses an immediate logistical problem and supports a smooth and rapid transition to legalized cannabis, without having to wait for bricks and mortar.

A rapid transition helps to minimize harm by dislodging the entrenched black market more quickly and by advancing the availability of tax dollars that can be ear-marked for public health and education. Maintaining and growing the capacity of the existing mail-order system will not only ensure adequate supply and access for adults in British Columbia, regardless of where they live, but can also be a very effective source of data to support the roll-out of further evidence-based distribution and retail models.

In terms of other forms of retail, not all LPs will want to participate -- some LPs will prefer to focus mainly on production. Others are keen to work as your partner in the development and management of well-regulated, low-risk and effective retail models that meet your needs.

Indeed, some of our members are prepared to make significant immediate investments and work as your partner to develop bricks and mortar retail.

For LPs to be able to participate in retail, British Columbia **must put in place a framework that neither prohibits nor requires vertical integration in the cannabis industry**, similar to the approach taken in Alaska, Arizona, Colorado, Maryland, Nevada, Oregon, and Washington, D.C.

Advantages of engaging LPs in developing retail solutions for British Columbia

Allowing Licensed Producers, large and small, to be part of the retail mix:

- Engages trusted partners who have proven themselves effective in establishing a strict, well-regulated system for the production and distribution of cannabis, that ensures that products are delivered into the right hands and proceeds are kept out of the wrong hands.
- Leverages the expertise and experience of the only legal suppliers of cannabis in Canada whose trained staff can appropriately guide consumers purchasing a new and complex product.
- Facilitates law enforcement and oversight since LPs already have a seed to sale chain of custody and a recall mechanism.
- Empowers LPs to make the business decisions that will ensure that provinces have an adequate supply of safe, high quality, legal cannabis for the consumer market, at no cost to the taxpayer.
- Supports private enterprise and protects a new industry that, while barely beginning to recoup its significant start-up investments, shows promise of being an engine of economic growth and new jobs, including in rural communities.

Increasing distribution channels – 13 principles

While we believe that British Columbia would be best served by a private competitive retail model, and that the retention and expansion of direct to consumer mail distribution is essential, our association and membership would support any distribution channel that, like ours:

- Is fully legal and compliant with federal, provincial and municipal regulations.
- Provides fresh, high quality, safe and regulated products.
- Allows for a seed-to-sale chain of custody, so that legal product is easily distinguished from black or grey market product.
- Provides controlled distribution to protect public safety.
- Provides mechanisms to keep product out of children's hands.
- Has no negative impact on communities and minimizes normalization/exposure to children.
- Does not sell alcohol, in recognition of the more serious impairment that results from combined consumption.
- Supports equal access, including in rural and remote locations.
- Keeps product prices at a level comparable to or below those found on black market.
- Supports consumer selection and choice.
- Provides knowledgeable customer service and support for a new and complex product.
- Includes a post-sale relationship to protect public health (adverse reaction reporting, product feedback loop, recalls, etc.).
- Supports data collection so as to permit monitoring of the impact of the new framework.

Harnessing the potential of a new industry sector

Since 2013, Canada's Licensed Producers, large and small, have been effective partners to the federal government for the establishment of a strict, well-regulated system for the production and distribution of medical cannabis that is the envy of the world.

Despite the fact that this is a nascent industry, and that many Licensed Producers have yet to turn a profit, Canada is well-positioned to harness the potential of this promising new industry sector since our country will be the first jurisdiction in the developed world to legalize adult-use cannabis. Moreover, because of the well-established medical cannabis system, Canada already enjoys a global leadership position in this new and innovative industry sector. Indeed, a study by Deloitte estimates that legalized recreational cannabis will in short order be a \$22.6-billion industry in Canada.

Licensed Producers contribute positively to the economy of the communities in which they are present in terms of jobs, growth, and exports. Stronger LPs are in a position to contribute even more and to reinvest in research, in communities, and in public education and information.

Mail-order direct to consumer retail will bring *immediate* benefits to British Columbia in the form of sales taxes collected, as it supports a more rapid transition and conversion of the black market, again at no cost to the tax payer.

Ability to compete with the black market

There are a number of factors that will impede the ability of the new legalized system to compete with the firmly entrenched black market, not all of which fall fully within the control of British Columbia.

Governments need to be mindful not to impose **pricing or taxes** that will make it impossible for Licensed Producers to compete with the black market. The Parliamentary Budget Officer of Canada pointed out in his November 2016 report that "the higher the premium for legal cannabis over the illicit price, the more Canadians will purchase cannabis on the illicit market." Using the same research, the C.D. Howe Institute estimates that with even a relatively modest \$1 premium per gram, would result in about 35 percent of the market remaining unregulated.

There is also the question of **branding and advertising**. Licensed Producers need to be able to differentiate from and compete with the black market. Indeed, if governments are serious about undermining the black market, and want to do it as quickly as possible, they need to ensure that legal businesses have the opportunity to distinguish their products from the illegal.

Moreover, consumers need information about an unfamiliar product to help them to have a safe and consistent experience. There are a wide variety of cannabis strains, with different potencies, effects (according to their THC and CBD levels), and characteristics (odour, product form, etc.). It is important that the legal industry be able to properly communicate the features

of each one to inform both consumer choice and safe and responsible use to reduce potential harm.

You will also be aware that there is ample confusion in the marketplace about the legality of different sources of cannabis. Canadians need to be able to easily distinguish between what is a legal product and what is not; they need to know where, how and from whom to get legal and safe cannabis. Branding and advertising, within agreed upon parameters (for example no targeting of children or youth) provide consumers with the signposting that they need to distinguish legitimate products and sources, so adult Canadians better understand exactly what they are buying and who they are buying it from. It would be unfortunate if Canadians continue to be exposed to messaging from illegal sources, and silence from legal businesses.

Without the ability to brand and advertise, the burgeoning legal industry will be handicapped in its efforts to dislodge the well-entrenched black market.

Cannabis Canada Association hopes that the Government of British Columbia will champion the need for responsible and strictly regulated branding and advertising of cannabis to adults.

Medical cannabis

Finally, given our mandate and commitment to Canadian patients, we would ask that the Government of British Columbia also lend its voice to support the preservation of a medical cannabis system.

With the advent of legalization, policy makers need to ensure continued proper access for patients, as ruled by Canadian courts. Without a medical system, Canadian patients may lose insurance coverage (public or private), making their prescribed medication inaccessible.

Special provisions will be needed to ensure:

- Medical use continues to be overseen and prescribed by health care professionals.
- Health care insurance plans can continue to include medical cannabis in coverage.
- Patients, including young patients, have access to the strain/potency/amount that manages their symptoms, as per their physician's prescriptions.
- Patients can access their medication in specified public places, in all non-smoked forms, including vaping.
- Medical cannabis is affordable, zero-rated for taxation, accepted by drug formularies, and public and private insurers.

Conclusion and Recommendations

The Government of British Columbia has announced that its goals for cannabis include protecting young people, making health and safety a priority, and keeping criminals out of cannabis.

Cannabis Canada has unparalleled expertise and practical experience in how to distribute safe, quality-controlled cannabis, and ensure that only those who are eligible can access it.

In the interest of advancing the Government of British Columbia's objectives and of dislodging the well-entrenched black market as rapidly as possible, Cannabis Canada Association respectfully recommends that British Columbia consider implementing a pure competitive market model for adult-use cannabis, that includes direct producer to consumer e-commerce, and does not preclude participation by Licensed Producers (LPs) in bricks and mortar.

Moreover, Cannabis Canada Association seeks the Government of British Columbia's support to ensure that:

- the legal industry is in a position to compete with the black market, in terms of price;
- that a certain amount of branding and advertising, with strictly regulated parameters, is allowed both in terms of the need to differentiate legal products and sellers from black market products and sellers, and to guide British Columbians in their use of a new and unfamiliar product; and,
- that a medical cannabis system is preserved, or, at least, that necessary protections for patients are put in place.

About Cannabis Canada Association

Cannabis Canada is the leading organization of Canada's Licensed Producers of Medical Cannabis under Health Canada's *Access to Cannabis for Medical Purposes Regulations* (ACMPR).

The Association's mission is to act as the national voice for our members in their promotion of industry standards, and to support the development, growth and integrity of the regulated cannabis industry. The Association serves as an important resource on issues related to the safe and responsible use of cannabis for medical and non-medical purposes.

Members of Cannabis Canada share a philosophy of both patient-centric care and improved public health, and are committed to product safety and quality, secure and reliable access and the promotion of the safe and healthful use of cannabis. www.cann-can.ca

Further information:

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Cannabis Commerce Association of Canada

To the Legislators of British Columbia,

I write to you today on behalf of the Cannabis Commerce Association of Canada, a national, not-for-profit trade association representing small and medium-sized cannabis farms, dispensaries, and other cannabis businesses across BC. CCAC's members are committed to ensuring that the legalization of cannabis allows a fair opportunity for existing cannabis business owners to apply for licensing, rather than being shut out by either private or government-owned monopolies.

Recent announcements by the governments of Ontario and Quebec regarding their plans for cannabis legalization have raised significant concerns among the small scale, craft cannabis entrepreneurs of BC. Despite statistics showing cannabis farmers in BC currently produce the clear majority of cannabis consumed across Canada, BC has yet to articulate a position with regard to licensing these existing farmers, or offering them a path toward legitimacy.

At the same time, the governments of Ontario and Quebec have articulated a clear intention to shut BC's producers out of their own new monopolies. If this effort proves successful, tens of thousands of British Columbians could be left jobless; if it fails, BC will continue to suffer from a rampant cannabis black market. The need to address this shortfall in the federal government's framework are pressing, and cannot wait until the passage of the *Cannabis Act* has already happened.

Attached you will find a short, three-page policy brief, aimed at sharing CCAC's most urgent concerns with provincial politicians in BC. These policy positions are non-partisan, evidence-based, and aimed at providing meaningful stakeholder input. While they are not the only regulatory challenges facing us, CCAC believe that they are the ones that require immediate action by the Government of BC.

If you have questions about any of these policy proposals, would like more information about CCAC, or would like to meet a CCAC member business from your home riding, please do not hesitate to contact me by phone at 604-700-7576, or by email at ian.dawkins@cannacommerce.ca.

Thank you for your time and your interest in this matter; I look forward to continuing to work with you and your office to ensure cannabis legalization is as successful and beneficial to the people of this province as possible in your home community.

Sincerely,

Ian Dawkins
President
Cannabis Commerce Association of Canada

Item 1: Ensuring BC's craft cannabis producers have access to cannabis production licensing for small cannabis farms, and that the barrier to these licenses is reasonable and evidence-based.

Based on government statistics and economic modelling conducted by CCAC¹, cannabis production employs anywhere from 13,000 to 30,000 British Columbians in full-time equivalent (FTE) jobs paying approximately \$1.25 billion in wages alone, and brings approximately \$7 to \$9 billion dollars to BC through interprovincial trade (e.g. cannabis exports to Eastern Canada). When compared to other sectors of BC's economy, cannabis agriculture and retail is the third-largest sector of BC's economy, dwarfing any other agricultural commodity.

At present, a number of factors threaten these existing jobs. First, the Federal government has made it clear that they will retain control over production licensing, and that they do not intend to loosen the requirements for these licenses from the present regime. At present, the total cost of meeting the requirements for becoming a Health Canada-approved Licensed Producer are typically estimated at several million dollars, with enormous paper burden and regulatory challenges in addition to prohibitive "security" requirements. This large regulatory burden has limited the number of Health Canada-approved Licensed Producers to a few dozen, in comparison to the tens of thousands of craft producers across British Columbia whose production licenses are protected by the *Allard* injunction.

Put simply, there is currently no economically viable mechanism for these small-scale cannabis producers to become licensed. CCAC believe that engaging the federal government on this point is of critical importance to crafting a realistic and effective cannabis economy.

A second, equally dangerous factor now threatens BC's craft cannabis sector: the governments of Ontario and Quebec have indicated they will move towards government monopolies for cannabis distribution, and that this cannabis will only be purchased from Licensed Producers (in the case of Quebec, they have further indicated Quebec will only purchase cannabis from *Quebec-based* Licensed Producers).

Because the federal government has indicated they do not intend to license existing craft producers, this combination of factors will *de facto* block BC from exporting cannabis to two of Canada's largest markets for cannabis. As this export economy currently brings in several billion dollars to BC annually, CCAC believe it is critically important for the Government of BC to engage in the cannabis file not simply in reaction to federal direction, but to actively negotiate meaningful interprovincial trade regulations for cannabis sales.

Given these factors and the very real danger of significant economic disruption to BC's cannabis economy, CCAC calls on the Government of BC to engage the federal government in comprehensive negotiations aimed at including craft-scale cannabis production licensed in future regulations, and ensuring BC's licensed craft producers are permitted to compete in other Canadian markets.

¹ Please refer to CCAC's 2016 Economic Report, "*The Cannabis Market in Canada and British Columbia*". Copies of this report are available by request; contact CCAC if you would like a copy.

Item 2: Developing a robust “virtual distribution branch” system, where cannabis is tracked seed-to-sale by regulators and all retail cannabis must carry batch-specific testing results from a Health Canada-certified third-party analytics lab.

The use of comprehensive cannabis tracking systems, also known as “seed to sale tracking”, or CTS, is well-established in jurisdictions in the United States that have legalized cannabis for recreational purposes. These locations include Colorado, Washington, California, Oregon, and several other legalized jurisdictions.

The reason why virtual tracking systems like seed-to-sale are used by regulators in most States with legal cannabis retailing is simple: cannabis, unlike tobacco and alcohol, is fresh produce and has a very short shelf life. Cannabis requires intensive climate controlling for storage, including humidity, temperature, and light control, as well as robust security requirements. Building centralized distribution facilities for cannabis storage and shipment is prohibitively expensive.

By opting for a virtual tracking system, these States have avoided the significant cost of building out warehousing and distribution facilities², while retaining full control over taxation and excise, analytical testing standards, and other areas of regulatory concern.

Rather than spending billions of dollars to create and maintain a warehousing system that will not bring the government any additional revenues, CCAC believe BC should establish a seed-to-sale cannabis distribution regime, based on the creation of a regulatory framework for mandating lab testing for cannabis products.

By requiring cannabis retailers to only purchase cannabis from licensed growers that has been pre-tested by a Health Canada-certified lab, regulatory authorities in BC can gain control over the safety standards for cannabis products and ensure tax collection compliance. This can be achieved without involving the government in the prohibitive cost of warehousing billions of dollars worth of a product that is more analogous to fresh produce than liquor or tobacco.

CCAC recommend that the Government of British Columbia work with cannabis producers and the existing Health Canada-certified cannabis testing labs to develop a robust and transparent Virtual Distribution Branch, based around mandatory lab testing for cannabis products, as well as a requirement that all cannabis retailers receive proof of testing and tax compliance from their suppliers.

² By way of comparison, Royal FloraHolland, which handles a similar quantity of fresh cut flowers (\$6bn in 2017) as a hypothetical BC Cannabis Distribution Branch would handle fresh cannabis, had operating expenses of \$500 million dollars last year; it’s annual report for 2017 also states the value of the company’s facilities and other fixed assets at approximately \$1 billion. Building a similar warehouse for cannabis distribution would likely involve similar if not higher asset costs.

Item 3: Include cannabis-specific private retailers (e.g. dispensaries) in the provincial regulatory system.

After a careful review of best practices from many jurisdictions across North America, CCAC have concluded that private-sector retailing of recreational cannabis is not only safe and reasonable, but it is also the only way to truly dismantle the black market for cannabis. Time and time again, North American regulators have concluded that private-sector retail is the only way to effectively compete with a highly entrenched black market.

CCAC also believe that this option is the most likely model to elicit broad support from the citizens of BC. Public-opinion polling consistently indicate a broad public preference for private-sector dispensaries³, and BC's largest municipalities have already moved forward with licensing cannabis retailers, with the active support of local law enforcement. Privately owned dispensaries are also the norm in Colorado, Washington, Oregon, California, and every other major jurisdiction that has legalized recreational cannabis.

Licensing and regulating private retailers also frees the government from having to build hundreds of cannabis-specific retail locations. Similar to the enormous cost of building a centralized distribution warehouse, building cannabis-specific retail environments comes with significant challenges. These challenges include climate-controlled storage, security, UV light protection, negative pressure HVAC and carbon filtration for smell mitigation, and a host of other technical challenges not faced in liquor distribution or pharmaceuticals.

Given the need for wide geographic coverage for cannabis retailers to compete with the black market, there will be a Day 1 need for hundreds of stores across the province; by way of comparison, there are approximately 900 liquor stores today in BC. With cannabis-specific multimillion-dollar development costs per location, even a dangerously modest roll-out on par with Ontario's plan for 150 stores could potentially run into the billions of dollars when real estate and staffing costs are added on.

Simply put, opting for private retailing for recreational cannabis is not only in line with best practices in world-leading jurisdictions like California, it is also the best option for saving the government hundreds of millions of dollars while still ensuring maximum revenue collection from taxation.

CCAC recommend that the Province of BC follow the best practices of other jurisdictions, and include existing and future private-sector retailers in our regulated marketplace.

³ *The Globe and Mail*, "Majority of Canadians agree pot should be legal: poll", February 29 2016.
<https://beta.theglobeandmail.com/news/politics/majority-of-canadians-agree-pot-should-be-legal-poll/>

Conclusion

There remain many important aspects of cannabis legalization to be worked out, including impacts on ALR land usage, sustainable agricultural practices, impacts on our healthcare system, and other important areas of provincial jurisdiction. CCAC are committed to engaging proactively and supportively with governments at all levels on these, and other critical issues relating to cannabis.

However, we believe that the three areas outlined in this paper- licensing small-scale craft cannabis farms, developing a virtual distribution branch, and including private sector retailers in the governments' legislation- are all far more pressing areas of policy that need addressing.

Of particular importance is the need for BC-focused, provincial engagement at the federal level. No province in Canada will be as dramatically impacted by cannabis legalization as BC, and it is of critical importance that our government take a leadership role in ensuring a meaningful place in the legalized market for BC's craft cannabis farmers.

Failing to address this hole in the current iteration of the federal *Cannabis Act* will not only put thousands of BC jobs and billions of dollars of import revenues at risk, but it may very well cripple the government's ability to effectively regulate the market.

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October 31, 2017

The federal government's decision to legalize cannabis creates a corresponding need for provincial and territorial governments to regulate it. While the federal government intends to assume responsibility for licensing cannabis producers and regulating production and product standards, provinces and territories will be responsible for many of the decisions about how non-medical cannabis is regulated in their jurisdictions. These include, but are not limited to: distribution and retail systems; compliance and enforcement regimes; age limits; restrictions on possession, public consumption and personal cultivation; and amendments to road safety laws.

The federal government plans to bring Bill C-45 into force in July 2018; this will make non-medical cannabis legal in Canada as of that date. Bill C-45 is largely based on the recommendations of the Task Force. It seeks to balance the objectives of providing access to a regulated supply of cannabis, implementing restrictions to minimize the harms associated with cannabis use, and reducing the scope and scale of the illegal market and its associated social harms.

Cannabis Compliance Inc (CCI) is a privately held entity incorporated in the Province of British Columbia, providing compliance consulting and solutions within the legal supply chain of cannabis in Canada. To date, CCI has provided consulting and feedback to the Province of New Brunswick and the Bureau of Cannabis Control (BCC) in California. CCI has assisted over 100 companies in their efforts to achieve a production licence of medical cannabis under the *Access to Cannabis for Medical Purposes Regulations*. CCI has over 25 employees across Canada that have worked for licensed producers, and has a strong reputation with the Office of Medical Cannabis.

CCI is partnered with 3 Sixty Secure Transport (based out of Ottawa) providing armed, secure and climate controlled transport of cannabis product between LP's and industry resellers.

Through this letter, CCI is providing feedback and suggestions to the Province of British Columbia on creating the provincial framework around cannabis. The federal government's mandate to protect the safety of our children, and take profits out of the hands of criminal organizations, requires a regulated market that can compete with the black market. The success of these federal objectives hinges on each province's framework in as much as it stamps out the black market. In the Province of British Columbia, the black market is particularly strong, and therefore many of our recommendations reflect this. The following is a brief synopsis of our points recommendations.

Minimum Age:

While Bill C-45 establishes a minimum age of 18 years to buy, grow, and publicly possess up to 30 grams of non-medical cannabis, provinces and territories can choose to establish a higher minimum age in their jurisdictions. This is consistent with the Task Force recommendations.

CCI suggests that BC should set the minimum age at 19. This would be consistent with the minimum ages for tobacco and alcohol, and with the BC age of majority.

Personal Possession (Adults):

Bill C-45 establishes a 30-gram limit on public possession of dried cannabis. Practically, this means that this is the maximum amount that an adult could buy and take home at any one time (for context, one “joint” typically contains between .33g to 1g of cannabis). The legislation also sets possession limits for other forms of cannabis (e.g. oils, solids containing cannabis, seeds) and the federal government intends to add other types of cannabis products (e.g. edibles) by regulation at a later date.

The 30-gram limit is consistent with the Task Force recommendation and with public possession limits in other jurisdictions that have legalized non-medical cannabis. The reason for public possession limits is that possession of large amounts of cannabis can be an indicator of intent to traffic, so a public possession limit can help law enforcement to distinguish between legal possession for personal use, and illegal possession for the purpose of trafficking.

Provinces and territories cannot increase the public possession limit, but they can set a lower limit. However, a consistent possession limit across the provinces and territories would be easier for the public to understand and comply with.

CCI suggests that BC mirror the federal limits of 30 grams as outlined in Bill C-45 so as to keep and maintain consistent possession limits across provinces and territories which in turn would be easier for the public to understand and comply with.

Personal Possession (Youth):

While persons under 18 will not be able to buy or grow cannabis under Bill C-45, they are not prohibited from possessing up to 5 grams of dried cannabis or equivalent amounts for other cannabis products. This is consistent with the Task Force report, which took the position that youth should not be criminalized for possession of relatively small amounts of cannabis. However, provinces and territories can establish laws that prohibit possession by persons under an established provincial minimum age.

CCI suggests that such a provincial law would not result in a criminal conviction and would be similar to how BC deals with alcohol – persons under 19 are prohibited from possessing alcohol, and a law enforcement officer can confiscate it and has the option of issuing a ticket.

Public Consumption:

Bill C-45 will amend the federal Non-smokers' Health Act to prohibit cannabis smoking and vaping in certain federally-regulated places (e.g. planes, trains), but regulation of public consumption of cannabis will otherwise fall within provincial and territorial jurisdiction.

BC can restrict where non-medical cannabis can be consumed, and can place different restrictions on different types of consumption (e.g. smoked, eaten). If BC does not legislate restrictions on public consumption by the time Bill C-45 comes into force, it will be legal to smoke, vape, and otherwise consume cannabis in public, including in places where tobacco smoking and vaping are forbidden.

For the purpose of considering potential restrictions on public consumption, it may be helpful to consider cannabis smoking and vaping separately from other forms of consumption.

The Task Force recommended that current restrictions on public tobacco smoking be extended to cannabis. In BC, both tobacco smoking and vaping are currently prohibited in areas such as workplaces, enclosed public spaces, on health authority and school board property, and in other prescribed places such as transit shelters, and common areas of apartment buildings and community care facilities.

CCI recommends that BC should prohibit public cannabis smoking altogether, but allow cannabis vaping wherever tobacco smoking and vaping are allowed. Compared to smoking, vaped cannabis has a reduced odour and is less likely to be a nuisance to passersby. In addition, banning public cannabis smoking could help avoid normalizing cannabis use.

Drug Impaired Driving:

With 17% of British Columbians reporting cannabis use within the previous year (1), we know that it's very likely that many British Columbians are already driving with cannabis in their system, whether they are impaired or not. In 2016, drugs (cannabis or otherwise) were a contributing factor in fewer than 8% of BC road fatalities; however, legalization raises legitimate concerns about the potential for cannabis-impaired driving to increase, and make our roads less safe.

Drug-impaired driving is already prohibited under the Criminal Code, but Bill C-46 would overhaul existing impaired driving provisions and specifically address cannabis impairment. The amendments will provide authority for the federal government to set a blood tetrahydrocannabinol (THC) limit beyond which a person can be criminally charged with cannabis-impaired driving. This is similar to the blood alcohol limits in place for alcohol-impaired driving.

The proposed federal criminal penalties for drug-impaired driving range from a minimum of a \$1,000 fine to up to a maximum of 10 years in jail.

In BC, police who stop an alcohol-impaired driver can charge the driver criminally, but they also have the option of issuing an Immediate Roadside Prohibition (IRP) or an Administrative Driving Prohibition (ADP) under the BC Motor Vehicle Act. Sanctions can include licence prohibitions, monetary penalties, vehicle

impoundment, and license reinstatement fees. These programs have been very effective in reducing the number of road fatalities on BC roads.

While the IRP and ADP schemes do not currently apply to drug-impaired driving, police officers in BC do have the option to issue a 24-hour roadside prohibition to a suspected drug-affected driver, with or without a criminal charge.

(1) Canadian Tobacco, Alcohol and Drugs Survey, 201

One key challenge is that unlike with blood alcohol, there is not enough scientific evidence to link a particular blood THC level with impairment. In fact, it is known that THC can remain in the blood after any impairment has resolved, particularly for frequent users. An IRP or ADP-type scheme would therefore have to rely on other ways to assess impairment, such as a Standard Field Sobriety Test (SFST) conducted by a trained police officer, or evaluation by a Drug Recognition Expert (DRE). The approval of oral fluid screening devices and/or the setting of per se limits by the federal government could also influence the introduction of an administrative regime for drug-impaired driving.

CCI suggests that BC could consider all of the following to address the risk that cannabis legalization could lead to increased impaired driving:

- ***BC should launch a public education and awareness campaign to inform British Columbians about the risks and potential consequences of cannabis-impaired driving.***
- ***BC should set a zero-tolerance standard in respect of blood THC content for drivers in the Graduated Licensing Program (drivers with an “L” or “N” designation) and/or for drivers under a specific age threshold.***
- ***BC should invest in SFST and DRE training for more police officers.***
- ***BC should expand the IRP and/or ADP programs to include drug-impaired driving.***

Personal Cultivation:

Bill C-45 allows adults to grow up to 4 cannabis plants per household, up to a maximum plant height of 100 centimetres. Bill C-45 does not place restrictions on where plants can be located (indoor vs. outdoor) and does not require home growers to put any security measures in place, but it is open to provinces and territories to establish such restrictions.

In considering personal cultivation, the Task Force acknowledged concerns about risks such as mould, fire hazards associated with improper electrical installation, use of pesticides, and risk of break-in and theft. However, it noted that these concerns were largely shaped by experience with large scale illegal grow operations, and found that on balance, allowing small-scale home cultivation of up to four plants was reasonable.

The Task Force recognized the need for security measures to prevent theft and youth access, and for guidelines to ensure that cannabis plants are not accessible to children. The Task Force also suggested that local authorities should establish oversight and approval frameworks, such as a requirement that individuals be required to notify local authorities if they are undertaking personal cultivation.

In thinking about possible restrictions on personal cannabis cultivation, it may be helpful to keep in mind that it is legal in Canada to grow tobacco and to produce wine or beer at home for personal use with very few restrictions. In particular, the law does not require specific security measures to prevent theft, or access by children and youth.

CCI suggests that BC decide not to implement one or more of the proposed measures and given that the costs and enforcement would be managed by local/municipal governments in any case that they authorize local/ municipal governments to do so.

Distribution Model:

Under bill C-45, each province or territory will decide how cannabis will be distributed in its jurisdiction. Distribution is the process by which goods are supplied to retailers that sell to consumers. Distributors are often called wholesalers.

CCI recommends Private distribution – In this model, one or more private businesses could be responsible for the physical warehousing and distribution of cannabis. We recognize that significant government oversight would be required in the form of licensing, tracking and reporting requirements, as well as regular audits and inspections but there are sophisticated seed to sale tracking programs which CCI has worked with particularly in the US where this system works very well at the State level.

Retail:

Under Bill C-45, each province or territory will decide the retail model for cannabis in its jurisdiction. Recognizing that the July 2018 timeline may not give provinces or territories enough time to establish their retail regimes before legalization, the federal government will implement an online retail system as an interim solution.

CCI recommends that BC could establish a mix of both a public and private retail system, as currently exists for alcohol. A public system would require significant up-front investment in retail infrastructure, but there could also be additional revenue generated from retail sales. A private system would require a more robust licensing, compliance and enforcement system, but the associated costs could be recovered through licensing fees. In a private retail system, it could be possible to allow some existing illegal dispensaries to transition into a legal and licensed system; in a public system such as that planned in Ontario, this would not be possible.

Fundamentally, the cannabis black market in BC is substantial, and an exclusive crown corporation model for cannabis retail would fail in competing against the availability and costs of the black market. Also, scaling up sufficient storefront locations to provide competitive access to cannabis would be extremely slow. Allowing private corporations to obtain retail licences would not only expedite the competitive accessibility but also place most of the scale-up financial burden on the private sector.

Conclusion:

Cannabis legalization presents complex policy challenges for the Province of British Columbia. We expect that, as in other jurisdictions that have legalized, it will take several years to develop, establish, and refine an effective non-medical cannabis regime that over time eliminates the illegal market in B.C.

CCI would like to partner and work with the Province of B.C as a stakeholder in effective implementation through training, education and compliance in order to effectively roll out and correctly establish whatever model the Province decides to ultimately go with.

Respectfully Submitted,

Todd Masse
President
Cannabis Compliance Inc.
Sent via Email : Cannabis.Secretariat@gov.bc.ca



Cannabis Growers of Canada (CGC)

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For a Free and Fair Market

Prepared by the CGC for the Standing Committee on Health, October 2017

Executive Summary:

The Cannabis Growers of Canada (CGC) are a cannabis-specific trade association representing dozens of small and medium-sized businesses who wish to participate in the legal cannabis market. We represent growers, dispensaries, value-added producers and other cannabis-related professionals. We wish to, and in some communities already have, work with local governments on how to integrate the cannabis industry into the local economy.

Principles:

We believe cannabis requires reasonable regulation, and that most of this regulation can come from third-party professionals such as insurance agencies and private laboratory testing. We believe the role of government in legalization is to create the conditions that permit a peaceful transition from black markets to above-ground regulated markets. We believe governments can do so by keeping incentives in mind and avoiding unintended consequences with short-term policy decisions.

Objectives:

Cannabis products should be tested by private third-parties to ensure they are safe for human consumption. They should not be subject to plain-packaging rules.

Cannabis production should be open to small and medium sized craft-cannabis producers without unnecessary barriers to entry. The existing market should be welcomed into the legal environment.

Cannabis retail and on-site consumption sites should be located in areas that have been approved by the local community through their municipal representatives. Provincial and federal powers should remain as limited to the greatest extent possible.

Restrictions:

Cannabis regulations must be written and enforced in a way that encourages widespread adoption of the current cannabis farming and distribution systems.

The regulatory burden imposed on cannabis entrepreneurs should be calculated to maximize effectiveness while minimizing barriers to entry and operation.

Most importantly, existing cannabis entrepreneurs, businesses and employees should be preserved. Eliminating tens of thousands of existing jobs will be counter-productive. Legitimizing and integrating existing cannabis entrepreneurs will minimize disruptions to local communities and ensure a peaceful transition to legal markets while undermining black markets.

Distribution:

Public polling indicates the Canadian public prefers dedicated cannabis retail (e.g. dispensaries) for recreational cannabis and pharmacy for medical purposes.[1]

The CGC believes that legal cannabis retail should be sold in dedicated retail environments as opposed to grouping the product in with liquor or tobacco. Cannabis retailers should also be trained in a program that emphasizes responsible serving and vending.

Some interest groups have suggested using existing Liquor Distribution Branch systems to distribute cannabis. The CGC believes this suggestion is fundamentally flawed and unworkable. Cannabis, unlike alcohol, is fresh produce. As a dried herb, it has a shelf life of little over a month. Longer-term storage requirements mean taking into account lighting and humidity controlled environments, much like cigar shops with large walk-in humidors.

As well, cannabis concentrates require refrigeration and have a shorter shelf-life than dried flower.

In both cases, the physical infrastructure of provincial liquor stores are inadequate and would need to be retrofitted to accommodate cannabis humidors and refrigerators, at significant cost to the taxpayer in some jurisdictions.

The CGC also believes that retail cannabis should be tested in a certified third-party lab. The results of the tests should be made available by the craft-cannabis producer and the dispensary-retail partners.

The CGC also believes that retail cannabis should not be afflicted with plain-packaging regulations. We believe this harms consumers who rely on packaged cannabis products to differentiate between their preferred growers, strains, and other interests like terpene flavour, or, most importantly, the strength of the psychoactive component.

We believe plain-packaging also encourages counterfeit products that make eliminating the black market harder to achieve.

Production:

Cannabis is an agricultural product and the labour involved with its production directly employs over 40,000 Canadians, particularly in British Columbia. [2]

If all levels of government do not take this into account, policy-makers run the risk of proposing a legalization scheme that will contribute to the loss of tens of thousands of jobs, and in some cases, the economic “staple” of entire communities.

As a result, we believe it’s important to regulate cannabis production from an objective-based approach rather than copy-cattling liquor or tobacco models. That said, the CGC believes that in order to successfully shift the black market to an above-ground, legal and regulated market, the government should adhere to the following guidelines:

Cannabis production should be accessible to small producers with little capital. Licensing fees should be discouraged or at the very least cheap enough for small farmers to participate.

The CGC believes that existing producers should be awarded the opportunity to continue serving their markets in a legal environment.

Security requirements should be based on insurability rather than an arbitrary list of capital-intensive “security measures” as is the case with the Licensed Producer system.

Individuals with criminal records stemming from cannabis-related Controlled Drugs and Substances Act violations should not be barred from producing cannabis for commercial uses.

The CGC believes that it is only by allowing existing small producers to join the regulated legal system that the government will succeed in its pledge to curtail the black market and create a safe and regulated market that adheres to public health and safety.

In respect to production and possible production licenses, the CGC believes that these licenses should be subject to revocation when violated.

For example, falsifying lab results, strains or origin information, or violation of intellectual property laws should result in suspension or revocation of production privileges.

The CGC notes that if this standard were in force today, many existing Health Canada-approved Licensed Producers would have been banned from producing cannabis due to their use of illegal pesticides.

On-Site Consumption:

If legalization is to be comprehensive, then on-site consumption sites must be allowed. Also known as “vapour lounges,” on-site consumption sites are an important part of the cannabis industry. Many cannabis consumers live in apartments, condos, shared housing, etc., where smoking or vaporizing cannabis at home is not an option. Either for legal reasons or simply to limit exposure to children or other residents, many cannabis consumers wish to consume off-site.

Forcing consumers outside puts them at risk of harassment, assault, and theft. It is also unlikely to be in the public interest since outdoor consumption only increases the exposure (e.g. smell) to non-consumers.

The CGC believes licensing on-site cannabis consumption achieves the government’s goals of keeping cannabis out of the hands of children while protecting public health. Furthermore, on-site consumption sites can be regulated to ensure air filtration standards are in place so that consumers and non-consumers are protected. On-site

consumption sites give Canadian adults a safe, regulated environment to consume their legal cannabis products.

Conclusion:

Cannabis is neither a new industry nor an economic windfall opportunity. There is already a mature, vibrant economy that should be carefully and reasonably integrated into the tax system rather than destroyed (the consequences of which would be disastrous across much of British Columbia).

Canada's opportunity to lead the world in sensible cannabis policy means integrating the government's goals of legalization (protect the children, stamp out the black market) with the realities of the existing cannabis market. Legalization need not be a zero-sum game.

Cannabis regulations should be written with reasonable objectives in mind — a regulated market where small and medium-sized businesses can create value and where communities are empowered to regulate cannabis to their liking. This requires cannabis regulations that are crafted through evidence-based policy and an understanding of the realities of the existing cannabis market.

The CGC remains committed to being a constructive partner for all levels of government as we overcome the challenges of legalization. We encourage dialogue and wish to see a form of cannabis legalization that benefits everyone.

[1] <http://www.theglobeandmail.com/news/politics/majority-of-canadians-agree-pot-should-be-legalpoll/article28944411/>

[2] See attached report, "The Cannabis Market in Canada and British Columbia", Larissa Flister, 2016.

The Cannabis Market in Canada and British Columbia

September 26th, 2016



Cannabis Growers of Canada

The Cannabis Market in Canada and British Columbia

by Larissa Flister

September 26th, 2016

This is a publication of the Cannabis Growers of Canada

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The Cannabis Market in Canada and British Columbia

1. Introduction

In much of the world, the consumption and sale of cannabis is illegal. The harshness of penalties has varied greatly. Several countries, such as Indonesia, Saudi Arabia, and the United Arab Emirates have carried out capital punishment on individuals convicted of drug trafficking, including for cannabis-related offenses (Associated Press, 2012; BBC News, 2014; The Times of India, 2015). In other countries, such as Brazil, although illegal, the possession of illegal drugs like cannabis entails a warning, community service and education on the effects of drug use, and drug traffickers, when convicted, face between five and 10 years in jail as per *Law 11.343*, 2006. A few countries, such as Uruguay and Portugal have legalized and decriminalized, respectively, the use and sale of cannabis (Independent, 2015; The Guardian, 2016).

In Canada, police and prosecutors in all jurisdictions are capable of pursuing criminal charges for cannabis possession, although criminal charges are not usually pursued. Nonetheless, there is a lack of consensus on the legal status of cannabis in Canada. Superior and appellate courts in Ontario have found Canada's cannabis laws to be of no force and no effect if a prescription is obtained (National Post, 2011). Cannabis as a drug is legal to possess, consume, or grow for medicinal purposes under conditions outlined in the Marihuana for Medical Purposes Regulations issued by Health Canada. However, challenges to cannabis laws at the federal level have not resulted in changes to the appropriate sections of the *Controlled Drugs and Substances Act*, 1996.

It is hardly questionable that cannabis consumption may cause health problems and consequently result in loss of productivity. This, undoubtedly, creates additional expenses for already overburdened government systems. Governments do, as such, have a stake in establishing policies that reduce social harm. While the goal of fostering a healthy,



productive society is legitimate one, it is undeniable that the current policy of criminalizing the consumption and sale of cannabis is not only failing, but also leading to greater social problems. Many a study show that criminalization leads to a vast and profitable illegal market, organized crime, lack of quality control, lost tax revenues, and the criminalization of users whose only offense is to have, arguably, inflicted self-harm. As is the case with most laws that attempt to inhibit consensual choices, criminalization inflicts much greater harms than the substance it aims to prevent.

The Canadian public is rather aware of these detrimental effects: since 1997, public opinion polls have found an increasing majority of Canadians agree with the statement "smoking marijuana should not be a criminal offence". A 2016 Globe and Mail/Nano Research poll found that approximately 68% of Canadians support legalization, a result that is in line with other surveys conducted in the past year (The Globe and Mail, 2016). The Liberal Government elected in 2015 has announced that it plans to introduce legislation legalizing marijuana in the spring of 2017 (Global News, 2016).

In light of the known harms of cannabis criminalization, and the shifting political environment for cannabis regulation, this paper aims to answer two questions: 1) What is the economic impact of the current illegal cannabis market in Canada? and 2) What are the potential tax revenues in a legalized environment? A special focus is given to British Columbia (BC) due to the large contribution it makes to the Canadian cannabis market – the province is estimated to be the source of roughly 40% of the national cannabis production.

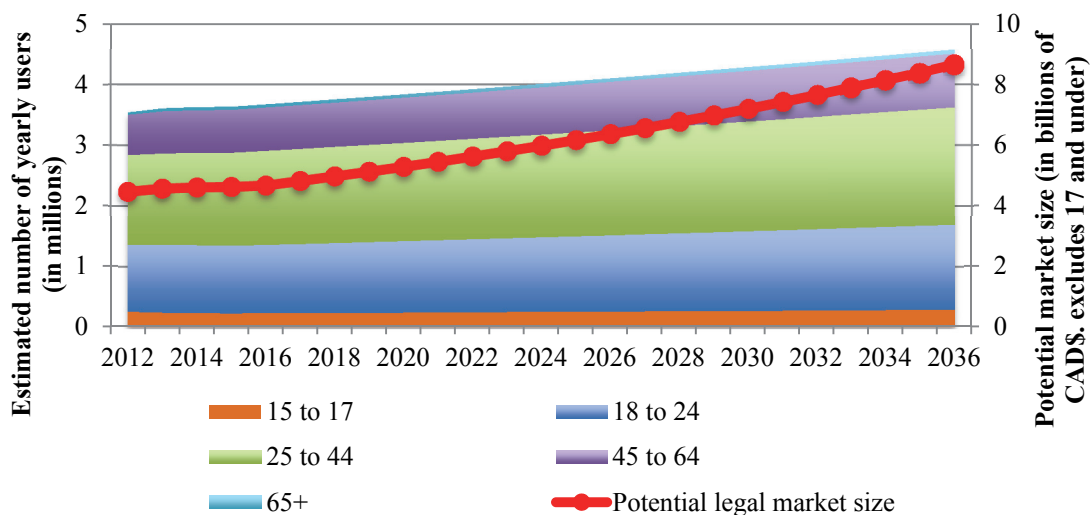
This paper is organized as follows: in addition to this introduction, Section 2 explores the Canadian cannabis market; Section 3 provides an overview of the BC cannabis market; Section 4 estimates the tax revenues in a legalized environment; Section 5 analyzes the health impacts of the current cannabis policy and the benefits to be gained from legalization; and Section 6 concludes.



2. The Canadian Cannabis Market

Estimates suggest consumption of cannabis for recreation purposes in Canada to be around 770,000kg a year, implying a domestic market worth around \$5 billion (CIBC World Markets, 2016). Additionally, Health Canada expects the medical marijuana market to be worth approximately \$1.3 billion (CIBC World Markets, 2016). There has been no large increase in cannabis usage in American states where recreational use has been legalized, and there is no reason to believe this would be otherwise in Canada. Figure 1 shows an of the number of cannabis users and potential size of the legalized domestic market, based on a 2016 Canada-wide market value of \$5 billion.

Figure 1. Estimate of the number of cannabis users, potential size of legalized domestic market



*Based on Canada-wide market value of \$5 billion in 2016.

** Legal market size excludes consumption by individuals aged 17 and under.

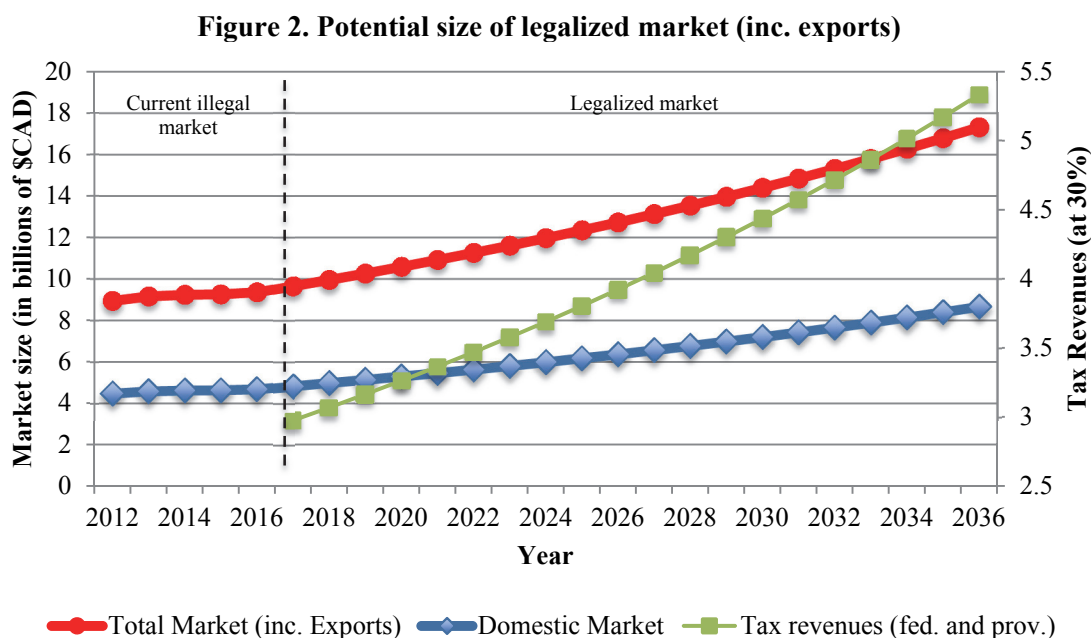
Sources: Created by the author based on Bank of Canada, 2016; CIBC World Markets, 2016; Parliament of Canada, 2002; Statistics Canada, 2015a, 2015b, 2014. See Appendix A for forecast calculation details.

Based on current usage rates, the domestic market may be worth as much as \$10 billion by 2036. Research indicates the value of the total Canadian market, including exports, could be as much as double the domestic estimate: according to CIBC World



Market, the current cannabis market in Canada could be worth as much as \$10 billion.

Figure 2 shows this high-end estimate.



*Based on total market value of \$10 billion in 2016.

** Legal domestic estimates exclude consumption by individuals aged 17 and under.

Sources: Created by the author based on Bank of Canada, 2016; CIBC World Markets, 2016; Parliament of Canada, 2002; Statistics Canada, 2015a, 2015b, 2014.

Based on current usage rates and market estimates, the total Canadian market, including exports, has the potential to be worth approximately \$17 billion by 2036. Based on a total tax rate of 30.8%¹, the legalized market has the potential of raising annual tax revenues of \$2.97 billion in 2017 and up to \$5.33 billion by 2036. Further information on taxes is presented in *Section 4.1 Regular taxation*.

3. BC's Cannabis Market

BC is known to possess one of Canada's largest illegal cannabis industries

¹ The average tax rate of final goods and services in Canada is 30.8% (OECD, 2016). This accounts for all taxation throughout the chain of production, including sales tax.



(Easton, 2004; Hamilton, 2004). It is fast growing: data on electrical power usage and from police raids indicate that BC grow-ops had, on average, doubled in size between 2003 and 2010 (Diplock & Plecas, 2011). Data collected in areas that produce high volumes of cannabis in BC shows that the number of grow-ops has more than doubled in these settings (Plecas, Chaisson, & Garis, 2011; Plecas, Chaisson, Garis, & Snow, 2011).

There has been a significant societal shift away from criminalization and in favour of implementing a regulated framework for cannabis taxation and control in BC as well as in other Western jurisdictions (Emerson, 2011; Room, Fischer, Hall, Lenton, & Reuter, 2008; Wood, McKinnon, Strang, & Kendall, 2012). Such an approach would act to reduce policing costs associated with prohibition (such as organized crime) while providing a significant source of tax revenues for provincial governments.

3.1 Market Size

Given its illegality, the exact size of BC's cannabis market cannot easily be estimated. However, most estimates range between \$2 billion and \$7 billion:

- An estimate based on the assumption that 16% of illegal indoor grow operations are caught by the police, puts the total value of BC's market for cannabis in the range of \$2-7 billion (Diplock & Plecas, 2011; Easton, 2004); and
- A second estimate based on data on indoor cannabis cultivation in BC places the total value of the cannabis market at \$3.6 billion annually (Diplock & Plecas, 2011).

These estimates include gross profits from domestic and export sales combined. The domestic component represents around 10% of the total industry: out of a market worth roughly \$4 billion in 2012, approximately \$407 million was consumed by BC residents (Werb et al., 2012). Accounting for inflation and population growth, provincial



consumption in 2016 is estimated to be around \$440 million (Bank of Canada, 2016).

3.2 Consumption

Werb et al. (2012) estimated, using data from the 2009 CADUMS and the 2009 Youth Smoking Survey, that the number of cannabis users in BC was 366,032 in 2009. Adjusting for population growth, the number of users in 2016 is estimated to be around 392,422. Table 1 shows the extrapolation of consumption findings to account for population growth between 2009 and 2016, while holding the percentage of users constant.

Table 1. Cannabis Consumption in British Columbia in 2016

Frequency	Percentage of Total	Users
Daily	21%	82,408
Weekly	27%	105,953
Monthly	23%	90,257
Less than Monthly	29%	113,802
Total number of users in British Columbia		392,422

Source: Created by the author based on Werb et al. (2012), BC Stats (2016).

3.3 Employment – Domestic Market

For the same reasons that make official data on the size of the BC cannabis market inexistent, employment figures for the industry, the majority of which is illegal, are not easily captured. Employment in the cannabis industry is thus estimated by using Colorado, a state that has legalized the use and sale of cannabis and has a similar population size (5,456,574 versus BC's 4,683,139), as a proxy (BC Stats, 2016; The United States Census Bureau, 2016). As of 2015, approximately 16,000 individuals had been licensed to work in Colorado's cannabis industry. Adjusting for population, it is estimated that approximately 13,732 individuals work in the BC industry.

As mentioned, employment figures are imprecise due to the illegal nature of the market. However, an estimate may also be made based on the size of BC's market for



domestic consumption. According to an anonymous grower's account, it takes around 15 man-hours to produce one kg of cannabis. The employees involved in growing and processing cannabis, according to the grower's account, are paid around \$25 an hour. If each employee works part-time, at 1,125 hours per year, this implies that given an annual production of 308 metric tons in BC (40% of Canada's total, intended for domestic production alone), there are around 4,106 part-time individuals employed in the growing and processing segment, totaling \$115.5 million in wages for that segment alone. This number represents a fraction of the total amount of employees involved in processing and growing, as it does not account for employment figures related to exports. An estimate that accounts for exports is presented in *Section 3.4 Total Market (Domestic Consumption and Exports)*.

The informal figures allow for total wage estimates. In addition to growing and processing, there are individuals involved in making secondary products like oils or edibles, account cloning, room turnover, trade work, sales, management, finances, legal, and cleanup. Given that the average wage for employees in the cannabis trade is likely not as high as that for those involved in other parts of sale (e.g. legal, sales, finances, etc.), total wages are calculated based on \$25/hour at full-time rates. It should be noted that such hourly wage is significantly higher than BC's minimum wage of \$10.45/hour (Ministry of Jobs, Tourism and Skills Training, 2016). This hourly rate suggests that for the 13,732 individuals involved in the cannabis industry, wages are likely to be in excess of \$618.1 million. For employment calculations, see Appendix B.

3.4 Employment – Total Market (Domestic Consumption and Exports)

It is estimated that the majority of cannabis grown in BC is exported to the United States (Easton, 2004). The total size of the BC market is thus markedly higher than the one presented in *Section 3.3 Employment - Domestic Market* section. Building on the



figures estimated for the domestic market, this section aims to estimate the total economic and labour impact of the cannabis market in BC.

Cannabis is one of the principal illicit substances smuggled across the United States-Canada border. It is also the most widely produced, trafficked and consumed illicit drug in both Canada and the United States. Public Safety Canada reports that most marijuana trafficking activity is southbound, although it is smuggled in both directions across the border. As a matter of fact, Canada is second only to Mexico as an exporter of cannabis to the United States. In 2001, United States law enforcement seized 4.4 metric tons of cannabis entering the United States from Canada. In 2002 that number had tripled to 12.2 metric tons and in 2003, the latest year for which data was publicly available, reached 15.8 metric tons – an increase of 29% in comparison to the previous year, and of 259% in two years. This increase is, to some degree, due to better detection methods by border patrol, given that after the September 11th, 2001 attacks investments in border security increased significantly. It is unlikely that such a high annual growth rate of exports to the United States has continued to occur throughout the years; nonetheless, Canada, and especially BC, has built a thriving cannabis-export market. In 2014, The Economist estimated the BC cannabis-export market to be worth \$2 billion annually (2014). Given that BC is estimated to account for 40% of Canadian production, that put the total export market in Canada at approximately \$5 billion in 2014. The Economist's estimates of BC's export market imply that the total market is likely to be at least twice the size of BC's domestic market. If the BC total market is estimated to be worth approximately \$4 billion, including sales to other Canadian provinces and exports, the employment figures directly related to the cannabis industry would most likely exceed 27,464². There is also a trickle down effect on employment, as other positions that are

² Employment figures for the domestic market were initially calculated based on the legal employment figures for Colorado. However, Colorado's figures do not account for exports, since only its domestic industry is legal. As such, if the BC export industry accounts for half of BC's market, its employment figures should roughly double.



indirectly related to the industry, such as legal services, are not included in the aforementioned figures. Following the same logic set out in *Section 3.4 – Employment Domestic Market*, at hourly rates of \$25, wages for positions directly related to the cannabis industry in BC are forecasted to exceed \$1.24 billion.

4. Potential Tax Revenues

Current drug policies have created substantial profits for drug dealers and producers; profits that could, were cannabis to be legalized, be partially transferred to the government's coffers. Stephen T. Easton (2004) estimates that cannabis production costs account for 17.44% of the final retail price in the illegal market. Profit margins of roughly 82% would be fleeting in a free market, as new entrepreneurs would be induced into the market, increasing drug supply³ while driving down its retail price. However, in the illegal market, such a large profit has staying power because the possibility of facing jail time serves as a barrier to entry, creating an effective risk-premium for those who participate in the illegal production and sale of illegal substances (Flister, 2012).

Two taxation models could be applied in a legal cannabis market. Cannabis could be taxed at the same rate as regular goods and services, or at the higher rates applied to goods that are subject to sin taxes, such as liquor and tobacco. Both approaches are described below.

4.1 Regular taxation

Currently, taxes account for approximately 30.8% of Canadian GDP (OECD, 2016). If such a rate were applied to the legalized cannabis market, it would lead to growing annual tax revenues that would start at \$2.97 billion and reach approximately \$5.33 billion over the next two decades. At the provincial level, taxes account for

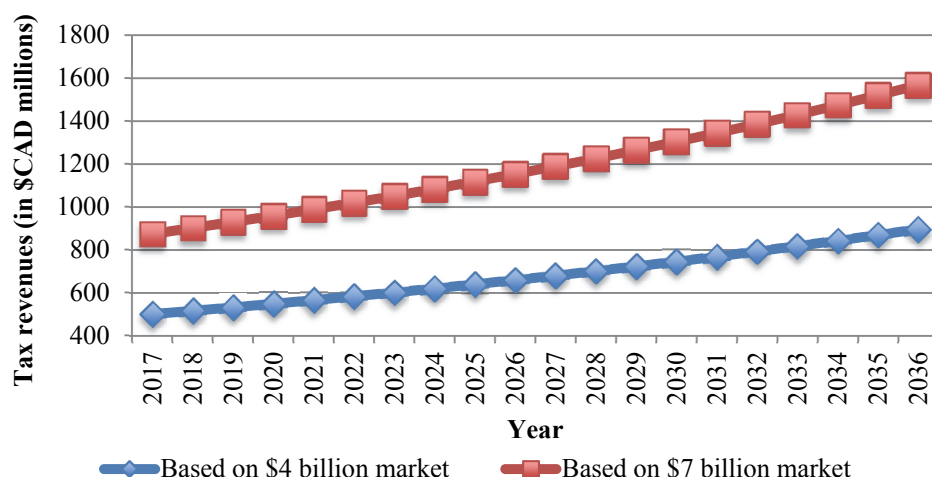
³ It is worthy of mention that this would not necessarily increase consumption; rather, supply would decrease to the equilibrium point – the level at which supply equals demand.



approximately 12.1%; this could lead to annual revenues to provincial governments of \$1.17 billion in 2017 and up to \$2.1 billion by 2036. Figure 3 shows total potential tax revenues forecasted until 2036, based on a rate of 30.8%, estimated for both a \$5 billion market (low-end estimate) and a \$10 billion market (high-end estimate).

As mentioned, BC is estimated to produce roughly 40% of Canadian cannabis (Canadian Business, 2013). As such, the BC provincial government would, at a rate of 12.1%, collect annual revenues starting at approximately \$468 million in 2017 and reaching up to \$840 million by 2036. This is based on BC's market representing 40% of total Canadian output, or around \$4 billion; however, research suggests that the real size of the BC market could be around \$6-7 billion (Burgmann, 2012). This would lead to annual revenues between \$768 million and \$1.54 billion for the BC government. Figure 3 shows total potential tax revenues for the BC Government forecasted from 2017 until 2036, based on a tax rate of 12.1%, estimated for both a \$4 billion market (low-end estimate) and a \$7 billion market (high-end estimate).

Figure 3. Total BC Government potential tax revenue – 2017-2036 forecast – tax rate of 12.1%



Source: Created by the author.



Given the BC government's anticipated 2016 budget of \$48.1 billion, a 12.1% provincial tax on cannabis products, in a market that is estimated to be worth up to \$7 billion, would represent an annual increase starting at \$837 million in 2017 and growing to up to \$1.56 billion by 2036 (Government of British Columbia, 2016a). In 2017 alone, this would represent an increase of 1.74% in government revenues. While this may appear to be a modest increase, it would, for example, be more than sufficient to fund the BC Government's commitment to increase the Ministry of Health's budget, currently at \$17.97 billion, by 3% annually (Government of British Columbia, 2016b). Even at the low end of the estimated market, \$4 billion, revenues would still be sufficient to cover the provincial government's commitment to increase the health care budget.

4.2 Sin tax rates

The forecasts shown under *Section 4.1 Regular taxation* assumed that cannabis would be taxed at a similar rate to that of other economic activities. This is not, however, the current practice for similar goods such as tobacco and alcohol. Such goods are typically subject to sin taxes. A sin tax is an excise tax specifically levied on goods considered to be undesirable, with the goal of increasing their final prices and raising new sources of government revenues. Government revenues raised over "undesirable" goods, however, are not always labeled as taxes. The BC Government, for example, applies a markup of 124% to spirits, with a lower graduated markup for cost portions over \$21/litre, and 89% to wine, with a graduated lower markup for cost portions over \$11.75/litre (Government of British Columbia, 2015). Such high markup levels would not be recommended for cannabis. As the cannabis market currently operates illegally, significantly increasing prices would undermine efforts to transition illegal activities into regulated, legalized ones. As such, initial markups should not have revenue raising as a first priority; rather, the priority at the initial time of legalization should be to starve the illegal market of cash flows, so that all illegal activity is eventually transitioned into the desirable regulated market.



4.3 Framework for markup setting

While it is beyond scope of this paper to estimate what the appropriate markup for legalized cannabis products should be, a general framework for markup limits is provided. It is based on two main factors, one from the customer's perspective and one from the supplier's:

- 1) Customer's break-point: The markup price at which consumption shifts from the legal to the illegal market; and
- 2) Supplier's risk premium: The effect of legal punishment on illegal supply. To what extent do efforts to punish unregulated activities affect supply and prices in the illegal market? This depends on two main factors: the likelihood of a supplier getting caught, and the costs (punishment) of getting caught.

Current prices are indicative of the supplier's risk premium. The difference between the final sale price of cannabis and the supplier's costs of production corresponds to the supplier's profit and risk premium. Equation 1 demonstrates how the supplier's risk premium (SRP) is derived:

$$SRP = (\text{chance of getting caught}) * (\text{cost of punishment}) \quad (1)$$

On the supply side, the costs of production and the SRP are the main determinants of final sale prices. There are two ways for the government to drive up prices in the illegal cannabis market, both of which rest on increasing the SRP. The government may intensify enforcement efforts, so an illegal supplier's chances of getting caught are consequently increased. In an environment where recreational cannabis is legal, enforcement efforts that had previously been directed at catching users may be redirected towards reducing illegal cannabis sales. A second method by which the government may



increase the SRP is by increasing the harshness of punishments for illegal suppliers, such as higher fines and lengthier prison sentences.

On the consumer side, the consumer's risk premium (CRP) is calculated in a similar manner to the SRP. Equation 2 shows the CRP calculations.

$$CRP = (\text{chance of getting caught}) * (\text{cost of punishment}) \quad (2)$$

The CRP is added to the price of cannabis in the illegal market to determine the costs to the consumer of purchasing cannabis illegally. The total consumer costs of purchasing cannabis illegally determine the price point which government markups must not surpass, lest they move consumption from the legal market to the illegal market. Equations 3 and 4 show the break points for the consumer's decision to purchase cannabis legally or illegally.

Consumers will turn to the illegal market if:

$$CRP + \text{price of illegal cannabis} < \text{final marked up price legal market} \quad (3)$$

As such, in order to maintain cannabis purchases in the legal market, the costs incurred by consumers resorting to the illegal market must be higher than the final retail price of government-marked up cannabis. Put differently, the final marked up price must be lower than the illegal price and the risk of buying illegally combined, as shown in equation 4:

$$CRP + \text{price of illegal cannabis} > \text{final marked up price legal market} \quad (4)$$

Using this framework, policy-makers may use information on current prices of cannabis in the illegal market, the economic costs of punishment to consumers (e.g. lost employment opportunities because of a criminal record) and the likelihood that consumers will be caught to determine the maximum mark up governments may charge.



5. Impact on the Health Care System

The main current deterrent against cannabis consumption is imprisonment and/or criminal charges. Legalization of cannabis eliminates such risks. This may lead to a slight, although not large, increase in cannabis usage. Some individuals fear this will, in turn, create additional burdens to the health care system. But what if cannabis legalization actually reduced health care costs?

Cannabis is known to be a substitute for, not a complement to, alcohol (Graham, 2014). This means that if cannabis becomes easier to acquire, people may use cannabis instead of alcohol, not in addition to it. The social costs of alcohol are known to be high; consequently, if the substitution effect is large, increasing cannabis consumption could provide significant public health benefits. The decline in drinking is likely to have real significance on a population-wide scale. Alcohol is one of the top ten risk factors for disease among all Canadians, and the top risk factor for Canadians aged 15 to 49 years (Government of Canada, 2016).

Cannabis, on the other hand, is not reported to be a significant risk factor for diseases. As a matter of fact, there were zero documented cases of death by marijuana overdose in the world until a German study by Hartung et al. (2014) claimed to have found exactly two cases. In Colorado, a few dramatic deaths since the law went into effect have been widely publicized, including that of a college student who jumped off a hotel balcony after consuming a cookie infused with marijuana (Graham, 2014). However, one reason why these cases make headlines is that death resulting from marijuana use is so rare. As found by Graham (2014), cannabis causes very few acute deaths.

Cannabis may be a substitute for more than just alcohol. A study by Bachhuber, Saloner, Cunningham, and Barry (2014) found that states with medical



marijuana laws have significantly lower rates of death caused by painkiller overdoses. Further, a working paper published by Yu-Wei Luke Chu (2013), a lecturer at Victoria University of Wellington School of Economics in New Zealand, suggests that medical marijuana laws also lead to a decrease in heroin use. Using data on drug possession arrests and treatment admissions, Chu found a 20% decrease in heroin treatments after medical marijuana laws went into effect.

Moreover, recent studies suggest that more lenient restrictions on cannabis may decrease traffic fatalities, reduce violent behaviour and even lead to a reduced suicide rate. In a recent study, Anderson, Hansen and Rees (2013) found that in the 19 states with medical marijuana laws, the first full year after the laws went into effects was associated with a drop in traffic fatalities between 8% and 11%. The estimated effects of the laws were largest at night and on weekends, when most drinking occurs. The authors are careful to say that their research does not imply that driving under the influence of cannabis is necessarily safer than drunk driving. However, the authors suggest that even if driving while high on cannabis is as dangerous as drunk driving, it may be that individuals using cannabis are more likely than drinkers to stay home and smoke, rather than drive from bar to bar. Furthermore, according to Caulkins, Kleiman, Hawken, and Kilmer (2012), alcohol causes between three and four times as much dependence as marijuana, and more than 10 times the violence and crime.

6. Conclusion

Cannabis prohibition has imposed high costs on Canadian society while offering relatively little benefit. Currently, Canadian police and prosecutors in all jurisdictions are capable of pursuing criminal charges for cannabis possession, although criminal charges are rarely pursued. While it is hardly questionable that cannabis consumption may cause health problems and consequently result in loss of productivity, it is also undeniable that the current policy of criminalizing the consumption and sale of cannabis is not only



failing, but also leading to greater social problems. Criminalization has led to a vast and profitable illegal market, organized crime, lack of quality control, and lost tax revenues. Equally harmful, the current policy criminalizes individuals whose only offense is to have, arguably, inflicted self-harm. As is the case with most laws that attempt to inhibit consensual choices, criminalization has inflicted much greater harms than the substance it aimed to prevent.

The Canadian public is rather aware of these detrimental effects: since 1997, public opinion polls have found an increasing majority of Canadians agree with the statement "smoking marijuana should not be a criminal offence". A 2016 Globe and Mail/Nano Research poll found that approximately 68% of Canadians support legalization, a result that is in line with other surveys conducted in the past year (The Globe and Mail, 2016). In light of a failed policy and the clear support of a majority of Canadians, the Liberal Government elected in 2015 is working to introduce legislation legalizing marijuana in the spring of 2017.

This paper analyzed the impact that transitioning to a legal environment is anticipated to have on the Canadian economy and, more specifically, on the BC economy, given that the province is estimated to be the source of roughly 40% of the national cannabis production. Given current usage rates and market estimates, the total Canadian market, including exports, has the potential to be worth approximately \$17 billion by 2036. Based on a total tax rate of 30.8%, the Canada-wide legalized market has the potential of raising annual tax revenues starting at \$2.97 billion in 2017, and reaching \$5.33 billion by 2036.

Assuming the low-end estimate of the BC cannabis market, \$4 billion, the provincial government could potentially, at a rate of 12.1%, collect annual revenues starting at approximately \$468 million in 2017 and reaching up to \$840 million by 2036. A higher end estimate, based on a BC market size of \$7 billion, would lead to annual



revenues between \$768 million and \$1.54 billion for the BC government. Given the BC government's anticipated 2016 budget of \$48.1 billion, a 12.1% provincial tax on cannabis products, in a market that is estimated to be worth up to \$7 billion, would represent an annual increase starting at \$837 million in 2017 and growing to up to \$1.56 billion by 2036 (Government of British Columbia, 2016a). While this may appear to be a modest increase, it would, for example, be more than sufficient to fund the BC Government's commitment to increase the Ministry of Health's budget, currently at \$17.97 billion, by 3% annually.

More than simply raising tax revenues, legalizing cannabis is the most sensible policy alternative, both economically and in terms of public health and safety. The current enforcement of cannabis prohibition requires substantial fiscal and organizational resources that could be used towards education, health care, and other pressing public policy goals. Additionally, the enforcement of cannabis laws imposes a range of social, psychological, and familial costs on individuals arrested for cannabis violations. This turns otherwise law-abiding citizens into criminals whose only offense was to consume cannabis for recreational purposes – a “crime” around one in 10 Canadians commits annually.



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APPENDIX A – Forecast Calculation

User projections were calculated as follows:

- The percentage of individuals who, in 2012, reported having used marijuana at least once in the past 12 months – based on Statistics Canada (2015b);
- Yearly growth in the percentage of individuals who reported having consumed marijuana in the past 12 months in 2002 versus 2012. Yearly growth rate was calculated per age group (see Table 1) – based on Statistics Canada (2015b);
- Growth rate per age group is applied to the current Canadian population for each age bracket and forecasted for the next 20 years based on annual population growth of 1.1% - based on Statistics Canada (2015a, 2015b, 2014);
 - Forecasts are divided in five age brackets, based on anticipated growth or decrease in the number of individuals who consumer marijuana at least once a year in each bracket:
 - 15 to 17 years old – annual decrease of 3.48% in the percentage of users (20% in 2012);
 - 18 to 24 years old – annual decrease of 0.78% in the percentage of users (33.3% in 2012);
 - 25 to 44 years old – annual increase of 1.09% in the percentage of users (15.6% in 2012);
 - 45 to 64 years old – annual increase of 4.53% in the percentage of users (6.7% in 2012);
 - 65+ years old – annual increase of 14.87% in the percentage of users (0.8% in 2012).

Market size projections are calculated as follows:



- Based on CIBC's World Markets estimate that the current Canadian market for marijuana is worth approximately CAD\$5 billion;
- Future forecasts are based on current estimated market size and adjusted for estimated number of users and annual inflation of 2% - inflation is based on the Bank of Canada annual inflation midpoint of 2% (2016).



APPENDIX B – Employment in BC

Employment in the cannabis industry is thus estimated by using Colorado, a state with a similar population size (5,456,574 versus BC's 4,683,139), as a proxy (BC Stats, 2016; The United States Census Bureau, 2016). As of 2015, approximately 16,000 individuals had been licensed to work in the cannabis industry. Adjusting for population, it is estimated that approximately 13,732 individuals work in the BC industry.

Employment figures are imprecise due to the illegal nature of the market. However, an estimate may also be made based on the size of BC's market for domestic consumption. An anonymous grower presented the following account:

For every 50 1000w flowering lights I have one full time employee. If we say an average of 10 weeks, because I have always run longer flowering sativas, etc., then the total man-hours for 50 lights in flower is 400hrs.

Vegetative stages are less costly. One employee at 25 hrs per week can take care of enough plants for 100 eventual flower lights. At 4 weeks veg, that adds another 100hrs, cut in half for 50 lights. That means that without setup, processing, management, or sales considered, 450 hours for 50 lights to harvest.

Under ideal conditions, 1g per watt of light is the goal inside. This would mean a kilo per light. Let's lower that to 75%, because the ideal restricts variety, and because this is agricultural at its core so things happen. That means 75 kilos, or 165 lb. 450 divided by 75 brings it to six hours per kilo.

The next consideration is processing and packing. The goal is to stay under \$100/lb in processing costs. So add \$220 to each kilo just for that, which is the equivalent of adding around 9 hours at \$25 per hour, which is pretty standard.

So, the total per kilo for growers and processors is about 15 man-hours per kilogram of cured product.

This does not consider the use of trim to make secondary products like oils or edibles.

(...) This is all estimated based on my personal experience, and doesn't take into account cloning, room turnover, trade work, sales, management, finances, legal, or cleanup. It also ignores any non-labour related costs.

The employees involved in growing and processing cannabis, according to the grower's account, are paid around \$25 an hour. If each employee works 1,125 hours per year, this implies that given an annual production of 308,000kg in BC (intended for domestic production alone), there are around 4,106 part-time individuals employed in the



growing and processing segment, totaling \$115.5 million in wages for that segment alone. In addition to growing and processing, there are individuals involved in making secondary products like oils or edibles, account cloning, room turnover, trade work, sales, management, finances, legal, and cleanup. Given the average wage for employees in the cannabis trade is likely not as high as that for those involved in other parts of sale (legal, sales, finances), total wages are calculated based on \$25/hour at full-time rates. This indicates that for the 13,732 individuals involved in the cannabis industry, wages are likely to be in excess of \$618.1 million.

About the author

Larissa Flister holds a Master of Arts in Applied Economics and Policy Analysis (University of Regina '15), a Bachelor of Arts in Economics (Unisinos – Brazil '13) and an Associate of Arts in Business Management (Santa Fe College, Florida '09). Her areas of research interest include microeconomics, behavioral economics and public policy. Ms. Flister currently works as a Consultant at the City of Regina, and her past experiences include interning with the Deputy Minister of Health and working at Deloitte Canada. She currently serves on the boards of the Saskatchewan Economics Association, the Canadian Progress Club (Regina Wascana), and Toastmasters (Plains). Ms. Flister is also an avid cyclist and half-marathon runner.



November 01, 2017

The Honourable Mike Farnworth
Minister of Public Safety and Solicitor General
PO Box 9285 Stn Prov Govt
Victoria BC V8W 9J7

via email: cannabis.secretariat@gov.bc.ca

Re: Cannabis Legalization and Regulations in BC – Stakeholder Submission

The Cannabis Trade Alliance of Canada (CTAC) is an organization established to represent a broad range of cannabis industry participants. CTAC has been engaging governments across Canada, recommending policies to assist the drafting of regulations and legislation; CTAC encourages governments to leverage the existing knowledge base of the existing cannabis industry to create an inclusive, sustainable and transparent framework allowing for a variety of participants in the supply chain of Canada's newly legalized cannabis economy. Governments across Canada should aim to create a diverse, competitive, and sustainable cannabis sector.

CTAC believes that the Government of British Columbia should learn from the successes and failures of jurisdictions such as Oregon, Colorado, and Washington - that have already undergone a transition to cannabis legalization - to determine best practices moving forward.

We appreciate the opportunity to provide recommendations to the Cannabis Legalization and Regulation Secretariat, and look forward to engaging further in the months ahead.

Minimum Age

While Bill C-45 establishes a minimum age of 18 for the legal consumption of cannabis, provinces are able to legislate a higher minimum age in their respective jurisdictions.

It is important to consider that a higher minimum age will not stop consumption of marijuana by young adults. Instead, it will result in young persons continuing to consume unregulated black market products. This will perpetuate the demand for a black market, as well as exposing young adults to a substandard and unregulated product.

CTAC believes that 19 is an acceptable minimum age as it is consistent with alcohol, tobacco, and age of majority in British Columbia – making it easily understandable and consistent.

Personal Possession - Adults

Bill C-45 allows for adults to possess 30 grams of dried cannabis, but permits provinces to decrease this limit if deemed appropriate.

A consistent possession limit across the provinces and territories will be easier for the public understanding and compliance.



For individuals living in rural communities or with mobility issues, constantly having to travel to obtain small amounts of cannabis is an unnecessary burden.

As a society we do not currently restrict the amount of alcohol, caffeine, or tobacco an individual can possess and purchase. Strictly limiting the amount of cannabis an individual can possess does not seem to serve any public health or safety purpose and thus no need to lower possession below 30 grams.

Personal Possession - Youths

CTAC believes that establishing a legal prohibition for those under the age of 19 to possess cannabis, which does not result in criminalization, is a reasonable measure.

Police officers should have a high degree of discretion, similarly to dealing with youth consumption of alcohol. Confiscating the cannabis products possessed by youths, or issuing an infraction ticket, would be appropriate.

Public Consumption

Smoking dried cannabis should fall under smoking bylaws, and the use of inhaled concentrates under e-cigarette laws. A public ban on cannabis consumption would be incredibly difficult to enforce. Prohibiting someone from eating a cannabis infused chocolate in public would essentially be impossible to enforce.

Purpose-built consumption spaces should also be allowed under a comprehensive provincial cannabis regime. Many British Columbians might not want, or be able to consume cannabis in their homes if they have young children, or if their building restricts smoking on the premises. Similar to alcohol, responsible adults should be able to purchase and utilize cannabis communally in appropriate, safe and regulated settings. Consumption sites that do not allow for sale and purchase of cannabis will simply not be financially viable to operate.

If smoking of cannabis is prohibited entirely in public spaces this could result in the de facto banning of cannabis consumption by certain members of the public - such as those that do not have a fixed home address or live in strata buildings that prohibit smoking on their premises.

Restrictions around public consumption will inevitably require enforcement actions, which will be costly and counter to one of the goals of legalization - freeing up police resources to focus on issues of greater societal significance.

Drug-impaired Driving

Drug impaired driving is a very important issue, and it is important that governments learn from mistakes made in other jurisdictions.

Determining impairment based on nanograms of THC in the bloodstream or saliva can be an ineffective manner in which to determine actual impairment. Creating an arbitrary limit that is too low can have the unintended result of banning drivers from ever using cannabis.



Drug impaired driving is already illegal in British Columbia. Funds would best be used through education campaigns noting the risks of impaired driving. The issue that needs to be addressed is actual impairment – someone can use cannabis, but not be impaired (based on tolerances, method of ingestion, etc.). Proper public education campaigns will be key. In addition, officers should be properly trained in Drug Evaluation and Classification.

Personal Cultivation

It is important to allow for the personal cultivation and production of cannabis. To restrict the personal production of cannabis in an otherwise legalized environment will have a negative impact on individuals, on the health and safety of those individuals, and on the health and safety of the public at large (by driving the activity back underground and into the black market).

If the government intends to remove organized crime from the cannabis trade, allowing cannabis to be grown at home should be a central part of the program. If people are allowed to grow their own cannabis, they will have diminished incentive to procure cannabis from the black market.

Currently in Canada, people can choose to brew their own beer or grown their own tobacco, or purchase those items through retail outlets. The same framework and options should be available to Canadians when it comes to personal cultivation.

A licensing regime for personal cultivation is likely unnecessary and will be financial prohibitive to administer.

Distribution Model

CTAC believes that a centralized cannabis distribution system should be avoided for a number of reasons.

Cannabis is a very different product than alcohol. It has a different shelf life and requirements for controlled environment. Licensed producers are already required to keep their products in extremely secure vaults far beyond what is seen in alcohol processing facilities, making the need for secure centralized warehouses redundant.

Adding layers in the supply chain between producers and consumers will result in higher costs for the province as well as for the consumer. It is important to keep prices low in order to remain competitive with the black market and erode demand for illicit product.

A direct distribution model where producers distribute their product directly to retailers, and to consumers via e-commerce, is more effective.

Additionally, centralized government distribution restricts the ability of entrepreneurs such as nursery operators, cultivators, processor and retailers to negotiate their own margins.

If the barriers to access distribution and retail channels are too high, smaller producers may not be able to achieve the necessary production capacity to enter the system. The key is to create a distribution system that is not overly burdensome for regulators or stakeholders.



To control cannabis access in British Columbia, CTAC recommends the province commission a centralized inventory control software that all cannabis businesses are forced to use such as Metrc which is used by state governments to track all cannabis transactions in Alaska, Colorado, Oregon, Michigan, and Maryland.

Retail

CTAC advocates for government regulated, privately owned cannabis retail outlets. Creating either a monopoly or oligopoly with respect to retail is not needed to properly control cannabis access.

A government run retail model will require significant investment of taxpayer dollars, that could be better spent on other necessary services.

One of the main aims of legalization is the elimination of the black market. This is more easily achievable through independent retail. A legal retail experience must be competitive with respect to the black market in both product innovation as well as pricing. Both of these are created through competition in the private sector.

It is important to recognize that Cannabis retailers create private sector jobs and serve Canadian communities by offering safe, accessible spaces where consumers can obtain in-person advice, view, and purchase a wide range of available cannabis options.

Online e-commerce with direct to consumer sales is also recommended. This service is already offered in the black market, and if not offered in a legalized framework will continue to operate to serve demand. E-commerce is also important for citizens that live in rural areas or have mobility issues that might have difficulty accessing cannabis from a brick and mortar store.

Additional Recommendations

Federal responsibilities

CTAC believes that there are several aspects of cannabis legalization that are currently regulated by the Government of Canada, but that the province of British Columbia should be actively engaging their federal counterparts on.

Product availability: Currently Bill C-45 severely restricts the types of products that will be available in the legal recreational cannabis marketplace. It is important that products that already exist in the black market, and for which there is a high level of demand, are available to consumers in the regulated marketplace. Otherwise this will result in niche areas in which the black market will continue to thrive.

Potency: The federal task force recommended against capping potency in the adult use market. This will again result in pushing demand for these products towards the black market. Additionally, issues related to potency and psychoactivity are far more complicated than simply restricting THC levels. Different products with similar levels of THC potency, when consumed through different methods, may have markedly different psychotropic effects. It is essential that governments more closely study this



issue and adhere to good public policy rather than myths that have existed in the black market for decades.

Production capacity: It has become clear that Licensed Producers are currently not producing enough cannabis to supply the demand that will result from legalization.

The process to become licensed is incredibly onerous and time consuming. In order to meet demand Canada will have to license hundreds if not thousands of producers. Far more than the 68 currently licensed to produce cannabis.

While oversight of production currently falls to the federal government, the provincial government should advocate for the ability to license, permit, and regulate small scale producers. This will allow many British Columbians that currently work in the “grey” cannabis industry to transition into a fully regulated business, as well as supply additional product to the under-supplied legal market.

Testing: There is a need for more licensed laboratories. Currently there is nowhere near enough to meet demand, and there is a dearth of standardization between existing laboratories. This is an area the province should be very concerned about, to ensure that consumers are purchasing a safe product.

CTAC recommends creating a cannabis monograph, similar to what was recently done in Germany, for testing labs. The problem that currently exists worldwide in cannabis testing is lack of consistency. Labs all use different standards, different equipment, different assumptions, leading to vastly different testing results. This poses a real challenge to businesses and to product safety.

Pardons, amnesty and expungement: The province should advocate for pardons, amnesty and expungements for British Columbians that have been convicted of minor cannabis related offences. These convictions severely limit the ability of many British Columbians to seek gainful employment, travel freely, and contribute to society. Additionally, those that have convicted for a minor offense that will now be legal should be allowed to participate in the new legalized framework.

Conclusion

The Cannabis Trade Alliance of Canada appreciates the opportunity to provide recommendations to the Cannabis Legalization and Regulation Secretariat.

We look forward to continuing to work closely with ministry staff to develop inclusive public policy that will allow for a safe, thriving and mature cannabis industry to flourish in British Columbia.

Thank you for allowing us to provide our input on this important initiative.

Kindest regards,

Rosy Mondin
Executive Director
Cannabis Trade Alliance of Canada



SUBMISSION TO THE BRITISH COLUMBIA GOVERNMENT'S CANNABIS CONSULTATION

October 2017

Canopy Growth Corporation

Canopy Growth Corporation (CGC) operates the largest network of legal cannabis production sites in the world. This includes its flagship Smiths Falls campus presently operating a footprint of 168,000 square feet of GMP-certified production space, as well as the world's largest cannabis greenhouse facility, Tweed Farms, with over 350,000 square feet of GMP-certified growing space under glass. These, plus four other licensed production sites and one sales only licensed facility, give Canopy a footprint of almost 700,000 square feet of production currently in operation.

From its inception back in 2012, the management of Canopy Growth Corporation has been steadfastly focussed on establishing the best brands that genuinely reflect who we and our partners are; building the diversified capacity to support those brands in a rapidly growing market; leading the Canadian cannabis sector with integrity to push the dialogue on cannabis forward; and creating something uniquely Canadian that we can proudly bring to the world.

Canopy Growth was the first to introduce the now standard concept of Compassionate Pricing to make medical cannabis affordable for patients, and we remain proud to continue supporting a patient's right to grow at home by selling the widest variety of seeds in the sector.

Our commitment to education has and always will be unwavering, as the first Canadian cannabis company to offer Mainpro-M1 accredited continuing medical education programs to doctors, and to launch in-person assistance through our Tweed Main Street storefront locations. Tweed was also the first Canadian producer to be approved to export dried cannabis to Germany, and our wholly-owned German subsidiary continues to offer several varieties for sale through German pharmacies. Canopy currently exports cannabis to Brazil, Chile, Australia and Germany.

BC Tweed

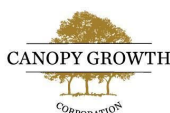
BC Tweed is currently an applicant cannabis producer under the Access to Cannabis for Medicinal Purposes Regulations (ACMPR). BC Tweed is a joint venture agreement between Canopy Growth Corporation and a large-scale greenhouse operator to develop 1.3 million sq. ft. of greenhouse growing capacity in British Columbia with an exclusive option to develop a further 1.7 million sq. ft. of existing greenhouse infrastructure at a second BC location. BC Tweed is Canopy's first foray into medical cannabis production in the province of British Columbia.

Executive Summary

Canopy Growth Corporation (CGC) endorses the government's objectives of protecting young people, making health and safety a priority, keeping criminals out of cannabis and keeping our roads safe.

CGC recommends allowing for a broad range of cannabis retail options, included, but not limited to: private and government-owned retailers, and direct-to-consumer online sales. Online sales allow consumers to access products that may be otherwise unavailable in store, and also facilitate access for British Columbians living in rural areas. Age verification and paywall technology can effectively shelter minors from legal online cannabis sale environments.

A diversity of regulated and licensed retail options for cannabis will ensure that all cannabis consumer segments are well served by the legal market to the detriment of the illicit market. Under the ACMPR, the



infrastructure is already in place to allow for well-regulated seed-to-sale tracking of cannabis from production to the end user, and could be easily adapted to the adult recreational market.

Similarly, a diversity of competitively priced products are also key to the success of this historic undertaking. We strongly recommend that a broad range of cannabis products be made available, including but not limited to: dried cannabis, cannabis oils, cannabis capsules, cannabis food products, cannabis resins, and cannabis vaporizer pens in order to curb the illicit market, once federally legal.

Finally, we are keenly aware of the need for social responsibility and prevention efforts geared towards reducing the potential harms of cannabis in vulnerable people, particularly youth. CGC is dedicated to social responsibility and is already engaged in partnerships with Mothers Against Drunk Driving and Parents Action on Drugs (PAD) on campaigns aimed at preventing problematic use among minors and cannabis-impaired driving.

It is our view that cannabis legalization is an enormous opportunity for the province of British Columbia; one that will improve public safety and public health.

Minimum Age and Education

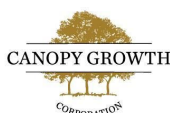
Canopy Growth Corporation believes the Government of B.C. should set a minimum age limit aligned with neighbouring jurisdictions, namely Alberta, to avoid cross-border purchases. As well, the government should invest heavily in education, prevention, and harm-reduction efforts, in addition to an accredited retailer education program.

Canopy Growth Corporation knows that legalizing cannabis for recreational purposes has raised concerns over increased youth use. By strictly regulating cannabis production and distribution, policy-makers hope to decrease youth usage rates by focusing on fact-based prevention and education efforts, as well as controlling access points and availability.

CGC is building a contemporary business that contributes to its communities and its stakeholders in a meaningful way and recognizes the need to communicate with young people in a modern, no-nonsense manner.

Canopy Growth Corporation recognizes that legalization could prompt some who may otherwise not have tried cannabis, to partake. It is imperative that this important policy change be accompanied by several campaigns geared towards prevention, education, and harm reduction.

It is our belief that sensible regulations can be crafted that both cater to the needs of cannabis consumers, while addressing the needs of public health and safety. CGC has developed a great deal of training tools and educational content specifically for this purpose. It would be our pleasure to share these tools with the B.C. government in order to develop best practices for health professionals as well as for retailers.



Public Consumption

It is important that cannabis consumers not be relegated exclusively to their private dwellings, especially if they live in rented dwellings that prohibit the activity. Regulated and age-controlled private enterprises should be able to open establishments where people can consume cannabis on site. The government of B.C. needs to create policies that allow for consumers to use cannabis in these environments. Such establishments also provide government and public health agencies an opportunity to meaningfully engage with cannabis consumers and conduct research.

Personal Cultivation

We endorse the inclusion of personal production in the Cannabis Act. Seeds and starting materials should be acquired from legal sources through a retailer or a licensed producer, and measures should be put in place to allow for control to ensure it remains for personal consumption.

Impaired Driving

We recognize the need for public education on the risks of impaired driving. As mentioned previously, CGC has designed programs to educate consumers around the dangers of impaired driving. As part of our corporate social responsibility, we have undertaken certain initiatives to aid in this effort by partnering with Mothers Against Drunk Driving (MADD) and Parent Action on Drugs (PAD).

Distribution and Retail

Cannabis Sales Model

Canopy Growth Corporation supports allowing a broad range of cannabis retail options, including, but not limited to: private, and government operated retail stores, all of which would be complemented by direct-to-consumer online sales via federally licensed producers. We consider these models not to be mutually exclusive, but rather, complementary. A diversity of regulated and duly licensed retail options for cannabis will ensure that all cannabis consumer segments are well served by the legal market.

Our infrastructure is already equipped to allow for well-regulated seed-to-sale tracking of cannabis from production to the end user. CGC recommends against the creation of a three-tiered production-distribution-sale system similar to the system currently in place for alcohol.

CGC believes it is in the best interest of the Government of B.C. to give cannabis entrepreneurs the opportunity to compete in this emergent industry by issuing licences for private retail establishments for cannabis. Cannabis retailers should be required to have a license connected to all points of sale, as is currently done in restaurants and retail stores across B.C. where alcohol is sold. Age verification and other pertinent cannabis training must be mandatory for all staff. CGC is willing and able to assist retailers with staff training efforts and education around safety, responsible use and sale, keeping cannabis away from kids, strain and product selection, and other issues facing regulators.



Route to Market

CGC also believes it should be able to choose how its products are transported to retail points. Whether through private distributors, direct CGC owned delivery or in conjunction with a government run distributor, licensed producers should be allowed to choose to promote maximum efficiency supporting low markups and price competitive cannabis versus the black market

Online Cannabis Sale

We fully support the maintenance of a direct online purchase option for cannabis consumers that complements the regulated brick-and-mortar retail sale of cannabis established provincially. Online sales allow consumers to access products that may be otherwise unavailable in a store, and also facilitate access for British Columbians living in rural areas. Age verification and paywall technology can effectively shelter minors from online legal cannabis sale environments.

Cannabis Supply

The B.C. government should, together with the federal government, take steps to ensure that cannabis sold in any retail model is safe and clean cannabis, produced by one of the many licensed producers in Canada.

Marketing and promotion

Cannabis is not tobacco. It is our position that what is currently permitted for beverage alcohol in terms of marketing and promotional restrictions should apply to the cannabis industry. Legally regulated cannabis producers and distributors must be able to establish brand identities, while governments promote responsible consumption and fund education and awareness campaigns. Canopy Growth Corporation does not want to incite new consumption, but rather, offer current adult consumers the information they need to transition and have confidence in a licit source of quality branded cannabis.

Cannabis production and quality control

Canopy Growth is a world leader in cannabis production thanks to the rigorous Access to Cannabis for Medical Purposes Regulations (ACMPR) regulatory regime and its own commitment to the highest standards of production. The current ACMPR serves as an excellent model for production going forward as our facilities are regularly inspected by Health Canada. All cannabis produced under the ACMPR is rigorously lab tested for cannabinoid levels, pesticide residues, heavy metals, microbiological and other contaminants, and the infrastructure is already in place to contact all possible consumers in the event of a product recall.

To avoid duplication and additional administrative burdens, the federal government should continue to regulate exclusively the production of cannabis considering that the production of cannabis is currently well regulated.

With respect to THC levels, the Government of B.C. should not limit THC on inhaled products because it limits consumer preference and encourages an illicit market for those very products.



Conclusion

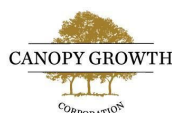
Canopy Growth Corporation (CGC) endorses the government's objectives of protecting young people, making health and safety a priority, keeping criminals out of cannabis and keeping our roads safe.

On behalf of Canopy Growth Corporation and its B.C. based subsidiary BC Tweed, we want to thank you for the opportunity to contribute to this important and historic consultation. The legalization of cannabis marks an important moment in our history. We strongly believe that legalization will result in net benefits to society in general. We are preparing our business to lead the legal recreational market that is set to open in B.C. and Canada in 2018, while continuing to be the clear leader in the ongoing medical market. Our collaborative effort with governments is based on proposing sensible, fact-based and effective policy proposals that we hope will guide policymakers in the months ahead, to strike a balance between financial, economic, public safety and health imperatives.

We hope that the information provided will be useful to you in your consultation leading up to legislation regulating cannabis in B.C.

Sincerely,

Jeff Ryan
Head, Government and Stakeholder Relations





POLICE BOARD

MUNICIPALITY OF CENTRAL SAANICH

1903 MOUNT NEWTON CROSS ROAD, SAANICHTON, B.C. V8M 2A9

October 31, 2017

The Honourable Mike Farnworth, M.L.A.,
Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister,

Re: Invitation for Submissions – Cannabis Regulation in British Columbia

Thank you for the opportunity to provide comment on your recent consultation regarding the regulation of cannabis in British Columbia on behalf of the Central Saanich Police Board (CSPB). As a police board and agency responsible for the public safety of a community of over 15,000 residents in the Capital Regional District, we are watching with interest how the provincial government will implement a regulatory cannabis framework in response to legalization by the federal government.

Overall, we are supportive of the public safety related measures identified in the discussion paper. A consistent theme we hear from our community, is an interest in road safety and traffic enforcement. As such, we are particularly supportive of the discussion paper's proposed approach to the issue of drug-impaired driving. While drug impaired driving is already prohibited under the Criminal Code, CSPB supports amendments to set a blood tetrahydrocannabinol (THC) limits such that it may be treated similar to blood alcohol limits in place for alcohol-impaired driving. Additionally, providing police officers with options to issue administrative penalties for cannabis impairment similar to alcohol impairment would provide additional tools for maintaining and enforcing road safety in our community.

Among other things, the discussion paper outlines questions to be resolved around minimum age and consumption location restrictions. CSPB would support measures that make public safety as a key factor in answering these questions. Issues concerning public intoxication, especially in locations utilized by youth, should be considered in the context of community safety when considering the overall legislative and regulatory frameworks that will be applied.

Thank you again for the opportunity to contribute to your consultation on this matter. We welcome the opportunity to discuss further our views to this issue or on any other public safety matter as it relates to our community.

Kind Regards,

Mayor Ryan Windsor, Chair
Central Saanich Police Board

Legalization of Cannabis in Canada: Implementation strategies and public health



University
of Victoria
Centre for
Addictions
Research of BC

Scott Macdonald, Tim Stockwell, Dan Reist, Lynne Belle-Isle, Cecilia Benoit,
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Summary of Recommendations

- 1 The Federal government should provide guidelines for the production and sale of cannabis that includes the specific objective of minimizing harms to users.
- 2 Cannabis should be sold in government-controlled stores and individuals should be allowed to grow specified quantities for personal use.
- 3 Standardized labelling on all cannabis products should include at least percent of THC, product weight, number of “standard doses” and percent of cannabidiol (CBD).
- 4 Regulations encourage the development and use of less harmful products. Cannabis products that may be attractive to children should be sold in tamper resistant containers.
- 5 Minimum prices are set per standard dose (based on THC content) and Canadian jurisdictions strive for a consistent approach to pricing of cannabis products.
- 6 Products derived from cannabis for medicinal purposes should be prescribed by doctors and dispensed by pharmacists.
- 7 Cannabis sales are subject to the same age restrictions as alcohol in each province.
- 8 A well-developed set of advertising regulations is needed with a public complaints mechanism.
- 9 Civil sanctions are created for cannabis impaired driving similar to the current BC alcohol impaired laws. Drivers should have a choice as to whether to provide a urine, saliva or blood sample while being advised that blood is the most accurate.
- 10 Investment is made in effective strategies to increase Canadians’ health literacy related to drug use to equip them to make informed healthy choices about cannabis use.
- 11 A high percentage (10% or more) of revenue gains from the sale of cannabis products is directly diverted to health promotion, education, research and treatment.
- 12 Enforcement against violations of regulations related to cannabis should be treated similarly to current regulations related to tobacco and alcohol.

Background

The Federal government is committed to legalizing the sale and use of cannabis in Canada in spring 2017 (Smith, 2016). Cannabis is a popular drug and its criminalization has been costly and ineffective in deterring use (Nolin et al., 2002). Legalization entails new challenges of balancing the potential harms associated with cannabis use with potential societal benefits, including the likely substantial government revenues accruing from its sale. Going forward with legalization, many lessons can be learned from alcohol and cannabis legalization in other jurisdictions. In response primarily to major social problems associated with excessive use, alcohol was banned in several Canadian provinces and the U.S. in the 19th and early 20th centuries with benefits of lower per capita consumption and alcohol-related harms (Blocker, 2006). However, in jurisdictions with prohibition the illicit distribution of alcohol by organized crime was common, courts were clogged with drink related prosecutions, unscientific alcohol curricula were taught to students, and prohibition was largely viewed negatively (Blocker, 2006). Despite some public health benefits including reduced deaths from liver cirrhosis (Blocker, 2006), it was apparent to many that the costs of prohibition outweighed the costs of legalization. Close to a century after prohibition, alcohol has been gradually liberalized, propelled by public preferences and pressures from vested commercial interests. Concurrently, the acute harms such as alcohol-related traffic crashes and violence, and chronic health conditions, such as liver cirrhosis, have escalated. Today, alcohol has been rated as more harmful to oneself and others than any other drug (Nutt et al., 2010).

Population surveys show that a large proportion of the Canadian population has used cannabis, which suggests normalization. About 11% (3.1 million) of Canadians reported use in the past year (Health Canada, 2013) and over 40% have used cannabis in their lifetime. In 2002, 1.5 million Canadian citizens were reported to have criminal records for possession of cannabis (John Howard Society, 2002). In 2014, over 66% of drug related crimes were reported for cannabis in Canada, with approximately 68,000 total cannabis offences and about 57,000 of those were for possession (Boyce, 2015). The negative impacts of criminalization against cannabis users have been documented (Erickson, 1980). As pointed out by the Senate Special Committee on Illegal Drugs, laws are, ideally, a source for normative rules that should be used sparingly while respecting the freedoms of individuals to seek their own well-being, and current supply-reduction policies have been ineffective (Nolin et al., 2002). Given that the annual costs of police enforcement and sentencing for crimes related to all types of illicit substances were estimated at 1.4 billion dollars a decade ago (Rehm et al., 2006), annual enforcement costs for cannabis alone likely exceed 1 billion dollars per year today. Under most models, legalization allows profits from sales to be diverted to governments. These factors have all likely contributed to the Federal government's commitment to legalize cannabis.

Prohibition of alcohol and cannabis was intended to minimize use of these substances and the associated harms to individuals and society, but enforcement became too onerous in relation to the popularity of these substances. The acute effects of cannabis can compromise short-term memory, increase anxiety, paranoia, and psychotic symptoms, and reduce perceptual abilities that can increase the likelihood of injury, especially while driving a car (Hall, 2014). Negative effects from chronic use include possible dependency, respiratory illnesses and possible cancers when smoked (Gordon et al., 2013; Hall, 2014). There is a possible link between chronic use and schizophrenia (Minozzi et al., 2010; Murray et al., 2007) and rare cases of hyperemesis syndrome, characterized by nausea and vomiting (Wallace et al., 2011). In terms of positive effects, many users report pleasant euphoric effects, social benefits and some medicinal effects noted later in this report.

As members of the Centre for Addictions Research of BC (CARBC), University of Victoria with expertise regarding the societal impacts of substance use, we have prepared this Bulletin to recommend some overarching strategies to help reduce potentially negative consequences of legalized cannabis. We are all currently actively involved in conducting research into substance use issues in society and have related graduate training in diverse disciplines, including Anthropology, Criminology, Epidemiology, Nursing, Philosophy, Psychology, and Sociology (see more details of our backgrounds and research at www.carbc.ca). Our intent is not to debate legalization, which has been addressed in several policy documents (see Nolin et al., 2002, Centre for Addiction and Mental Health, 2014); we all agree that criminalization of cannabis has yielded few benefits. In this Bulletin, we recognize that legalization provides opportunities to prevent and reduce harms that could not be adequately addressed in a criminalized environment. We take a public health approach and recommend some key policies and practices that aim to strike a delicate balance between ensuring fiscal benefits for government and the social responsibility of regulating substances that are potentially harmful to the health of Canadians. This Bulletin is divided into two main sections: (1) regulations for sales of cannabis, and (2) other strategies to minimize harms from use.

Regulations for sales of cannabis in Canada

Governance of cannabis sales

Historically, the prohibition of alcohol in Canada was instituted in the existing provinces as well as in the Northwest Territories between 1856 and 1919, but later repealed in various years, with Prince Edward Island being the final province to legalize alcohol in 1948 (Hallowell, 1988). As well, municipalities could prohibit the sale of alcohol and today, several Canadian communities, primarily indigenous reserves, are currently “dry” with no sales outlets and alcohol use forbidden. Many of these communities are facing extreme challenges from being alcohol free while surrounded by outside jurisdictions where alcohol is readily accessible. Bootlegging and smuggled black market alcohol is common. The lesson to be learned is that such disparities between jurisdictions can create additional social problems for those areas that attempt to prohibit sales, even though there is strong evidence that dry communities have significantly lower rates of alcohol-related deaths compared with other similar but not “dry” communities.

Although the Federal government plans to introduce legislation in 2017 to eliminate cannabis possession and sales from the criminal code, the commercial sale of cannabis may still be restricted by provincial/territorial and municipal rules and regulations. This means that although the use and sale will be legal, not necessarily every province/territory and municipality will permit the sale or use of cannabis in all areas or indeed anywhere. Similarly, the sale and distribution of alcohol in Canada is governed by the provinces/territories, which has resulted in diverse systems of liquor distribution, from privately controlled to government controlled stores, with regulatory practices for beer, wine and spirits varying by area. Lessons can be learned from the Federal regulation of alcohol production and sales (in the Excise Act).

R¹

recommendation 1: We recommend that the Federal government provide guidelines regarding the production and sales of cannabis, including recommendations for regulations aimed to minimize harms to users.

Type of distribution system

Research on alcohol distribution indicates that government controlled stores are more effective than privately controlled stores in addressing issues around mitigating negative public health consequences related to alcohol use (Her et al., 1999; Stockwell et al., 2012). Government controlled distribution systems can better control pricing, labelling, overall outlet density, enforcement of minimum age restrictions and also restrictions on sales to impaired customers. Government systems are best suited to minimizing harms. Since cannabis is relatively simple to grow, it will be impractical to prohibit cultivation of small quantities.

R²

We recommend cannabis be sold through government controlled stores and that individuals should not be prohibited from growing specified quantities for personal use.

Labelling of products

A major benefit of legalization is that products can be regulated and standardized so that consumers are better informed regarding their constituents. Increased awareness by consumers can be helpful to mitigate potential negative consequences from use.

Legalization should require chemical analysis of products so that purchasers are aware of the amount of THC (the main psychoactive constituent) and CBD (an important constituent for medicinal use) in the product before use. Federally mandated labelling requirements should assist in helping consumers understand differences among cannabis products.

Studies of alternative health-related labelling for alcohol indicate that labelling the number of “standard drinks” in a container assists consumers to estimate whether they will have exceeded national low risk drinking guidelines (Osiowy et al., 2015). Labelling of percent alcohol content alone was shown to be insufficient. The development of standardized doses, similar to the idea of a “standard drink,” could allow users to be better informed of the amount of THC in a given product. Labelling products in terms of standard doses of THC (e.g. “joints”) would enable consumers to better follow future low risk cannabis use guidelines (Fischer et al., 2011). Research has been conducted on how to best define “standard joints” (Zeisser et al., 2012), which could be helpful in defining standard doses, including different product forms, such as concentrates (e.g. hashish, oils) and edibles.

R³ We recommend standardized labelling on all cannabis products. Standardized labelling should include, as a minimum, the percent of THC, the weight of each product, and the number of standard doses (based on THC content), and the percent of cannabidiol (CBD). The amount of THC in an “average joint” may be a useful basis for defining a standard dose.

Types of cannabis products

Various cannabis products have different associated risks. Legalization provides an opportunity to put in place regulations to minimize the potential harm from cannabis use. Research suggests that marijuana smoking is harmful to the lungs even though the impact may be different than for tobacco (Tetrault et al., 2007). Vaporizers can be used to extract THC at low temperatures below the point of combustion of plant matter and thus reduce the harms associated with smoke. Cannabis and its constituents can also be taken as edibles, tinctures, pills or in other forms. Although these forms of use eliminate potential lung problems, they can pose other risks. For example, when used orally, the effects are considerably delayed making it harder for the person to sense immediately the impact, potentially leading to consumption of a higher dose than desired (Hartman et al., 2015a); in the hands of children, tasty edibles or other oral products could be problematic.

R⁴ We recommend that cannabis policies and regulations recognize the diverse harm potential of different cannabis products and that policies and regulations seek to encourage the development and use of less harmful products and mitigate the harms wherever possible. Cannabis products that may be attractive to children should be sold in tamper resistant containers to prevent accidental harm.

Pricing of products

A balance must be struck in relation to prices for cannabis. If prices are too high in comparison to production costs or prices in neighboring jurisdictions, illegal markets can emerge (Kleiman, 2015). However, higher absolute prices and minimum prices of alcohol have been shown to be related to lower rates of alcohol-related morbidity and mortality (Stockwell et al., 2013; Wagenaar et al., 2010).

R⁵ We recommend that minimum prices be established per standard dose (based on THC content) of cannabis and that Canadian jurisdictions strive for a consistent approach to pricing. The pricing regulations should seek to minimize the negative health impact of cannabis while also minimizing the potential for a black market.

Medical cannabis

CBD is a non-psychoactive constituent in cannabis that has been studied for its medicinal effects, such as to reduce anxiety (Brenneisen, 2007). Strains of cannabis vary considerably in terms of their THC or CBD contents. These cannabis compounds can produce analgesic effects (Watson et al., 2000), and have been found to be beneficial for some neurological conditions (Koppel et al., 2014). In Canada since July, 2001, cannabis could be prescribed by physicians to patients for a variety of medical conditions but barriers to access have existed (Belle-Isle et al., 2014). More research is needed to better understand the different benefits of different chemical compounds in cannabis. Currently, few insurance plans cover the costs of cannabis for medicinal purposes, although this will likely change in a legalized environment. Cannabis as a medicine is distinct from cannabis as a recreational drug and should be treated as such in a regulated market.

R⁶ We recommend that products derived from cannabis for medicinal purposes and prescribed by doctors be dispensed by pharmacists as safety standards for medical products are at a higher standard and ingredients and products should be specific to address a particular medical condition.

Age restrictions

Use of cannabis by youth is a major issue with respect to legalization. Past year use of cannabis is highest among 18- to 24-year-olds (Statistics Canada, 2015). While cannabis use among Canadian young people seems to have decreased since 2002 (Public Health Agency of Canada, 2008), according to UNICEF, Canada has the highest percentage among rich countries of the world of children aged 11, 13 and 15 who report having used cannabis in the last 12 months (UNICEF Canada, 2013). Given that youth have been most likely to use cannabis under the criminalized regime, it is unlikely that age restrictions for sales will be successful in preventing all youth from using cannabis. However, age restrictions may help delay the onset of use for some.

R⁷ We recommend sales be subject to the same age restrictions as currently used for alcohol in each province. Any penalties for sales violations should be aimed at sales personnel and adults rather than those who are underage.

Advertising

Research on alcohol advertising indicates that promotion encourages use (Anderson et al., 2009). A particular concern is advertising aimed at youth (Saffer, 2002). A related concern is that much alcohol advertising is seen by underage youth and that, despite attempts by the alcohol industry to self-regulate content, promotions that glamourize drinking can still be found, especially in social media and on the internet generally. Some alcohol products, such as alcopops, are particularly attractive to youth (Saffer, 2002).

In Colorado, where cannabis was legalized in 2012, numerous cannabis-infused products including chocolates and candy can be purchased. As noted above, these products may be less harmful than smoking, but they also can be appealing to children and youth. The State of Colorado has taken the position that cannabis advertising should be regulated in a way similar to alcohol and has developed a comprehensive set of regulations (Colorado Department of Revenue, 2013).

R⁸

We recommend that cannabis advertising be subject to a well-developed set of regulations similar to those developed to regulate alcohol advertising and that these regulations give particular attention to prohibiting any advertising aimed at children and youth. A public complaints mechanism should be set up to allow reporting infringements and compliance enforcement should be a priority.

Other Strategies to minimize harms from cannabis use

As noted in the introduction of this Bulletin, use of cannabis can cause some short and long term negative consequences, which should be addressed under a new system.

Driving while under the influence of cannabis

Driving under the influence of cannabis can be dangerous, which legitimates appropriate legal measures to protect the well-being of motorists and others (including, e.g., graduated licensing programs with zero tolerance of impairment in novice drivers). Enforcement of laws against impaired drugged driving is challenging to implement because the validity of drug tests for cannabis to assess impairment ranges from poor to moderate. Although cannabis use can be detected with oral fluids, urine, hair and sweat, studies have not found that these types of tests are accurately related to crash risk. Only blood tests for THC provide a moderately valid diagnosis for impairment. A meta-analysis of THC levels in blood and crash risk shows a significant relationship between the two (Asbridge et al., 2012); however, not enough research is available for empirically-established precise thresholds for impairment. The literature does provide some helpful points of reference. Empirical evidence suggests that a threshold of 6-8 ng/ml THC in blood is roughly equivalent to a blood alcohol content (BAC) of 0.05% alcohol (Grotenhermen et al., 2007). A recent laboratory study by Hartman et al. (2015b) found that 13.1 ng/ml THC in blood corresponds to a BAC of 0.08%. Thresholds and penalizing approaches to driving under the influence vary considerably across countries (Wong et al., 2014). In Canada, criminal convictions for drug impaired driving have relied on signs of impairment visible to police, usually followed by a positive drug test of urine, blood or oral fluids - a sequential procedure that reduces the likelihood of false positives for detecting impairment. A recent intervention study of impaired driving by alcohol in BC found that civil sanctions are both expedient and effective in reducing alcohol-related crashes (Macdonald et al., 2013).

R⁹

We recommend a system similar to that in BC for alcohol related driving which also includes civil sanctions and allows for criminal code violations. Those suspected of driving under the influence of cannabis under a criminal code should be given a choice of the type of biological sample to produce and be informed that blood tests are the most accurate form of drug testing for impairment. Conviction could result for those who refuse to provide any sample but have visual indicators consistent with impairment. A THC threshold of 6 ng/ml for a blood sample should be needed for penalization to apply.

Education and Prevention

The change in the legal status of cannabis presents an opportunity to engage Canadians in meaningful drug education initiatives. A health promotion approach to cannabis education would place healthy individuals, families and communities at the forefront. Health promotion efforts should enable people to increase control over their health and, ultimately, reduce the potential health and social harms associated with cannabis use. This means ensuring easy access to evidence informed information that reflects the complexity of the issues, opportunities for critical thinking and interpersonal dialogue and the means to develop personal and social skills. One promising drug education approach is represented by the iMinds program in BC. As we repeal prohibition on cannabis, we need to invest in such health promotion approaches.

R¹⁰

We recommend investing in effective strategies to increase Canadians' health literacy related to drug use to equip them to make informed healthy choices about cannabis use. This should involve delivering theoretically sound drug education programs in all schools as well as a range of evidence-informed public education strategies.

Treatment

Increased frequency and quantity of cannabis use can lead to cannabis use disorders. Although research shows that a lower percent of users transitions to dependence (the most severe level of disorder) from cannabis use than from nicotine, cocaine or alcohol use (Lopez-Quintero et al., 2011), substance use treatment agencies report considerable admissions for cannabis disorders.

R¹¹

We recommend that a high percentage (10% or more) of revenue gains from the sale of cannabis products be directly diverted to health promotion, education, research and treatment.

Enforcement

Law enforcement should be directed toward prevention of a black market, activities that may harm others, such as cannabis impaired driving, and aimed at ensuring standards of public health. Regulations similar to tobacco to protect those from second hand smoke should apply.

R¹²

We recommend that enforcement against violations of regulations related to cannabis should be treated similarly to current regulations related to tobacco and alcohol.

Conclusions and summary of recommendations

Going forward with cannabis legalization, many lessons can be learned from the Canadian experience with legalization of alcohol. Over time, Canadian populations have acclimatized to legal alcohol and have endorsed easier access. However, cannabis like alcohol is no ordinary commodity and a delicate balance is needed between the pressures for liberalization and public and individual health harms (Babor et al., 2010).

The onset of legalization will likely be associated with a substantial new economic sector largely geared towards maximising profitability, and a host of new cannabis products that will emerge to encourage use. If effective regulatory pressures can be applied, these products will include smokeless alternatives that will reduce long-term health consequences but may increase negative acute and social consequences. Legalization also presents more open opportunities for objective research on benefits and harms.

The recommendations in this report are primarily aimed at regulations that should be mandated at the Federal level and provide guidance to jurisdictions that choose to legally sell cannabis.

Disclaimers and acknowledgements

Views in this Bulletin are shared by the authors and do not necessarily reflect the views of other members of CARBC or the University of Victoria.

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Non-medical Cannabis Legalization & Regulation in British Columbia
Child & Youth Health Considerations
Submission to Ministry of Public Safety and Solicitor General

Child Health BC is grateful to have received the request to provide a written submission to the Ministry of Public Safety and Solicitor General to help inform the development of a provincial regulatory framework for non-medical cannabis for British Columbia. Our submission will focus on children and youth and will: (1) provide evidence/data regarding cannabis use by youth in BC; (2) summarize key findings regarding the health effects of cannabis on youth; and (3) summarize key evidence/considerations from our recently completed jurisdictional review regarding cannabis regulation and youth. These considerations will be presented in accordance with the theme areas outlined in the Ministry of Public Safety and Solicitor General's Discussion Paper.

Child Health BC is a network whose Steering Committee brings together child health leadership from BC's seven health authorities, professional societies relevant to children such as the BC Pediatric Society and Principals and Vice-Principals Association and academic partners from UBC. Four key ministries related to child health – Ministry of Health, Ministry for Children and Family Development, Ministry of Education and Ministry of Social Development and Poverty Reduction – also attend. Child Health BC, as an initiative of BC Children's Hospital, is supported by the BC Children's Hospital Foundation.

How many children and youth use cannabis? Use of Non-medical Cannabis – Canadian and BC Data

Cannabis is the world's most widely used illicit drug. Canadian youth are the top users of cannabis in the developed world according to a 2013 UNICEF Office of Research reportⁱ. Despite a decrease in cannabis use among youth in recent years, cannabis remains the most commonly used illegal drug among Canadian youth, 15 to 24 years of age. The percentage of youth (22%) and young adults (26%) who used cannabis in 2013 was more than two and a half times that of adults 25 years and older (8%) according to Statistics Canada's Canadian Tobacco, Alcohol and Drug Surveyⁱⁱ.

With respect to BC-specific data, in the recently released joint report of Child Health BC and BC's Provincial Health Officer, entitled *Is "Good", Good Enough? The Health & Well-being of Children & Youth in BC*, (www.childhealthindicatorsbc.ca), based on data collected in 2013, approximately one-quarter of youth surveyed (25.5%) reported having ever used marijuana. This percentage was a decrease from the 37.4% of BC youth who responded to the same population-based survey in 2003ⁱⁱⁱ. Additionally, the 2013 data was positive in that it also showed a decrease between the years of 2008 and 2013 in the percentage of youth who reported using marijuana at least once in the past 30 days. While this decrease is in a positive direction, it is notable that there was significant geographic variation across the province with approximately 8% point difference between percentages of children who used in the past 30 days across geographic areas, the lowest (11.6%) being the geography associated with Fraser Health and the highest (19.4%) being the geographic areas associated with Northern Health. The details regarding this data can be found at: <http://www.childhealthindicatorsbc.ca/findings/physical-health-well-being/marijuana-use>.

What are the youth health impacts of cannabis?

The health impacts of cannabis use amongst young people are considerable and the potentially harmful effects are serious with the developing brain especially sensitive to the negative consequences of cannabis use. The Canadian Paediatric Society^{iv} has summarized the following about the implications of cannabis use amongst young people:

- Scientific research over the last 15 years has established that the human brain continues to develop into a person's early 20s. Concern is rising that exposure to cannabis during this important developmental period causes greater adverse effects in adolescents compared with older adults, whose brains are fully developed
- It is estimated that one in six adolescents who use cannabis during their adolescence will meet criteria for dependence.
- Research suggests a strong association between daily cannabis use and depression in adolescents and young adults. However, a causal relationship has not been established.
- Cannabis can produce an acute/transient psychosis in adolescents, even without a history of prior mental illness. Although the absolute risk for developing psychosis is low, the risk for developing a psychotic outcome of any nature is increased by 40% in individuals who have used cannabis during their lifetime
- Cannabis use is closely tied to the use of other substances, particularly alcohol and tobacco.
- The relationship between cannabis use and academic performance is complex. While direct causation between use and level of performance is uncertain, there are undeniable associations between cannabis use in youth and lower educational attainment

Jurisdictional review with focus on children and youth

With the impending passage of Bill C-45, the Cannabis Act, including the legalization of non-medical cannabis in July 2018, British Columbia has the opportunity to develop a regulatory scheme that is based on clear principles and objectives that will protect the health of young persons across the province.

Child Health BC completed a high-level jurisdictional review of publically available information related to other jurisdictions' approaches to regulating cannabis use with respect to young people. This review focused on current information relevant to children and youth and the BC context.

Within the last five years, a growing number of jurisdictions have legalized non-medical cannabis and implemented regulatory schemes to administer its purchase, growth, possession and consumption. Uruguay was the first, but the American states of Colorado and Washington provide the most robust and established examples of legalization and regulation. Oregon, Alaska, Nevada, California, Maine and Massachusetts have followed, and have regulatory schemes in varying stages of development, implementation and maturity. In Canada, Alberta and Ontario have announced their policy frameworks to guide cannabis legalization and regulation. Other countries have also considered non-medical cannabis use in ways that may be instructive to British Columbia: Portugal, Spain, the Netherlands, and Iceland. In addition, a number of leading health-focused organizations (e.g. Canadian Pediatric Society,

Canadian Mental Health Association, Centre for Mental Health and Addiction, Chief Medical Health Officers of Canada) have considered the policy and regulatory measures that should be adopted by jurisdictions to implement recreational cannabis schemes that promote public health objectives.

Key policy considerations – Relevant Evidence from Jurisdictional Review

Upon reviewing the evidence and information from other jurisdictions, Child Health BC highlights the following considerations for the BC non-medical cannabis policy framework:

Minimum Age:

- Adopt a minimum age in alignment with BC's alcohol and tobacco minimum age, 19 years, which is also the BC age of majority. While some health agencies have called for a higher minimum age (up to 25), this should be balanced with the risk that young people will simply turn to illegal markets to obtain cannabis, putting themselves at greater risk and encouraging the ill effects that come with criminal activity. *(Alignment with alcohol minimum age supported by all jurisdictions reviewed).*

Possession - Youth

- Consider making the possession of 5 grams or less of cannabis subject to measures akin to those for underage possession of tobacco or alcohol (seizure of product, informing parents, fines under provincial law, etc.): do not criminalize the behaviour, but take steps to dissuade it. Youth in possession of cannabis greater than 5 grams should continue to face criminal charges *(supported by the following jurisdictions – Colorado, Ontario, Alberta)*

Public Consumption

- Adopt restrictions that support no public smoking and vaping of cannabis in alignment with tobacco smoking and vaping restrictions. Such restrictions would include prohibiting use in workplaces, enclosed public spaces, on health authority and school board property, transit shelters, common areas of apartment building and community care facilities. In particular, adopt measures that ban consumption in places frequented by children. *(supported by the following jurisdictions – California, Alberta. Public consumption is not permitted in Colorado, Washington, Alaska, Oregon, Nevada, Maine, Ontario)*
- Consider using Canada's *Lower Risk Cannabis Use Guidelines*^v to support the public who consume in making choices about how and what they use to modify their own risks. The main objective of Canada's Lower-Risk Cannabis Use Guidelines (LRCUG) is to provide science-based recommendations to enable people to reduce their health risks associated with cannabis use, similar to the intent of health-oriented guidelines for low-risk drinking, nutrition or sexual behavior. *(supported by Ontario & recommended by the Chief Medical Health Officers of Canada, 2016)*

Drug-impaired Driving

- Consider a zero-tolerance approach for cannabis use among young drivers, regardless of impairment levels for adults (once determined).
- Promote research to develop measures to minimize cannabis impaired driving. *(as recommended by the Chief Medical Health Officer of Canada, 2016)*

Personal Cultivation

- Restrict child and youth access by requiring that the cultivation of cannabis plants by adults (for personal use) occur indoors. *(supported by the following jurisdictions - Alberta)* If outdoor cultivation is agreed to then require that plants not be visible from outside the property and require that plants be secured against theft *(supported by the following jurisdictions - Colorado, Nevada, California, Maine, Massachusetts, Ontario. Washington does not permit personal cultivation)*

Distribution Model & Retail

- Adopt and enforce strict rules against selling cannabis to youth under 19. This should include mandatory training for staff regarding the potency of products and the risk associated with cannabis use. *(supported by the following jurisdictions – Colorado, Ontario, Alberta)*
- Prohibit locations that are close to schools, playgrounds, and other areas that are frequented by children and young people when adopting retail licensing schemes. *(supported by the following jurisdictions – Colorado, Washington, Nevada, Alberta)*
- Prohibit the sale by means of self service or dispensing devices and restrict online sales to individuals identified as being older than the legal drinking age of the province where they reside. *(as recommended by the Canadian Pediatric Society, February 2017)*

Other Key Policy Measures

- Packaging & Labeling Requirements: Support and enforce the proposed federal rules regarding packaging – not appealing to youth (e.g. plain and standardized packaging), no false or misleading information. *(supported by the following jurisdictions – Colorado, Oregon, Washington, Nevada, California);* Consider requiring that cannabis products that may be deemed attractive to children be sold in tamper resistant containers to prevent accidental harm *(supported by the following jurisdictions – Nevada, Massachusetts)*
- Restrictions on Advertising & Marketing: Support and enforce the proposed federal rules stating that advertising cannot be appealing to youth; no false, misleading or deceptive promotion; no sponsorships or endorsements; no depictions of a person, celebrity, character or animal. Packaging cannot appeal to children or youth, or use cartoon characters. In addition, include outright bans on Internet pop-up advertisements and any type of advertisement that targets minors. *(supported by the following jurisdictions – Colorado, Oregon, Washington, Nevada, California)*
- Public Education: Develop and promote a strong public education campaign, with messaging tailored to young people in language that is relevant to them. Campaigns should be developed in collaboration with youth leaders and should include messages from young opinion-leaders and should include information about cannabis laws, use, risks, and resources for interventions and treatments. *(supported by the following jurisdictions – Colorado, Washington, Oregon, Alaska, California, Maine, Massachusetts, Alberta, Ontario)*
- Distribution of Tax Revenue: Consider earmarking a defined proportion of revenue from cannabis sales taxes to public education, research, and intervention programs/treatments. *(supported by the following jurisdictions – Colorado, Washington, Oregon, California, Ontario)*
- Data: Invest in data collection, tracking and analysis to support general research to monitor patterns of cannabis use and the health effects of use. *(supported by the following jurisdictions – Colorado,*

Washington, Maine). In BC, this could include continuing and/or incorporating cannabis-related questions into existing population based surveys (e.g. in BC the McCreary Society Adolescent Health Survey), trauma registries, hospitalizations (DAD) and emergency department surveillance (NACRS).

Foundational to the legalization and regulation of non-medical cannabis in BC is the overarching approach underpinning all of the key policy measures. The Centre for Addiction and Mental Health (CAMH), Canada's largest mental health and addiction teaching hospital and a world leading research centre, released a proposed cannabis policy framework in 2014^{vi}. The basis of the framework was the CAMH's conclusion that "legalization, combined with strict health-focused regulation, provides an opportunity to reduce the harms associated with cannabis use." This public health approach to the regulation of cannabis is further supported in the report *A Framework for the Legalization and Regulation of Cannabis in Canada: The Final Report of the Task Force on Cannabis Legalization and Regulation*^{vii}. The Task Force proposes that a public health approach aims to: delay the age of the initiation of cannabis use; reduce the frequency of use; reduce higher-risk use; reduce problematic use and dependence; expand access to treatment and prevention programs; and ensure early and sustained public education and awareness.

Summary

Supporting the health and wellbeing of children and youth is paramount to our nation and to BC. Policymakers can take steps to minimize the harms associated with cannabis use if public health objectives are put at the centre of change by investing in a public health approach to the legalization and regulation of non-medical cannabis. This approach is vital for maintaining and protecting children's health, especially given the importance of but relatively small size of the child and youth population in proportion to that of adults.

We are eager to do our part to help inform the development of a provincial regulatory framework for non-medical cannabis for British Columbia. We appreciate the opportunity to submit Child Health BC's considerations and we would welcome the chance to work with provincial stakeholders to support the implementation of the framework.

Respectfully submitted

Dr. Maureen O'Donnell, Ms Jennifer Scarr, and Ms Susan Wannamaker on behalf of Child Health BC
November 1, 2017

ⁱ https://www.unicef-irc.org/publications/pdf/rc11_eng.pdf

ⁱⁱ <https://www.canada.ca/en/health-canada/services/canadian-tobacco-alcohol-drugs-survey/2013-summary.html>

ⁱⁱⁱ <http://childhealthindicatorsbc.ca/findings/physical-health-well-being/marijuana-use>

^{iv} <https://www.cps.ca/en/documents/position/cannabis-children-and-youth>

^v https://www.camh.ca/en/research/news_and_publications/reports_and_books/Documents/LRCUG.KT.Professional.15June2017.pdf

^{vi} https://www.camh.ca/en/hospital/about_camh/influencing_public_policy/documents/camhcannabispolicyframework.pdf

^{vii} <https://www.canada.ca/en/services/health/marijuana-cannabis/task-force-marijuana-legalization-regulation/framework-legalization-regulation-cannabis-in-canada.html>



CITY OF CHILLIWACK
OFFICE OF THE MAYOR

October 23, 2017

BC Cannabis Regulation
Honourable Minister Mike Farnworth
Minister of Public Safety and Solicitor General
Parliament Buildings
Victoria, BC V8V 1X4

Dear Honourable Minister Farnworth,

Re: Cannabis Legalization and Regulation in British Columbia – Discussion Paper

Thank you for providing the above-mentioned discussion paper for input. The City appreciates the opportunity to provide comment concerning proposed regulatory issues that will impact local government. I would be remiss, however, if I did not state upfront the City's strong objection to having costs associated with a regulatory scheme downloaded to the municipality. Local governments should not be burdened with the costs associated with the legalization and regulation of cannabis, including matters such as compliance, enforcement and policing without receiving a concurrent share of the revenues to offset that cost.

As detailed below, the City has provided comment on issues that will have a direct impact on the municipality such as public consumption, drug-impaired driving, personal cultivation and retail of non-medical cannabis. The City's recommendations are provided based on an approach whereby cannabis would be regulated in a similar manner to alcohol. The City has not specifically commented on other regulatory issues of a provincial nature, including minimum age, personal possession for adults and youth or the distribution model.

1. Public Consumption

Recommendation: prohibit public cannabis smoking and vaping altogether and establish a licensing scheme to allow designated consumption areas.

The City recommends the prohibition of public cannabis smoking and vaping altogether. Further, the City supports the establishment of a licensing scheme to allow for designated consumption areas (ie: cannabis lounges). In this regard, local governments must be provided the necessary planning and land use management tools to regulate the location of consumption areas and establish minimum development standards through zoning. Similar to tobacco smoking, Council expresses its concern for workers regarding second hand smoke.

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2. Drug-impaired Driving

Recommendation: that the province collaborates with the federal and other provincial and territorial governments to develop science-based standards; and further, expand the Immediate Roadside Prohibition (IRP) and/or Administrative Driving Prohibition (ADP) programs to include drug-impaired driving.

The City agrees that legalization of cannabis has the potential to make our roads less safe and increase instances of cannabis-impaired driving. As such, it is imperative that the province collaborates with the federal and other provincial and territorial governments to develop science-based standards to assess THC level with impairment. Further, both the IRP and ADP programs should be expanded to include drug-impaired driving.

As noted above, the costs associated with the expanded IRP and/or ADP programs and development of science-based standards for assessing impairment should not be downloaded to local governments and/or community policing services under contract with municipalities.

3. Personal Cultivation

Recommendation: set restrictions regarding where and how non-medical cannabis can be grown at home, including prohibiting indoor cultivation. Outdoor cultivation may be permitted but plants must not be visible from outside the property and be secured against theft.

The City is very concerned about risks such as mould, fire hazards associated with improper electrical installation, use of pesticides, and risk of break-in and theft. The City's negative experience with personal cultivation of cannabis and medical cannabis has not been limited to large scale illegal grow operations. Small-scale home cultivation carries the same risks. The growing, propagation or harvesting of crops in a building containing a dwelling unit can pose unsafe, unhealthful or objectionable levels of odour and potentially pose a health or safety hazard to persons or property in areas surrounding such use. Further, the personal cultivation of up to 4 cannabis plants per household appears contradictory with the province's recent initiatives promoting more energy efficient buildings and associated regulatory changes (ie: BC Energy Step Code).

The City also believes that enforcement of a regulatory scheme allowing for personal cultivation should not be transferred to local governments. If personal cultivation is permitted, the province should be responsible for inspecting the sites to ensure compliance and follow up on matters of enforcement, as necessary.

4. Retail

Recommendation: require that cannabis be sold in dedicated storefronts.

The City recommends cannabis be sold in dedicated storefronts and not be sold out of existing businesses such as liquor stores or pharmacies. Similar to liquor sales, the municipality must be given the authority to control locations of retail cannabis operations through zoning and other bylaw tools.

Finally, while the City acknowledges the federal government's decision to make non-medical cannabis legal in Canada, detail concerning how the federal government will license cannabis producers and regulate production and product standards has not yet been provided. The City is concerned about the potential nuisance concerns regarding air quality impacts including odour, dust and pollution. To date, the City's experience concerning illegal and federally-licensed medical cannabis grow operations has been that the noxious odours associated with cannabis negatively impacts the quality of life for our residents. It is our opinion that regulations to date significantly underestimate the potential for odours from the production and processing of cannabis. The province should work closely with the federal government to ensure reasonable setbacks for production and processing facilities are maintained and require a Qualified Professional be consulted with respect to the air quality impacts and provide a specific standard that addresses odour to be incorporated into cannabis regulation.

Again, thank you for the opportunity for the City of Chilliwack to provide feedback on cannabis regulation in BC. Should you have any questions or concerns regarding the above, please contact David Blain, Director of Planning and Engineering, at 604.793.2906 or blain@chilliwack.com.

Warm regards,



Sharon Gaetz
Mayor



October 27, 2017

Honourable Mike Farnworth
Minister of Public Safety and Solicitor General
PO Box 9010 Stn Prov Govt
Victoria, BC V8W 9E2

Dear Minister Farnworth:

Re: BC Cannabis Regulation Engagement

Your letter of September 21, 2017 inviting local governments to provide feedback on cannabis regulation was received by Council at its Regular Meeting of October 23, 2017. Council has considered the topics outlined in the Discussion Paper entitled "Cannabis Legalization and Regulation in British Columbia" and provides the following for consideration:

1. Minimum Age
 - That the minimum age to buy, grow and publicly possess non-medical cannabis in British Columbia be set at 19 to remain consistent with the minimum ages for tobacco and alcohol, and with the provincial age of majority.
2. Personal Possession – Adults
 - That the public possession limit for adults be set at a 30 gram limit to remain consistent with the federal regulations.
3. Personal Possession – Youths
 - That persons under the age of 19 not be able to buy or grow cannabis.
 - That persons under the age of 19 not be criminalized for possession of up to 5 grams as long as law enforcement can confiscate it and has the option of issuing a ticket.
4. Public Consumption – Cannabis Smoking and Vaping
 - That the current restrictions on public tobacco smoking be extended to include cannabis smoking and vaping.
 - That cannabis smoking and vaping be prohibited in vehicles, hospitals, school properties and other areas frequented by children.
 - That local governments be permitted to apply additional restrictions by way of bylaw.

5. Public Consumption – Other Forms of Consumption

- That the current restrictions on public tobacco smoking be extended to include non-inhaled forms of cannabis.
- That consumption of non-inhaled forms of cannabis be enforced under public intoxication and disorderly conduct laws.
- That local governments be permitted to apply additional restrictions by way of bylaw.

6. Drug-Impaired Driving

- That the Province ensure that law enforcement officers are provided with any tools they may need to address drug-impaired driving including additional SFST and DRE training.
- That the Province launch a public education and awareness campaign to inform British Columbians about the risks and potential consequences of drug-impaired driving.
- That the Province adopt a zero-tolerance standard, in respect of blood THC content, be set for drivers under the Graduated Licensing Program and drivers under the age of 19.
- That the Province expand the IRP and/or ADP programs to include drug-impaired driving.

7. Personal Cultivation

- That the Province remain consistent with the federally allotted 4 cannabis plants per household, up to a maximum height of 100 centimetres.
- That the Province restrict the growing of cannabis to indoors and place restrictions on personal cultivation to include security measures to prevent theft and youth access.
- That local governments be permitted to apply additional restrictions by way of bylaw.

8. Distribution Model

- That Province establish a government distribution model to retain the responsibility of warehousing and distribution of cannabis and to ensure direct control over the movement of cannabis products.

9. Retail Sales

- That the Province establish a public or private retail system, or potentially a mix of both, as currently exists for alcohol.
- That the Province establish a direct-to-consumer mail-order system to help provide access to legal cannabis for those in rural and remote locations and persons with mobility challenges.

The City of Dawson Creek also recommends that both the provincial and federal governments consider a revenue sharing system with local governments to help offset the increased administrative, financial and social burdens that may be realized once the federal government legalizes non-medical cannabis in Canada.

Thank you for the invitation to submit stakeholder feedback on the provincial cannabis regulatory system.

Yours truly,

A handwritten signature in black ink, appearing to read 'B. Ginter', with a stylized flourish at the end.

Brenda Ginter
Director of Corporate Administration

c. Cannabis Legalization and Regulation Secretariat
NCLGA

LEGALIZATION AND REGULATION OF NON-MEDICAL CANNABIS IN BC

The legalization of non-medical cannabis in Canada could have profound social, economic, health and cultural impacts on our society. In the interest of public health and safety, Delta urges the Provincial government to use its legislative authority to increase the minimum age of consumption to 19 years. Additionally, Delta is seeking measures to ensure farmland is reserved for food crop production, specifically lands located in the Agricultural Land Reserve, to deter the proliferation of cannabis on agricultural lands.

INTRODUCTION

The following submission is in response to the request from the BC Minister of Public Safety and Solicitor General for local government input regarding the development of a provincial regulatory system for non-medical cannabis. The City of Delta's submission represents the policy views of Delta Council, Delta Police Department, and Delta Fire & Emergency Services, and is organized as per the guidelines provided in the Ministry of Public Safety and Solicitor General's Discussion Paper.

As a local government with a unique mixture of residential, agricultural, industrial and commercial areas, Delta has concerns regarding the use of farmland located in the Agricultural Land Reserve for cannabis production. As well, it is essential that a fair taxation revenue distribution stream is established to provide local governments with funding required to train and appropriately equip Police and Bylaw Officers on how to respond to the Cannabis Act and corresponding amendments to Delta's bylaws. Delta urges the BC Government to include the following policy measures in its regulatory regime for non-medical cannabis:

MINIMUM AGE

Delta requests that the BC Government use its legislative authority to increase the minimum age to buy and possess non-medical cannabis to 19 years of age. This measure will harmonize the ability to purchase, grow and possess cannabis with the minimum age to buy alcohol and tobacco in BC, and is the BC age of majority when a minor becomes an adult. Furthermore, Delta's recommendation mirrors the minimum age of consumption being established by the Governments of Ontario and New Brunswick.

PERSONAL POSSESSION - ADULTS

Delta supports the BC Government imposing a 30-gram possession limit for adults possessing dried cannabis in public. A 30-gram possession limit is consistent with the Cannabis Act, as well as the Task Force recommendations and possession limits in other jurisdictions (i.e. Colorado, Washington, California and Alaska). Furthermore, establishing a 30-gram adult possession limit across Canada will create consistent rules and help simplify the enactment of the Cannabis Act.

PERSONAL POSSESSION - YOUTH

Delta requests that the BC Government use its legislative authority to prohibit the possession of any form of non-medical cannabis by persons under the age of 19 years. Such a law would in turn treat cannabis possession similar to how BC deals with alcohol – persons under 19 years are prohibited from possessing alcohol, and a law enforcement officer can confiscate it and has the option of issuing a ticket.

Additionally, to develop greater awareness and support for youth and families regarding the health risks related to cannabis consumption, it is recommended the BC Government:

- Develop preventative-based youth engagement campaigns and programs;
- Invest in school-based programs and provide funding to support school liaison officer programs to manage cannabis related issues in school environments; and
- Develop and fund formal diversion programs for youth found in possession of cannabis, including education, counselling and social/emotional support.

PUBLIC CONSUMPTION

Delta requests that the BC Government ban all forms of cannabis consumption in public places, including smoking and vaping, similar to tobacco smoking, in the interest of public health. Banning the public consumption of cannabis will also help towards reducing odour-related nuisance issues.

The Task Force is recommending that cannabis consumption lounges be established. In view of this, Delta requests that the BC Government establish a licensing scheme to limit the number of cannabis lounges, and give local governments authority over the location and hours, as well as restrictions within residential zones and near schools, daycares, churches or treatment centres.

Given the complexity of the new legislation, the need to educate the public on health risks, and the uncertainty around supply and demand, it is recommended that the BC Government delay the establishment of cannabis consumption lounges for at least two years.

OTHER FORMS OF CONSUMPTION – EDIBLES

Cannabis edibles have received growing media attention due to the increasing number of children and adults experiencing adverse reactions from the accidental or intentional consumption of edibles. In view of this, Delta requests that the BC Government implement a prohibition on the production and sale of all cannabis edibles, until such time as the Federal government establishes regulations for their manufacturing and production.

Furthermore, Delta requests the BC Government advocate for a national prohibition of cannabis edible products which are deemed appealing to children, such as candy or cookies. Additionally, it is essential that strict regulations are put in place around the production, packaging, labelling, and sale of edibles including, child-proof or child-resistant packaging, along with setting a maximum amount of tetrahydrocannabinol (THC) per each edible serving that is well marked on the package.

DRUG-IMPAIRED DRIVING

With the key objective of promoting road safety, Delta requests that the BC government:

- Similar to Ontario, set a zero-tolerance standard in respect of blood THC content for drivers in the Graduated Licensing Program (drivers with an “L” or “N” designation), drivers under the age of 19 years and for commercial drivers;
- Expand the Immediate Roadside Prohibition and Administrative Driving Prohibition programs to include cannabis drug-impaired driving;
- Invest in Drug Recognition Expert training and Standard Field Sobriety Testing training for at least one-third of front line police officers to increase capacity for managing cannabis impairment and enforcement; and
- Launch a public education and awareness campaign to inform British Columbians about the health risks associated with cannabis consumption and potential consequences of cannabis-impaired driving.

PERSONAL CULTIVATION

Delta accepts the proposed allowance for adults to grow up to four cannabis plants per household for non-medical use to a maximum height of 100 centimetres, as per the Cannabis Act. Delta also urges the BC Government to use its legislative authority to set restrictions on cultivation, such as a requirement that any indoor/outdoor plants be secured against exposure to children and/or theft and by also ensuring cannabis plants are not visible from outside the property. As an additional measure to reduce the risk of exposure to children, Delta requests a prohibition on the personal cultivation of non-medical cannabis in a home where a licenced childcare service facility is located.

While Delta supports the limited growing of non-medical cannabis for personal use, Delta urges the BC Government to pursue all available avenues to request that the Federal Government no longer allow the growing of medicinal cannabis in residential households. With the increased supply that will be available through commercial and recreational cannabis growers, the commercial production of medical cannabis in households under existing Federal licenses is no longer warranted. This situation creates health and safety concerns for first responders as well as neighbouring residents.

DISTRIBUTION MODEL

BC has an established and well-functioning government alcohol distribution network, providing a secure and reliable means to distribute product. This system has proven effective as a means to prevent diversion and also maintain control over supply and product quality. Delta seeks a government controlled non-medical cannabis distribution model where a certified government distributor facilitates the warehousing and distribution of cannabis. Additionally, it is incumbent on the BC government to ensure that whatever system is ultimately established includes a secure, quality controlled supply system of rigid standards and that the BC Government pushes Health Canada to ensure that sufficient resources are established and available to set quality control standards and ensure enforcement.

RETAIL

Delta requests that the BC Government establish a public retail system similar to Ontario’s plans to facilitate the sale of non-medical cannabis through stand-alone government operated cannabis stores and an online order service. Delta also requests that the BC Government provide local governments with the power of regulatory oversight regarding the issuance of building permits, zoning (including location control), and business licences.

ADDITIONAL DELTA ISSUES & CONCERNS:

COMMERCIAL PRODUCTION – ENSURING A RESPONSIBLE SUPPLY CHAIN

As a local government, the City of Delta seeks to ensure that cannabis production facilities are located only in appropriately zoned commercial or industrial areas, as approved by Council. To this end, Delta Council amended its Zoning Bylaw in 2014 to prohibit the production and the research and development of medical cannabis on Delta lands, excluding the Agricultural Land Reserve. Since the adoption of this bylaw, Council has approved a limited number of commercial medical cannabis production facilities on a case-by-case basis, with each facility being located in appropriately zoned industrial areas.

Agriculture is vital to Delta's economic, environmental and social sustainability, rendering significant value, including total gross farm receipts of almost \$170 million in 2010 (latest figure available). With farming and specifically food crops being a vital contributor towards Delta’s economy, Council also tried to amend its Zoning Bylaw in 2014 to prohibit the production of medical cannabis on lands

within the Agricultural Reserve, but the bylaw failed to receive approval from the Ministry of Agriculture.

Growing cannabis on prime agricultural land is a significant concern for Delta Council, as it has the potential to create a proliferation of cannabis production on lands located within the Agricultural Land Reserve, thereby displacing traditional food crop production. Furthermore, allowing cannabis production within the Agricultural Land Reserve could adversely affect the value and land prices for agricultural properties, subsequently impacting the long-term viability of farmland for food production.

Delta Police also share concerns regarding the cultivation of cannabis on Delta’s agricultural lands and identified the potential for increased risk around the presence of organized crime, robbery and commercial break and enters.

In response to these concerns, Delta requests that the BC Government prohibit the production of cannabis on lands within the Agricultural Land Reserve as a measure to guarantee food security and public safety.

TAXATION

Delta urges the BC Government to ensure local governments are appropriately recognized in the tax regime and allocated a fair portion of federal and provincial tax collected through the distribution and sale of non-medical cannabis. The legalization of non-medical cannabis will require local governments such as Delta to invest in additional training and resources for local police, fire and bylaw officers to ensure the production, distribution, sale and consumption of this product occurs safely and in accordance with both federal and provincial regulations. To this end, it is essential that taxation revenue from non-medical cannabis sales be allocated equally to Municipal Police Forces and the Royal Canadian Mounted Police.

In conjunction with Delta’s concerns regarding the production of cannabis on lands located in the Agricultural Land Reserve, Delta requests that cannabis production facilities located on farmland in the Agricultural Land Reserve be taxed at the same rate as cannabis production facilities located on industrial-zoned lands.

CONCLUSION

Prior to the implementation of the Cannabis Act, it is essential that the BC Government ensure municipalities play a key role in designing the regulatory framework, including the development of local plans for the production, distribution and consumption of cannabis within municipal boundaries. It is also critical that local governments be allocated a fair portion of tax collected through cannabis sales and distribution in order to invest in the resources required to support legalization and public health and safety.

October 31, 2017

File: 0530

Cannabis Legalization and Regulation Secretariat
Ministry of Public Safety and Solicitor General
PO Box 9285 Stn Prov Gvt
Victoria, BCBC
V8W 9J7

Dear Minister of Public Safety & Solicitor General,

Reference: Cannabis Legalization

Please accept the following submission for consideration in the development of a regulatory framework for cannabis in the province of BC.

On August 22, 2016, the City of Fernie Committee of the Whole held a public input session regarding the legalization, regulation and restriction of access to marijuana. An excerpt from the minutes of this meeting has been attached for your consideration.

Sincerely,

Meredith Hill
Deputy Clerk
/mh

Minutes of a Committee of the Whole held August 22, 2016

City of Fernie

Item 7.1 Legalization, Regulation and Restriction of Access to Marijuana Public Input

As part of Council's response to the federal government's public consultation outreach to Canadians regarding legalizing marijuana, Council invited the public to provide their comments and input to the completion of Health Canada's public survey "Toward the Legalization, Regulation and Restriction of Access to Marijuana". The discussion topics of the survey included:

1. Minimizing Harms of Use
2. Establishing the Safe and Responsible Production Systems
3. Appropriate Distribution Systems
4. Enforcing Public Safety and Protection
5. Accessing Marijuana for Medical Purposes

Two members of the public addressed Council to express their viewpoints.

First Speaker: provided a personal perspective of his experience fighting cancer and dealing with the health system in Fernie to try and obtain medical marijuana. He supports the legalization of marijuana and noted it was critical to have a regulated dispensary.

Second Speaker: noted his concerns with respect to how legalizing marijuana may affect youth and a family oriented community like Fernie. Of concern was the potential location of storefront dispensaries and advertising and the potential negative impact on youth. He felt development of a program for teachers and students around cannabis education was required and should be framed in a positive way.

Council thanked the speakers and stated they had the same concerns regarding youth, community and the legalization of marijuana. The gallery was invited to join the conversation as Council discussed each topic raised in the questionnaire.

Section 3.1 Minimizing harms of use

Q1. Do you believe that these measures are appropriate to achieve the overarching objectives to minimize harms, and in particular to protect children and youth? Are there other actions which the Government should consider enacting alongside these measures?

- Overarching measures are appropriate;
- Local governments must emphasize location is critical and must consider population density;
- Location could be regulated through zoning bylaws;
- Federal government must support local government bylaws & provide consistent laws across Canada;
- Control business hours dispensaries are open;
- Capping limit on THC not supported

Q2 What are your views on the minimum age for purchasing and

possessing marijuana? Should the minimum age be consistent across Canada, or is it acceptable that there be variation amongst provinces and territories?

- Age should be consistent across Canada;
- No age limit for medical purposes; otherwise minimum age same as tobacco and alcohol

S.3.2 Establishing a safe and responsible production system

Q3 What are your views on the most appropriate production model? Which production model would best meet consumer demand while ensuring that public health and safety objectives are achievable? What level and type of regulation is needed for producers?

- Lab test products (re bacteria, pesticides, etc.)
- Childproof packaging;
- Clear labelling (strain, potency, etc.)
- Minutes of a Committee of the Whole held August 22, 2016
- Make as safe as possible - consistency

Q4 To what extent, if any, should home cultivation be allowed in a legalized system? What, if any, government oversight should be put in place?

- Local growers must still be regulated (tested & properly packaged)
- Q5 Should a system of licensing or other fees be introduced?
- Yes
- Inventory control

Q6 The MMPR set out rigorous requirements over the production, packaging, storage and distribution of marijuana. Are these types of requirements appropriate for the new system? Are there features that you would add, or remove?

- Yes – agree with what's offered
- Add 3rd party testing
- Q7 What role, if any, should existing licensed producers under the MMPR have in the new system (either in the interim or the long-term)?
- Highlight strong/best practices (ie workplace regulations)

S3.3 Designing an appropriate distribution system

Q8 Which distribution model makes the most sense and why?

- Storefront access regulated by zoning and population;
- Available only in marijuana dispensary store

Q9 To what extent is variation across provinces and territories in terms of distribution models acceptable?

- Some variation required based on location (ie accessibility in rural areas)

Q10 Are there other models worthy of consideration?

- No comment

S4 Enforcing public safety and protection

Q11. How should governments approach designing laws that will reduce, eliminate and punish those who operate outside the boundaries of the new legal system for marijuana?

- Set limits of intoxication and test similar to roadside tests for alcohol impaired drivers;

Q12. What specific tools, training and guidelines will be most effective in supporting enforcement measures to protect public health and safety, particularly for impaired driving?

- RCMP test for levels of THC;
- Need accurate roadside testing and appropriate limits of intoxication levels established;
- Support strengthened laws as long as consistent across country

Q13. Should consumption of marijuana be allowed in any publicly accessible spaces outside the home? Under what conditions and circumstances?

- Regulate similar to alcohol;
- No open use (only in establishments on private property or in home use);

S3.5 Accessing marijuana for medical purposes

Q14. What factors should the government consider in determining if appropriate access to medically authorized persons is provided once a system for legal access to marijuana is in place?

- Individual choice and must be available locally;
- Support access through medical authorization (prescription)

October 31, 2017
File No. 2210-01

*Ministry of Public Safety and Solicitor General
Attn: Cannabis Legalization and Regulation Secretariat
PO Box 9285 Stn Prov Govt
Victoria, British Columbia V8W 9J7*

Dear Minister Farnworth,

I write on behalf of the City of Fort St. John in response to the BC Cannabis Regulation engagement.

Municipal role

Our administration is concerned about what the local governments' role will be in enforcing the new regulations. Bylaw Enforcement Officers and other supportive staff may be impacted by provincial and federal regulations that we have yet to see a draft on.

Taxation and Budget Impacts

Local government should be able to establish a tax related to cannabis products to offset the projected loss taxation from assessment. BC Assessment Authority has indicated that they will recognize commercial production of marijuana as a legitimate agricultural use, and qualifying producers would therefore be eligible for farm tax status. It is important to recognize that this tax reduction could apply anywhere, not just agricultural land. Therefore, municipalities could see a reduction in potential tax revenues from their industrial land base. This can impact the budget distribution of a municipality after BC Assessment Authority figures are submitted in January.

The Provincial Government may want to look into assisting municipalities in balancing BC Assessment Authority's approach with reasonable tax implications such as that found in a gas tax rebate.

Senior levels of government may be poised to receive revenue, while the costs associated with the enforcement and regulation will be at the municipal level further impacting municipal budgets.


Education

The public is entitled to be educated on the legalization of marijuana. The Province should consider an information campaign similar to the tobacco industry to ensure the general public is properly informed on the product.

Timing

Consideration for zoning bylaw changes and required public engagement as per the Local Government Act should be incorporated into the provincial dates for legalization. The province needs to recognize that there may be an inability of communities to get their bylaws in place quick enough once we understand the regulations, which have not been seen by local government.

Sincerely,



Wally Ferris
Acting City Manager
The City of Fort St. John



THE CORPORATION OF THE CITY OF GRAND FORKS

OFFICE OF THE MAYOR

Cannabis Legalization and Regulation Secretariat
Ministry of Public Safety and Solicitor General
200 – 914 Yates Street
Victoria, BC V8V 3M2

Via email: cannabis.secretariat@gov.bc.ca

November 1, 2017

Re: Cannabis Legalization and Regulation in British Columbia

To Whom It May Concern:

The Corporation of the City of Grand Forks is a municipality in south central BC with a population of just over 4,000. Council considered and debated the topics presented in the Province's discussion paper in open meeting and recommends the following:

- The minimum legal age to purchase Cannabis should be 19 years.
- The personal possession limit should be 30g.
- Public consumption of Cannabis should be limited to designated areas.
- There should be zero tolerance for drug impaired driving.
- Personal cultivation should have a limit of four plants per household.
- The City has no preference of distribution model.
- The City has no preference of retail model.
- Public education must be increased to insure an informed public.

The topic prompted a lively discussion with non-unanimous resolutions on the topic. Only the results of that discussion are being presented as recommendations to the province. The City wants to note the complexity of any debate on Cannabis and that multiple opinions cannot be expressed by Council resolution. Furthermore, the Province should not impose any increased service burden to municipalities without additional tax revenue sharing.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Konrad", is written over a light blue horizontal line.

Frank Konrad
Mayor
City of Grand Forks